Statement by Social Watch representative Roberto Bissio at the
First drafting session of the outcome document of the
Third International Conference on Financing for Development
New York, January 28, 2015

Thank you, Mr. Chairman. I am Roberto Bissio, coordinator of Social Watch.

As first civil society speaker I want to congratulate you for compiling many excellent ideas and proposals in the Elements document.

Civil society is committed to the process leading to ADDIS ABABA, as we were in Monterrey and Doha and we expect to continue contributing along those same modalities.

Dozens of civil society organizations from around the world took advantage of the non-storm of yesterday to contribute to a consensus document that we have prepared with concrete suggestions, detailed comments on the Elements and language proposals. It ended up being even longer than the elements documents, so I won't attempt to summarize it here.

The “elements” contained in the draft, need to be packaged in the same format of Monterey and Doha in order to fulfill the Addis Ababa mandate that starts with reviewing the commitments made in FfD 1 and 2. We can not credibly look into the future without acknowledging the unfinished agenda and the many unmet commitments by developed countries. The existing structure ios necessary for such a review.

The “elements” paper has a chapter on “sovereign debt” and many Southern voices emphasized that the Addis Ababa conference should strongly support the creation of a legitimate and fair mechanism to renegotiate sovereign debts. But we should not forget that the sovereign debt of today, particularly in developed countries that are highly indebted, is the results of bail-outs that covered the irresponsible indebtedness of the private sector. Thus, the notion of Monterrey and Doha notion (and chapter title) of “External debt” (including both public and private debts) is much more appropriate to the analysis of vulnerabilities and policies to addess them.

Similarly, while the “elements” on tax collaboration and the need to fight illegal and illicit financial flows were welcomed by many, the analysis of domestic resources should not be limited to “public resources” as the Elements document wants. The contribution of women to the care economy, as well as the contributions of small and medium enterprises and the informal sectors are domestic nonpublic resources that should not be ignored. And they are not properly dealt with in the chapter of “domestic and international private finance” that implies the corporate sector.

Domestic and foreign private resources are different. Foreign direct investment can contribute to development but it also creates liabilities that may affect balance of payments and should not be packed together with domestic capital.

In the “elements”, the Global Partnership for Development does not find an adequate space and key issues introduced by the Sustainable Development Goals, such as inequalities and sustainable consumption and production patters should also be incorporated.

Mr. Co-chair, not only meteorologists issue wrong predictions. After the 2008 crisis stimulus packages were stopped too early, as a result of wrong growth predictions. Austerity is creating unnecessary sufferings around the world, including the erosion of social policies and high unemployment.

One of the consequences of excessive austerity policies is stagnation and deflation. As a result, interest rates have dropped to zero in many developed countries and thus we have huge funds looking for higher interest rates. Addis Ababa should not be about reducing with public monies the risk of these corporate financial investors. These risk-sharing mechanisms have been called PPPs, “blended finances” or “leveraging ODA” but all those modalities basically entail a moral hazard where the costs end up socialized and the benefits privatized. Instead, Addis Ababa should be about strengthening a “development state” that is able to regulate finances in order to fulfill its human rights obligations, including the right to development.

Thank you, Mister Co-chairman