

Financing for development process and contents

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DAWN



Third International Conference on Financing for Development

- **Date and venue:** from 13 to 16 July 2015 Addis Ababa, Ethiopia.

Political momentum and impact on post 2015

- **Who:** It will gather high-level political representatives, including Heads of State and Government, and Ministers of Finance, Foreign Affairs and Development Cooperation, as well as all relevant institutional stakeholders, non-governmental organizations and business sector entities.
- **Outcome:** The Conference will result in an intergovernmentally negotiated and agreed outcome, which should constitute an important contribution to and support the implementation of the post-2015 development agenda.

- **Thematic scope:** Monterrey Consensus + “emerging issues”

Balance between 1, 2 and 3

- **1. Assess implementation MC: obstacles and progress in 6 thematic areas:**

- 1. Mobilizing domestic financial resources for development
- 2. Mobilizing international resources for development: foreign direct investment and other private flows
- 3. International trade as an engine for development
- 4. Increasing international financial and technical cooperation for development
- 5. External debt
- 6. Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

- **2. New and emerging issues:**

- 1. Current evolving development cooperation landscape,
- 2. The interrelationship of all sources of development finance,
- 3. The synergies between financing objectives across the three dimensions of sustainable development,
- 4. The need to support the United Nations development agenda beyond 2015;

- **3. Reinvigorating and strengthening the FfD follow-up process**

- **Co-facilitators:** Ambassador George Talbot of Guyana and Ambassador Geir Pedersen of Norway

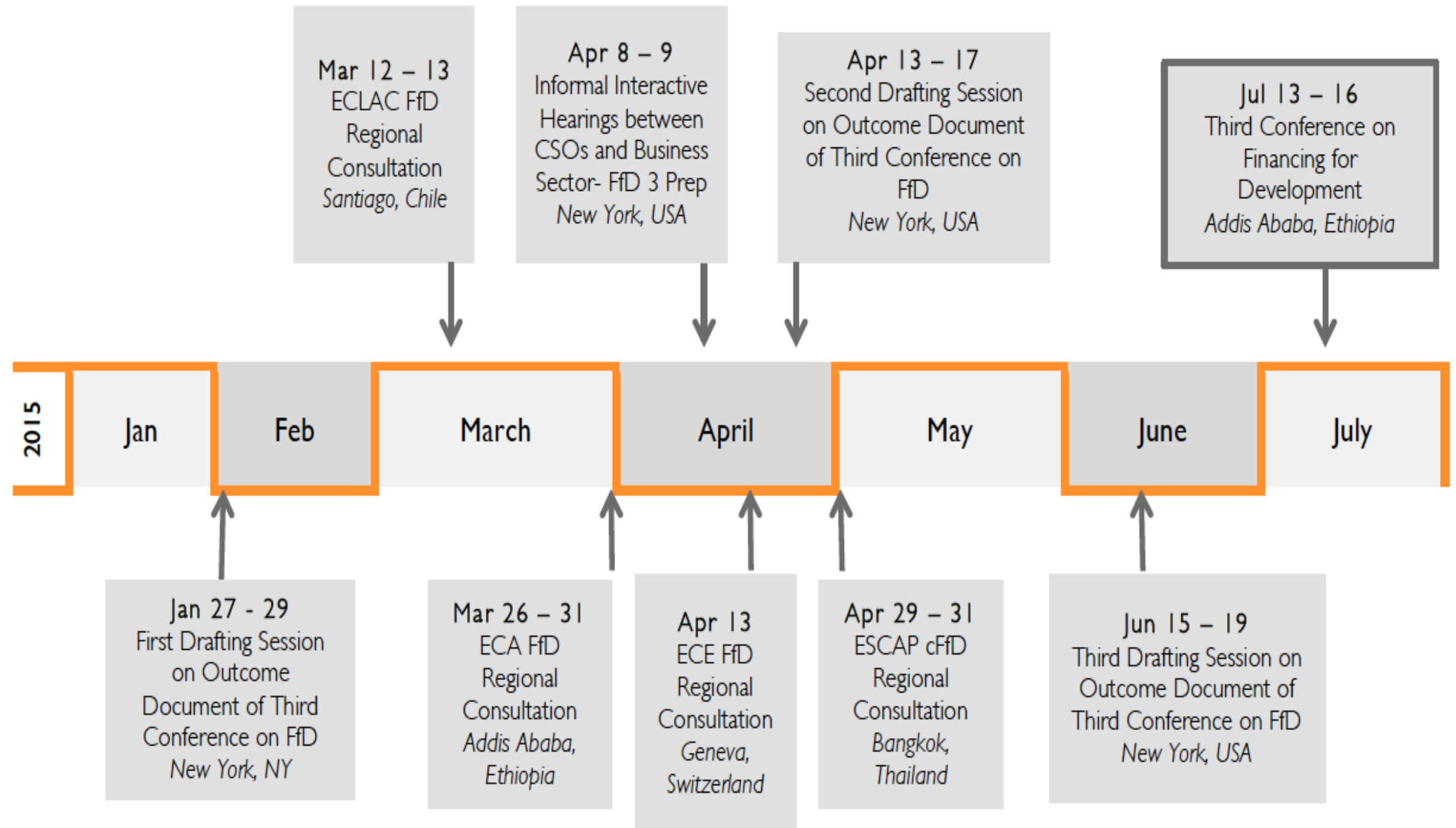
- **Secretary-General for the Conference:** Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs



Timeline

The preparatory process for FfD3 began in October 2014. Under the auspices of the President of the 69th session of the UN General Assembly, this process consists of:

- **Substantive informal sessions** (November-December 2014)
- **Informal interactive hearings** with civil society and the business sector (April 2015)
- **Drafting sessions** on the outcome document of the conference (January, April, and June 2015)
- **Regional consultations** convened by the UN Regional Commissions (March-April 2015)
- **Third International Conference** on Financing for Development (13-16 July 2015, Addis Ababa)



Road to Addis

- 2002 Monterrey Consensus -- establishing measures to increase domestic financial resource mobilization, increase the amount and quality of Official Development Assistance (ODA), solve the external debt problems, and orientate international trade as an engine for development, among other objectives
- 2008 Doha Declaration on Financing for Development -- there has been progress in some areas, but inequality has widened and interrelated global challenges, such as increase food insecurity, volatile energy and commodities prices, climate change and a global financial crisis, as well as the lack of results in the multilateral trade negotiations and a loss of confidence in the international economic system, are obstacles that have not been overcome.
- 2009, Conference on the World Financial and Economic Crisis and Its Impact on Development. Though the governments decided to strengthen the intergovernmental follow-up process regarding the agreements, there has been little progress in advancing the monitoring mechanisms in the FfD agenda. Developed countries' resistance to discuss the international economic and financial architecture within the framework of the United Nations continues to be a great obstacle for the implementation of the agenda.



Current context for FfD 3

Old Debates, New Strategies?

- 1. The Form Affects the Content**
- 2. The Emphasis on Private Finance Flows erodes the Responsibilities of the States**
- 3. The Emphasis on Domestic Issues Dilutes the Principle of International Cooperation and Common but Differentiated Responsibilities.**
- 4. The Emphasis on Multi-stakeholder Partnerships Affects Partnerships between Developed and Developing Countries Based on the Principle of International Cooperation**
- 5. The Emphasis on the Need of Synergies between the FfD Process and the Post-2015 Development Agenda Can End Up Reducing and Weakening Commitments in Both Fronts**



Analysis on the zero draft/2nd draft

- Regional Refocus Language map on zero draft
- Women Working Group on FfD on zero draft and 2nd draft



Theme	North/South tension
Agreements, accountability, conditionalities	Goals vs means FSD vs FfD
Domestic resource mobilization	Policy space and IFIs
Private capital flows and finance	FDI impacts, “blending” (PPP) Enabling environment vs accountability: safeguards and risk sharing Innovative, all sources vs complem. Not subst.
Trade	Liberalization vs protectionism, WTO vs bilateral, regional new round of Free Trade Agreements, International Investment Regime, TRIPs, Special and Differential Treatment, less-than-full reciprocity
Debt	Governance: International workout mechanism
ODA	Target, additionality, predictability, tied aid, grant/loan proportion, South-South Cooperation
Taxation, illicit capital flows	Domestic tax vs international cooperation
Systemic issues	UN vs G20,OECD and IFI’s

Political issues at stake from a gender perspective

- Developed countries attempt to focus FfD deliberations on promoting domestic resource mobilization and private sector engagement dilutes their responsibilities under the principle of international cooperation and Common But Differentiated Responsibilities (CBDR) and the central role of states as duty bearers.
- Furthermore, developed countries highlight the importance of promoting "gender equality and women's human rights" and they issued a joint statement on GE, but their lack of political will to address systemic issues under the FfD track, including the global structural obstacles in terms of trade, investment, tax and finance that limit policy space to orientate development strategies towards gender equality and the respect of the rights of women and girls make this promise just rhetoric.
- Thirdly, developed countries attempt to reduce FfD to the Mol of Post2015 is gaining momentum but developing countries still trying to keep the integrity of the FfD mandate.



References

- III FfD Conference: <http://www.un.org/esa/ffd/third-conference-ffd/index.htm>
- Doha Review Conference:
http://www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf
- SR Report on fiscal policy and Human Rights:
<http://www.ohchr.org/EN/Issues/Poverty/Pages/AnnualReports.aspx>
- Women's Working Group on FfD: www.wwgonffd.org
- DAWN: www.dawnnet.org
- <https://www.facebook.com/RegionsRefocus?fref=nf>
- Regional refocus: Regions Refocus Language Map on Financing for Development (FfD3) Zero Draft
- Regional Refocus, DAWN and TWN: A Geopolitical Analysis of Financing for Development (FfD3)

