

Second Drafting Session on Third FfD Conference

Civil society interventions on International Public Finance

Statement delivered by Ms. Mareen Buschmann, Policy Adviser, Bond and Caritas Internationalis

Thank you, Mr. Co-Facilitator, to address the session. My name is Mareen Buschmann, I work for the UK National Platform Bond, and I also speak on behalf of the wider civil society group.

As we have clearly heard in the last few days **more and better Official Development Assistance** has a crucial and irreplaceable role to play to achieve sustainable development. We now need to focus our efforts to deliver a sufficiently ambitious outcome, by including **concrete next steps and measurable timelines** so we can deliver the finance we need to build the world that we want.

I would like to address 3 specific points in 2 paragraphs.

First, regarding paragraph 56:

We **welcome the clear and unambiguous** recommitment to the 0.7% aid target and the call for timetables. We suggest strengthening this commitment further by:

Encouraging all donor countries, by the end of 2015, to establish concrete timetables at the **national level** which outline clearly **how and where they will gradually** increase their assistance to deliver 0.7% no later than 2020.

Whereas ODA needs to focus on eradicating poverty and tackling inequalities everywhere, including in Middle Income Countries, we also support one of the **main asks by LDCs themselves** and would encourage adding that developed countries must also commit to provide at least half of their official development assistance to LDCs.

We further recommend adding to scale up the share of ODA for achieving women's human rights and gender equality, and ensure that additional funding is in place to implement the Sustainable Development Goals.

Second, regarding paragraph 58:

We are concerned that emphasis is being placed **not on the effective use of ODA** to support sustainable development but instead on using aid as a catalyst to crowd in other finance without clear evidence of the development impact.

We therefore suggest adding, that the catalytic role of ODA should be subject to **close scrutiny to assess consistency with the effectiveness principles** and whether there is any

added value whenever international public finance is diverted from more direct interventions to blending with or leveraging private finance.

Finally, also related to paragraph 58:

When modernizing the ODA definition, we'd suggest **specifying** that ODA needs to be genuine, and exclude debt relief, imputed student costs, refugee costs and tied aid.

We further suggest to clearly outline that ODA **will supplement, not replace**, other types of international public finance, and will be provided in addition to climate finance, innovative financing, other non-concessional flows and South-South cooperation.

We'd also advocate for a **firm re-commitment and implementation of better aid principles** – most notably the aid effectiveness commitments made under the Global Partnership for Effective Development Cooperation and UN Development Cooperation Forum processes.

Thank you very much.

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Statement delivered by Corina Rodríguez Enríquez, Development Alternatives with Women for a New Era (DAWN)

Thank you Mr Co-Facilitator,

My name is Corina Rodríguez Enríquez, I am part of Development Alternatives with Women for a New Era (DAWN), the Women's Working Group on Financing for Development and the wider CSO group on FfD.

I would like to make three comments.

To start with, we consider that a stronger focus is needed on enabling policy space to develop, drive and implement **national development strategies in an inclusive and democratic way**. Developing countries cannot bear the conditionalities of aid that hijack their policy space to pursue sustainable, equitable and gender-just development patterns.

Therefore we support the reference to full untying aid in **Paragraph 72**. However, **explicit commitment to set up adequate accountability and follow up mechanisms should be added**. Otherwise it will remain rhetoric. We also believe on the need for a call for **development providers to be transparent about how much money they give, where it goes and how it is spent**. This is a key issue for mutual accountability and donors should commit to do it through the **International Aid Transparency Initiative (IATI)**.

Second, we are also concerned with **Paragraph 58**. There is no evidence to fully endorse blended or pooled financing. On the contrary we consider that ODA **must retain its poverty reduction focus**, it should contribute to the achievement of the SDGs, as well as accelerate full and effective implementation of internationally agreed development agendas. **ODA should support partner countries in developing the necessary institutions to provide public service delivery to the poor** and to effectively manage domestic and international financial resources so as to ensure that they work to reduce inequality. In addition, the work on ODA modernisation and on measuring the Total Official Support for Sustainable Development (**TOSSD**) have to involve all stakeholders on an even footing in terms of establishing priorities, content, development and decision making. This should be clearly stated in the document.

Finally, we are also concerned that **multi-stakeholders partnerships** in specific areas such as health, education and food are included in the draft, in **Paragraphs 69, 70 and 71**. Instead, we consider that States should call for establishing a UN led governance framework of open, transparent, and participatory oversight, monitoring and review of any partnership developed within the framework of the UN. It should set criteria for eligibility and dismissal, taking into account accountability, gender equality, human rights and environmental ex-ante assessment, as well as criteria, including the appropriate safeguards to reduce risk and long-term costs.

Thank you.

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Statement delivered by Cristina Dies, Director and UN Representative, International Movement ATD Fourth World

Thank you Mr. Co-Facilitator. My name is Cristina Diez, I work for the International Movement ATD Fourth World, I also speak on behalf of a wider civil society group and my statement complements and build upon the statements my colleagues from civil society have already delivered.

Para 57:

Although we welcome the emphasis on reaching the poorest in paragraph 57, we find that wording in this vein misses the most excluded in non-LDC countries. Thus we propose:

...We encourage developed countries to target ODA to the poorest and those most in need **[ADD: in every country]**, taking into consideration agreed spending requirements to end poverty and invest in people...

We would also like to point out that better reporting and use of disaggregated data by income, gender, disability, age, race and ethnicity in ODA disbursement would greatly improve the impact of ODA. Also, sub-national targeting would much more effectively reach the lowest quintile of the population.

Para 60:

In paragraph 60 we would like to propose the following language:

We reaffirm the importance of meeting in full existing commitments under international conventions, including on climate finance and other key global challenges. **[ADD] We reiterate existing commitments in line with CBDR and historical responsibility,**

The Addis conference should note the importance and urgency of the Paris COP in agreeing binding targets and timetables for climate finance. Climate financing is supposed to be new and additional to ODA.

Para 62:

We welcome the language on paragraph 62 to implement multi-jurisdictional tax cooperation and develop mechanisms of innovative financing. We definitely welcome the naming of the different types of innovative ways for generating revenues and the statement that considers such innovative mechanisms revenues as additional resources to the committed ODA disbursement and we hope the language stay.

We would like to propose the following language to strengthen the paragraph:

In the second sentence... We encourage additional countries [Delete] ~~to voluntarily join in implementing~~ **[ADD to implement]** the agreed mechanisms... [ADD at the end of the paragraph **Furthermore, we urge that part of the resources raised through innovative mechanisms are invested toward solving specific and pressing social and environmental issues, making sure to reach the poorest and those most in need in all countries.**]

Para 63:

It is critical to align the work of development banks and International Financial Institutions with human rights standards under a “do no harm” approach.

At the end of the sentence about the safeguards of the MDBs we suggest to add [ADD] **without producing negative effects or harm to affected communities and consistent with human rights principles and obligations under international law.**

ODA has contributed to a disproportionate emphasis on hard infrastructure spending. This has often come at the expense of agriculture, public services, social protection and other *social* investments that have a direct positive impact on the lives of the poorest populations.

Thank you co facilitator