

## **General Views on the Zero Draft – Intervention by Civil Society**

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Mr. Co-Facilitators, many thanks for the opportunity to address the session. While working for the Society for International Development, I am speaking here in expression of the large group of civil society organizations and networks that actively engages in the FfD process.

- I would like to start by expressing strong reservations on the capacity of the Zero Draft to offer a sound basis to advance the agenda for sustainable development and heighten the level of the existing commitments on financing for development. It is imperative that that the third FfD outcome document does not result in a retrogression from the achievements of Monterrey and Doha as well as other international agreements. Civil society conducted a thorough collective examination of the Zero Draft. Four overarching considerations spring from such an analysis.
- Firstly, the need to ensure an **inclusive and transparent process and retain the structure of the Monterrey and Doha outcomes**. The current departure from that structure undermines the ability to hold governments accountable to their agreements therein and build further on previous commitments. We therefore call for the Monterrey and Doha framework to be re-established.
- Secondly, the need to ensure a **sound and accurate foundations** for the negotiations. The Zero Draft fails to recognise the current reality of the net transfer of financial resources from developing countries to developed ones and the current global division of labour that traps many developing countries into commodity-dependent economies, with profound implications in terms of import-dependence and limited opportunities for the eradication of poverty, decent employment, human rights, social progress and tax mobilization. The Zero draft promotes a misconceived narrative that magnifies the challenge of bridging the financing gaps for sustainable development rather than promoting one that aims to rectify economic and financial structures that underpin the outflow of vital resources from the developing world.
- Thirdly, the need for clarity of our **aspirations**. The FfD Outcome document should enable the fulfilment of the right to development and the socio-economic transformation of developing countries, involving sustainable industrialization, economic diversification, productive capacity for local value addition, and horizontal and vertical integration of the various sectors of the economy, while simultaneously redressing entrenched patterns of social and economic inequalities. This requires the removal of the systemic and structural impediments to transformation, including the necessary policy space to protect and strengthen the domestic economy against powerful and hegemonic economic forces and the re-architecture of global economic governance to promote truly democratic multilateralism. Without such transformation, the much-emphasized domestic resource mobilization may result in regressive measures that affect the poor much more than privilege.

- Lastly, the critical issue of **State agency and public integrity**. Rather than reaffirm the central role of the State in a context of the global partnership for development, the Zero Draft exposes an unjustified belief in the private sector, without unpacking the difference between domestic private entities and transnational multinational corporations and reasserting the need to re-orient the current unsustainable business model through binding and mandatory frameworks. The promotion of public-private partnerships (PPPs) and the use of public finance to support private investments equals to a redistribution of public resources for private interest and the socialization of costs and risks to promote the private gains for the few. In this context, we are particularly alarmed by the emphasis on large infrastructural projects that may ossify existing extractive growth strategies with profound macro-economic consequences, and the equal push to turn infrastructure into an asset class, which shifts pressure to generate maximum returns on investments to public sectors, users, and taxpayers.

To conclude, fundamental reengineering is required to bring the Zero Draft back on track. In its collective analysis, civil society offered a set of concrete recommendations on how to proceed and looks forward to working closely with Member States in advancing the ambitious agenda that is urgently required to address the systemic structural barriers to real socio-economic transformation.

Thank you.

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