

UN FINANCING FOR DEVELOPMENT PROCESS

PSI Executive Board briefing – June 2015

Background:

PSI's interests in the sustainable development process are outlined in the Brief on Sustainable Development Goals. Implementing these objectives requires consideration of financing for development.

The [3rd UN International Conference on Financing for Development](#) will be held in Addis Ababa, Ethiopia, on 13-16/07/2015. It will gather high-level political representatives, including Heads of State and Government, and Ministers of Finance, Foreign Affairs and Development Cooperation, civil society and other stakeholders. The Conference will result in an agreed intergovernmental outcome, which will contribute to and support the implementation of the Post-2015 Development Agenda.

The intergovernmental preparatory process of the Conference was launched on 17/10/2014. It includes a series of informal sessions and interactive hearings with civil society and the business sector through to March 2015, as well as drafting sessions on the outcome document in January, April and June 2015. The International conference was brought forward from late 2015 to mid-2015, thus intensifying the negotiating process.

Discussion:

PSI has a range of interests in the financing for development arena, including tax, trade, anti-privatisation, climate change and sustainable development. Whilst our organisational capacity to be directly involved with the FfD negotiations has been stretched, we have worked with the ITUC, led global labour response and with civil society to ensure our perspectives are heard.

The release of the [Zero Draft text for negotiations](#) on 16 March was delayed by almost a month, further increasing time pressure. It contains 124 paragraphs of which there are a mix of positives and negatives including:

- Affirmation of the role of domestic public finance to provide public goods;
- Language that shifts the emphasis for ownership and leadership for development from national responsibility towards the private sector;
- Language that weakens previous precedents for common but differentiated responsibilities between developed and less developed countries;
- Blurring the distinction between the development obligations that developed nations have and the voluntary actions involved in South–South cooperation;
- Acknowledges the role of the private sector but not the need for it to be regulated; additionally, does not explicitly acknowledge that the private sector's role in development must always be subsidiary to developmental needs i.e. that private sectors' involvement does not automatically equal development;
- Specifically refers to Public-Private Partnerships (PPPs) but without adequate warnings of the dangers of PPPs;
- Confuses climate financing and Official Development Assistance (ODA) in a way that risks condoning the use of ODA for climate financing;
- Calls for developing countries concerns to be returned to the centre of the Doha Development Round, but also commits to combatting protectionism in all its forms;
- Falls short of calling for the IMF and WB to conform to the SDGs.

PSI will continue to lobby for quality public services, tax justice, fair trade and just development in this process.

[Public Services International](#) is a global trade union federation representing 20 million working women and men who deliver vital public services in 150 countries. PSI champions human rights, advocates for social justice and promotes universal access to quality public services. PSI works with the United Nations system and in partnership with labour, civil society and other organisations.