

5A DRAFT CIVIL SOCIETY DECLARATION

Preamble

(Elements to be drawn from Opening Plenary)

1. We, the members of more than 400 civil society organizations from (.....) countries gathered before the official Review Conference on Financing for Development in Doha Qatar 25 – 27 November 2008 under the theme “Investing in people centered development”. We reviewed the implementation of the Monterrey Consensus and discussed pressing new challenges and debated possibilities for innovative financing. The Monterrey conference emerged out of a financial crisis in Asia and Latin America in the 1990s. But it was also guided by a perceived crisis in development: the need to examine the shortfall in resources required for countries to achieve the Millennium Development Goals (MDGs) and to cut the number of people living in extreme poverty by half by 2015, improve social conditions, raise living standards, and protect the environment.

2. Today, as the incredible events of the past year have shown, the world is consumed by an urgent triple crisis of energy, food and finance that not only threatens the realization of the MDGs, but also the stability of the world’s economies. The Northern governments and financial system are responsible for the current financial crisis, but the costs and the impacts are paid for by the entire world, and by the poorest countries in particular. Moreover, climate change is threatening the lives and livelihoods of hundreds of millions of people, in the North and the South. Trade negotiations have reached a stalemate. Gender inequality remains pervasive. And most donor countries are falling far short of meeting their aid commitments. Overcoming these crises requires decisive action and leadership from the global community. But to date, such leadership has been sorely missing.

3. Besides, the dramatic effects of the current crisis, in the latest years the world witnessed a great and growing transfer of capital from the global South to the North. According to the most accurate evaluations, a flow between \$500 and \$800 billion of illicit capital leave the Southern countries each year to reach the Northern ones and tax havens. The major component of such illicit capital flow is due to the tax avoidance and the tax evasion of transnational corporations operating in the Southern countries. Taking into account all the financial mechanisms, there is a net capital flow of hundreds of billions of dollars per year going from the South to the North. This is a scandalous “reverse welfare” in which the poorest countries are financing the richest.

4. The swift and massive response of governments of the richest countries to bail out banks and private financial institutions with more than three trillion US dollars of public guarantees and funds is in very stark contrast to their failure to respond decisively to the unabated crisis of poverty, and marginalization that has afflicted the majority of peoples in the world. According to the World Bank, to cut by 2/3 the child mortality in the poorest countries, some 20 – 25 additional billion dollars per year are needed. To guarantee basic instruction to all the children in the world, between 10 and 30 billion dollars per year is required. So far the international community has proven incapable of raising such sums, which are in the range of a few percentage points of the enormous capital put out to save financial institutions that fostered injustice and instability. Moreover, twelve years of debt relief initiatives generated only slightly more than 100 billion dollars in debts canceled. People have been forced pay the bill for a system founded on the concentration of wealth and economic control in the hands of a few and continuing and deepening impoverishment of the majority. The commitments made by the G-20 government leaders two weeks ago in Washington to strengthen regulation and oversight will not be enough.

We are deeply concerned to see the G-20 process give a central role to failed global financial and trade institutions such as the IMF and the WTO. The IMF, which in the last 30 years has pushed for increased capital flows and market liberalization and is among the major institutions responsible for the current situation, currently has no legitimacy and no credibility to play such role in the reform of the international financial system, let alone to start a self-reform process. Trade liberalization pushed under the Doha Round has contributed to increased developing countries’ vulnerability in key areas such as food sovereignty, as evidence by the recent food crisis. The inevitable global economic slowdown is the clearest signal of the need for fundamental structural changes to transform the global economic and financial system so crises like

this never happen again.

5. There must be global economic structures and policies that put peoples' needs first, that respect and promote human rights and social and environmental justice, that ensure decent jobs, sustainable livelihoods, essential services such as health, education, housing, water and clean energy. People need to have greater control over resources and the decisions that affect their lives.

Global Key issues

Exchanged views on some development trends on:

5. The Implications of the financial crisis

6. The Doha outcome document – our expectations

7. Challenges and agenda beyond Doha

8. Domestic resource mobilization

9. Debt

10. Aid

11. Trade

12. Systemic issues

Overall

(More elements to be drawn from ROUND CONCLUSIONS)

10. We therefore urge all governments gathered here in Doha to take immediate action on the following critical policy issues:

- Developing countries should be allowed to take effective democratic ownership and leadership of their domestic policy space that allow national economic policies and development programs to foster the creation of decent work for all, gender equality and equitable growth and fair trade and investment policies that maximizes potential domestic resource mobilization and improve resource utilization as a key step towards poverty reduction - without interference from donors or the Bretton Woods Institutions.
- Fair and progressive taxation systems should be established that are re-distributive, gender sensitive, accords tax relief for low wage workers and the poor.
- Countries should ratify the United Nations Anti-Corruption Convention and establish an effective system of monitoring its implementation.
- The Committee of Experts on International Cooperation in Tax Matters should be upgraded to become an intergovernmental body and incorporate the International Task Force on Illicit Financial Flows and Capital Flight in this intergovernmental body.
- Countries' policy and binding legal systems should be grounded in international legal standards that ensure transparency and accountability.
- Governments should agree to binding timetables to reach the UN target of 0.7% of Gross National Income of ODA by 2015 at the latest.
- Developed countries must contribute additional financial and accessible technologies towards climate change mitigation and adaptation funds in the form of grants, not loans.
- Measures should be adopted which promise to generate significant levels of additional funding for environmental and development initiatives including further work on currency transaction and financial tax initiatives. To demonstrate this support, interested governments should become

members of the Leading Group on Solidarity Levies and take a pro-active role.

- Debt cancellation of poor countries must be extended, and emerging structures should be established for addressing the debt crisis in a transparent and accountable manner including a debt mediation or arbitration mechanism that is fair, transparent and independent. Issues related to odious and illegitimate debt have to be addressed.
- Developed countries should drop their demands on onerous tariff reductions in all WTO negotiations, end their subsidies for agricultural exports to the developing countries and address the trade, financial and monetary pre-conditions for developing countries to utilize trade as a tool for development, the promotion of gender equity and full employment.
- A “major international conference to review the international financial and monetary architecture and global economic governance structures” should be held in 2009 under the umbrella of the United Nations with the inclusive principles that govern the Financing for Development process and include the active participation of civil society organizations.
- An effective mechanism must be established for regular follow-up of the outcomes of the Doha meeting. There needs to be an adequately staffed and resourced unit within the United Nations system that is able to support this process.¹

Conclusion

(Elements to be drawn from Closing Plenary)

11. There will be greater suffering for workers, farmers, women and children, and greater damage to climate and the environment unless an alternative path is taken now. We, 350 national and international CS networks, representing millions of people around the world, therefore call for change in Doha that puts effective development, poverty eradication, human rights, gender equality, decent work, and environmental sustainability at the fore.

We say: YES, YOU CAN - No excuses any more!

From Talk to Action: the way forward after Doha

(5 main strategy and action to follow by the Civil Society)

- 12.....
- 13.....
- 14.....
- 15.....
- 16.....

¹ For more detailed comments, we refer you to the Civil Society Benchmarks and Key Recommendations for Doha Draft Outcome Document submitted to the official FfD process: see under www.ffdnngo.org and www.un.org/esa/ffd/doha/hearings/civilsociety/Benchmarks.pdf and www.un.org/esa/ffd/doha/hearings/civilsociety/KeyRecommendations.pdf