An Introductory Guide to Financing for Development
by the Civil Society Financing for Development Group
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This is the time for civil society organizations (CSOs) and social movements from all over the world to unite under a strong call for a systemic transformation of the global financial architecture and global division of labor, towards a just, green, and feminist recovery post-COVID-19. And the UN, as the only global institution mandated to address economic and social challenges where developing countries have an equal say, is the space to do so. This is where the UN Financing for Development (FfD) process comes in – as a space to advance on the systemic changes we urgently need to see.

The FfD process is unique, as it is the only truly democratic space where global economic governance is addressed, while having the issues of climate change, inequalities and human rights at its core. This introductory briefing of the FfD process and of the Civil Society FfD Group’s role in it is the first part of a more comprehensive toolkit currently under development, being built as an attempt to make navigating the FfD process and its interrelated domains more accessible for a non-technical audience.

By guiding readers through the UN Financing for Development world, it shines a light onto how shaping decision-making on global economic governance at the UN has the potential to transform our global economic systems to reduce inequalities within and between countries and make them work for people and the planet.

The Civil Society Financing for Development Group

CSOs have been involved in the FfD process from the very beginning. Their coordination body is the CS FfD Group, which is an open civil society platform with the single criterion for membership being representation of a public-benefit civil society organization. The Group has been active in its present format (Global Social Economy Group — GSEG listerv) since the Doha FfD Review Conference in 2008, though many of its members are engaged since the Monterrey FfD Conference in 2002. It is an open virtual list containing several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Group’s core principle is ensuring that civil society can speak with one collective voice and activities can include joint advocacy and campaigning, writing position papers and targeted statements, advancing CSO positions and allocating representatives to official sessions, doing joint evaluations of official papers, media work, among others.

To join the CS FfD Group, please fill the google form at this link: https://csoforffd.org/join-the-cso-ffd-group/

WHO IS IT FOR?

This briefing was created for activists and advocates across the world who are interested in getting involved in or learning more about how global economic governance relates to different sectoral and/or local and national struggles — including feminist movements, food sovereignty and land rights movements, climate justice activists, youth and student movements, human rights advocates, and more.
INTRODUCTION

The daily struggles of peoples around the world — for food, housing, healthcare, employment — are completely tied to the rules that govern the global economy. And if we want to confront deep injustices and asymmetries, global systemic solutions are urgently needed.

The perfect storm created by the COVID-19 pandemic and the climate emergency lays bare the incompatibility of our current economic systems with the safeguarding of life itself. People the world over, especially in the Global South, are struggling with limited access to healthcare and vaccines, loss of jobs, unpaid care work, and mounting debt burdens. Meanwhile, countries in the Global North are hoarding vaccines, corporations are reaping massive profits from the disease and billions are seeing their wealth increase. The injustices of the global economic system became starker than ever before.

Women are disproportionately affected by the pandemic as they are overrepresented in the unprotected, precarious and often neglected informal sector as well as in the most affected sectors such as healthcare services and the care economy. With lockdown measures and stay-at-home policies, women face increased exposure to gender-based violence. And their unpaid domestic and care work has once again stepped up to increase the already huge subsidy to the global economy, reinforcing patriarchal norms in many societies.

Women's subsidy to the global economy and the crisis of care

Because of the sexual division of labor, women have been subsidizing the entire global economy through their unpaid domestic and care work. Globally, women would have earned an estimated $10.9 trillion in 2019 if they got paid minimum wage for the unpaid work they do around the house and caring for relatives. This has been underscored during the COVID pandemic with the disproportionate number of women as caretakers and also as workers in frontline essential services such as healthcare and agricultural work. The responses to the COVID-19 crisis have triggered a regression in ensuring women's human rights and stressing their precarious conditions, more pronounced in those cases of multidimensional discrimination.

The pandemic also brought our global interdependence into focus – for better or worse – making clear that national responses are not enough to overcome the health emergency, especially when developing countries’ capacity to respond is constrained by a vicious cycle of debt. Pre-pandemic data shows 1 in 8 countries spends more on paying back their debts than on education, health and social protection combined. External public debt service was larger than health care expenditure in at least 62 countries in 2020. And these worrying trends are expected to push as many as 154 countries towards austerity cuts in 2021, which in turn is projected to affect 6.6 billion people, or 85% of the world population, in 2022.

While developed countries can inject trillions of dollars to stimulate their economies in response to pandemic effects, they treat getting vaccines to developing countries as a matter of philanthropy rather than global public policy. According to the World Health Organization, as of mid-April 2021, wealthy countries had secured more than 87 percent of the more than 700 million doses of Covid-19 vaccines dispensed worldwide, while countries in the Global South had received only 0.2 percent, configuring what is now called a vaccine apartheid.

Despite promises of international solidarity and calls for “Building Back Better” becoming mainstream in policy dialogues at all levels, the ambition in global decision-making and international cooperation is still far behind the kind of radical changes needed to transform the systems that left us so vulnerable in the first place. We continue to see a paradox between a 2030 Agenda that pushes for the national implementation of Sustainable Development Goals (SDGs), while the policy and fiscal space needed for public investments in essential public services remains constrained by many well-known global issues - tax abuse, illicit financial flows, illegitimate and unsustainable debt, commodity dependence, technology monopolies, intellectual property rights regime, etc.

In the face of shocking disparities and unfairness, social movements’ demands for economic justice (particularly on tax, debt and trade justice) are gaining strength around the world and are pushing back against measures which maintain the status quo of pre-pandemic austerity and inequalities. Protests in Colombia against a tax reform plan which favored the rich while placing more pressure on the working class led the government to walk back on its proposal and to the finance minister to resign. Public pressure also pushed governments in Bolivia and Argentina to tax the ultra-rich as a way to redistribute wealth and fund immediate crises responses. And the measure has already paid-off and shown to be quickly effective. Civil society, academics and political leaders worldwide are also campaigning for the transformation of inequality-boosting trade policies under the proposal for a temporary and limited sharing of intellectual property rights on life-saving knowledge - known as TRIPS Waiver – to facilitate the global containment and treatment of COVID-19. The proposal is gaining wide support but continues to be blocked by a number of rich countries.
The Global Inequalities Trap

The current rules of our global economy reproduce a vicious circle of inequalities: the export and growth-oriented, private sector-led development model in many countries in the Global South is grounded in the exploitation of cheap labor and extraction of natural resources by corporations based in the Global North. As if that wasn’t enough, multinational corporations and investors use loopholes and tax havens to further extract wealth and avoid paying their share in taxes. Growing economic inequality and wealth concentration then increase political inequality, by expanding the ability of corporate and financial actors to **lobby policy-makers** to protect their wealth and profit opportunities. Inequalities are then passed on to the next generations, culminating in long-term disparities – not only in economic terms, but also gender, climate and environmental terms – affecting already marginalized groups. This significant increase of disparities within and between countries has finally put inequalities under the spotlight within international development debates. The 2030 Agenda recognized addressing their multiple facets (economic, political, social) as one of its Sustainable Development Goals (SDGs), signaling the international community’s commitment to reducing global inequalities. The FfD process is an essential space to advocate for and advance policy decisions that work towards this urgent systemic global shift.
FINANCING FOR DEVELOPMENT: HISTORY AND PROCESS

FfD is neither a pledging nor fundraising process to finance SDG implementation. It is meant to create the policy and fiscal space for developing countries to finance their development in a sustainable way. In the next sections we try to break down what that means and how to get there.

FfD has a historical root of arising out of the active discontent of developing countries about the systemic shortcomings of the international financial architecture. The first International Conference on Financing for Development (FfD) happened in Monterrey, Mexico, in 2002 i.e the “Monterrey Consensus”, in the aftermath of the Asian financial crises. The conference was an attempt to recover the UN’s voice on the global economic and financial system. Though international economic cooperation is part of the responsibilities of the United Nations, it has been systematically marginalized by the International Monetary Fund (IMF) and World Bank (WB). Not surprisingly, with developing countries having greater influence in the UN’s ‘one country one vote’ system, the issue of democratizing global economic governance remains at the heart of the FfD process. On the other hand, rich countries prefer to control international economic policy decision-making through institutions like the IMF and WB, where they have a larger vote share, or the OECD where they have exclusive membership.

Though the FfD process is a UN activity, the review process includes International Financial Institutions (IFIs) such as WB and IMF, which despite being formally part of the UN system have traditionally escaped adequate responsiveness and accountability to the normative guidance of the UN General Assembly by establishing governance system centered on their shareholders. It also includes the World Trade Organization (WTO), which maintains cooperative arrangements with the UN but is not part of the UN system. This is the reason why the FfD conferences are ‘international’ and not ‘UN’ conferences on Financing for Development. In addition, civil society and the private sector are also recognized as stakeholders in the process, making the FfD process a uniquely inclusive space for discussing the global economic system in all its systemic dimensions. Since the Monterrey Consensus, there have been two international FfD conferences: in Doha, Qatar in 2008 and in Addis Ababa, Ethiopia in 2015, which produced the Addis Ababa Action Agenda (AAAA).

The FfD process is meant to work toward coherent, rights-based, interconnected thematic content, norms and recommendations on global economic governance and the systemic and historical inequalities that define it. It is therefore organized into topic areas to address a range of development finance sources in a holistic manner: domestic resource mobilization; domestic and international business and finance; international trade; international development cooperation and official development assistance; debt; technology; and systemic issues.
Addis Ababa Action Agenda (AAAA)
Third FfD Conference

Missed opportunity to address outflow of resources from the Global South

The second FfD conference was against the backdrop of the 2007-2008 economic crisis that originated in the Global North. As noted by the South Centre, for two decades, the net flow of investments had been moving from developing countries into developed countries. In other words, the international financial system was not actually enabling the mobilization of resources for development in the Global South. Rather than addressing the economic structures underpinning this outflow of resources from the developing world, the third FfD conference overemphasized the need for bridging financing gaps for the SDGs. The negotiations were fraught with developed countries arguing that the AAAA be reduced to Means of Implementation of the SDGs, while developing countries argued to preserve the FfD process as distinct and complimentary, but separate from the SDGs.

The final compromise was that one of the goals of the AAAA specifically (not the FfD process) was to support, complement and help contextualize the means of implementation for the 2030 Agenda. But the broader goal of the FfD goes beyond SDG implementation. The FfD process was meant to create the policy space for developing countries to finance their development in a sustainable manner. This requires the removal of the systemic and structural impediments to transformation and the re-design of global economic governance to promote truly democratic multilateralism.
Gender and FfD

Gender and women’s rights are one of the overarching issues that cut across all thematic discussions of the FfD agenda. FfD has the scope of addressing the role of the care economy as a shock absorber and public care provider compensating for underfunded and inadequate public health and social protection systems, especially in developing countries.

The grim realities of this lack of public investment for public care infrastructure, often resulting from a systemic policy bias toward fiscal austerity and privatization, has been revealed by the Covid-19 pandemic. Below are some of the self-organized feminist and women’s rights alliances working in the intersections between gender and economic justice and contributing to the CS FfD Group’s advocacy:

Women’s Working Group on FfD

The Women’s Working Group on Financing for Development (WWG on FfD), member of the CS FfD Group, was formed in October 2007 as an alliance of women’s organizations and networks to advocate for the advancement of gender equality, women’s empowerment and human rights in the Financing for Development related UN processes.

Gender and Trade Coalition

The Gender and Trade Coalition was initiated by feminist and progressive activists to put forward a feminist trade analysis that looks at the gendered impacts of trade and investment agreements, and to advocate for equitable trade policies. The coalition works to actively shape a trade justice agenda by increasing consciousness, capacity, research, and advocacy for policy alternatives which promote a more just and sustainable world. It stands in opposition to neoliberal co-optation of women’s rights as a means to open markets and expand an unjust trade system which exploits the Global South as well as workers and oppressed peoples worldwide.

Tax and Gender Working Group

The Tax and Gender working group aims to strengthen the global integration of tax and gender justice organizations as well as broaden the participation in the Global Alliance for Tax Justice (GATJ)’s work by working closely with GATJ regional networks, women’s rights organizations, global trade unions, INGOs and CSOs. In March 2021, GATJ, its regional networks and the Tax & Gender Working Group members launched the #MakeTaxesWorkForWomen campaign with demands to overcome the COVID-19 multidimensional crises and effectively make taxes work for women. The initiative kick-started during the Global Days of Action on Tax Justice for Women’s Rights.
Financing rights and social justice for persons with disabilities

The Stakeholder Group of Persons with Disabilities, a member of the CS FfD Group, advocates that ensuring persons with disabilities are included in Financing for Development (FfD) is critical to ensure that resources are allocated for inclusion. They launched a briefing “Financing rights and social justice for persons with disabilities in the era of COVID-19 and beyond” that addresses how persons with disabilities have been hit particularly hard by the global pandemic. The briefing sets out some key considerations for ensuring that international economic policies that tackle the crisis always contribute to the enjoyment of human rights and social justice by persons with disabilities in their diversity, especially those in the Global South.

Youth and FfD

The United Nations Major Group for Children and Youth (UNMGCY) are the General Assembly-mandated, formal, self-organised mechanism for youth to engage in certain intergovernmental sustainable development processes. They are also an active member of the Civil Society Financing for Development Group.

The CS FfD Group’s youth constituency affirms that young people – and all people – must be seen as more than just engines of economic growth, steamrolling over planetary boundaries. Youth should be partners in development, equal citizens of the world. And to achieve that, they need: living wages, safe working conditions, social security, and social protection floors; affordable and quality education at all levels (education is a right, not a commodity). The UN MGCY argues that to make this policy mix effective, it is insufficient to only focus on the national level and that addressing the global systemic issues in the FfD process is critical. They call the ‘one-dollar one-vote’ decision making as the ‘single biggest barrier to achieving the Agenda 2030’.

CALL FOR THE NEXT FFD CONFERENCE: MONTERREY+20 #FFD4

Towards a New Global Economic Architecture that works for the People and Planet

In the context of the global crises spurred by the COVID-19 pandemic, the Civil Society FfD Group has been advocating for a fourth FfD conference, in the form of an International Economic Reconstruction and Systemic Reform Summit under the auspices of the UN, to discuss transformative pathways to a new global economy. Although concerns remain about the implications of the digital divide when it comes to online multilateralism, and vaccine apartheid when it comes to in-person meetings, it is important that a tentative date and a clear preparation process for the next FfD conference be urgently agreed upon and that the FfD4 be ambitious along the lines of the collective principles and calls for action below.

Socio-economic transformation and a just, equitable transition for people and the planet

The Summit should provide the necessary fiscal, judicial and policy space needed to ensure a decolonial, feminist and just transition for people and planet. This means promoting a rebalancing of the global economy with more vibrant, inclusive and circular local/national economies; promote decent work and responsible business conduct; advance ecological resilience; reduce resource consumption; restore biodiversity; and move away from extractive, discriminatory, military, racist and androcentric economies that erode the ecological basis of our collective wellbeing.

Democratization of global economic governance and inclusive participation at all levels

The Summit should ensure democratization of global economic governance, recognizing the right of every country to be at the decision-making table, and not only those with concentrated power or resources. A new global governance should promote national economic sovereignty and common but differentiated responsibilities on global commons. At every level of decision-making, meaningful participation of rights-holders should be enhanced and guaranteed.

OVERARCHING PRINCIPLES

Human rights, gender equality, wellbeing, social-economic and environmental justice

The Summit should promote the interrelation and progressivity of human rights of all people in a healthy environment, with accessible global public goods respecting planetary boundaries. Structural inequalities and environmentally destructive behavior are not natural, but political choices. Our long term planetary and human wellbeing continue to be conditional to systemic transformations for socio-ecological and financial justice: on the way we produce and consume, on how the global economy and global and sexual division of labor are structured.
CS FfD Group’s proposals are:

- A debt architecture reform agenda for real change and real solutions

As civil society, we call on governments to establish a debt workout mechanism i.e. a transparent, binding and multilateral framework for debt crisis resolution, under UN auspices, that addresses unsustainable and illegitimate debt and provides systematic, timely and fair restructuring of sovereign debt, including debt cancellation, in a process convening all creditors.

Such a binding, multilateral framework should urgently address:

- **Supporting and providing immediate Covid-19 debt cancellation**: Debt sustainability consistent with the SDGs and human rights can be achieved through an ambitious process of debt restructuring, including extensive debt cancellation. Debt cancellation must be granted to all countries in need, including to both low- and middle-income countries, assessed with respect to their development financing requirements, and provided by all creditors (bilateral, multilateral and private).

- **Building global consensus on Principles on Responsible Borrowing and Lending**: Long-pending issue of agreeing on common and binding principles on responsible borrowing and lending, and ensuring compliance with it. This should address the gaps in transparency and advance towards the creation of a publicly accessible registry of loan and debt data as well as facilitate the organization of debt audits.

- **Using human rights and development impact assessments** in debt sustainability analyses to widen their focus solely from economic considerations to consider also the impact of a country’s debt burden on its ability to meet development goals (including SDGs, climate goals, human rights and gender equality commitments) and create the conditions for the realization of all universal human rights.

- **Assessing systemic risks posed by unregulated or inadequately regulated financial sector instruments and actors**: including regulation and supervision of the asset management industry (shadow banking), regulation and supervision of Credit Rating Agencies and a new global consensus on the critical importance of capital account management beyond pre/post crises conditions, both with respect to inflows and outflows. The CS FfD Group’s detailed submission to the UN Independent Expert on poverty and human rights on the ‘role of credit rating agencies’ can be accessed [here](#).
DOMESTIC RESOURCE MOBILIZATION

The current broken international tax systems allow corporations to dodge taxes, shift income to tax havens and facilitate illicit financial flows (IFFs). Every year, developing countries lose billions in public revenue due to IFFs. Because of this, governments are unable to fund public services, social protection and infrastructure to address inequalities. This aggravates poverty and affects marginalized groups the most. All resources lost to tax havens could have been invested in public hospitals, schools, transportation, clean water and sanitation, and in institutions or programs that promote gender, racial, intergenerational equality. The pandemic makes this even more urgent.

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 tax abuse by multinational corporations and their professional enablers (lawyers, bankers and accountants), and in illicit financial flows. The current situation contributes to decreasing the public revenue base of developing countries, exacerbating already unsustainable debt levels and therefore to undermining governments’ abilities to respond to the crises. Structural changes to the international tax system is also important to overcome countries’ reliance on consumption taxes, which unfairly burdens women.

To address these failures in a democratic setting, the CS FfD Group calls for:

- UN Intergovernmental Tax Commission and UN Tax Convention

  - It is time to establish a truly universal, intergovernmental process at the UN to comprehensively address tax havens, tax abuse by multinational corporations and other illicit financial flows that obstruct redistribution and drain resources that are crucial to challenging inequalities, particularly gender inequality.

  - Taxing income, wealth and trade should be seen to support the internationally agreed human rights frameworks, as without taxation we cannot mobilize the maximum available revenues. Tax abuse and tax avoidance also needs to be considered under the extraterritorial obligations of states towards other states not to hamper the enjoyment of human rights via blocking financing through abusive tax laws, rules and allowing companies and wealthy individuals to abuse tax systems.

TECHNOLOGY

Big Tech giants have resorted to opportunism during the pandemic, consolidating their market dominance, placing themselves at the center of trade and logistics, and moving swiftly to displace public interventions in the provisioning of key social services. Governments have used sanction-by-pandemic as a way to expand authoritarian power, adopting more and more measures to track and surveil populations — measures that without safeguards and sunset clauses could easily weave into the governmentality of statecraft, shrinking room for dissent.

The global pandemic has also exposed the extent and further exacerbated the Digital Divide – the already wide and still widening gap in access to digital technology and infrastructures between the North and South, between men and women across the world, and between urban and rural communities within countries.

In response, the CS FfD Group demands:

- 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 labor market, livelihoods and society;

  - Horizon scanning and foresight capacities need to be developed and should involve identifying options beyond technological solutions. Governance measures on technologies is not just about regulation but ensuring that the common good remains as the ultimate goal and takes precedence over profits.
GLOBAL TRADE

Global trade rules have over time created major constraints in world production capacity and distribution of supply, especially in developing countries, by restricting technology transfer through the Intellectual Property Rights regime, constraining subsidies and policy space for sectoral policies. In spite of apparently promoting free trade, the global trading system has actually ensured production, for example, of critical medical goods, remains concentrated only in a few countries. The COVID-19 crisis prompts us to review the multilateral trading system, regional trade and investment agreements, and trade policy through the lens of an inclusive and sustainable recovery.

The CS FfD Group asks member states to:

- Assess development impacts of current trade and investment framework
- To ensure developing countries retain maximum policy flexibility in their trade and investment policies there should be no negotiations or signing of any binding trade and investment agreements including at the WTO;
- Agree on a moratorium on Investor-State-Dispute-Settlement (ISDS) cases, and non-implementation or violation 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;
- Ensure an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and hold them accountable for human rights violations by supporting the ongoing negotiations for the UN Binding Treaty on Business and Human rights under the Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights.

SYSTEMIC ISSUES

The deregulation of financial markets, or the reduction of government rules controlling the way that banks and other financial organizations operate, allows these organizations to engage in speculative activities worldwide that culminate in boom and burst cycles, such as what was behind the 2008 global financial crisis. These increased and unregulated financial flows (speculative money), contribute to financial instability and leave countries even more vulnerable to external financial shocks. Amid fears of the COVID-19 pandemic, the unprecedented outflows of financial capital from developing countries – with overseas investors pulling out US$100 billion at the beginning of the crisis – is yet another confirmation of this tendency.

The CS FfD Group demands member states to:

- Assess systemic risks posed by unregulated or inadequately regulated financial sector instruments and actors
- Agree on adequate regulation and supervision of financial institutions, credit rating agencies and hedge funds through a UN framework;
- A global ban on short selling among all markets and increase regulation/surveillance of high-frequency trading;
- 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;
- A new allocation of Special Drawing Rights (SDRs) in the amount of US$3 trillion - as an allocation of SDR 650 billion will barely cover debt service payments in 2021.
- Ensure fiscal space and scale up international cooperation to support the extension of social protection systems to ensure universal coverage through social protection floors, in line with ILO standards.
PRIVATE FINANCE

The central role that private finance has taken in the FfD process is disconcerting. Donor countries have been promoting an agenda that heavily rests on using public money, including ODA, and public institutions such as Multilateral Development Banks, to leverage private finance. But catalyzing private investment at scale may in fact be undermining public policy objectives aimed at sustainable development in the Global South, eroding the role and capacity of the state to provide public services vital to ensuring human rights, development and climate resilience, and leaving countries more vulnerable to debt crises. This agenda also has important repercussions for how we define the role of the state. In most cases, the state is defined by its capacity to provide business friendly regulations and facilitate private profits by carrying the risks that private investors are not ready to take, instead of by its capacity to guarantee the fulfilment of human rights. Moreover, it is clear that this has implications for democratic accountability, as private actors are mainly accountable to their shareholders and not to citizens. Given all this, it is important to think about private finance and the role of the state from a development perspective.

Evidence of private finance’s sustainable development impact remains weak and, in some sectors – for instance, the privatization and commercialization of education, health, water provision, and other essential services – substantial evidence shows negative impacts on inequality and marginalization. Private sector companies are also increasingly benefiting from development cooperation funds without adequate impact analysis. Indeed, whole new categories of development finance instruments have emerged such as blended and leveraged finance, including a robust promotion of Public-Private Partnerships (PPPs). However, there is a lack of evidence that they are actually delivering positive economic, social and environmental outcomes.

To address this, the CS FfD Group proposes:

- **Review development outcomes of PPPs and ‘private finance first’ approach**
  - We reject the World Bank Group’s Maximizing Finance for Development (MFD) approach that implies a problematic ‘private finance first’ attitude to development finance and rather unrealistic assumption that private finance will appear to fill the financing shortfalls. While donors and institutions promote a ‘Billions to Trillions’ narrative and blended finance, whose development impact is yet to be proven, the reality is they are not living up to their own commitments and are instead regressing.
  - There is a need to reaffirm the centrality of public policies and investments. We call on governments to declare a moratorium on funding, promoting or providing technical assessment for PPPs and ‘private finance first’ approaches until an independent review into their development outcomes is completed.

INTERNATIONAL DEVELOPMENT COOPERATION

International Development Cooperation and Official Development Assistance (ODA) remain critical for development financing. Fulfilling the commitment made more than four decades ago to reach the 0.7% ODA/Gross National Income (GNI) target for provision of ODA remains the cornerstone of success. ODA dropped from $153 billion in 2017 to $149.3 billion in 2018, a decline of 2.7%. ODA to Africa dropped by 4%. As a portion of GNI, ODA across all DAC donors sits at 0.31%, well below the UN target of 0.7%. In the COVID-19 context ODA numbers are in further decline. This glaring lack of ambition on the part of donors coincides with an overly optimistic, and rather unrealistic assumption that private finance will appear to fill the financing shortfalls to deliver on the SDGs and targets. Now more than ever, it is vital that the long-standing commitments to deliver international development assistance, including ensuring quality and effectiveness, are realized.

The CS FfD Group proposes:

- **Review of the ODA framework**
  - Partnerships for sustainable development should comply with the local ownership of development processes, whereby all relevant stakeholders, including local communities and CSOs can be actively involved. We also call on donors to uphold the integrity of ODA and of effectiveness agenda.
  - Call on DAC members to fulfill and exceed the 0.7% target for ODA, as well as the 0.15% to 0.2% target for Least Developed Countries (LDCs), prioritizing unconditional grants and technical support.
  - Call on all donors to ensure that development aid is not diverted but reinforces humanitarian response to the crisis and to ensure that emergency responses are aligned with developing country priorities without conditionalities.
HOW TO ENGAGE?

The section below provides some of the main formal and informal processes linked to the UN FfD agenda, including examples of engagement by civil society. To find out more about how to engage with the Civil Society FfD group and/or become an active member, please visit: https://csoforffd.org
The CS FfD Group coordinates collective civil society participation in the meeting as civil society can participate in the meeting as a formal observer or as an informal observer.

Civil Society Financing for Development Group

Annual Financing for Development Follow-up Process

INTER-AGENCY TASK FORCE ON FINANCING FOR DEVELOPMENT

Paragraph 133 of the Addis Ababa Action Agenda mandated the Secretary-General to convene an inter-agency task force to report annually on progress in implementing the financing for development outcomes and the means of implementation of the post-2015 development agenda and advise the intergovernmental follow-up process on progress, implementation gaps and recommendations for corrective action, while taking into consideration the national and regional dimensions. The Task Force is comprised of over 60 United Nations agencies, programmes and offices, regional economic commissions and other relevant international institutions.

INTERGOVERNMENTAL NEGOTIATIONS ON CONCLUSIONS AND RECOMMENDATIONS TO ECOSOC FORUM ON FINANCING FOR DEVELOPMENT FOLLOW-UP

Two co-facilitators are appointed every year to prepare the draft conclusions and recommendations and facilitate consultations among member states with a view to reaching intergovernmental agreement. Once consensus is reached on the outcome document, the co-facilitators share it with the President of ECOSOC to be adopted at the FfD Forum and transmitted to the HLPF.

ECOSOC FORUM ON FINANCING FOR DEVELOPMENT (FFD FORUM)

The FID Forum is convened by the ECOSOC President to assess progress, identify obstacles and challenges to the implementation of financing for development outcomes and provide policy recommendations. Though the AAAA mandate provides for the length of the FID Forum to be ‘up to 5 days’, the FID Forum so far has not exceeded 4 days.

The four-day event is generally structured as two major segments: the ministerial and the experts’ segment. The ministerial segment is held during the first two days and includes high level ministerial roundtables to share national policy and institutional developments. The experts segment takes place during the last two days focusing on all seven action areas of the AAAA.

The CS FfD Group coordinates participation of civil society at the FID Forum, including collective statements delivered at the Forum on the various thematic issues and organising side events. Inputs to the 2021 FID Forum can be accessed here. A summary and recordings of side events organized by the CS FfD Group during the 2021 FID Forum can be found here.

Civil Society Engagement

The Civil Society FFD Group coordinates a collective civil society response to the annual IATF report. In addition, informal meetings are organised with the IATF members to share civil society inputs during the drafting process.

The CS FfD Group coordinates collective civil society inputs to various drafts of the outcome document. These inputs are shared with the co-facilitators and UN member states. The CS FfD Group’s inputs to 2021 FID outcome document can be accessed here.

UN COMMITTEE OF EXPERTS ON INTERNATIONAL COOPERATION IN TAX MATTERS (UN TAX COMMITTEE)

UN Tax Committee is a subsidiary body of ECOSOC comprising 25 members nominated by Governments but acting in their personal capacity. The members are appointed by the UN Secretary General for a term of four years.

The Committee meets biannually, once in the spring in New York, and once in the fall in Geneva.

The CS FfD Group’s input to the 20th UN Tax Committee session can be accessed here.

ECOSOC SPECIAL MEETING ON “INTERNATIONAL COOPERATION IN TAX MATTERS”

This annual ECOSOC special meeting provides an opportunity for governments to discuss emerging issues on international tax policy.

In the absence of a universal, intergovernmental negotiation process on tax at the UN, this one day meeting is meant to enhance the impact of intergovernmentally-driven UN policy guidance on tax matters.

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The DCF was not organically connected to the FID process until a recent re-organization that brought it within the domain of the UNDESA FfD Office and the most recent ECOSOC reform (2021) that mandates its organization biennially prior to the FID Forum. While past civil society engagement was guided by ad hoc mechanisms, it is now under the coordination functions of the CS FfD Group.

The DCF is a multi-stakeholder forum within the UN to discuss trends and progress in international development cooperation and develop policy recommendations on development cooperation. The Development Cooperation Forum was launched in 2007. In the 2005 World Summit outcome, global leaders agreed to create the DCF under ECOSOC in response to significant changes in development cooperation and the growing number of actors involved.

The DCF is held every two years and UNDESA serves as the Secretariat. Key findings of the DCF are captured in an Official Summary prepared by the ECOSOC President.

The meeting is open to participation from civil society and is webcast. CS FfD Group coordinates collective inputs to the meeting, including statements from the floor during the meeting. Inputs to the 2021 ECOSOC tax meeting can be accessed here.

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Civil Society Engagement

Civil society can participate in the meeting as ‘observers’ and share inputs to the discussions. Though the working methods of the Committee imposes restrictions on live reporting on the meeting, including live updating on social media. In addition, any report of the work of the Committee should protect the identity of the speakers.

The CS FfD Group’s input to the 20th UN Tax Committee session can be accessed here.
At the 2021 STI Forum, CS FfD Group and its members organised a side event on “Will Multilateral Governance of Digital Technology Close the Digital Divide?”. Details of the side event are available here. Inputs from the discussion were then shared with the co-chairs of the Forum for consideration for the summary.

The Addis Ababa Action Agenda established the Technology Facilitation Mechanism (TFM) to support implementation of the SDGs. The TFM includes 4 components:

1. IATT: A United Nations Interagency Task Team on Science, Technology and Innovation for the SDGs
2. 10-Member group: Group of High-level Representatives of Scientific Community, Private Sector and Civil Society appointed by the Secretary-General
3. STI Forum: Annual Multi-stakeholder Forum on Science, Technology and Innovation for the SDGs
4. 2030 Connect: An online platform as a gateway for information on existing STI initiatives, mechanisms and programs

The annual STI Forum is a multi-stakeholder venue to discuss cooperation in science, technology and innovation (STI) around thematic areas pertaining to the implementation of the SDGs.

The President of ECOSOC appoints two co-chairs for the Forum who prepare a summary of the discussions at the Forum. This co-chair summary is then transmitted to the HLPF by the President of ECOSOC.

Members of the CS FfD Group are engaged in the technical discussions of the CSTD. ECOSOC accredited organizations are able to attend and follow the sessions of the CSTD.

The CSTD is a subsidiary body of ECOSOC. It holds an annual intergovernmental forum for discussion on issues related to science, technology and development. The Commission has forty-three Member States elected by ECOSOC for a term of four years.

Outcomes of the CSTD include providing the United Nations General Assembly and ECOSOC with high-level advice on relevant science and technology issues.

UNCTAD serves as the Secretariat of the Commission.

Civil Society FfD Group engages with any relevant thematic event or initiative related to FfD. The Group’s inputs to the FACTI Panel, launched by the President of ECOSOC and President of the General Assembly, can be found here: https://csoforffd.org/tag/facti/
Informal FfD Initiatives and engagement with other FfD institutional stakeholders

**THIRD COMMITTEE OF THE UNGA**

The General Assembly allocates to the Third Committee (3C), agenda items relating to a range of social, humanitarian affairs and human rights issues that affect people all over the world. An important part of the work of the Committee focuses on the examination of human rights questions, including reports of the special procedures of the Human Rights Council which was established in 2006. The Committee hears and interacts with UN special rapporteurs (UNSR), independent experts, and chairs of working groups as mandated by the Human Rights Council. These reports from UN special rapporteurs have also addressed critical global economic issues from a human rights perspective.

Some examples of these reports include:

- UN Special Rapporteur on extreme poverty and human rights: In 2014, the UNSR presented a report defining fiscal policy, and particularly taxation policies, as a major determinant in the enjoyment of human rights. In 2018, the UNSR presented an important report exposing the human rights implications of widespread privatization trends.
- UN Special Rapporteur on the right to development: The 2020 thematic report explored the international dimensions of financing for development policies and practices from the perspective of the right to development.
- UN Independent Expert on foreign debt and human rights: In 2019, the UN independent expert presented a report detailing the responsibility for complicity of international financial institutions in human rights violations in the context of regressive economic reforms. In 2020, a report on private debt and human rights describes financial sector deregulation and financialization as one of the main drivers of private indebtedness. The 2021 independent expert report examines the inherent structural problems of credit rating agencies.
- Greater cooperation between Second Committee and FfD institutional stakeholders

UN Special Rapporteur Alan Thornhill recently wrote in a recent blog post that an FfD institutional confidence building exercise is needed to ensure greater impact of these reports and findings on economic issues from a human rights perspective.

**UNGAA THEMATIC AND HIGH LEVEL MEETINGS**

The President of the General Assembly also organizes special thematic or high level meetings every year. For instance, a “High Level Dialogue on Financing for Development of the General Assembly” is organized every four years. The Addis Ababa Action Agenda (AAAA) mandates that the “High-level Dialogue on Financing for Development of the General Assembly will be held back-to-back with the High-level Political Forum at the Summit level every four years” (para 132, AAAA). The first High-level dialogue convened since the adoption of the AAAA was held on 26 September 2019.

The CS FfD group participates in consultations and offers written inputs to be considered by the UN Special Rapporteurs on issues related to macroeconomics and finance.

Recent contributions include:

- Civil Society FfD Group Submission to the UN Independent Expert on foreign debt and human rights report on “Debt relief, debt crisis prevention and human rights: the role of credit rating agencies”
- Civil Society FfD Group Submission to the UN Independent Expert on foreign debt and human rights report on “International debt architecture reform and human rights”

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**INFORMAL GROUP OF FRIENDS OF MONTERREY**

The ‘Group of Friends of Monterrey’ is an informal space for dialogue on FfD issues established in 2002. An annual retreat, hosted by Mexico, is convened every year prior to the FfD negotiations. The retreat convenes member states, President of ECOSOC, UN DESA FfD Office, civil society and academia in an informal setting to exchange views and ideas on the FfD process and substantive issues.

On 28 May 2020, the Prime Ministers of Canada and Jamaica and the Secretary-General launched the Initiative on Financing for Development in the Era of COVID-19 and Beyond (FFD) to identify and promote concrete financing solutions to the COVID-19 health and development emergency. In follow up to a High-Level Event on 28 May 2020, six discussion groups were convened resulted in a menu of options. Further details on this initiative, including the discussion groups and high level meetings can be accessed here: https://www.un.org/en/corona virus/financing-development.

**CIVIL SOCIETY ENGAGEMENT**

Civil Society FfD Group participates in initiatives by small civil society delegations to the meeting every year. The discussions are held under Chatham house rule and is meant to encourage informal discussions on FfD issues prior to the negotiations and FfD Forum.

FINANCING FOR THE DEVELOPMENT IN THE ERA OF COVID-19 AND BEYOND INITIATIVE (FFD)

Civil Society FfD Group actively participated in this initiative and all inputs can be accessed here: https://scsffd.org/2020/08/20/submissions-to-hle-ffd-discussion-groups/

In 2021, the initiative has taken a different format. Member states are not actively involved in the discussion groups anymore which are now mainly led by UN agencies and regional commissions to coordinate workplans on these issues.

**UNCTAD, WORLD BANK GROUP, IMF, UNDP, WTO PROCESSES**

The institutions above are considered FfD institutional stakeholders, which means they play an active role during FfD follow-up processes. This includes mobilizing their expertise on thematic aspects of AAAA, by for instance contributing to the IATF reports, organizing events during the FfD Forum, or facilitating discussion groups.

The Civil Society FfD Group selectively engages in the processes of the FfD institutional stakeholders to protect and strengthen the FfD mandate and maintain consistency of our systemic demands across those spaces.

The CS FfD Group is particularly engaged in UNCTAD and its Quadrennial Mandate Negotiation, as the ministerial conference must address the massive challenges related to trade, finance, investment and technology for developing countries and support implementation of Financing for Development outcomes.

For more information on the UN system, how decisions are made and what has happened on financial justice at the UN so far, check out: Advocating for Financial Justice at the United Nations.

**WSI**

The World Social Forum (WSI) FfD Roundtable was initially convened by the Group of Friends of Monterrey and the UN, in collaboration with the CS FfD Group.

**FORUM AT THE SUMMIT LEVEL EVERY FOUR YEARS**

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As a follow-up from the disappointing 2020 FfD Forum outcome document, the CS FfD Group is calling for the fourth Financing for Development Conference, in the form of an International Economic Reconstruction and Systemic Reform Summit, where the issue of global economic architecture is firmly on the table. Looking ahead to the UN General Assembly, the CS FfD Group calls for the following resolutions to be introduced during the UNGA 2021 session:

- UNGA resolution organizing the next UN Summit on Financing for Development in 2022 or 2023.
- UNGA resolution to establish an open-ended intergovernmental working group to work towards a binding and multilateral framework for debt crisis prevention and resolution.
- UNGA resolution to establish a universal, intergovernmental UN tax commission and negotiate a UN Tax Convention to comprehensively address tax havens, tax abuse by multinational corporations and other illicit financial flows.
- UNGA resolution to agree on an immediate moratorium on Investor-State-Dispute-Settlement (ISDS) cases and all trade and investment agreements that compromise governments’ policy space to address the pandemic.