

Financing for Development made simple

This briefing seeks to bring together all the key details of the Financing for Development (FfD) process to explain what it is, what has happened and what will come next. This briefing does not seek to give all the details and political dynamics of the process, but does offer web-links to where you can find more detail. This briefing makes suggestions on how to engage with the process with a gender- focus. We have not offered an analysis from a sexual and reproductive health and rights (SRHR) -lens because the conversations have been at the macro-level, meaning it is very top-line.

What is Financing for Development?

The FfD framework and its follow-up came out of two International Conferences on FfD:

- Monterrey Consensus of the International Conference on Financing for Development, 2002
- Doha Declaration on Financing for Development: Outcome Document of the Follow- Up International Conference on Financing for Development to Review the implementation of the Monterrey Consensus, 2008

The outcomes of the conferences set the modalities for international partnership between countries to agree on what would be done in the area of finance to meet global development needs such as the global (re) distribution, allocation and utilization of financial resources. It also encompasses systemic and broad issues around financing in general and the dynamics of economics – for example, it includes issues like representation of Governments in financial institutions and trade. FfD is the only global space to agree and discuss financial and economic dynamics that deeply affect women and development.

Why is Financing for Development important?

The current FfD process will develop a new framework that will continue the works of Monterrey and Doha. It will also support the financing and implementation of the post-2015 framework; the new Sustainable Development Goals that will replace the MDGs. This will culminate at the Third International Conference on Financing for Development in Addis Ababa, July.

Building on Monterrey and Doha, the new FfD framework attempts to reinvigorate and strengthen financing for development by identifying constraints to achieving the goals, taking into account emerging issues and the current evolving development cooperation landscape. FfD will explore the synergies of financial sources across the three dimensions of sustainable development. FfD covers many elements including:

- Governments mobilizing domestic resources (Through tax revenue and other mechanisms)
- Mobilizing international resources for development (Official Development Assistance-ODA)
- International trade as an engine for development
- Financial and technical assistance
- External debt
- Trade
- Systemic issues (this refers to inequalities propagated by multi-lateral institutions and existing financial structures)

The relative significance of each source, and the challenges with accessing some of these sources, will differ between low-income countries and fragile and conflict-affected states, middle-income countries with limited market access, and middle-income countries with market access.

What has happened and is happening?

The [preparations](#) for the Third International Conference include substantive sessions and informal hearings with civil society and the business sector during the period September 2014 – March 2015, as well as informal consultations and drafting sessions on the outcome document in January, April and June 2015. Below is a timeline of events in the FfD process, please note, only the official meetings are listed below. There have been some additional informal and ad-hoc meetings on FfD:

| Date | Event | Location |
|----------------|--|-------------|
| 15- 16 January | Informal hearings with civil society and business sector | New York |
| 27- 29 January | FfD first drafting session | New York |
| 4- 5 March | Informal hearings with civil society and business sector | New York |
| 13- 17 April | FfD second drafting session | New York |
| 15- 19 June | FfD third drafting session | New York |
| 11- 12 July | Third International Conference on FfD CSO Forum | Addis Ababa |
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Ambassador George Talbot of Guyana and Ambassador Gier Pederson of Norway are the co-facilitators of the FfD process, meaning they organize and compile the discussions in the FfD proceedings.

[FfD first drafting session](#)

The January session saw Governments react to an '[Elements Paper](#)' circulated by the co-facilitators the week before. Below are some key themes that arose out of the session:

- Many statements from Northern countries championed **domestic finance** as the cornerstone of financing for development. This responds to a greater push to divert responsibilities from “traditional donors” to developing countries. Developing countries also emphasized the need for an **enabling international environment** – including through a development-centered approach to **trade** and **democratization of the International Financial Institutions (IFIs)** - to improve their domestic resource mobilization. Strong calls were made for **debt forgiveness** to increase fiscal space for development.
- All countries called for **reduced transaction costs on migrant remittances**, though developing countries emphasized that these funds are private/personal and should not be counted among the resources available to finance development.
- All stakeholders agreed on the need for **coherence between the FfD and the Post-2015 process**.
- Most stakeholders agreed that **monitoring and accountability** (an addition in the Elements Paper, beyond the contents of Monterrey) would be key to ensuring Addis commitments are fulfilled.

[FfD second drafting session](#)

Civil society has been inputting into FfD through alliances such as the [Women’s Working Group on Financing for Development](#) and [CONCORD in Europe](#), as well as the [CSO broader group](#). At the **hearing session for Civil Society Organizations** on 9 April CSOs highlighted the following key priorities:

- The need to have clear mechanisms to fight tax evasion and avoidance to increase domestic revenues, particularly as domestic finance has been highlighted as the source to lead the investments for development.
- The importance of maintaining, renewing and fulfilling the 0.7% Official Development Assistance (ODA) commitments, and 20% of this should reach the most in need populations.

- The need for investing in institutional strengthening, accountability, and transparency at all levels, including private sector and the need to ensure that private sector financing is in line with Human Rights principles
- Poverty reduction should be the core principle of FfD and development should be sustainable and for all.

The drafting session focused on macro issues and points of divergence among Governments surfaced along the traditional Global North and Global South lines.

- **Means of Implementation (MoI) of post-2015 and FfD.** Governments did not agree on whether or not FfD should be the main MOI pillar for the post-2015 agenda, or just the Financial pillar. The EU called for FfD to be the main pillar, whereas the G77+ China and other groups (predominantly Global South Governments) continue to insist that this should not be the case as FfD is a broader agenda than just post-2015 (such as other poverty eradication initiatives such as Every Woman Every Child and Family Planning 2020. For example, FfD will be able to fund parts of the International Conference on Population and Development Programme of Action that is not included in post-2015, such as comprehensive sexuality education).
- **Follow-up and review of FfD.** Governments debated whether FfD should have its own follow-up and review process or be merged with the post-2015 process. The EU supports having one process that includes the High Level Political Forum (HLPF) for both, while the G77 supports having a separate mechanism for each process.
- **Partnerships.** These discussions centered on North/South; South/South; Triangular (this normally involves a traditional donor from the ranks of the OECD's Development Assistance Committee (DAC), an emerging donor in the South, and a beneficiary country in the South) and public/ private partnerships. The EU strongly emphasized that South/ South cooperation should be considered the way of the future as the situation on the ground for many countries in the south has greatly improved. Middle Income Countries, are strengthening their response arguing extreme inequalities, existing deep structural weaknesses and economic instability.
- Many Governments called for the special needs of countries in the Least Developed Country (LDC), Land-Locked Developing Country (LLDC), Small Island Developing States (SIDS) groups and countries in conflict to be considered. The G77 and Mexico strongly argued in favor of including Middle- Income Country (MICs) as special needs countries, explaining there are strong national inequalities, and there need to be other indicators besides GDP per capita to measure development. The EU countries and USA were less inclined to mention MICs every time and want to focus on LDCs.
- **Official Development Assistance (ODA).** There was a strong consensus on the need to ensure compliance with the commitments made to ODA and to increase transparency and accountability on the use of these funds. The EU called for the end of the “donor/recipient” mentality and while there was a push towards south-south cooperation, some countries, particularly from the G77, argued that that is based on solidarity and can't be committed as a source for development.
- **Accountability and shared responsibility.** The G77 push for common but differentiated responsibilities (CBDR), the principle where States have a shared obligation to promoting sustainable development, but takes into consideration that States have different circumstances, conditions and capacities and therefore any contribution from a State should be distinguished based on those factors. The USA rejected CBDR, stating that it did not belong in the FfD discussion.
- **The ‘Right to Development.’** This continues to be a contested term between the EU, USA with support of Australia, Japan and other western countries and many G77 countries. The

concept of 'Right to Development' is the view of many developing countries that they should be given time, space and resources to develop as many developed countries did.

- Gender- Financing Mainstreaming. In general, all countries agreed on having strong language around women empowerment, women rights and ensuring women's participation, however it remains to be seen how this will translate into policy. In addition, there was some opposition to elements of language around gender that was deemed to go against national, cultural and religious values, such as women's right to inheritance by Saudi Arabia on behalf of the Arab group. The general risk that has been strongly highlighted by the Women's Working Group (WWG) on FfD is over- commodification and instrumentalization of women or in other words, seeing women as potential tax contributors instead of acknowledging the deep imbalances in the entire FfD framework for women and girls and shaping language from a Human Rights perspective.

The co- facilitators will aim at having a final 'zero draft' ready by the end of June, so governments can continue the final negotiations in Addis at the Third International Conference.

Current state of the zero draft following the most recent revision (May 2015)

The co-facilitators released a revised draft of the zero draft on May 6. You can read it [here](#). The Civil Society Organization Financing for Development Group (more information on this group below) has released its '[suggested revisions' on the revised draft](#).

What should we be advocating for?

At this stage, co-facilitators are accepting line-by-line suggestions on the zero draft, like those in the Civil Society Organization Financing for Development Group suggested revisions. However, it is still helpful to think about the board principles we want out of the new FfD framework.

- A Global Framework for Financing for Development must ensure gender equality and women's and girls' human rights and their empowerment, to promote, and protect and fulfill all human rights
- A Global Framework for Financing for Development must fulfill existing financing commitments such as the implementation of the Cairo Programme of Action and Beijing Platform of Action
- Financing for development partnership must be a transformative people-centred partnership with poverty elimination, gender equality, and human rights as basic principles, with a key role for
 - Women and girls, being recognised as development actors and enablers, and not in terms only of their vulnerabilities to poverty, inequality, violence and discrimination.
 - Civil society, ensuring a universal and inclusive process, both at global and national level, where all members of society are heard, in particular the most vulnerable and no sectors are left behind.
- Financing for development must incorporate sustainable development, eliminate extreme inequality, and ensure equity, including gender equality
- Financing for development must guarantee comprehensive, qualitative and universal social protection systems and essential public services for all
- Financing for development must work to ensure that the role of the public sector is enhanced and that countries have the necessary policy space to regulate private sector activities at the national level
- Official Development Assistance (ODA) continues to be critical source of income for many countries, and while the countries undergo the necessary transformation that is needed, developed countries should recommit to the ODA targets within a clear timeframe. In that regard, military expenditure should not be included in ODA.

- Financing for development must commit to improving and strengthening the effective functioning of the international financial system and architecture
- Enable inclusiveness and universality of the new partnership through disaggregation of data by sex, age and other relevant characteristics, including
 - Strengthen capacities of national statistics offices and invest in filling key data and research gaps, including dedicated budget lines for gender statistics, and for institutionalizing data disaggregation and analysis.
 - Recognize and support CSOs as enablers for good governance and social accountability (not only service providers): access for CSO participation should hence be guaranteed including through open data formats (in line with UN Secretary- General report).
- Financing for Development and post-2015 must remain distinct and separate tracks, including for review and follow-up. Financing for Development is a broader agenda that covers many issues that may not be included in the post-2015 development framework. Merging the two tracks diminishes the mandate of FfD.
 - The FfD platform is the normative framework for the systemic issues that need to be addressed so that the SDGs are fully implemented. Moreover, the SDGs are just the point of entry to a larger development agenda that will progressively address a more just redistributive balance.
 - The FfD is a platform that will survive beyond the 15 years envisioned for the Post 2015 agenda. The FfD is the platform under which the Human Rights instruments of the decade of the 90s are financed. However, the Post 2015 agenda is the urgent point of entry for an ambitious global dynamic. Both, therefore, are complementary.

For a more comprehensive analysis and recommendation on FfD and SRHR please read [Countdown 2015 Europe FfD recommendations](#).

What is next, how to get involved and what opportunities are there for advocacy?

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|-------------|---|-------------|
| 15- 19 June | FfD third drafting session | New York |
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There have been a number of coordinated civil society inputs, you may consider joining one of these. These groups build on existing FfD structures to impact on the discussions. Furthermore, strong advocacy benefits from one coordinated message, particularly for those new to the FfD process.

- [Civil Society Organization Financing for Development Group](#). An open civil society platform engaged since Monterrey in 2002. Within this, there is the Addis Ababa CSO Coordination Group (ACG), formed in October 2014. This group incorporates regional, gender and constituency balance including the Major Groups’ constituencies. They have been working to coordinate civil society input into the FfD zero draft. Information on how to join and the inputs can be found on their website, link above.
- [Women’s Working Group on Financing for Development](#), which formed in 2007 for the Doha Conference. The Women’s Working Group will continue to identify ways for ensuring the strategic engagement of women’s rights organizations in the FfD process and will continue to feed into the CSO FfD Development Group to ensure a gender perspective. Information on how to join and the inputs can be found on their website, link above.

Actions to take:

- Participate in the above civil society groups to get the latest information and to input into joint responses.
- Find out who is leading the FfD process within your government and share the above messages with them. For some governments it may be the same post-2015 person/ team.
- Ask if you can be on your government's delegation for the Third International Conference in Addis.
- Read the statements your government made at each of the drafting session (click on the links for the relevant drafting sessions above) to see what their position is, when communicating with them either support their position or challenge it by demonstrating why their position should be something else. Remember, your government may be part of a UN bloc such as the G77, EU, Alliance of Small Island States (AOSIS); so check these too.
- If you are a member of a civil society organization in consultative status with the UN Economic and Social Council you may consider [registering to attend](#) the Third International Conference, deadline to apply is 23 June 2015.

Interesting and useful reads and websites:

- [Civil Society Organizations Financing for Development Group](#)
- [Women's Working Group on Financing for Development](#)
- [Regions Refocused 2015](#): They have created a language map on the FfD zero draft; it is available to read on their Facebook page.
- [FfD: Myths and Realities](#), Population Action International