

The FfD Chronicle

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THE SUMMIT WITH NO FUTURE

Civil society's concerns with 'Our Common Agenda' and why UN member states should instead prioritise the 4th FfD Conference



The FfD Chronicle

MULTISTAKEHOLDERISM AND PROMOTION OF CLUBS SUCH AS G20

We have criticised the Secretary General's *Our Common Agenda* for promoting new multistakeholder structures that privilege exclusive membership clubs instead of reaffirming existing UN member state led inclusive processes. Multi-stakeholderism dangerously conflates duty bearers (governments), rights holders (people) and corporate interests as equal stakeholders while rendering invisible the historical asymmetries of power and voice between and within nations. Turning the multilateral system into a "stakeholder" system weakens the role of member states in global decision-making, embeds the UN in extreme conflicts of interest and undermines the related accountability and transparency that are central to UN legitimacy.

PROLIFERATION OF SG DRIVEN REPORTS, EXPERT PANELS AND MEETINGS

Despite G77's statements rejecting the proposed multi-stakeholder modalities, the roadmap for implementing the OCA proposals remains an SG driven multi-stakeholder agenda-setting process. Rather than member states mandating the SG on the policy briefs to write, in the current process there is no clarity on whose inputs have shaped the themes of the current SG briefs nor their content. Barely anyone has time to read existing SG and UN agency reports, let alone new ones!

The rationale for a *Summit of the Future* remains unclear

and the need for confusing multiple tracks is unconvincing. The repeated concerns of several Global South negotiators on the inability of smaller missions to follow the various meetings seems to be falling on deaf ears. We wonder if there will be time left on the UN calendar for member states to prioritise the agreed UN multilateral agenda?

AN UNSTIMULATING "SDG STIMULUS" PACKAGE

We find the recent SG proposal for a G20 led SDG Stimulus unstimulating, to say the least. It is unacceptable for the UN to promote structures that privilege a handful of member states, the G20, instead of reaffirming existing universal, inclusive processes such as the FfD process. We reject the proposed *Biennial Summit* between G20, ECOSOC, SG and IFIs for the same reason. We are also confused by the excitement at the FfD Forum for the supposed 500 billion SDG Stimulus package in a context where for instance the 100 billion in climate finance is nowhere to be found. Where is this magical pot of money going to come from?

PERFORMATIVE SUMMITS VS FFD PROCESS WITH 20 YEARS' LEGITIMACY

The UN cannot afford to continually invent new "talk-shops" and performative summits that at best serve as distractions and at worst will open doors to undermining existing (...continues >

FfD Forum Side Event

*Chatham House Rules

**Towards a 4th
FfD Conference**

CR-7 (UNHQ)

1:30 to 2:30 PM

Thursday, April 20 2023

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> continuing...)

member state led processes and commitments on SDGs, FfD etc. The FfD process is already mandated to address urgent global systemic challenges on debt, international tax abuse and other illicit financial flows, private finance, ODA, trade, technology and financial regulation in an intergovernmental process with a legitimacy spanning 20 years. The modalities of the FfD process already recognises civil society and the private sector for inputs, in addition to IFIs, WTO and UNCTAD, while ensuring that negotiations are clearly member state led.

ALL FFD-RELATED INPUTS SHOULD BE NEGOTIATED IN THE CONTEXT OF THE 4TH FFD CONFERENCE

We therefore call on all UN member states to reject any negotiation on FfD-related issues in the context of the Summit of the Future and OCA implementation process. Agreeing to fold issues from a hard-fought FfD agenda within the problematic OCA/Summit of the Future process risks missing the forest for the trees. Instead, all technical reports and inputs from the SG, the High Level Advisory Board and UN agencies on FfD-related issues could serve as input towards the 4th FfD Conference through intergovernmental negotiations. Member states should therefore agree FfD modalities that ensure inclusive member-state led negotiation tracks (not co-facilitator driven) towards a strong 4th FfD conference outcome.

WANTED

Real solutions for the environmental crises!

THE ENVIRONMENTAL AND CLIMATE CRISES ARE REAL and in need of speedy and real solutions. The FfD Chronicle can attest the increasing emphasis on climate finance in this space, and yet, much of the business as usual is still polluting the paths towards real transformation. For starters, environmental and climate finance cannot be reduced to only Official Development Assistance, nor can it be framed under more debt tools (including green/climate bonds), or with a wishful-thinking attitude expecting the market will solve it all. Finding real solutions means going through a hard revision of the economic paradigm that is being promoted in the multilateral system as a whole. Mainstreaming environmental and ecosystems integrity is a must. And it is about time to center the principle of Common But Differentiated Responsibilities in every multilateral economic decision making process, even outside the UNFCCC space, bringing to the forefront a paradigm of reparations for those who have done the least to create the crises, but have suffered the massive plundering of developed economies for centuries.



Tax training for the IMF

IN YESTERDAY'S SESSION ON Domestic Resource Mobilization, the representative from the IMF seemed to suggest that the central obstacle to tax collection in developing countries is their lack of competences, capacity, discipline and political will. IMF also offered to support developing countries with implementing OECD rules and increasing VAT collection. In response, The FfD Chronicle would like to provide this brief *Training on International Tax Matters*:

FACT 1: Multinational corporations are not paying their share of tax anywhere in the world, because the OECD rules (including Pillar 1 and 2) are a failure. Thus there is no "capacity" to transfer from North to South.

FACT 2: Assisting countries in implementing broken OECD rules that are biased against their interests will not help domestic resource mobilization in the global south.

FACT 3: VAT is deeply regressive. It has disproportionately negative impacts on the poorest and exacerbates inequalities, including gender inequalities.

FACT 4: The real effective tax rate of working people is higher than both rich individuals and their corporations.

FACT 5: Most of the world's major tax havens are in the global north.

FACT 6: Failures in the global tax system cannot be solved through domestic measures alone – strengthening global tax cooperation and repairing the global rules is a must.

FACT 7: The Africa Group at the UN has shown great leadership, capacity, and political will on tax matters, including by paving the way forward towards solving the global tax challenges – with a UN Convention on Tax.

If and when the IMF shows the political will to learn, civil society stands ready to offer in-depth trainings on all of the above.

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