

Short Summary of Civil Society Meeting
Financing for Development in the Era of COVID-19 and Beyond
2 November 2020—9:00-11:30a.m.

On 2 November 2020, the Deputy Secretary-General virtually convened 12 representatives from civil society, the President of ECOSOC, the Permanent Representatives of Canada and Jamaica, and the Special Envoy on Financing the 2030 Agenda, to a High-Level Civil Society Meeting as part of the Initiative on Financing for Development in the Era of COVID-19 and Beyond. The Meeting marked a milestone in civil society's engagement with the United Nations and with processes related to financing for development.

The objective of the meeting was to identify ways in which the UN and civil society could collaborate in carrying forward the menu of options and to identify systemic solutions to transform our broken global economic architecture and ensure that we recover better from this crisis. The Meeting consisted of two thematic panels which focused on the interrelated issues of advancing a new global economic consensus to achieve the 2030 Agenda and strengthening fiscal and policy space for socio-economic transformation.

Many participants advocated for certain policy options contained in the menu while others stressed that they did not go far enough to call for systemic and long-lasting change. Participants highlighted that while some of the options have been implemented in the intervening month since the Meeting of Heads of State and Government on 29 September—including extending the DSSI for six months until 30 June, partial funding of the COVAX facility and ACT-A accelerator, and a partial reallocation of un-used Special Drawings from some developed economies to developing economies—the majority of the options have yet to be seriously considered in many multilateral fora. Similarly, many civil society representatives lent their support to a general allocation and reallocation of Special Drawing Rights, for countries to meet and even exceed their ODA targets of 0.7% of GNI as a matter of moral debt, for the private sector and credit rating agencies to be meaningfully involved in debt resolution processes, and for tackling illicit financial flows in all its forms.

While commending the efforts of the international community, civil society clearly articulated that the global response has so far been underwhelming, and that the global solidarity and multilateral cooperation needed to address this crisis has yet to materialize. In this regard, civil society emphasized that gaps remain in the menu of options and called upon the UN to take more comprehensive action. Several participants argued that the IMF and G20's debt suspension and emergency loans provided in 2020 have only increased debt levels in developing countries, and cautioned against the IMF's recently published advice calling for austerity measures. They also supported extensive debt relief and debt cancellation for vulnerable countries, echoing recommendations of the Secretary-General's brief on debt vulnerability (April 2020) and calling for the creation of a sovereign debt workout mechanism under the auspices of the United Nations. While supporting the policy options' emphasis on ODA levels, civil society also urged stakeholders to re-think the role of public finance as a mere means of leveraging private finance

and questioned the assumption that public-private partnerships are inherently good. They also noted that public finance should focus on priority sectors including health, education, the environment, and climate.

Participants stressed that COVID-19 has been the “great revealer” which has laid-bare the inequities of our global economic model which have been growing since the implementation of austerity measures in the 1980s. To rectify this, civil society called for the creation of a de-colonial and feminist system which adequately addresses the intersectional issues of age, sexuality, class, gender, race, disability, and other identifying markers which underpin our current financial architecture. Participants called for every country to be at the decision-making table to achieve a global governance that promotes common but differentiated responsibilities. Echoing calls made by the Secretary-General for a New Social Contract on the occasion of Nelson Mandela Day 2020, civil society also called for a social contract that prioritizes people, the public sector, and the planet, over the private sector and profit. Finally, the creation of a Global Summit on Economic Reform and Reconstruction under the auspices of the United Nations was widely supported.

Participants also emphasized that vulnerable groups, including women, migrants, and people of color, have been on the front lines in the fight against COVID-19 despite receiving fewer protections from the State. Referencing the impending climate emergency, civil society representatives noted that these same people will be called to action, and called for governments to immediately scale up assistance and social protection to support them. Applying a gendered lens and adopting gender-responsive policies in the areas of aid, trade, investment, finance, and illicit financial flows was called for. To support women, unemployed and informal workers, and other vulnerable groups, there was also a resounding call for the creation of a Global Fund for Social Protection Floors based on ILO’s concept, which would require the equivalent of 0.05% of global GDP or 1.4% of illicit financial flows.

Climate action emerged as a cross-cutting theme, with civil society calling for a just transition as we move into a carbon-neutral future. Participants stressed that the market is not delivering this transition, and urged governments to step in with appropriate financing tools to protect disaffected workers, create better public services, protect biodiversity, and design greener urban areas. Civil society also called for an immediate end to government subsidies for fossil fuels, and noted that the 15th Session of UNCTAD in 2021 could be an opportune moment for stakeholders to agree on a Global Green New Deal.

In line with the menu of policy options, civil society called for an immediate stop to illicit financial flows (IFFs), with many noting that IFFs are gross human rights violations which rob people of their human right to decent healthcare, education, and other social services. Governments were urged to implement progressive fiscal policies to tackle IFFs and to follow the FACTI Panel recommendations. Many supported the establishment of an International Tax Commission at the United Nations to address tax havens, tax abuse by multinational enterprises, and tax evasion through a universal intergovernmental process.

Emphasizing that the wealth of tech billionaires soared by 41% during this pandemic, while vulnerable groups have disproportionately suffered, civil society also called for technology justice, closing of the digital divide, and for more progressive taxes for tech giants. They also called for a multilateral mechanism to help stakeholders grapple with the governance of emerging technologies and to evaluate their impact on the environment, labor market, livelihoods, and society.

In closing, the Civil Society Meeting resulted in several concrete asks of the United Nations System to advance a new global economic consensus to achieve the 2030 Agenda, and strengthen fiscal and policy space for a socio-economic transformation guided by the interrelated agendas of human rights, gender equality, and climate justice. To achieve this, civil society specifically called for: the creation of a Global Summit on Economic Reform and Reconstruction, a Global Tax Convention, and a Global Fund for Social Protection. It was also suggested that the Discussion Groups should continue to operate year-round to allow civil society to engage on these issues outside of the Financing for Development Forum. Upcoming events, including the Finance in Common Summit and the Paris +5 Summit were cited as opportunities to help implement the options and move the agenda forward.

A second engagement with civil society to discuss these and other issues related to the Financing for Development in the Era of COVID-19 and Beyond is tentatively scheduled for the first quarter of 2021.