

**CHECK AGAINST DELIVERY**

Long version for publication

Statement on behalf of the EU and its Member States

3<sup>rd</sup> Preparatory Committee FFD 4

10 February 2025

Delivered by H.E. Ambassador Stavros Lambrinidis,  
Permanent Representative of the European Union

Mr Chair,

I have the honour of speaking on behalf of the EU and its Member States.

Let me start by thanking the co-chairs [*Burundi and Portugal*] for steering us through this process, and the four co-facilitators [*Nepal, Norway, Mexico and Zambia*] for the zero draft.

We confirm our active and constructive engagement in this process.

I would also like to note that under the leadership of the Polish Presidency of the EU Foreign Affairs Council of Ministers (FAC-DEV), the ministers of the 27 EU Member States and the European Commissioner will, tomorrow, in Warsaw, discuss the Financing for Development agenda and FFD4 Conference. This is to underline that the issue is very much being prioritised on our political agenda.

We will make detailed and comprehensive comments on the draft over the next few days and listen carefully to other delegations and groups.

**Let me stress three points.**

First, in this challenging global context, the FFD4 process has to make good on the high ambition set out in the Pact for the Future of bridging the financing gap for achieving the SDGs. We can only achieve this with

**concrete and realistic actions with focus on impact on the future of people and the planet. The implementation of these actions must be monitored and followed up.** Accountability will also build trust in multilateral cooperation.

Second, we will have to be more **coherent, more inclusive, more effective and more efficient with the resources that are available**. Nothing can be taken for granted and we must persist in mobilizing public, private, domestic and international resources, and all stakeholders will have to do their part. We should focus on improving and building on existing structures, ongoing work and processes, making the most of relevant initiatives such as the Paris Pact for people and the planet and the Hamburg Sustainability Conference. We have to reinforce complementarity of work under existing mandates within global economic governance, including the UN, international financial institutions, WTO, Paris Club, the financial stability board, OECD and G20, etc. while fully respecting the relevant mandates.

Thirdly, we must explicitly target **inequalities**, within and between countries, between men and women and different segments of society. Action should be benchmarked against the measurable impact that it can be expected to have on reducing and overcoming inequalities.

This week we will comment on each segment during the informal part of this meeting. As a general reflection, we support as a starting point the strong focus on country level and the importance of national financial architecture, national responsibility and ownership. Localization to the SDGs is key in this regard. Some of the specific priorities mentioned in the document we strongly support. These include:

- enhancing **fiscal systems**, both for revenue and expenditure;

- improving **enabling environments for investment** at all levels;
- **mobilizing private capital and finance** through innovative financial instruments and de-risking mechanisms such as guarantees.

Cross cutting issues and development multipliers that will be of utmost importance include:

- good governance, human rights and the rule of law;
- human capital and skills, science, technology and innovation;

Systematically considering gender equality and the economic empowerment of women and youth is not only the **right** thing to do – it is the **smart** thing to do from an economic perspective. We support a similar cross cutting approach to anti-corruption.

We also fully agree that financing for climate, biodiversity and the environment, and for other dimensions of sustainable development are **closely interlinked** and their synergies must be captured.

We also encourage strengthening language on reinvigorating work on the **development effectiveness agenda**, with a strong focus on **impact**.

We have also identified a number of issues on which we have questions and concerns, and which would require further clarification, context and better balance.

First, we do not recognize the entirely negative perception of the current international financial system. While we agree that challenges remain, we have collectively improved the existing international financial architecture and this needs to be acknowledged. .

Other elements that we will propose to revisit include:

- elements relating to the global financial safety net and SDR issuance
- language on debt architecture and debt sustainability analyses,
- language on credit ratings, where we see scope for capacity building, better transparency and dialogue, but caution against undermining the independence of assessments

Some of the proposals relating to illicit financial flows, review of prudential frameworks and taxation also need to be looked at, to reflect mandates of other fora and be coordinated with ongoing processes, especially in the FATF framework and in that light, avoid being too prescriptive.

Finally, the references to IMF governance in the zero draft are too detailed.

There are also some issues that we see as still lacking or missing entirely from the text. These include

- financing of the peacebuilding agenda, bearing in mind that 40 per cent of those living in extreme poverty and hunger are in conflict-affected countries;
- The need for broadening the donor base in support of the poorest and most vulnerable;
- And we would also like to see more about the opportunities that the green transition and the circular economy offer for job creation, sustainable growth, and reducing inequalities
- We also miss language on oceans, disaster risk reduction and and pollution.

Last but absolutely not least, we should address the issue of robust follow-up and monitoring as a matter of priority, early on and in the course of the process, and not as an afterthought or add on.

Mr Chair, let me reiterate our request on process: **clarity, predictability and focus** will be of utmost importance. We recall the request for the circulation of at least one if not two revisions of the outcome document after the March text, to facilitate reaching a consensus text ahead of the conference.

And of course, the process should be inclusive and transparent. We ask the cofacilitators to ensure that all stakeholders are not only heard but have appropriate visibility over the process.

Mr Chair, ladies and gentlemen, I close by reiterating the commitment of the EU and its MS to engage fully and constructively with all delegations, stakeholders and partners in this process.

I would also like to share that under the leadership of the Polish Presidency of the EU Foreign Affairs Council of Ministers, the ministers of the 27 EU Member States will, tomorrow, in Warsaw, discuss the Financing for Development agenda and FFD4 Conference. This is to say that the issue is being prioritised on our political agenda.

Thank you.

Words: 1007