

To the kind attention of:

H.E. Ms. Elizabeth Thompson, Permanent Representative of Barbados to the UN

H.E. Mr. Andrejs Pildegovičs, Permanent Representative of Latvia to the UN

Co-Facilitators for the preparation of draft conclusions and recommendations of the 2020 FfD Forum

Cc:

H.E. Ms Mona Juul, President of the Economic and Social Council

H.E. Mr. Tijjani Muhammad-Bande, President of the General Assembly of the United Nations

Mr. Navid Hanif, Director, Financing for Sustainable Development Office, UN DESA

Members of the ECOSOC Bureau

Permanent Representatives and Observers to the United Nations in New York

7 April 2020

**RE: 2020 ECOSOC Forum on FfD – Civil Society FfD Group’s response to Zero Draft Outcome**

Your Excellencies,

We, the Civil Society Financing for Development (FfD) 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 FfD), respectfully submit the following key inputs on the [‘Zero Draft’](#).

We appreciate your efforts and commitment to move the FfD process during these challenging times. **We believe the United Nations should lead on the response to the current crisis as it is the only institution that can do so in an inclusive manner.** The economic disruptions induced by the COVID-19 crisis will hit developing countries and marginalised sections of society hardest. The response to such a global crisis, therefore, **cannot be left to forums and groups that suffer from serious democratic deficits. We need everyone at the table. This can only happen under the auspices of the United Nations.**

We are calling for meaningful action and solutions rooted in a deep understanding and analysis of the crisis:

- **The crisis is primarily a human/social (health, food, education, care, social protection) and real economy (jobs, domestic productive fabric, infrastructure) crisis**, in a global economy already trapped by widening inequalities (stagnation of global demand and declining share of wages over GDP, excessive liquidity, limited access to credit for productive activities);
- **The depth of gender inequalities**, as the crisis generates, once again, a multi-layered, intensified burden on women, considering all social roles where women are over-represented and un/under-paid, from social reproduction to care, from daily wage earners to small business owners, from food workers to food distribution. Women make up 70 per cent of frontline workers in the health and social sectors, like nurses, midwives, cleaners and laundry workers. This exposes how **unpaid domestic and care work** remains the greatest obstacle for women to access their human rights and the primary origin of economic and productive inequalities stemming from the sexual division of labour;
- **The centrality of domestic “real” economies** and the need for many developing countries to shift the centre of gravity of their economic strategies towards greater economic sovereignty, self-reliance, strengthened domestic productive capacity, and reinforcing domestic supply-demand circles driven by decent work and wage growth;
- **The imperative to redirect resources to strengthen public systems**, primarily but not exclusively related to health, education and social protection, and stop the decades-long undermining of these systems through fiscal austerity, privatization and public-private partnerships;
- **The unbearable restrictions on the policy and fiscal space of developing countries**, suffocated by illicit financial flows and unsustainable debt burdens as well as limited by multiple layers of policy

conditionalities that narrowed the capacity to focus on people-centred, rights-based socio-economic transformation strategies;

- **The volatility and unreliability of financing strategies based on private investors** and the urgent need to bring global finance back into democratic accountability and service to the real economy, rather than being a siphoning mechanism that extracts wealth, exploits labour, amplifies inequalities and destabilizes the global economy in a pro-cyclical manner.

The FfD process should provide space for these deeper analyses and ensure that **substantive and action-oriented solutions** are generated to impact the short-, medium- and long-term.

### **The kind of solutions needed**

In the short-term, for instance, we appreciated that UNCTAD has [called for](#) a \$2.5 trillion crisis package for developing countries that includes:

1. A \$1 trillion liquidity injection i.e. 'helicopter money drop' through reallocating existing special drawing rights at the International Monetary Fund and adding a new allocation;
2. A \$1 trillion debt cancellation for distressed economies;
3. A \$500 billion 'Marshall Plan' for health recovery and disbursed as grants funded from some of the missing ODA long promised but not delivered by development partners; and,
4. Ensuring capital controls are given their legitimate place in any policy regime to curtail the surge in capital outflows, reduce illiquidity driven by sell-offs in developing country markets and to arrest declines in currency and asset prices.

We believe these proposals deserve due attention and careful consideration. As the Civil Society FfD Group, we are also calling for measures such as (among others):

- A debt jubilee with the permanent cancellation of all external debt payments due in 2020 by developing countries, with no accrual of interest/charges and no penalties, and the provision of additional, fresh emergency finance that does not create more debt. Debt cancellation and new financing should be provided free of demands for market-friendly and austerity-focused policy reforms in developing countries, while adequate measures should be put in place to protect developing countries from lawsuits when ceasing 2020 debt payments;
- A process under UN auspices to be agreed in the longer term, to support systematic, timely, and fair restructuring of sovereign debt;
- Governments to put in place urgent economic stimulus plans and workplace measures to protect the health and the income of workers and communities through coordinated multilateral responses to COVID-19, and to expand access to healthcare and social protection. Everybody's life, job and income should be protected, regardless of the employment status (self-employed, gig-economy workers, workers in the informal economy);
- A global ban on short selling among all markets and increase regulation/surveillance of high-frequency trading, along with a global agreement on the importance of capital account management to prevent capital flight, limit speculative trading and arrest declines in currency and asset prices;
- Governments to stop negotiating all trade and investment agreements as their resources are better engaged in fighting the current COVID19 crisis. Any ongoing negotiations, whether at multilateral, regional, or bilateral levels, faces the grave risk of producing outcomes that may be irrelevant and detrimental as the global economy emerges from this crisis. Instead, an alternative trade & investment framework is needed that works for the governments and their people in the medium-to long- term;

- Governments to suspend current OECD BEPS negotiations on taxing of digital economy as that also risks producing outcomes that would be irrelevant to developing country contexts;
- Call on DAC members to immediately reverse the decline in ODA, fulfil and where possible exceed the 0.7% target for ODA in the form of unconditional grants and technical support. We call on donors to ensure that development aid is not diverted, but reinforces humanitarian response to the crisis, to ensure that aid is used where it is most needed and clearly demonstrates sustainable development impact in emergency responses going forward, and to ensure that emergency responses are aligned with developing country priorities without conditionalities. We also call on donors to uphold the integrity of ODA and their development effectiveness commitments;
- Governments to refrain from authoritarian and surveillance measures that undermine human rights and inhibit the capacities of CSO to respond effectively to the crisis.

We appreciate that these are complex decisions that cannot be taken in the context of week-long email consultations and negotiations. This is the reason why we reiterate our call for an ambitious UN/FfD-centred process to assess the crisis and agree on responses leading to an **International Economic Reconstruction and Systemic Reform Summit under the aegis of the United Nations** either later this year or in early 2021, as circumstances may dictate. Such a Summit would not necessarily need to be held in New York and may offer the perfect occasion to re-discover and re-launch the true spirit of Monterrey. We would therefore like to again **invite you to reorient the process and provide space for adequate inputs towards a substantive document that can initiate the Summit process**, as called for in [our previous letter](#) (also attached for easier reference).

We would also like to stress that the online/virtual process should allow civil society to be able to witness negotiations via video consultation and to participate meaningfully, including ensuring that all written member states' inputs are available publicly. In this respect, we expect to be able to participate in the video conference on 8<sup>th</sup> April and look forward to receiving the details for the conference call.

**Adopting an outcome document without clear and actionable responses to the global crisis will equal to an abdication of the UN's responsibilities during such a critical phase in history.** Global solidarity requires urgent and meaningful action. We count on your leadership to move steps in this direction.

Sincerely yours,

Civil Society Financing for Development Group (<https://csoforffd.org/>)  
(including the Women's Working Group on Financing for Development)