

First Intersessional: Response by the Civil Society FfD Mechanism

25th April 2025

II.C International Development Cooperation

These FfD4 negotiations and the upcoming conference in Sevilla in June/July will take place in an unprecedented moment in the history of International Development Cooperation (IDC). With rich countries slashing their aid budgets and abandoning their long-standing commitments on IDC, the entire system is at risk of being upended. FfD4 is an opportunity to respond swiftly and resolutely to the recent unwanted developments and make sure that governments are held to account for the commitments they make.

Until now civil society is unmoved by the level of ambition expressed in the negotiations, in particular by rich countries. Calls by civil society to undertake a major reform of the IDC governance, through a commitment towards the establishment of a <u>UN Convention on IDC</u>, have so far been mostly unheard. Our call is for Member States to introduce a commitment along these lines in the upcoming intersessional negotiations. The current governance arrangements of IDC have landed us in this quagmire and are therefore in need of a major overhaul, and now. A status quo approach will be a deathblow to IDC.

Specific feedback on language

The below reflects CSO positions on the content of the chapter on IDC of the first draft of the FfD4 Outcome document. It aims to directly respond to language proposed by UN Member States in the first intersessional negotiation.

Chapeau para 30

We agree with or would like to see strengthened:

- Explicit support and emphasis on the unmet commitments on ODA as unpaid debt which must be honoured by developed countries to developing countries. This means immediate reversal of recent cuts/reductions.
- The call for ODA to target poverty eradication, inequality and structural transformation as the main development challenge of our time and oppose the diversion of ODA to humanitarian sector instead of economic development.
- The use of ODA for the promotion of gender empowerment.
- A call for countries to address the inflation of ODA and call for the exclusion of items like refugee costs and student costs from ODA calculations to ensure credible and transparent data.
- Recognise that ODA must remain part of development finance and support the implementation of the 2030 agenda.

We disagree with:

• The relentless promotion throughout the entire IDC chapter of greater private sector engagement and the use of ODA to mobilise private investment

Para 31 on volumes and allocations

We agree with or would like to see strengthened:

- The importance of ODA as the key measure of donor effort (31a pre)
- Calls to fulfil and maintain 0.7 of GNI target, including the 0.2% of GNI target for LDCs, by 2030 (31a)

- The establishment of ODA targets with concrete and binding timeframes (31ba)
- Scaling up funding for women's organisations (31b bis).
- Scaling up and setting targets for aid programmed at country level as well as budget support under a UN led process; (31c)
- Calling for fit for purpose grant based and concessional finance (31c bis)
- Separating climate and development finance (31c ter)
- Emphasising the importance of the precise measurement of ODA and to exclude elements that are inconsistent with the core purpose of inflate ODA, including refugee costs, debt relief, imputed student costs and private sector instruments (31c quat)
- Establishing multilateral process at the UN to agree common understanding of parameters and objectives of ODA flows *BUT would encourage this language to be further strengthened to a norm-setting and governance role* (31c sext)
- Recommending countries to use Official Development Assistance to foster gender equality (31c sept)
- Reaffirming the untying of ODA with a commitment to timelines for achieving "fully" untying;
- That seeks to enhance the transparency, quality and impact of South South cooperation (31 various)
- The use of the multidimensional vulnerability index, as a complement to their existing practices and policies, to inform IFIs' development cooperation policies and practices.] (31 [q.bis)
- We call for a UN member-state led review of MDBs and IFIs

We disagree with:

- Recommending increasing the amount of private finance mobilised via ODA-funded activities (31c)
- Suggestions which dilute ambition such as deleting 'reverse reductions', 'concrete and binding time frame', "increase share in budget support to ODA"; or replacing "commit" with "make effort"
- The World Bank's Evolution Roadmap of private finance-first approach
- Working through MDBs Executive Boards to implement G20 CAF Review Recommendations and Roadmap (31h), as it precludes an outcome in the direction of a UN member-state led review of MDBs and IFIs
- Strengthening MDBs Private Capital Mobilization Strategies and so-called innovative measures like hybrid capital for private investors (31i)
- Basing cooperation of MDBs and PDBs "on existing initiatives especially the Finance in Common network" that is external to the United Nations system (31p)

Para 32 on the effectiveness of development cooperation

We agree with or would like to see strengthened:

- Calls to operationalise the Busan partnership for development effectiveness principles (32a)
- Calls to empower national governments to lead and manage aid flows and strengthening alignment to country plans and strategies (32b)
- Call for addressing fragmentation to strengthen country ownership and leadership. It should be consistent with targets under the aid effectiveness agenda of the Paris declaration (32c)
- Calls for strengthened inclusive partnerships and support to civil society at all levels (32a)
- Calls for greater transparency, accountability and good governance (32c bis)
- Acknowledgement of persistent gaps in humanitarian assistance funding and calls to strengthen the system of humanitarian financing, adding that this funding should be new and additional to financing for long-term development assistance (32c ter)
- Accountability for affected populations (32d; or incorporation into 32d alt)

Para 33 on development cooperation architectures

Civil society places a high degree of importance on this paragraph and calls on Member States to introduce stronger language on the reform of IDC governance, with a view to establishing a stronger and more prominent role for the UN.

We agree with or would like to see strengthened:

- The primacy of country led plans as being the basis of engaging all development partners at the national level (33a)
- Any new platforms such as INFFs should not be used as pre-condition for receiving development assistance (33a)
- The convening and especially the <u>norm-setting role</u> of the United Nations and the inclusion of governance reform for the International Development Co-operation architecture (33b)
- References that would strengthen the role, mandate and capacity of the DCF (33 various / especially 33c)
- Supports monitoring mechanisms that is country driven to strengthen both domestic and global accountability (33c)
- Support reform of development co-operation architecture that promotes inclusive and coherent co-operation and enhances transparency and horizontal and vertical accountability and that meets the needs of developing countries and prioritizes country leadership and local ownership and accountability (33civ)
- Support calls for reforms to international financial institutions (IFIs) to make them more responsive to developing countries' needs.

We disagree with:

- Emphasis on UNSDG collaboration with IFIs/MDBs (33a.pre)
- Promotion of initiatives that do not fall within the UNs authority/orbit i.e. Total Official Support for Sustainable Development (TOSSD) (33b/c)

Para 34: Please refer to separate input on 'Ecological and climate finance'.