

Civil Society Interventions during the UN General Assembly Substantive Consultations on the Doha Outcome Document

New York, 8 – 10 September 2008

Day 1:

Notes for initial remarks to the Informal Consultations on Follow-up International Conference on Financing for Development¹

Mr. Chair, my name is John Foster. I represent the North-South Institute of Ottawa, Canada and the Social Watch international network, and I am speaking today on behalf of the NGO Group on Financing for Development which includes 13 facilitator bodies around the world.

Introduction

With other speakers here today, we wish to express our appreciation and to thank the co-facilitators, the representatives of the General Assembly and the staff of the Financing for Development secretariat for bringing the project so far.

We are concerned that we emerge with a far-reaching and decisive outcome. We do not wish to reduce the level of significance of the Doha Declaration and its impact on moving forward. We wish a bold, creative and yet actionable agreement. Civil society representatives returning from Accra indicate that the final result there involved additional rather than less language, and believe that this resulted in a balanced and successful text. We hope the same will prevail here.

Mr. Chair, the civil society organizations have prepared detailed proposals for the Doha outcome, and a summary of recommendations and our full document are available in the hall for any of you who have not yet received them.

The Crisis Moment

Mr. Chair, while we appreciate having such a wide-ranging text before us, we sincerely assess that it lacks the urgency of tone and challenge required by the current crises we face, whether on the streets or at family tables.

Here and at the Development Cooperation Forum we have heard of the 3-F crises – food, fuel, finance – and we know that we are at a tipping point, a pivot in which hundreds of thousands,

¹ This statement was prepared on the basis of discussion among the NGO representatives at the negotiating session and on previously established recommendations to the process from the NGO preparatory processes.

millions, of people are falling back into poverty and extreme poverty. We are moving in the wrong direction.

Beyond this, and even more fundamental is the global challenge of climate change, which leaves none of us unaffected. As well, we have noted the stalemate in world trade negotiations.

We need not only recognize these crises, but take advantage of that recognition in proposing bold responses. The Outcome Document must “raise the bar,” challenging governments and the public. We need to move to a global framework for economic reform with justice and equity, a framework which is lacking today.

Mr. Chair, we are pleased with several elements in the document. In particular we appreciate the effort to include gender dimensions. There is a great deal more to be done in this regard. The NGO Women’s Working Group has developed proposals which will be put forward at the appropriate times.

We also appreciate the attention given to emerging issues. We are ready to work with you in developing more adequate analysis and responses.

The work on systemic issues is essential. We very much appreciate the proposal to move further on reform of international decision-making in the major world economic bodies, but the reform process must go must deeper and faster.

Selected Specific Concerns

Mr. Chair, to deal with the 3-F crises we have mentioned and with adaptation and mitigation of the climate challenge we demonstrably require significant additional resources.

Clearly, donors must meet and exceed long-established targets for ODA, but we need additionality far beyond what national budgets have and seem able to provide. We need to expand levies on the profits of globalization.

We are pleased that innovative measures are recognized in the draft document, along with the work of the Leading Group, but these references must be strengthened and made more specific. We call for specific support of measures including the Currency Transaction Tax, as put forward in the Secretary-General’s report to the April High-level Meeting of the ECOSOC with the Bretton Woods Institutions, UNCTAD and the WTO.

We support clear commitment to deal with odious and illegitimate debt and for an effective, orderly and fair debt workout mechanism. Debt relief must not divert from ODA.

We are pleased to support the enhancement of the Expert Committee on Tax. Further we support the proposals heard earlier today for dealing with tax evasion.

The path to development must be inclusive. We firmly support explicit commitments to assure domestic policies prioritize employment creation in decent work as the best road to basic equity and just distribution.

World Conference

Mr. Chair, we support the call for “a major international conference to review the international financial and monetary architecture and global economic governance structures”. We believe that such an event must be organized by the only truly universal body, the United Nations, not by the existing Bretton Woods Institutions. It should be organized on the same inclusive principles that govern the Financing for Development process.

On Moving Forward: the Follow-Up Process

We strongly favor an ongoing follow-up process via a new institutional mechanism which is outlined in our detailed recommendations. It should be based in the UN, meet periodically and frequently. It should be inclusive along the lines established in the FFD process. It should be backed by a strengthened UP Secretariat in Financing for Development and a strengthened intergovernmental counterpart to the Secretariat.

On Procedure

Mr. Chair, Monterrey pioneered the inclusion of civil society in these crucial deliberations. We wish to guarantee that the process of further negotiation of the draft outcome document continues to be effectively inclusive.

This is particularly important for southern and other NGO voices that come from outside New York.

We therefore recommend a further three-day inclusive informal substantive negotiating session to further develop the text.

Conclusion

Thank you for your attention. Mr. Chair, the many civil society organizations involved with this process look forward to working with you for a successful and far-reaching outcome.

Day 2:

Intervention on: Mobilizing international resources: foreign direct investment and other private flows

My name is Eva Hanfstaengl, Board member of Erlassjahr, the German Jubilee Campaign, and member of the NGO Committee on FfD. I will present the main points of the “Key Recommendations of the Doha NGO Facilitating Group” on foreign direct investment and want to express my appreciation to the co-chairs for the opportunity to give us the opportunity to speak. Copies are available in the back of the Conference room.

We welcome that the Draft Outcome Document rightly emphasizes the need to maximize linkages with domestic production activities, transfer of technology and training of the local labor force. However, the weak language on the responsibility of private investors to uphold labour and environmental standards as well as transparency in the accounting of revenues, including in the Extractive Industries, fails to address the real need for a strong regulatory framework to counter well-documented abuses, and ensure positive developmental impacts of foreign direct investments.

Development countries should avoid underbidding each other to compete for investment as this can lead to a “race to the bottom” of social and environmental standards and negative development impacts of foreign direct investments. No tax incentives for re-transfer of profits from foreign investment should be granted, and governments ought to commit to abolishing all incentives for the transfer of profits. Instead, they ought to boost international tax co-operation with the aim of preventing all forms of ruinous tax competition, and ensuring that tax regimes mobilize adequate resources for development.

We miss a stronger language on strengthening co-operation to stabilise capital flows and improving regulation of institutional investors. More stringent disclosure requirements should be established for hedge funds vis-à-vis the financial regulatory authorities.

Strict regulations should be applied to institutional actors investing in food and energy futures.

Thank you.

Intervention on: International trade as an engine for development

By Philo Morris, representing Society of Catholic Medical Missionaries and partnering with Church World Service speaking on key recommendations made by the Doha NGO group:

- 1) In the area of fair rules for world trade, the governments of the North ought to drop their demands on the countries of the South calling for onerous tariff reductions.

- 2) All countries of the North should completely end their subsidies for agricultural exports to the developing countries, especially to Africa.
- 3) The FFD Review Conference should call for an integrated assessment of the trade, financial and monetary pre-conditions for developing countries to utilize trade as a tool for development, the promotion of gender equity and full employment.
- 4) Because WTO negotiations have stalled – it is all the more important that trade be brought into the UN, through FFD process in proposing a holistic trade and development agenda as a way out of the current impasse.
- 5) In the area of Aid for Trade Member countries should commit in FFD to ensure that recipient countries play the central role in the Aid for Trade decision process.

Thank you Co-facilitators,
Philo Morris

Intervention on: External Debt

By Eva Friedlander, International Women's Anthropology Conference and speaking on behalf of the Doha NGO Facilitating Group.

I want to express my appreciation to the co-chairs for the opportunity to give our general perspective on several aspects of the section on External debt.

We welcome the statement that “debt service in a considerable number of low and middle-income countries is still too high”, but note that while official creditor initiatives to cancel the debts of heavily indebted countries have benefited a few countries, these are far from sufficient to help achieve the MDGs.

No link has been established between the high level of debt servicing and the capacity of countries concerned to achieve the MDGs, as called for by the Monterrey Consensus. In this light the section on debt represents a major step backwards from the Monterrey commitments, not to speak of the disjuncture with the more ambitious human development goals that aim to eliminate social disparities, including those of gender.

Furthermore, the current food and fuel crises, and the risks of climate change that now face many countries will leave those very countries receiving debt cancellation vulnerable to new unsustainable and unjust debts. Paradoxically, some of those countries must incur new debts in order to meet the MDGs.

Many of these debts are considered odious and illegitimate by civil society stakeholders. In May 2008 civil society groups from all over the world attended a UNDP consultation in NY to discuss how to avoid a new debt crisis and how to place illegitimate/odious debt and creditor co-responsibility into the Doha Outcome document.

Concern is expressed in the document about increased vulture fund litigation. Indeed, the problem of vulture funds is critical if debt relief is to yield full benefits. Governments must commit to take concrete steps towards changing their laws, so as to prevent vulture funds and other commercial interests from compromising the benefits arising from debt relief. They should also give judicial and financial assistance to debt-stressed countries in case they are taken to court. The best way to address the problem is to establish a comprehensive, fair and transparent debt workout mechanism.

Although the WB/IMF debt sustainability framework has been responsible for underestimation of debt relief needs, this same framework is considered adequate for monitoring and analyzing debt sustainability. There is need for a far broader definition of debt sustainability, one that includes social dimensions in the estimation of debt relief needs.

We appreciate recognition of the new vulnerabilities that have occurred with the shift from official to commercial borrowing and external to domestic public debt and the need for improved data collection and analysis to fully understand and address the situation. Such efforts must look at the concrete impact on populations and include gender indicators and gender disaggregated data.

In short, major steps must be taken if the very palpable burdens created by debt on millions of people around the world are to be alleviated. We hope that the urgency of the matter is taken into full account and is realistically reflected in the final document.

Thank you.

Intervention on: Increasing financial and technical cooperation for development

By Gigi Francisco

In behalf of DAWN (Development Alternatives with Women for a New Era), Women's Working Group on FFD, and the CSO Group for the Doha Preparatory Process on Financing for Development

In this section on international cooperation for development, the Women's Working Group on Financing for Development and the larger CSO group for the Doha Preparatory Process on Financing for Development align ourselves with the overall understanding of the catalytic role that aid could play in removing constraints to growth. We further share the views expressed by some of you on the need for concrete and universal ways to track aid quantity, quality and effectiveness, as a way to respond to many shortfalls in development cooperation.

However we also point your attention to the need to go beyond the current framework approach to aid effectiveness that is found in the Paris Declaration and which is largely stimulated by donor governments' concerns with financial risk management and insurance as well as principally drawn by the OECD-WB-IMF data, criteria, mechanisms, tools and language.

Rather we wish to see a more balanced understanding of aid effectiveness that is clearly linked to

the overarching objective of development effectiveness which is instead driven by mutually agreed concerns between donor and developing countries including all stakeholders, around social risk protection for the most vulnerable especially women and children suffering from chronic poverty as well as sustainable development for developing countries in particular LDCs and countries in fragile situations.

Further that such an alternative view ought to be accompanied by a consistent and meaningful elaboration of long term aid exit strategies while at the same time making sure that the international policy environment does not cancel out the potential beneficial effects of predictable and scaled up ODA through, for instance, negative terms of trade, high levels of debt servicing, or excessive repatriation of profits.

Linked to this, we reiterate what others have said before that ODA must not be used to exercise power over recipient countries through the use among others of conditionalities; neither should ODA be linked to trade negotiations. It should be concerned with combating generalized poverty but also with addressing social inequalities between and within countries. In this regard, we feel that the Accra Agenda for Action linked to the Paris Declaration on Aid Effectiveness had recently provided some momentum toward (1) strengthening and making more meaningful the role of developing countries in international cooperation with emphasis on the use of national systems and plans and strong recognition of national ownership; (2) recognizing the contribution to international cooperation of other stakeholders such as parliamentarians and civil society organizations, (3) recognizing South-South cooperation and triangular modalities as playing an important role in international development cooperation; and (4) making the link of the Paris Declaration with the Development Cooperation Forum and the Financing for Development processes.

However, much more needs to be put across in this Doha text. Aid effectiveness should be viewed within the framework of self-reliance and sustainability which requires coherence in trade, financial and monetary policies that only an integrated (as against fragmented), and publicly accessible and accountable (as against technocratic driven) processes of the United Nations could provide, and where there is inclusive participation of all governments especially developing country governments and other multi-stakeholders including civil society organizations and women's organizations. This requires language that decidedly moves beyond the Paris Declaration and the AAA.

In particular and as a final point, we urge governments to consider strong language urging for more resources to the United Nations so that, among others, the Financing for Development Office core of experts on finance and monetary policies may be better utilized by country governments and the multilateral system, and the ECOSOC - Development Cooperation Forum may be more effectively used as a forum for exchange of experiences across various modalities of aid management and international cooperation.

Thank you for your attention.

Intervention on: Systemic Issues

By Marina Durano, DAWN (Development Alternatives with Women for a New Era)

Several general comments have been made from the floor about the difference between quantity and quality of the financing that we need for development. There is too much emphasis on looking for money, raising money, getting money, begging for money with little attention given to how the monies are to be spent except for following good accounting practices. Whenever attention is given to how those monies are spent, it is done so under the dark cloud of "policy conditionalities". Good conditionalities or bad conditionalities are all conditionalities; even when women are the intended beneficiaries, good conditionalities go against our idea of women's empowerment.

Comments have also been made about the lack of urgency in the draft document before us. Or the lack of urgency attached to the challenges we are facing today--the crises of food, fuel, and finance. These crises reflect an economic imbalance that underpins the difference between quantity and quality of financing for development. There is heavy emphasis on the expansion of production and an undervaluation of social reproduction-- that part of the economy that takes care of everyone else. Even in cases when there are market failures, or public failures or state failures, this part of the economy keeps going to make sure that we see the sunrise the following day. Paid or unpaid, this part of the economy keeps working. Poverty and deprivation that we see in this world is produced systematically by the imbalance that I have just described. Among the best ways to respond is in a systemic manner as these are systemic issues.

I have heard that some delegations prefer to leave many of the issues to the experts, as yet unnamed and unidentified. We've heard that we should leave debt and debt sustainability to the World Bank and the contribution to FFD progress is IDA replenishment. Let us leave effective use of official development assistance to the OECD and contribute to FFD by celebrating the Paris Declaration. Let us leave the trade policy to the WTO, which has yet to make a contribution. What will the UN do? The soft issues. The social issues. Humanitarian aid and peacekeeping. The MDGs. This is the assignment we have given to the UN.

This is a self-defeating position. Worse, it reflects a lack of confidence and respect for where we are seated right now. How can the UN pull off the MDGs if it leaves many of the major decisions, including the macroeconomic policies, to institutions outside of it or beyond its influence? If the UN does not have the expertise, then why not build it. The call for a global summit to restructure the international financial and monetary architecture and global economic governance systems, processes and mechanisms is timely. We do not need the IMF Board of Governors to convene it; we will do it ourselves. It is time for a new social contract that moves us forward and away from post-World War II governance and the augmented Washington Consensus.

Day 3:

Other new challenges and emerging issues: Intervention on Climate Change

By Philo Morris, representing Society of Catholic Medical Missionaries and partnering with Church World Service speaking on key recommendations made by the Doha NGO group:

Thank you Co-facilitators,

I am Philo Morris representing Society of Catholic Medical Missionaries and partnering with Church World Service and a member of the NGO Committee on FFD and part of the DNGO networks.

Quite a few delegations mentioned about the 3 “Fs”, perhaps we need to say “3Fs + C” (food, fuel, finance and climate) as climate change has the potential to wipe out all development, glaciers melting, oceans rising and possibility of nations going under water.

Climate change is the defining human development challenge of the 21st century. Climate change will affect rainfall, temperature and water availability for farmers in vulnerable countries. Countries paying heavy price are not those that are emitting green house gas. We may be heading towards disaster. We have less than a decade to set things right.

We would like to further enhance the theme on climate change Mitigation of and Adaptation to, with the following:

The Doha Review Conference on FFD need to come out with a clear mechanism for appropriate financing for mitigation of, and adaptation to, climate change.

There is an urgent need to establish various funds: an adaptation fund, a mitigation fund, a technology fund and a risk insurance fund. There needs to be transparency, with an equitable and balanced representation of all Parties. Climate-related funds should be placed in the Convention and not in any other multilateral institutions. Governance need to be under UN Framework Convention on Climate Change.

All industrialized nations and corporations to immediately find ways to transfer funds to help developing countries in measures both for adaptation and mitigation in line with “polluter pays principle”. The problem calls for scaling-up of additional sources of finance for vulnerable nations, including an increased emphasis on building capacity of developing nations to address this issue by themselves.

Principle of ownership and alignment ought to be part of the global response to climate change.

The challenge to meet climate change requires significant additional resources including the use of innovative mechanisms.

Funds for climate change mitigation and adaptation should not be part of the conventional ODA.

We call for public and private investments into new technologies for mitigation of, and adaptation to, climate change, particularly in the area of renewable and alternative energy sources.

Climate change policies ought to be balanced with poverty alleviation, employment creation and infrastructure development.

The funds should be in the form of grants or resource transfer and not loans, especially for Small Island Developing Countries and Least Developed Countries in line with “polluter pays principle”.

Thank you Co-facilitators

Intervention on Staying Engaged

By Martin Tsounkeu

ADIN – Africa Development Interchange Network

At the Informal Consultations on the Follow-up International Conference on FfD to review the implementation of the Monterrey Consensus Outcome Document.

Thank you very much, Mr Chair!

We note the recommitment in the Doha Outcome Document to staying fully engaged to ensuring proper follow up implementation of the Monterrey Consensus and continuing to build bridges between all relevant stakeholders, within the agenda of the Financing for Development process. This is highly commendable and we would like to express our gratitude as well as thank the Co-facilitators. It obviously appears that we are moving toward upholding the Financing for Development process as a truly multi stakeholder one (process).

Mr Chair, Monterrey pioneered the inclusion of the Civil Society in these crucial deliberations. We wish to guarantee that the process of further negotiation of the Doha Outcome Document continues to be effectively inclusive.

I come from Africa and can assure you that this is particularly important for southern and other Non-Governmental Organizations (NGO) who come from out of New York, where things happen most of the time far from the knowledge of people at grassroots. I wish to use this opportunity to convey these voices and confirm that there is great added value attached to this inclusive approach.

We therefore strongly recommend at least a further 3 days informal substantive negotiation session, when a second draft of the Doha Outcome Document is produced (from here).

Finally, we believe that it is important to strengthen the Financing for Development follow-up process with an institutional mechanism that at least has the following features:

- 1- Periodically activated and more frequent in time;
- 2- Aimed at producing a negotiated outcome;
- 3- implemented at the high level in government and the top leadership of the International Financial Institutions (IFS);
- 4- Such that the contribution of the Civil Society is stimulated in the final phase at national, regional and international level as well as at the main conference itself, by provision of full access to its proceedings
- 5- Open to improvement for accessibility of all stakeholders, including the Civil Society to information and to negotiations.

Thank you again very much.

Additional interventions were made by Josep Xercavins (UBUNTU), Jo Marie Griesgraber (New Rules) and Gemma Adaba (International Trade Union Confederation). They will be forwarded subsequently.