

To the kind attention of:

H. E. Munir Akram

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

10 December 2020

RE: 2021 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 2021 ECOSOC Forum on Financing for Development (FfD) Follow-up (or "the Forum").

The scope and gravity of the current crisis requires an ambitious multilateral response under the auspices, leadership and coordination of the United Nations. Inequalities within and between countries have been magnified, while unpaid domestic and care work have once again augmented their already significant subsidy to the global economy, acting as a primary shock absorber. The crisis has further exposed the lack of implementation of universal social protection floors and lack of access to decent work, threatening the well-being of billions of people and risks derailing the global efforts to achieve the Sustainable Development Goals and respond to the expanding climate emergency. The world cannot afford any further delays.

While we appreciated the efforts to advance the 2020 FfD Forum agenda during these challenging times, we were deeply [disappointed](#) with the complete lack of ambition in the 2020 FfD Forum outcome document in the context of this crisis. We expect the 2021 FfD process will be oriented to operationalize and implement critical systemic reforms urgently needed, particularly for developing countries to respond to and recover from devastating public health, economic and social impacts. Many of these substantive proposals are also part of the 'menu of options' resulting from the discussion groups on "FfD in the Era of Covid-19 and Beyond" led by the UN SG, Jamaica and Canada and merits intergovernmental follow-up.

The 2021 intergovernmentally agreed FfD outcome document and FfD Forum should send the right signal to the world community: United Nations needs to lead by example and break with 'business as usual' to demonstrate the readiness to confront the economic crisis with confidence and determination.

Against this background, we urge you to consider the following suggestions:

1. Organising the next **UN Summit on Financing for Development**: In the context of the global crisis, this could be in the form of an [International Economic Reconstruction and Systemic Reform Summit](#), as proposed by the Civil Society FfD Group. Agreeing on the next FfD conference has unfortunately been postponed every year in the FfD negotiations. It is imperative that the date and preparation process for a crisis FfD conference is urgently agreed.

Under the leadership of the ECOSOC President and Bureau, informal discussions on the urgent need for an UN/FfD-centred crisis process should be immediately initiated. The negotiations for the 2021 FfD outcome document would be an opportunity for the membership to agree on such a Summit.

2. Prioritise key, specific issues in the lead up to the FfD negotiations and FfD Forum to allow for consensus to be built such as:
 - Establishment of a **Sovereign Debt Workout Mechanism under the auspices of the UN** that would comprehensively address unsustainable and illegitimate debt: The COVID-19 pandemic has increased the risk of a new wave of debt crises, where vital public financial resources are allocated to external debt repayments at the expense of domestic health and economic financing needs. Systemic solutions to resolve debt crises in a fair, impartial and transparent process will be vital to avoid devastating impacts, especially on developing countries;
 - **UN Tax Convention** to comprehensively address tax havens, tax abuse by multinational corporations and other illicit financial flows through a truly universal, intergovernmental process at the UN, with broad rights holders' participation. This becomes even more urgent considering the nature and size of the digital economy and the increasing importance of e-commerce. Unless the failures of the international tax system are urgently addressed, countries around the world will continue to lose billions of public revenue dollars due to illicit financial flows. This will increase the already unsustainable debt levels and undermine governments' abilities to respond to the crisis, while also decreasing the public revenue base of developing countries;
 - A **moratorium on Investor-State-Dispute-Settlement (ISDS)** cases, removal of all ISDS provisions in all bilateral investment treaties and trade and investment agreements, and non-implementation or derogation of current trade and investment commitments, including Intellectual property rights rules through **the TRIPS and TRIPS plus agreements**, if these conflict with public policy objectives including economic and health objectives, during the pandemic.

A series of focused formal and informal meetings on each of these issues could be organized by the President of ECOSOC through mechanisms such as 'Friends of Chair' groupings to ensure progress is urgently made on these specific tracks. Adequate space should also be provided in the programme of the FfD Forum on these specific issues in the context of this crisis rather than the broad FfD thematic chapter discussion that is the norm.

3. Additional thematic proposals for the 2021 FfD Forum:
 - **Review development outcomes of public-private-partnerships and 'private finance first' approach and reaffirm the centrality of public policies and investments.** The COVID-19 pandemic has provided a stark reminder of the importance of accessible and affordable public services, and the short-comings of development models that prioritize private profit that fails to fulfil public needs;
 - **Review of the official development assistance (ODA) framework to immediately reverse the decline in ODA, fulfil and where possible exceed the 0.7% target for ODA in the form of unconditional grants.** Now more than ever, it is vital that the long-standing commitments to deliver international development assistance, including ensuring quality and effectiveness, are realised;
 - **Assess systemic risks posed by unregulated or inadequately regulated financial sector instruments and actors:** This includes regulation and supervision of Credit Rating Agencies, global agreement on importance of capital account management and urgent need for new allocation of Special Drawing Rights (SDRs) commensurate with the level of need among developing countries;
 - **Global technology assessment mechanism at the UN:** As the UN, governments and institutions grapple with the governance of digital technologies, there is an urgent need for broad, transparent, inclusive, accessible and participatory deliberations on the current and potential impacts of these technologies on the environment, the labour market, tax policy, livelihoods and society.
 - **Ensure fiscal space and scale up international cooperation for universal social protection:** The global pandemic illustrates more drastically than ever before the importance of ensuring adequate fiscal space to support the extension of social protection systems to ensure universal coverage through social protection floors, in line with ILO standards. We stress the need for access to essential health care for all and income security and to maintain these services even in times of crisis.

Regarding the **modalities**, 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 suggest keeping the negotiations open and maintaining place holders for some critical discussions to be finalized at the Forum itself;
- In accordance with Monterrey modalities, civil society and the private sector are, in addition to governments and institutional stakeholders, an integral part of the FfD process. Civil society also contributes significantly to the international legitimacy of FfD and generates effective impacts of FfD mandates in global governance processes. We therefore call for civil society to be enabled to fully participate in all segments of the process, including as observers to the negotiations. Civil society has always been in the room as observers in the negotiations in NY leading up to the FfD Forum. Last year's virtual negotiations unfortunately closed this door. We count on your leadership to correct this and allow us to nominate civil society observers for this year's negotiations.
- Considering the current crisis, we believe it is important to add a 'fifth day' to the FfD Forum noting the AAAA's mandate that the Forum consists of "up to five days". This will allow for more time to discuss the urgent solutions needed to address the crisis. The FfD Forum dates should be reviewed to allow full five days of discussion in this context rather than only four days.

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)