



## Civil Society FfD Mechanism's Response to the Zero Draft: Pact for the Future

12<sup>th</sup> February 2024

### Summary

- We have consistently been critical of the Secretary General's 'Our Common Agenda' for promoting new multistakeholder structures that privilege exclusive membership clubs, such as G20, instead of reaffirming existing UN member state-led inclusive processes. **All our previous critiques, including our concerns with the SG's OCA report, the newsletter 'The Summit with No Future' and our response to the SG's Policy Brief on "Reforms to the International Financial Architecture" can be accessed here:** <https://csoforffd.org/2024/02/06/inputs-to-the-summit-of-the-future/>
- The Summit of the Future, the rationale for which remains nebulous, is filled with red herrings. A primary aim of the process is to contribute to the SG's problematic vision of a new UN Governance 2.0 that strengthens corporate interests and privileges exclusive membership clubs in multilateralism.
- We are concerned that such new multistakeholder approaches will weaken the role of member states in global decision-making, embed the UN in extreme conflicts of interest and undermine the related accountability and transparency that are central to UN legitimacy.
- We strongly call on all UN member states to ensure that the process of defining the different elements to be adopted at the Summit of the Future, including the Global Digital Compact, do not become vehicles for undermining multilateralism and the UN charter.
- Multi-stakeholderism dangerously conflates duty bearers (governments), rights holders (people) and corporate interests as equal stakeholders while rendering invisible the historical and prevailing asymmetries of power and voice between and within nations.
- **We reject the key governance proposal on international financial architecture in the zero draft i.e Para 144 which welcomes the SG-led Biennial Summit between G20, ECOSOC and IFIs:**
  - This proposal would undermine the UN Charter and we call on member states to reject it.
  - It would legitimise the G20 (who are already members of the UN) and bring in the SG and IFIs as equal decision-making actors to UN member states, which is deeply problematic. The SG and leaders of IFIs serve member states and have no vote on decisions taken at the UN. Establishing multistakeholder platforms such as the proposed Biennial Summit that dilutes standard accountability relationships would be a major setback in global governance as we know it.
  - As the UN's central decision-making body, the annual GA opens with addresses by many heads of state and government and closes with resolutions of the entire membership that contain key decisions when agreed. The proposed SG-led Biennial Summit would undermine existing member-state led processes on global finance i.e the UNGA Second Committee and the FfD process.
  - Despite several member states expressing their concerns with the proposal for a Biennial Summit, this featured prominently in the SG's OCA implementation plan and was the central proposed governance/decision-making process featured in the SG's policy brief on international financial architecture. We call on UN member states to reject this proposal.
  - 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. **The Fourth FfD conference in 2025 would be the appropriate high level decision-making space on international financial architecture.**
- **We reject the regression in civil society participation modalities:**
  - **We are deeply concerned with civil society inputs being reviewed by Artificial Intelligence (AI) algorithms as noted by the co-facilitators** at the presentation of the zero draft (<https://webtv.un.org/en/asset/k13/k131jwybc8> 04:00 - 04:30 min). **We strongly reject CSO participation being reduced to a mere tick-box exercise subject to arbitrary AI algorithms. We call on the co-facilitators and UN SG to be transparent on how the AI algorithms being used in the process have been designed and who designed them.**
  - We also reject modalities that promotes closed door intergovernmental negotiations while civil society inputs are filtered through separate processes under ‘stakeholder’ consultations. Such opaque processes erode related accountability with no clarity on what is being negotiated and which ‘stakeholder’ inputs are being incorporated.
  - We urge member states to ensure that these modalities do not contribute to any new UN precedent. All intergovernmental negotiations should be transparent with civil society provided an opportunity to be self-organised and to make statements after member states speak.

### **Annex: Text-based inputs to the Pact for the Future: zero draft**

Note: Text underline in red represents additions, ~~strikethrough~~ = suggested deletions

#### **Chapeau**

8. Every commitment in this Pact is guided by principles of human rights and gender equality and will contribute to their fulfilment. On the occasion of its seventy-fifth anniversary, we reaffirm the Universal Declaration of Human Rights and the human rights and fundamental freedoms enshrined therein. This anniversary offers a valuable opportunity to reflect on achievements, best practices and challenges with regard to the full realization of all human rights for all. We recognize the universality, indivisibility, interdependence and interrelatedness of all human rights and reaffirm our commitment to ensuring all human rights, including the right to development, and fundamental freedoms of everyone. We reaffirm our commitment to the implementation of the Declaration on the Right to Development which confirmed that the right to development is an inalienable human right and that equality of opportunity for development is a prerogative both of nations and of individuals who make up nations. We recognize that human rights are at the heart of peaceful, just and inclusive societies and need to be promoted and protected for the sake of current and future generations. We commit to stepping up our efforts to fight against racism, all forms of discrimination, xenophobia and related intolerance.

11. We reaffirm our commitment to the 2030 Agenda for Sustainable Development and to leave no one behind. We will act with urgency to realize the vision of the 2030 Agenda, including through the agreements contained in this Pact, a surge in financing for the Sustainable Development Goals, and additional steps to ensure sustainable financing in line with our commitments under the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Doha Declaration, and the Monterrey Consensus.

Rationale: Para 2 of AAAA commits to following up on all FfD outcome documents.

17. Through the steps set out in this Pact, we aim to realize the vision of a multilateral system that is more effective, more trusted, more inclusive, and better equipped for the challenges, opportunities and capacities of the present and the future. As such, we reaffirm the intergovernmental character of the United Nations, while also committing to ensuring that a diverse range of actors beyond States contribute to efforts to address global challenges through member-state led processes. We commit to reforming of the intergovernmental organs of the United Nations, including the Security Council, so that they can deliver on their mandates in a changing world, and to strengthening the human rights pillar of the Organization. We agree to new ways to improve our response to global shocks and expanded ways of measuring human progress so that human and planetary well-being are not overlooked. We will pursue more equitable and effective global economic governance, including through reform of the international financial architecture. Finally, we will foster the peaceful and sustainable uses of outer space for the benefit of all, increasing international cooperation in this rapidly changing domain.

41. We urge donor countries to scale up and fulfil their official development assistance commitments to both the quantity and the quality of ODA and implement these aligned with effectiveness principles and rights-based approach. While we acknowledge that official development assistance alone cannot meet the financing needs of the Sustainable Development Goals, we agree that official development assistance is a vital means of support, in particular for poor and vulnerable nations, to invest in their nationally owned sustainable development strategies ~~in global public goods~~. Ensuring that ODA remains additional to other sources of international support, and is not diverted from traditional development priorities, remains essential to help support humanitarian aid appeals around the world.

44. We look forward to the fourth International Conference on Financing for Development in 2025 to assess the progress made in the implementation of the Monterrey Consensus, the Doha Declaration and the Addis Ababa Action Agenda, identifying obstacles and constraints encountered in the achievement of the goals and objectives agreed therein, as well as actions and initiatives to overcome these constraints, and to address new and emerging issues, ~~that have an impact on~~ including in the context of the urgent need to accelerate the implementation of the 2030 Agenda and the achievement of the Sustainable Development Goals and to support reform of the international financial architecture.

Rationale: Align with language from para 29 of the 2C resolution mandating FfD4

## **5. Transforming global governance**

*[5.7 Identifying and addressing complex global shocks]*

121. We commit to facilitating more structured and inclusive engagement of non-governmental organizations in consultative status with the Economic and Social Council, together with ~~M~~major ~~G~~groups and Other Stakeholders mechanism, civil society, the private sector, children, youth, local governments and other relevant stakeholders and regional organizations, in the activities of the Council and its functional and regional commissions. We will take steps towards granting formal status and a stronger mandate to the Council's youth forum to enhance youth engagement throughout the Council's cycle.

Rationale: It is important to reference civil society beyond the MGoS as not all civil society entities, including those accredited with ECOSOC are members of a Major Group or Stakeholder group. The MGoS also includes private sector entities, academia, and others listed already in the para so including civil society again would be consistent with the existing approach.

~~131. We therefore encourage the Secretary-General to develop a set of protocols and convene and operationalize an Emergency Platform in the event of such a shock that has an impact on multiple regions of the world and requires a coherent, coordinated and multidimensional response. We note that an Emergency Platform would not be a standing institution or body.~~

~~132. We emphasize that the decision to convene an Emergency Platform in response to a complex global shock and the work of an Emergency Platform must fully respect the sovereignty, territorial~~

~~integrity and political independence of States. We also emphasize that the decision to convene an Emergency Platform would support and complement the response of United Nations principal organs mandated to respond to crises, and that the convening of an Emergency Platform would not affect the mandated role of any intergovernmental body.~~ Delete proposal for an SG-led 'Emergency Platform'.

Rationale: Response to any sort of complex global shock should be led by UN member states through the General Assembly that allows for appropriate accountability between duty bearers (governments) and rights holders (people). Replacing such processes with vague multi-stakeholder platforms would undermine the related accountability and transparency that are central to UN legitimacy.

*[5.9 Reforming the international financial architecture and ongoing efforts to improve international debt mechanisms]*

136. We believe that the international financial architecture urgently needs to be modernized and strengthened to make it fairer, more transparent, and representative and responsive to the needs of developing countries, and thereby better able to respond to the challenges of our time and to reflect the reality of today's world. We commit to engage in inclusive inter-governmental discussions at the UN on the reform of international financial institutions in forthcoming processes, including the fourth Financing for Development conference.

Rationale: To align language with A/HLPF/2023/L.1 and further strengthen commitment for UN intergovernmental process on reforming IFIs.

138. We underline the role of the United Nations in global economic governance, as outlined in the UN charter, ~~in full respect of existing governance mechanisms and mandates independent of the United Nations that preside over specific organizations and rules.~~

140. We recognize the role of the multilateral development banks in providing affordable access to long-term capital and accelerating investment in the Sustainable Development Goals. We encourage multilateral development banks to go further in leveraging their capital bases and we call upon the boards of the banks to pursue general capital increases. We encourage the banks to promote grants rather than loans that would exacerbate current debt crises, ~~better terms, including longer tenor on loans~~, increased lending in local currency, and to incorporate measures of vulnerability into their concessional frameworks. We decide to establish a universal, UN intergovernmental process to address ~~support~~ governance reforms at the international financial institutions and multilateral development banks to enhance representation of developing countries and strengthen trust among their members. We call upon the banks to develop and publish impact reporting on the Sustainable Development Goals, and to build internal incentives tied to maximizing impact on the Goals.

Rationale: All UN member states should be involved in deciding on governance reforms at the IFIs to ensure Global South countries and their interests are represented through an inclusive process.

141. We acknowledge that high debt levels and financing costs in developing countries are unsustainable and hinder their progress towards achieving the 2030 Agenda. We recognize the need to strengthen the global debt architecture to provide timely, predictable and fair debt restructuring and debt relief, when required. We therefore encourage the undertaking of a comprehensive review of the sovereign debt architecture, through a universal UN intergovernmental process, with a view to making concrete recommendations for reform to the fourth International Conference on Financing for Development in 2025. We recommend that such a review should include the need for a binding, multilateral UN legal framework on debt that ensures extensive debt cancellation, an update of the principles of responsible borrowing and lending, a review of existing tools for debt sustainability analysis, and proposed mechanisms to strengthen information-sharing and transparency among all creditors and borrowers. We acknowledge that state-contingent debt

instruments could further strengthen borrower resilience and encourage consideration of their use where appropriate, with a view to providing breathing room to countries hit by shocks.

Rationale: Any review of the sovereign debt architecture should be through a UN member-state led process that ensures all Global South countries can be part of decision-making on reforming the debt architecture. It should not be an expert driven process or led by undemocratic platforms such as G20, G7, IFIs or the Paris Club.

142. We will work together to improve the global financial safety net in a world prone to systemic shocks. We welcome ongoing efforts to rechannel Special Drawing Rights to countries most in need, while ~~respecting relevant legal frameworks and preserving the reserve asset character of Special Drawing Rights~~ commitment remains to find alternative mechanisms to the lending windows. We encourage the development of proposals for ~~standing instruments to accelerate the~~ regular Special Drawing Rights issuances and the re-allocation of Special Drawing Rights in response to global crises. ~~We call for as an alternative for increasing and accelerating access to liquidity to finance sustainable development and climate emergency based on need and vulnerabilityies, while respecting debt sustainability, without increasing sovereign debt and without imposing policy conditionalities. We also call on the IMF to carry out an immediate review of surcharge policy, ensure transparency around past and future surcharge payments, and align the institution with its mandate by supporting the complete elimination of surcharges.~~

143. We call for consistent regulation of bank and non-bank entities in the financial sector, for mandatory sustainability reporting for large corporations, and for strengthening sustainability ratings to make these consistent, credible and impactful. We look forward to the intergovernmental discussions on a United Nations framework convention on international tax cooperation in order to strengthen international tax cooperation and make it fully inclusive and more effective.

144. ~~We welcome the Secretary General's decision to convene a biennial summit at the level of Heads of State and Government between the members of the Group of 20 and the members of the Economic and Social Council, the Secretary General and the heads of the international financial institutions, in order to achieve progress in building a stronger and fairer international financial architecture.~~ Delete entire para. See summary for rationale.

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*The Civil Society Financing for Development (FfD) Mechanism is a very broad platform of civil society organizations, networks and federations from around the world, that followed closely the FfD process since its origins, facilitated civil society's contribution to the Third International Conference on Financing for Development, and continues to provide a facilitation mechanism for the collective expression of civil society in the FfD Follow-up and other relevant United Nations processes. For more information: <https://csoforffd.org/>*