

Structured remarks on the Co-Facilitators' Proposal/Roadmap¹ for FfD3 (BRASIL)

New York, 17 October 2014

- The third conference on financing for development (FfD3) must articulate *three main objectives* to bring the Monterrey Consensus and the Doha Declaration up to date, thereby producing a relevant outcome for the post-2015 development agenda:
 - (a) The set of goals and targets of the Open Working Group;
 - (b) The new vision on sustainable development established by Rio+20, integrating the social, economic and environmental dimensions of development, and
 - (c) The Monterrey/Doha matrix, as set out in the six broad Chapters of their outcome declarations.

Firstly, *FfD3 should account for the report of the Open Working Group on Sustainable Development Goals (SDGs)* and the 17 goals and 169 targets contained therein. In accordance with the consensus decision of all UN Member States, captured in Resolution 68/309, this report is the main basis for mainstreaming sustainable development goals into the post-2015 development agenda.

Therefore, the proposal/roadmap must aim at updating and adjusting the Monterrey/Doha framework in order to make it forward-looking and a relevant tool for financing the post-2015 SDGs, which are meant to be ambitious, transformational and universal, and thus much broader than the MDGs, and quite different in nature.

On the other hand, the universality of the SDGs must not be used as pretext to ignore the common but differentiated responsibilities of developed and developing countries and their respective capabilities, in particular with respect to adequate levels of ODA commitment and financing. FfD3 should take guidance from OP247 of the Rio+20 outcome document, which underscores

¹ "Proposal" and "roadmap" are referred to here as interchangeable terms, though specific references to "roadmap" should be interpreted in the sense used by the co-facilitators.

that SDGs are “(...) universally applicable to all countries, while taking into account different national realities, capacities and levels of development and respecting national policies and priorities”.

Secondly, *FfD3 should address financing for sustainable development through a coherent assimilation of the Rio+20 consensus, integrating into an updated version of its framework the social, economic and environmental dimensions of sustainable development, and their inter-linkages.* The proposal/roadmap should be adjusted to reflect the holistic and more comprehensive definition of sustainable development agreed in Rio+20, which does not prioritize climate change over other dimensions; quite to the contrary, it defines the social goals of poverty reduction and combating inequality as being overarching.

The proposal/roadmap implies different priorities from those agreed in Rio+20. In 2012, poverty eradication was established as “the greatest global challenge facing the world today”. Poverty eradication and inequality reduction were placed at the forefront of sustainable development, though not alone nor at the expense of other equally important objectives, such as changing unsustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development.

Thirdly, *FfD3 should focus on the Means of Implementation (MoI) for the SDGs, in accordance with the Monterrey/Doha matrix.* There is no need to re-write it. Since the facilitators proposed, and we all seem to agree that “Monterrey and Doha must provide the conceptual framework for FfD3”, the roadmap should be adjusted so as to more closely reflect and resemble the six fundamental chapters of the Monterrey/Doha outcome documents, its overall structure and table of content.

- In view of considerations above, Brazil suggests the following adjustments in the proposal/roadmap put forward by the co-facilitators:

(i) *There must be a strong component of civil society participation in the preparatory process for FfD3, as well as at the Conference, to ensure sufficient attention is paid to the social, human rights and environmental dimensions of sustainable development that non-governmental groups cater for.* Though facilitators in their proposed roadmap refer to civil society alongside the business sector, it must be recognized that treating those two groups as equals does not ensure effective equality of participation. Mainly, because we are dealing with different constituencies, very asymmetrical in their respective capacities to influence, to access decision-making and to fund. Civil society at the UN is much larger in number, works towards extremely diverse people-

centered, grass-roots (often competing) thematic agendas, and has to overcome many more barriers to make its voice heard compared to the private sector. Business as usual proceedings will not ensure civil society participation on an equal footing with the private sector; as CEO's, usually representing large transnational corporations, philanthropic offspring or alliances thereof, can more easily coalesce around business-oriented agendas, with ease of access to UN high level decision-making and interlocutors, whereas civil society, in all its diversity, must struggle for small peripheral spaces at UN decision-making on a much a more competitive, and restrictive basis.

- (ii) *The report of the OWG-SDGs must have its special and differentiated status recognized vis-à-vis other inputs, bearing in mind that it was the outcome of one-and-half-a-year intergovernmental negotiations, adopted by acclamation and captured as such in a consensus resolution of the GA (RES/68/309).* The proposal/roadmap should make it clear that this report is the main basis for integrating the SDGs into the post-2015 development agenda. Other inputs do not currently have the same status, though they will also be considered in a complementary or supporting manner, including the report of the Committee of Experts on Sustainable Development Financing and the synthesis-report of the Secretary-General.
- (iii) *In order to remain mindful of the changes and continuities of the development and financing landscape (as mentioned in the proposal), there should be an “entry point” in the preparatory process for a reasonable discussion on the 2008-2009 economic and financial crises and its aftermath.* Much of what we could agree on in terms of a renewed commitment to financing for sustainable development will be affected by the crisis, its lingering impacts and the responses of affected countries to it, especially amongst traditional donors of the North. The roadmap should make room for this key discussion in the informal sessions. In fact, a placeholder already exists in paragraphs 1-9 under the first section of Monterrey Consensus entitled “Confronting the challenges of financing for development: a global response”.
- (iv) *Universality of the sustainable development goals must respect the principle of “Common But Differentiated Responsibilities”.* CBDR is a principle consecrated in many international agreements, such as the Rio+20 outcome document (2012) and the outcome of the Special Event on MDGs (2013). The proposal/roadmap should evoke the fundamental Rio+20 guideline to that effect (OP247), which establishes that SDGs are

universally applicable to all countries, while taking into account different national realities, capacities and levels of development and respecting national policies and priorities.

- (v) *Climate change should not be singled out or seem to be the overriding objective, as one could be led to understand from the current references to it in the proposed proposal/roadmap.* FfD3 is not an exercise in mobilizing resources for financing climate change activities. Climate change has its own track under the UNFCCC, with new commitments expected to be agreed in Paris by the end of 2015. FfD3 is an exercise in mobilizing resources for a broader “package” of objectives related to the three dimensions of sustainable development, articulated in a set of SDGs and targets, ranging from poverty eradication, to combating inequality, to promoting education, health and gender balance. Climate change is just one amongst 17 goals already agreed to in the report of the OWG-SDGs, and in fact, the only one with an asterisk attached to it stating that the UNFCCC is the forum for dealing with climate change.
- (vi) *Means of Implementation is currently Goal 17 of the report adopted by the OWG and should be referred to as such in the roadmap, in lieu of other types of expressions, such as “blended finance”, that do not have a clear established definition or understanding within the OWG, the Rio+20 or the Monterrey/Doha frameworks. The broader expression “Means of implementation” can also replace and account for terms such as “intermediary institutions and financial instruments” used in the proposed roadmap.*
- (vii) *What co-facilitators have called “The follow-up process” could be better translated in its nature and scope if the proposal/roadmap explicitly referred to the terms (paragraphs 68-73) comprised under the third section of the Monterrey Consensus entitled “Staying engaged”. Under this heading, we could also make room for discussions on an indispensable framework of accountability to UN Member States of actions taken in partnership with the private sector. As Members States, we cannot seriously conceive of the UN scaling-up its partnerships with private entities in financing for sustainable development without an effective framework of accountability, which currently simply does not exist.*
- (viii) *The roadmap needs to strike a better balance in allocating time as per the six chapters of the Monterrey Consensus, with “trade” being the most evident example of an important issue that has not been given adequate time in the informal sessions. Trade is a Monterrey chapter in*

its own right and cannot be regarded as a subcomponent of the enabling environment.

- (ix) *All issues dealing with private sector funding should be clustered under the session entitled “private finance”. As drafted by the co-facilitators, private sector funding issues appear twice in the proposed roadmap: once, as a sub-element under “mobilization and effective use of resources”, and a second time under “learning from partnerships and the follow-up process”. Associating partnership with the follow-up process unnecessarily simplifies complex discussions ahead as well as unduly prejudices the final outcome. It may imply, for example, a predisposition to once again discard legitimate calls for setting up a clear UN institutional follow-up mechanism to FfD -- the only major UN conference still devoid of one. Partnership issues, therefore, should be re-clustered under “private finance”. The follow-up process should be given a whole day for discussions on institutional arrangements in line with the third section of the Monterrey Consensus (“Staying engaged”).*
- (x) *Governance is a very important and long overdue issue, which must be accorded adequate time.*
- (xi) *Official Development Assistance (ODA) needs to be spelled out as such and accordingly, because it is a known expression of a formal commitment recognized under the UN FfD framework. The roadmap should refer to ODA instead of a more abstract mentioning of “aid commitments”.*
- (xii) *The same way co-facilitators have mentioned South-South and triangular forms of cooperation in the proposed roadmap, they need to also clearly state the North-South dimension of ODA. UN resolutions, as per the Nairobi Declaration (GA resolution 64/222) and resolutions on South-South Cooperation and on the Quadriennial Comprehensive Policy Review of Operational Activities (QCPR) usually refer to the three modalities: “North-South cooperation, South-South cooperation and triangular cooperation”.*