



## Government-Civil Society Side Event Calls for Addis to Redress North-South Macroeconomic Imbalances

To spotlight and advance progressive recommendations around the [Third Conference on Financing for Development \(FfD3\)](#), the Latin American Network on Debt, Development and Rights ([Latindadd](#)), [ACCION](#)-Chilean Association of NGOs, the Centre for International Strategic Thinking ([CEPEI](#)), and Regions Refocus 2015 facilitated a dialogue between governments and civil society on 14 March 2015, in parallel to the [ECLAC Regional Forum on Financing for Development](#). This side event presented substantive analysis on issues insufficiently addressed in the FfD negotiations and/or absent from the [Zero Draft of the Addis Accord](#), including the shortcomings of the international monetary system, the need for public debt restructuring mechanisms, and the linkages between financing for development and gender equality. Governments welcomed the initiative of civil society in holding this event, and called upon more CSOs from the global South, in particular, to engage in the FfD debates.

Providing concrete recommendations to redesign the international monetary system to better reflect current geopolitical dynamics, Oscar Ugarteche of Latindadd and the National Autonomous University of Mexico called for the FfD process to modify the composition of the IMF's Special Drawing Rights (SDRs). SDRs should include the currencies of all 194 UN member countries, rather than relying solely on the US dollar, the euro, the pound sterling, and the Japanese yen, Oscar elaborated. Additionally, Oscar called for the establishment of regional units of account (standard monetary units of measurement), "so that countries within a region can operate with their own currencies," thus reducing vulnerability to external financial shocks.

Regarding the role of debt and debt sustainability in the FfD process, Jorge Coronado of Latindadd asserted, "The fulfilment of human rights must prevail over the fulfilment of debt obligations." Further, he proposed that the new independent global mechanism for sovereign debt restructuring under discussion at the UN should give prevalence to countries' ability to pay their debts. Additionally, Jorge quoted best practices of citizen audits – in Ecuador, for example – that revealed that public debt had been illegitimately contracted, through corruption, or against the interest of the peoples. Along these lines, the representative of Belize voiced support for citizen audits of debt and proposed to establish a regional or international fund to aid prosecutors in fighting corruption, particularly by tracing public moneys.

Highlighting that the private sector cannot replace the primary role of the state in safeguarding human rights and environmental sustainability, Verónica Serafini of Development Alternatives with Women for a New Era (DAWN) and Regions Refocus 2015 drew attention to the ineffectiveness of public private partnerships (PPPs). "After thirty years of implementation," she said, "there is still no evidence of the effectiveness of PPPs, let alone their contribution to socioeconomic equity." Verónica further cautioned against private financing for development and highlighted the need to conduct *ex ante* and *ex post facto* assessments of investment and commercial agreements. She called for the reversal of policies that over-incentivize foreign direct investment (FDI) based on a "race to the bottom" of lowering taxes, deregulating labour and environmental legislation, and widening the socioeconomic gender gap.

Jonathan Menkos Zeissig of the Central American Institute for Fiscal Studies (ICEFI) advocated for equity in taxation on both horizontal (between countries) and vertical (within countries) levels, through the redress of capital flight that disproportionately affects developing countries. Reflecting ICEFI's wide

expertise on tax issues in this sub-region, Jonathan argued that an inclusive political space is now more than ever needed for small countries to participate in and benefit from global rule setting. Echoing many other speakers at the ECLAC forum, Jonathan voiced his support for the creation of a UN intergovernmental tax body, as outlined in paragraph 28 of the Zero Draft.

Additionally, panellists and participants reaffirmed recommendations made during the intergovernmental sessions of the ECLAC forum. Miguel Santibáñez (ACCION) – joined by Center of Concern, Gender Equity, and the Consortium for Parliamentary Dialogue and Equity – supported separating the discussion around means of implementation (MoI) of the post-2015 sustainable development agenda from the FfD negotiations. Miguel emphasized the importance of keeping two separate tracks both to avoid imploding the FfD agenda and to ensure adequate attention to non-financial MoI, which will not be captured by FfD.

Several governments in the room, including Chile, Belize, Brazil, Costa Rica, El Salvador, and Panamá expressed appreciation for the informed and enthusiastic participation of civil society in the FfD preparatory process. In particular, Guilherme de Aguiar Patriota, Deputy Permanent Representative of the Permanent Mission of Brazil to the UN, encouraged more direct participation of CSOs from the South in UN global processes, rather than the current proliferation of Northern CSOs with Southern affiliates. George Wilfred Talbot, Permanent Representative of Guyana to the UN and co-facilitator of the FfD preparatory process, seconded Patriota's call and invited Latin American and Caribbean civil society to share concise policy recommendations with him directly and to do so in Spanish. Best practices of government-civil society engagement were promoted by Martin Portillo of the Council of Ministers of Finance of Central America (COSEFIN), who proposed escalating to the whole region the successful experiences of his sub-region in implementing gender budgeting. Further, Philip Schönrock of CEPEI encouraged more countries to establish legal frameworks for citizen participation.

In closing the event, ECLAC's Deputy Executive Secretary Antonio Prado commended civil society's expertise in strategies for financing development. Spontaneously taking the floor, Executive Secretary Alicia Bárcena restated the commitment of ECLAC to making the voice of civil society heard, in the FfD process and beyond.