

February 11, 2015

Japan's comments on the elements paper for the 3rd International Conference on Financing for Development

[Process]

- A joint session of FfD and Post 2015 during the April session of the Post 2015 intergovernmental negotiations focusing on the Means of Implementation is a logical option to effectively use the limited time.

by emphasizing the need to address inequality, disparity, and promote equity and shared prosperity in all countries. This means that, at the global level, more resources should be directed to the most vulnerable countries, including LDCs, LLDCs, SIDs as well as the countries recovering from conflict. It also means that, at the sub-national level, the protection and the empowerment of the most vulnerable people, including women

only after the gaps have been clearly identified by each state under its ownership.

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quality infrastructure projects by addressing the following challenges:

- ① Effective resource mobilization including PPP (enabling environment, risk sharing modalities, capacity building, etc.)
- ② Prioritization and formulation of quality infrastructure by:
 - (a) ensuring coherence with economic/development strategies on the recipient side including through dialogue;
 - (b) addressing social/environmental impacts in accordance with relevant international practices/standards; and
 - (c) ensuring the quality of infrastructure projects from the point of view of their life-cycle costs, including their performance and durability, as well as the safety and resilience to natural disasters.

C. International public finance

- We believe the element paper over-emphasizes the role of ODA

to the poorest and most vulnerable counties.

governments in promoting development. Following Monterrey and Doha, Addis should also emphasize debt sustainability and sound debt management so that it will be used in the most effective way. Monterrey also focused on outstanding indebtedness and gave a strong push to enhancing HIPC initiative and MDRI, which have seen major achievements.

- With regard to debt crisis, more emphasis should be placed on sound management and prevention. The discussion on sovereign debt restructuring has been ongoing in IMF with a view to strengthening the contractual approach, which is now a major accepted approach internationally. FfD process should encourage, and not counter such efforts by the experts.
- We do not agree with the view expressed in the elements paper, especially with regard to the existing mechanisms. The Paris Club and other arrangements have been achieving tangible results and are not "loose set of mechanisms" as described in the elements paper.

G. Systemic Issues

- The Bretton Woods Institutions have their own independent decision-making processes separate from the UN system. It is not realistic to think that the UN-led process can directly change the IMF or the World Bank.
- Should the zero draft refer to the ongoing reforms in these institutions as well as the different mechanisms they manage, there should be appropriate interactions with these institutions for the "technical proofing" of the draft.

III Monitoring, Data and Follow-up

- The follow up of Monterrey and Doha have been done by GA and ECOSOC. Since the monitoring/follow-up mechanism of the post-2015 development agenda is under discussion, centering around HLPF, the follow-up of Addis should be considered fully in line with this

transparent and inclusive with regard to non-OECD members, including the members of G77+China. OECD Secretariat is encouraged to reach out to the wider UN membership to explain the activities of OECD/DAC.

- The most important feature of the Monterrey process is the comprehensive and inclusive approach to capture all relevant resources for development, encompassing national efforts for domestic resource mobilization, private finance, both domestic and international, and international public resources, including ODA, South-South cooperation and other official flows. Monitoring and follow-up process should also be comprehensive and inclusive. We need to agree on a truly global partnership for sustainable development financing.

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