

The FfD Chronicle



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

CAN MEMBERS DROP THE PRETENSE ALREADY ON SYSTEMIC ISSUES?

Following yesterday's discussion on systemic issues was like watching some nightmarish rendition of the Emperor's New Clothes. Can we please just be honest about what's really happening?

During the discussion on systemic issues, we heard member states offer a range of reasons why it is undesirable for the UN to play its mandated role in promoting global economic cooperation and macroeconomic coordination.

In summary, these tend to run along the lines of:

1. We shouldn't expand the mandate of the UN.
2. We shouldn't fragment the international financial architecture.
3. We shouldn't duplicate what other institutions are already doing.
4. Other institutions have required expertise that the UN doesn't.
5. Other institutions are completely independent and we cannot pre-empt their decision-making in the FfD 4 process.

Taken at its face, none of those arguments hold water. In summary, respectively:

1. When was the last time you checked the mandates of ECOSOC and UNCTAD? Spoiler – it's already in there.
2. As many G77 countries pointed out, the entire point of what FfD 4 can do is to deliver a comprehensive, joint-up approach to international financial architecture reform in a way that not one other institution is able or mandated to do.
3. It's not a duplication when no other institution is effectively delivering equitable, human rights-based sustainable development financing that is democratically governed and accountable.
4. That 'expertise' doesn't seem to have gotten us very far on achieving the SDG agenda. Where expertise sits is also in large part the result of decisions taken by members on where to invest their resources.

5. The zero draft represents an outcome document of an international conference, i.e. not limited by a particular institutional mandate, and begins with, "We, the Heads of State". The notion that heads of state would need to defer to their own finance and development ministers as IFI governors is nonsensical. This also doesn't seem to be a problem when the G20 wants to make decisions that lie squarely within the mandates of other institutions, like when the 2021 decision to allocate SDRs was first announced at a G20 meeting – rather than an IMFC communiqué.

But who are we kidding?

Are we to believe that it is by some enormous coincidence that all the members that are swayed by these arguments happen to be the exact same ones that have maintained effective decision-making control over the other institutions that they hold in such high esteem?

Everybody in the room understands that the only reason why some members have been actively resisting a greater role for the United Nations, where all countries enjoy an equal vote, is to maintain their illegitimately-gained decision-making power in the global financial system.

So why keep up the pretense?

What would negotiations look like if members were honest about these motivations?

Perhaps we would hear interventions like: "We object to paragraph 53a. because we have been enjoying our outsized position in IMF decision-making since 1944 that has allowed us to continue to exert control over our former colonies after their independence so that our economy may continue to benefit from the structural extraction and exploitation of resources from the global South – and we'd like to keep that up please."

When all the diplomatic niceties are stripped away in this manner, it should be clear to all member states that there can be no place for this type of positioning in a multilateral system based on trust that is equipped to tackle the challenges of the future.

WHY FFD NEGOTIATIONS ALWAYS INCLUDED CIVIL SOCIETY—UNTIL NOW?

The Negotiations Roadmap towards the Fourth International Conference on Financing for Development revealed that between the PrepComs there will be negotiating sessions where civil society participation is unclear. This week, civil society organizations submitted a letter to all delegations asking that the modalities to pursue the remaining talks uphold the highest standards of transparency, with civil society access to the negotiating rooms and the documents reporting attributions to revisions made to the outcome document.

The choice on whether to allow civil society access to those negotiations that delegates face this week is a momentous one that will bear important consequences for the outcomes in Seville and beyond. The Monterrey Conference (2002) deliberately took a “beyond-UN” approach, on the understanding that a platform that addressed all sources of development finance in a holistic way needed to convene all actors in the development process. Central to the spirit of Monterrey was, indeed, that call for all development stakeholders to come together around a common agenda.

FFD modalities set it apart, as a process, in terms of transparency and participation, from the secretive and closed practices that continue to characterize the proceedings at global economic institutions. FFD represents the only international venue where an official discussion on matters of finance, debt and the reform of global economic institutions enjoys this level of openness.

Although such level of access may seem in tension with the need to ensure the purely intergovernmental nature of the outcome, such tension does not really exist. Civil society participants have been the first ones to call for a Member State-driven process, retaining a right to be present and contribute informally, and respect the modality of closed doors negotiations when the final decisions need to be made.

Early in the days preceding the Monterrey Conference, member states understood that ambition in that conference could not happen without involvement of civil society and the private sector, which were recognized as essential “non-institutional” stakeholders. One could credit the durability and respect that the Monterrey Consensus commands to the recognition that the process is strongest when it involves and can build trust across all stakeholders.

Monterrey’s special modalities were innovative for their time. FFD went as far as creating its own special accreditation process, to incentivize participation of CSOs that normally may not be involved in UN processes. But the issue of civil society participation and where it should stop, was not exempt from debate in the lead up to Monterrey.

In that sense, the current discussion on whether civil society should be present in the intersessionals, is one that took place in all previous Financing for Development conferences. And in each and every conference, the “spirit of Monterrey” prevailed.

In prior FFD conferences, the presence of civil society was seen as the way to keep everybody on task and honest, bridging differences, challenging complacency and mobilizing political will. Each and every time, regardless of the technical names given to the sessions where negotiations took place (and FFD has seen PrepComs, drafting sessions, informals and so on), the modalities engineered ways to keep civil society in the room, up to the latest stages of the negotiation.

We have a world and generation of decision-makers that lived through the traumatic experience of a global pandemic shutdown – that we cannot guarantee will be the last. Mounting evidence of the existential threat to human kind, and other forms of life, posed by ecological harm, climate change, and other crises, add to a sense of exceptionality and uncertainty requiring exceptional action. With less than 15% of the SDG targets on track, it is clear that the FFD4 offers perhaps the last chance to a dramatic course correction to meet a decent number of the 2030 deadlines.

The three previous conferences on Financing for Development, regardless of the technicalities, managed to keep a high standard for civil society access. FFD’s originally ambitious objectives could have hardly been achieved if negotiations took place behind closed doors. With the clock ticking towards Sevilla, we hope we will be able to say the same of FFD4.

