

Annex 1 - CSO FFD Group Vision on ECOSOC Forum on Financing for Development

1. The ECOSOC Forum on Financing for Development Follow-up will have to reaffirm the strong political commitment of Member States (MS) to advance in addressing the challenge of financing development in the spirit of global partnership and solidarity. We expect MS to reaffirm and build on the outcomes of the 2002 Monterrey Consensus, the 2008 Doha Declaration and the Addis Ababa Action Agenda, endorsed by the General Assembly in its resolution 69/313 of 27 July 2015.

2. We also believe that MS should reaffirm the principle of equity between nations in the spirit of the global partnership for development. The Financing for Development's process should recognize and guarantee the human rights framework, purposes and principles of the Charter of the United Nations including full respect for international law, the Universal Declaration of Human Rights and international human rights treaties. Recognizing that gender equality is a cornerstone of the UN Human Rights framework, it should be considered as a cross-cutting issue in every stage of the process. Sustainability criteria should also be mainstreamed given the urgency the world faces in addressing the environmental crisis. Accountability and transparency should be principles to guide MS in order to advance the realisation of the principle of equality.

3. However, the inaugural FfD Forum and the actual time allocated to its preparations did not live up to these aspirations. It did not meet its potential usefulness, and turned out a missed opportunity to move the implementation of FfD agreements forward. In fact, insufficient time was devoted to envisioning and organizing the follow-up process, including, and with special emphasis on, the necessary articulation of a medium-term plan of work for the coming years. We would therefore like to offer a set of alternative proposals that could possibly contribute to envisioning a relevant and ambitious FfD follow-up.

4. First of all, it is essential that the FfD Forum provides adequate space to contextualise and assess critical trends and emerging issues in order to ensure that the FfD follow-up process is always in tune with the evolving political, social, environmental and economic landscape. For instance, the last Forum failed to contextualize its discussion within critical emerging issues, such as:

- The renewed urgency to scale-up inclusive international cooperation to provide for a fairer global tax system that can increase domestic resource mobilization and tackle inequalities, also in response to the wave of popular outrage that followed the release of the Panama Papers;
- The migration crises that not only has once again exposed the dramatic human consequences of the persistence of structural inequalities and development disparities, but has also witnessed the significant diversion of ODA flows by some important donors to address the cost of the refugee crisis in their own countries, in the context of a continued gap between the aspirations and ODA resources, as confirmed by DAC data;
- The challenging state of the world economy, still reeling from the repercussions of the global financial crisis and, in spite of unprecedented monetary stimuli, still facing a fragile situation with stubbornly low growth, weak demand, low commodity prices, fluctuating exchange rates and tightening financial conditions. Where recovery should have been

expected, the global economic conditions are rather leading slowly to another financial crisis, whose impacts will be more widely felt by developing countries, with high risk of a re-emergence of debt unsustainability and exacerbation of the existing conditions of commodity dependence due to the combined evolution of commodity prices and exchange rates;

- The deal by Argentina with holdout (vulture) creditors that chose to stay out of a restructuring that 92 % of creditors had accepted.

5. We further believe that, in addition to proper contextualization, the FfD follow-up process should be articulated in three distinct domains:

- **Monitoring and accountability**: While we appreciate the efforts that have been and continue to be placed in the development of the Inter-Agency Task Force (IATF) Report, the past Forum's agenda did not allow meaningful space for interrogating the report and tackling the challenges being exposed by the attempt to monitor implementation. Furthermore, it is essential that the report's preparatory process provides more consistent space for the effective and meaningful participation by civil society;
- **Advancement of the normative agenda**: The FfD outcome documents (Monterrey Consensus, Doha Declaration and Addis Ababa Action Agenda) call for the development of global policy guidelines and safeguards to build coherence and convergence with sustainable development objectives and advance the FfD agenda. We believe these normative developments to be a critical dimension of the follow-up process. However, they require appropriate multi-year planning and a clear preparatory pathway, that includes adequate independent knowledge generation preceding the political negotiations. While the IATF Report could contribute to this process, we believe that the normative agenda needs to be based on the leadership of Member States;
- **Institutional redesign**: The FfD outcomes call for significant institutional development to be initiated, such as the Global Infrastructure Forum, the Technology Facilitation Mechanism and the Science, Technology and Innovation (STI) Forum, or strengthened, a in the case for international tax cooperation. Furthermore, the outcomes chart many interrelations between the FfD process and other institutions and policy domains. The follow-up process should provide critical space for advancing the proper development of these new components of the architecture of global economic governance under the close guidance and policy direction of Member States.

6. For the purposes of the thematic reviews of progress on the Addis Ababa Action Agenda at the ECOSOC Forum on Financing for Development Follow-up, thematic sequencing of themes for each four-year cycle of the forum should reflect the integrated, indivisible and interlinked nature of the Financing for Development process and its contribution to the Means of Implementation of the Agenda 2030.

7. We propose that under the auspices of the Economic and Social Council, the themes of the ECOSOC Forum on FfD Follow-up review all the Action Areas every year, while focusing the discussion on one critical issue per Action Area. This way we would have a focused subtheme each year for each of the Action Areas. The comprehensiveness of reviewing each Action Area every year would ensure tackling implementation challenges in each of the areas, allowing to use the opportunity of the annual FfD Forum to both review progress and follow-

up the normative agenda, while allowing monitoring and assessment of the entire agenda in a systematic manner.

8. While the largest share of the 5-day ECOSOC FfD Forum would be dedicated to the review, follow-up and monitoring of the FfD Agenda in its integrity, combining all FfD Conference Outcomes (Monterrey, Doha and Addis Ababa), one day could be dedicated to the creative and interactive discussions on challenges arising from the High-Level Political Forum Voluntary National Reviews, with particular relation to the Means of Implementation (Mol) of the 2030 Agenda. If Voluntary National Reviews addressed to the HLPF do not portray matters related to Means of Implementation (Mol), countries should be encouraged to develop appropriate Mol reports for the FfD Forum and engage in a dialogue on key challenges and opportunities. These discussions will feed the High-Level Political Forum and will be focused, albeit not in a narrow manner, on the themes discussed every year in the HLPF. The conclusion and outcomes of such a one-day session on Voluntary National Reviews should also feed possible recommendations to be considered in the negotiated outcome document.

10. The negotiated outcome should be centred on both tackling the implementation challenges with respect to all FfD pillars and agreed action areas, and advancing the follow-up and further strengthening of the FfD process. In this respect, there is an urgent need for the FfD Forum to provide adequate space for the follow-up and advancement of key normative dimensions of the FfD agenda, and this should inform and inspire the negotiations of the FfD Forum outcome. The negotiation process should also recognize the importance of transparency as well as appreciate the value of the contribution of all participating constituencies. It is therefore essential that negotiation modalities be transparent, open and inclusive in all their dimensions, such as scheduling, sharing of official drafts, and access and participation to negotiation sessions.

11. The negotiated outcome of the ECOSOC Forum on Financing for Development Follow-up should take note of the outcomes of regional forums. To this end, relevant regional conclusions from the UN regional commissions should be submitted to the preparatory process of the ECOSOC FfD Forum and should be encouraged to include, inter alia, an analysis on the regional context, the challenges faced by member states in relation to the annual themes, and proposals on how to possibly tackle them.

12. Regarding the subsequent reports of the IATF, we expect that these may help advance the areas highlighted by member states and other relevant actors for further follow-up and review to advance the normative agenda. However, the preparatory process of the IATF report will need to have a more inclusive nature, including a clear schedule for providing inputs and a public calendar of thematic consultation that would consistently engage all FfD constituencies, with full respect of their self-organizing modalities to participate.