



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

Third Preparatory Committee (PrepCom) for the Fourth International Conference on Financing for Development (FfD4), NY, 10-14 February, 2025

**Bhumika Muchhala, Third World Network on behalf of the CS FfD Mechanism
Intervention delivered at Ministerial scene-setter: “Bringing political momentum to the negotiations of the FfD4 Outcome Document”**

Dear Excellencies, Ministers, Delegates, Colleagues and Friends,

I speak on behalf of the Civil Society Financing for Development Mechanism as well as Third World Network. **The origins of the Financing for Development** initiative, and its first conference in Monterrey in 2002, are rooted in the collective initiative of nations to address the systemic asymmetries that define the international financial architecture, and the imperative of expanding policy and fiscal space for structural transformation toward economic, monetary and financial sovereignty of the global South.

The Monterrey Consensus understood that market-based exchange rates ensconced within an international currency hierarchy, recurrent balance of payments problems and sovereign debt distress, the deregulated flow of capital and global imbalances cannot be resolved on the national terrain and reveal their steep social and economic costs through recurrent exogenous shocks and financial crisis.

While mobilizing financial resources to achieve the SDGs is critical, the FfD agenda is not limited to merely the material and financial dimension. **Rather FfD is about acting on the awareness** that without systemic change the equity and effectiveness of financing for sustainable development remains a mere illusion.

Second, with regard to the role of the UN in global economic governance, the Monterrey spirit asserted that the inequities and dysfunctions of the global architecture, such as the need for a functioning debt restructuring system or the adverse cross-border spillovers from the monetary policy decisions of reserve currency issuing countries,

requires global action and international cooperation through the UN's intergovernmental role in economic and financial norm-setting and changemaking.

This Monterrey spirit must be reinvoked in FfD4 through actionable outcomes coherent with an enabling international environment for the right to development and in alignment with principles such as common and differentiated responsibilities that redresses both intersectional inequalities – such as gender and racial inequality among others - as well as inequalities between nations. **As such, a fair, binding and effective sovereign debt restructuring mechanism** within the aegis of the United Nations, the regulation of cross-border capital flows as well as credit rating agencies, trade rules that uplift economic diversification and decent work creation, and the primacy of public international financing to generate long-term and adequate fiscal space for public services including health, education, social protection, and the unpaid care economy which both subsidizes and sustains economic production and capital accumulation on local, national and global levels.

Last but not least, international civil society has played a significant role in pushing the boundaries of what is politically possible, advocating actionable outcomes, such as for example the tax convention process generated by the third FfD conference in 2015, and forging linkages with salient dimensions such as gender and intersectional equality and the climate urgency. **It is thus critical that the negotiation modalities** of FfD4 upholds full transparency and accountability. **Anything less erodes the legitimacy** and full potential of concrete decisions FfD should deliver to shift the epicenter of global economic governance in current times of multiple and mounting crises.