

CSO FfD Group (including Women's Working Group on FfD) Declaration High Level Dialogue on Financing for Development (FfD)

26 September 2019

Background

As the UN meets this September to discuss the climate crisis and sustainable development, it is evident that meaningful progress is only possible if world leaders commit to fix a broken global financial system. Those impacted the most by inaction as the world confronts the multiple crises at our doorsteps - financial crises, debt crises, climate crisis, and crisis of multilateralism - are those at the bottom rung of structural inequality ladder. This is in violation of the fundamental principles of human rights, especially women's rights and gender equality.

The Challenge

The High Level Dialogue on FfD is unfolding in a context where almost half of low income countries are at risk of a new debt crisis, increasing illicit financial flows including tax avoidance by corporations, and continuing decline in ODA. In addition, there is crisis in the global trading system, unforeseen impacts of new emerging technologies on society, unfulfilled commitments to new, additional climate finance by developed countries and some of the root determinants of the last financial crisis still remaining unaddressed.

Despite these challenges, the decision by governments to reduce the High Level Dialogue on FfD to a mere talk shop is a huge missed opportunity. Rather than tackle the global systemic issues, governments are continuing business as usual operating under the unrealistic assumption that private finance will appear to fill the financing shortfalls. These systemic issues are in fact a result of the financialisation of economies which has allowed for the concentration of power and wealth in the hands of a few.

Our Recommendations

Delivering on climate justice and sustainable development requires bold reforms to democratize global economic governance and realign the financial system with the imperatives of human rights, gender justice, people and planet centeredness.

1. **Institutional reforms:** We reassert the need for multilateral reforms to democratise global economic governance such as a global debt workout mechanism, UN intergovernmental tax commission and a global technology assessment mechanism. We reject the cynical actions by countries professing to continue to believe in multilateralism, then blocking progress on such multilateral solutions. We urge countries that continue to be obstinate gatekeepers of undemocratic, secretive forums to instead engage in the United Nations and uphold the UN's democratic potential.
2. **Normative policy guidelines:** The UN should be central to the development of global policy guidelines and safeguards to build coherence and advance the goals in all the FfD action areas and outcome documents. The narrative on blended finance and PPPs is inconsistent with the AAAA commitment to developing principles and standards to safeguard the public interest. While promising to see the commitment to work towards a global consensus on principles for responsible lending and borrowing in the 2019 FfD Forum's outcome document, there is still no process in the UN to build such consensus.

Next Steps

The HLD on FfD should provide the political impetus to build momentum for governments to pledge their support for multilateral solutions in the context of FfD. **We urge governments to establish open-ended formal or informal intergovernmental working groups on some of the critical FfD issues (debt, tax related IFFs, technology assessment etc) through UNGA resolutions.** This will allow governments to start doing the groundwork of building consensus on these issues.

As the CSO FfD group, we also continue to call for another heads of state FfD summit to mark the 20 year anniversary of the Monterrey Consensus, with the aim of reviewing implementation of all major outcomes of the Financing for Development process, and identifying any needs for further action.

It is time for governments who support multilateralism to take concrete, collective action to move forward.

For more details about the Civil Society Financing for Development (CSO FfD) Group, visit: <https://csoforffd.org/>. The CSO FfD Group's statement to the 2019 FfD Follow-up Forum can be accessed [here](#).