

Netherlands Statement - Substantive informal sessions, Preparatory Process for the Third International Conference on Financing for Development, 12 December 2014

Distinguished co-facilitators,

I am speaking on behalf of the Kingdom of the Netherlands and would like to align myself with the statement made by the EU.

We would like to thank the co-facilitators for their leadership in this process. We have also greatly appreciated the very interesting contributions by the panels and stakeholder partners.

We would like to present our thinking in two parts, namely on process and on substance.

On process, we would like to stress the importance of coherence between the post-2015 process and these discussions that will lead us to the conference in Addis Ababa. The Financing for Development process is of fundamental importance for success in the Post-2015 Summit in September 2015. The Addis Ababa conference is key in setting us on the right path towards achieving the post-2015 goals and targets by 2030. We need an outcome out of the Financing for Development process that will fit into the post-2015 framework, both in terms of substance and in terms of structure.

On substance, we would like to underline that next to financing an enabling policy environment is key for implementing the post-2015 Sustainable Development Goals. Addressed in Monterrey and Doha and further elaborated by the International Committee of Experts on sustainable development financing, sound and effective policies at the national and international level are indispensable for mobilizing and channeling financial resources where needed.

Primary responsibility for the implementation of the post-2015 SDGs lies with countries themselves. The national policy environment, the quality and effectiveness of domestic regulations and institutions are key for implementing the post-2015 SDGs on a national level, taking into account each national policy interests and priorities.

In this regard, I emphasize the need for capacity building efforts in the area of trade, investment, tax and technology transfer.

As provider of over 90 percent of jobs in developing countries, the private sector has a key role to play to bring about sustainable development. In order for the private sector to play that role, there has to be an enabling environment conducive to private sector development.

This requires strong, independent institutions to keep watch over solid economic governance. Apart from positive effects on domestic economic activity, properly functioning tax systems, customs services, cadaster, and judiciary are paving the way for increased foreign direct investment and new trade flows.

The Netherlands is ready to provide technical assistance to governments committed to strengthen their economic institutions.

Complementary to the domestic context, international standards are essential to ensure that growth is inclusive and benefits the poor, while simultaneously generating social and environmental impact. However, leeway must be given to differentiation in accordance with each country respective capabilities and in respect of national public policy interests.

Firstly, international principles on responsible investments and guidelines on corporate social and environmental responsibility may encourage the positive impact companies can make to sustainable development. In addition, more integrated and robust corporate reporting could help redefine business value and improve the accountability of the private sector with regard to the implementation of the post-2015 SDGs.

Secondly, international tax cooperation is of crucial value for mobilizing domestic revenues. Although bilateral tax treaties can help in bringing in foreign investments, they can also be misused, specifically through aggressive tax planning policies of multinational companies. Therefore, to minimize tax base erosion we need look closely at bilateral tax treaties. To this end, the Netherlands is currently in the process of revising 23 treaties with developing countries.

We also need to make sure international fiscal rule-making benefits developing countries. The current initiative to adapt the international provisions for fiscal regulations in the framework of the OECD/G20 BEPS (Base Erosion and Profit Shifting) project provides an excellent opportunity. We need to ensure these negotiations include developing countries and address their concerns.