

To the kind attention of:

H. E. Mona Juul

President of the Economic and Social Council

Cc:

Mr. Navid Hanif, Director, UNDESA Financing for Sustainable Development Office

Members of the ECOSOC Bureau

Permanent Representatives and Observers to the United Nations in New York

19 November 2019

RE: Programme of the 2020 ECOSOC Forum on Financing for Development Follow-up

Your Excellency,

We, the Civil Society Financing for Development Group, representing a wide range of organizations, federations and networks from diverse regions and constituencies around the world (including the Women's Working Group on Financing for Development), respectfully submit some inputs regarding the programme of the 2020 ECOSOC Forum on Financing for Development (FfD) Follow-up (or "the Forum").

Consistent with our past submissions, we believe that the programme of any FfD Follow-up Forum should respond to the following critical functions:

- Providing proper contextualization of the FfD agenda within critical and emerging issues, therefore ensuring the relevance and alignment of the Forum with today's challenges and events;
- Monitoring of the implementation of all three FfD Conference Outcomes (Monterrey Consensus, Doha Declaration and Addis Ababa Action Agenda), including space for interrogating the methodology and outcomes of the Inter-Agency Task Force Report;
- Following up and advancing a normative agenda on FfD, including the development of the global policy guidelines and safeguards which are called for by the conference outcomes and are required to build coherence between economic and finance policies with sustainable development objectives; and,
- Building the global consensus on the re-architecture of global governance institutions which is necessary to fill the gaps that the FfD outcomes have exposed and committed to address.

In this regard, we would like to share the following **thematic proposals for the 2020 Forum**:

- The FfD Forum needs to provide adequate space to contextualize and assess critical trends and emerging issues such as the emerging (or rather well emerged) debt crises, the taxation of the digital economy, and the need for impact assessment of new technologies. With respect to these issues, the central question of the Forum should be that of exploring the role of the UN in establishing global policy guidelines and safeguards as promoting multilateral reforms that can respond to these challenges while also democratising global economic governance;
- The FfD Forum should provide adequate space to critically assess the current dynamics of financialization, which encourage speculation at the expense of productive investments in the real economy. At the same time, the Forum should expose how national development banks are more likely to promote productive investments and explore how to enable public development banking to achieve its potential, such as tackling insufficient capitalization and inadequate policy support;
- We are concerned with the dominant discourse within recent editions of the FfD Forum that finance from the private sector comes in the form of investments, subjecting the pursuit of public goals to the

expectation of profitability and, increasingly, public guarantees for private risks. Considering the reality of blended finance over the past few years, with no-evidence of leveraging and dubious development impacts, the Forum should expose sharper analysis of the different mandates that public resources and private finance have as well as problematize private finance, including the use of public funds to leverage and de-risk private investments, in the context of the increasing role that private sector debt plays on the looming debt crises and the need to more effectively tax corporate wealth. We hope the upcoming Forum will better highlight these inter-linkages in the context of its discussion on the private sector's role;

- While the past Forum started to address the issue of Climate Finance, which is in our view a critical dimension of development finance, the upcoming Forum should expose the devious relations between climate change and financialization, as regulating global finance would be an indispensable step to win the existential challenge generated by climate change;
- Gender equality and women's human rights have been identified as key cross-cutting issue to the entire FfD process. However, at macro-economic level, we continue to witness limited emphasis on the unpaid domestic and care work derived from the sexual division of labour, which represent the single largest subsidy to the global economy. The Forum should there recognize the systemic macro obstacles to fulfil women's human rights and problematize the continuous attempts to exclusively localize the discussion at the micro level (i.e. women's entrepreneurship, etc.). It should also expose how economic and financial crises tend to make matters worse for women, not only because the care burden often increases but also because they are primarily and often inequitably impacted by fiscal austerity and social programs' streamlining;
- Last but not least, the Forum should create more space to address the challenges of socio-economic transformation in developing economies, with special but not exclusive reference to commodity trapped countries. In this respect, emphasis should be placed on the structural and systemic obstacles to socio-economic transformation that are generated by current macro-economic, financial monetary and trade regimes. Ultimately, this is the *raison d'etre* of the FfD process. In this context, it would be interesting to debate at the Forum the emerging interest for the use of monetary resources (rather than only fiscal ones) for developmental purposes, including the possible development function of Special Drawing Rights.

Regarding the **modalities of the FfD Forum**, we would like to raise the following concerns and proposals:

- We remain concerned with the ability of the negotiated outcome to meaningfully accommodate the vibrant Forum discussions if the negotiations are already closed before the Forum week begins. We would therefore encourage to keep the negotiations open and maintain place holders for some critical discussions to be finalized at the Forum itself. Alternatively, though sub-optimally, it could be possible to negotiate the Forum outcome document after the Forum has actually taken place;
- We believe that four days is insufficient time to do justice to the mandate to follow up on all the FfD outcome documents (Monterrey Consensus, Doha Declaration and Addis Ababa Action Agenda). These outcomes 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, the current follow-up modalities do not provide for any real opportunity to advance the FfD agenda in this respect. We would therefore propose the following:
 - Advancing the normative agenda on FfD requires appropriate multi-year planning and a clear preparatory pathway, that includes adequate knowledge generation preceding the political negotiations. While the IATF Report could contribute to this process, the political dialogue needs to be based on the leadership of Member States. We propose that the upcoming FfD Forum takes the bold step of agreeing on such multi-year planning framework;
 - We therefore continue to call for establishment of formal/informal thematic working groups to provide this preparatory pathway as well as space to work on issues that remain unresolved in the

negotiations. For example, informally, the ECOSOC president could set up thematic 'Friends of chair' groups to continue these discussions beyond the Forum;

- We would like to propose that a 'fifth day', additional to this year's four-day Forum, could be scheduled in the fall to provide adequate space for an assessment by Member States, in active consultation with all other FfD stakeholders, on the effectiveness of the Forum process and for a dialogue on the opportunity and modalities for the establishment of multi-year programme of work for the FfD Follow-up process. After five years since AAAAA, this could serve as a much-needed space for reflection on the follow up process.

Civil society active participation to the FfD Forum

In accordance with Monterrey modalities, civil society and the private sector are, in addition to governments and institutional stakeholders, an integral part of the Forum. We therefore call for civil society to be enabled to fully participate in all segments of the Forum. In our view this requires that:

- Civil society be given the right to contribute, intervene and respond –and consequently granted a number of civil society speaker seats --at the Roundtables, the High-Level Segment, dialogue between UN ambassadors and the Bretton Woods Institutions and any other portions of the meeting. At the same time, we understand that in order to preserve the intergovernmental nature of the meeting it is at the discretion of the chair to determine how many times civil society will be able to intervene in a given session (as long as the same treatment is given to all actors that are not governments);
- To the extent that panels will be appointed to offer initial remarks in roundtables and plenary discussions, civil society, as a stakeholder in the Forum, be allowed to nominate at least one representative to such panels and the self-organizing capacity of civil society be respected in the designation of its speakers;
- Civil society be consulted by the relevant UN staff on the decision of themes, sub-themes and guiding questions or objectives of the sessions, including roundtables and high-level segments, given that these themes and questions frame the content of the meetings;
- Participation in the Forum be accessible to all registered civil society representatives, including persons with disabilities (considering e.g. physical access, accessible communications), and civil society be granted adequate spaces to hold its briefings, preparatory sessions and side events; and,
- The Trust Fund or any other resource facility be well-resourced to enable meaningful, gender-balanced and consistent civil society attendance, particularly from the South as well as from regularly not included and commonly marginalized groups.

We remain at your disposal for any necessary clarifications on these proposals and look forward to constructively engaging in the upcoming FfD Forum and other instances of the FfD follow up process.

Sincerely yours,

Civil Society Financing for Development Group (www.csoforffd.org)
(including the Women's Working Group on Financing for Development)