



DMUN Foundation

Inputs for the Elements Paper on Financing for Development

Submitted by DMUN Foundation, an specially accredited organization to the
Fourth International Conference on Financing for Development

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Introduction

The DMUN Foundation is a youth-driven civil society organization focused on safeguarding the meaningful involvement of young people at the very core of international governance. It is, therefore, an honor to submit to the Co-Facilitators this input in connection with FfD 4. We fully recognize the critical significance of this Conference in deliberations leading to a global financing architecture able to handle systemic issues that our generation and succeeding generations will face. Our mission requires a financing framework that is inclusive, equitable, sustainable, and responsive to the changing diverse needs of all stakeholders, especially young people.

This submission is based on the call for inputs by Co-Facilitators and presents our views on key financing policy reforms and solutions to advance the 2030 Agenda. Our recommendations are informed by our grassroots experiences as a youth-led organization, and continuous engagement with global governance processes.

Specifically, many inputs presented inside this document were member-initiated, which means individual youths were able to directly present their proposals and recommendations for the elements paper through our public consultations, and the Foundation was able to collate them into this unified document— upon review of the relevant committees and processes.

The Foundation, as a member of the Civil Society Financing for Development Mechanism, also aligns its stance and fully support the Joint Civil Society Elements Paper prepared by the Civil Society Financing for Development Group, and requests the considerations of the Secretariat, Member States, and other relevant stakeholders for the consideration and implementation of such recommendations to the elements paper.

The DMUN Foundation truthfully declares that all contents proposed in this document are an accurate reflection of the Foundation's position on the matter, and is certified with confidence from the full faith and credit of the Foundation.

I. Global Financing Framework (Including Cross-Cutting Issues)

The DMUN Foundation believes that the global financing framework is underpinned by equity, inclusivity, sustainability, transparency, and innovation principles that need to guide both the development and implementation of all financing policies aimed at ensuring they contribute to attaining the SDGs and the broader 2030 Agenda.

Equity and Inclusivity

A financing framework should be designed in such a way that it establishes equity in resource allocation and reaches the most marginalized, including youth, women, and indigenous communities. Financing mechanisms have to be tailored in a way that they impact systemically set inequalities, bringing target support for initiatives led and for the marginalized. This shall include committing to progressively redistribute resources through the creation of inclusive financial products in line with underrepresented populations.

Sustainability

All financing decisions should be based on the principles of environmental sustainability enshrined in the Paris Agreement. At the heart of the framework, there needs to be investment in green finance, renewable energy, and climate resilience. We call for ESG's imperative inclusion in financing practices to make sure that financial flows work for the protection of our planet and well-being of future generations.

Transparency and Accountability

A strong framework of transparency and accountability is required to carve trust and ensure that financial commitments are mobilized efficiently in the global financing framework. This essentially includes setting up international standards in financial reporting, anti-corruption

measures, and development of mechanisms that are independent in monitoring and evaluation. It is indeed such measures that would empower civil society and other stakeholders to hold governments and financial institutions accountable for their actions.

There have been efforts toward creating new finance mechanisms that make optimum use of public resources and encourage the leverage of private investments in infrastructure and sustainable energies.

This framework should encourage innovation in financing instruments, products, and mechanisms that can leverage new technologies and financial instruments to mobilize additional resources for sustainable development. Examples of recent innovations that may help close the financing gap are blended finance, impact investing, and digital financial services. DMUN Foundation wishes an enabling environment created that encourages developing and scaling such kinds of innovations.

II. Action Areas

The DMUN Foundation hereby makes the following recommendations in such key action areas identified by the Addis Ababa Action Agenda:

a. Domestic Public Resources

Progressive Taxation

We call for the application of progressive taxation models that would contribute to a reduction in inequality and an increase in domestic resource mobilization. This shall include tax loophole closures, argumentation against tax evasion, and confirmation of multinational corporations to pay their taxes in countries where they work. Policies on progressive taxation shall be linked with social expenditure on relevant sectors like education, health, and social protection.

Public Expenditure Efficiency

An efficient management of public expenditure is also required in order to maximize the impact of domestic resources. We recommend that participatory budgeting practices be adopted whereby citizens, including youth, participate in budgetary decisions. Public investment should be made in sectors which contribute towards human development and sustainable growth: Education, Health, and Infrastructure.

Measures against corruption

Long-term development is undermined by corruption, which also leads to the impoverishment of trust by the public. We support improvements in the frameworks and institutions of anti-corruptions, with special attention to transparency in the management of public finance. Open government data initiatives and real-time monitoring can decrease the opportunities for corruption in public expenditures and increase the possibility that resources will be utilized effectively.

b. Domestic and International Private Business and Finance

Incentivizing Sustainable Private Investment

Governments should create enabling environments for private sector investment in sustainable development. This involves tax incentives, regulatory barriers, and guarantees in order to de-risk investments in high-impact sectors. Particular emphasis is needed on youth-led and social enterprises that bring GDP-positive social and environmental returns.

Blended Finance

Blended finance should be strategically leveraged to encourage much-needed private capital in areas critical to attaining the SDGs. The de-risking provided by public funds, for instance, is crucial in attracting private investments into renewable energy, social infrastructure, and digital innovation sectors. We emphasize that there is a need for blended finance mechanisms that have clear guidelines, remain aligned with development objectives, and equitably share benefits.

Impact Investing

The DMUN Foundation supports the promotion of impact investing, where financial returns are coupled with social or environmental impact. The governments and financial institutions of developed countries should offer technical assistance and capacity-building support to foster the growth of impact investing markets, particularly in developing countries. This can be one of the means to transfer private capital to initiatives aimed at tackling the nagging social and environmental problems.

c. International Development Cooperation

Enhancing Official Development Assistance (ODA)

ODA remains a significant source of development finance for most developing countries. We call on donor countries to deliver on their ODA commitments and further harmonize assistance towards the priorities of recipient countries. Increasingly, ODA should be better targeted at LDCs and other vulnerable populations, such as youth. DMUN Foundation further calls for the use of ODA in catalyzing additional resources and building capacities in critical sectors.

South-South and Triangular Cooperation

The DMUN Foundation is supportive of scaling up South-South and triangular cooperation, which are complementary modalities to traditional North-South cooperation. In this way, such cooperation will facilitate exchange of knowledge, technology, and resources between developing countries, entailing mutual learning and reinforcing regional and interregional partnerships.

Aid Effectiveness

Making Development Aid More Effective: This will go a long way to ensure development aid produces tangible results. We recommend results-based finance approaches in which the disbursement of the aid is based on outcomes. Enhanced coordination among donors and alignment to country development plans are also critical in maximizing the impact of the aid.

d. International Trade as an Engine for Development

Fair Trade Practices

Global trade must become a genuinely international trading system that provides developing countries with actual opportunities. When urging the abolition of unfair trade practices like agricultural subsidies in rich nations, distorting markets against producers in poor countries, we uphold the promotion of fair trade certification systems as one way to ensure ethical sourcing and fair treatment for producers.

Market Access for Developing Countries

Inclusive growth is needed to improve access of products from developing countries to various markets. We see a need for reduction in tariffs and non-tariff barriers that hinder trade flows from LDCs. There is also a need for support to be provided to developing countries to acquire capacity in meeting international trade standards and to be more effective in their efforts at trade negotiations.

Trade Capacity Building

Developing countries require assistance in building capacities related to trade to help them benefit fully from international trade. This comprises technical assistance that aids the improvement of customs procedures, alleviates regulatory frameworks, and creates strong institutional capacities to be involved in and derive benefits from world trade.

e. Debt and Debt Sustainability

Debt Restructuring Mechanisms

The DMUN Foundation is for the establishment of comprehensive and transparent debt restructuring mechanisms to help countries of the South facing unsustainable debt burdens.

We therefore applaud the initiative for a multilateral framework in restructuring sovereign debt that is fair, inclusive, and aligned with sustainable development goals; this shall regard debt relief, debt swaps, or renegotiation of debt terms to avert debt crises.

Sustainable Management of Debt

Sustainable management of debt means that borrowing is conducive to development and does not undermine it. We appeal for reinforced capacities in developing countries for efficient debt management, including through the elaboration of national strategies on debt consistent with long-term development aims. It should also include the exploration of innovative instruments, such as GDP-linked bonds, debt-for-nature swaps, or other mechanisms that have potential for improving debt sustainability.

Debt Transparency

It can, therefore, not be overemphasized to increase transparency in debt contracting and management to avoid a situation where unsustainable debts continue accumulating. We highly recommend mandatory disclosure of all sovereign debt contracts with the public through the international standards of reporting debt data. This would further ensure transparency, allowing CSOs and all other interested parties to track the debt and hold governments answerable for their activities.

f. Systemic issues to be addressed

Stability of the Global Financial System

To be prepared against financial crises, the global financial system has to be tailored by strong regulation and prudential supervision. We recognize IFIs' role in surveillance of systemic risks, promoting macroeconomic stability, and provision of needed financial assistance in time. The DMUN Foundation urges the establishment of global financial safety nets to cushion weak economies from external shocks.

Financial Inclusion

Financial inclusion is a necessary condition for sustainable development. We propose to encourage policies and regulations that enable access for all people and businesses, in particular those in marginalized and underserved communities, to appropriate, affordable, and safe financial services. This includes facilitation of digital financial ecosystems and expansion of access to credit and saving products.

Reform of the International Financial Architecture

The international financial architecture needs to be reformed to reflect a plural polar reality and ensure greater representation for developing countries within the governance structures of IFIs. Global policy coherence should exist across international financial, trade, and development bodies. Financial flows should be aligned with sustainable development objectives through a global coordination mechanism.

g. Science, Technology, Innovation, and Capacity Building

Investment in Science, Technology, and Innovation (STI)

The DMUN Foundation is focused on investing in STI as one of the major drivers of sustainable development. This includes supporting R&D activities in such critical areas as renewable energy, health, and agriculture, and fostering innovation ecosystems that encourage the commercialization of new technologies. Such investments in STI need to be made with a focus on inclusivity so that all segments of society could reap benefits from such advancements in technology.

Capacity Building for STI in Developing Countries

STI capacity building should be one of the priorities if developing nations are to integrate fully into the global knowledge economy. We propose technical assistance, training, and infrastructure support to build human and institutional capacities of developing countries to harness STI for development. The DMUN Foundation supports international collaboration in STI focusing on knowledge transfer and adapting technologies to the context of a particular area.

Promotion of Digital Transformation

Digital transformation is central to the achievement of the SDGs. The global framework should support the development of digital infrastructure, achieve universal access to the Internet, and address special needs, especially in unserved and underserved regions. Policies shall be designed that foster digital entrepreneurship, enhance digital literacy, and promote the use of digital technologies in public service delivery. A digital inclusion agenda shall be called for by the DMUN Foundation, which aims to bridge the gaps of the digital divide with a focus on youth.

III. Emerging Issues

The DMUN Foundation draws attention to the following emerging issues that must find place in the context of financing for development:

Climate Change

The increasing effects of climate change have serious implications for development financing. We stand firm to mobilize additional resources for climate action, including the financing of mitigation, adaptation, and resilience-building initiatives. DMUN Foundation stands ready to establish climate finance mechanisms for youth-led organizations and local communities, knowing that young people are a part of the driver of climate solutions.

Technological Disruptions

Technological changes, such as automation and artificial intelligence, can also act both as a trigger and a disruptor of development. Managing transitions related to technological change

through policies at country level will, therefore, be galvanized into the global financing framework to ensure that all its benefits are not only shared but also the vulnerable from its bad impacts are protected. The DMUN Foundation, therefore, advocates for the creation of inclusive digital economies that create opportunities for all, especially youth.

Systemic Risks

These include systemic risks, which will have to achieve international cooperation in the building of resilience to deal with hazards such as geopolitical tensions, financial market volatility, and pandemics. DMUN Foundation also insists on the harmonization of the contribution of youth into the global risk governance and disaster risk reduction strategies as crises disproportionately affect young people.

IV. Data, Monitoring, and Follow-up

The DMUN Foundation stresses that without efficient data collection, monitoring, and follow-up mechanisms, there is no real accountability and effectiveness in the implementation of financing for development commitments:

Strengthening data collection

Accurate and timely data are indispensable for the follow-up of progress on the SDGs. We propose that investments in national statistical systems be promoted, innovative methodologies for data collection be developed, and youth-focused indicators that track financing impact on young people be introduced. Data collection should be inclusive and gender-sensitive; regarding this, the DMUN Foundation supports this idea.

Develop Efficient Monitoring Mechanisms

Strengthen monitoring mechanisms for implementation of financing for development commitments. Provide explicit indicators, benchmarks and targets consistent with the goals and targets of the SDGs; from time to time, independent evaluations of the impacts achieved should be conducted and its findings should be publicly available for transparency and accountability.

Improve follow-up processes

Follow-up processes at all levels shall be designed to ensure continuing improvement and accountability. We call for regular national, regional and global progress reviews through multi-stakeholder consultations including youth voices. The DMUN Foundation encourages that Platforms for peer learning and knowledge exchange as well as a Global Forum for youth engagement in Financing for Development are established.

V. Overarching Reflections

DMUN Foundation has the following overarching reflections as we move towards the Fourth International Conference on Financing for Development:

Inclusion of Youth

Youth are not substitutable stakeholders in the financing for development. Ensure that young people are meaningfully included in all stages of the processes: from designing policies to implementing and reviewing them. We urge the formation of formal youth participation structures, such as youth advisory councils, focused youth financing programs, and so on to be systemically embedded inside the FfD process.

In reference to the Major Group of Children and Youth (MGCY)'s guidelines and strategic direction on meaningful youth engagement in the UN, all initiatives on youth stakeholders should be operated in a democratic manner, with respect to diverse representation, and be youth-led, with its modus operandi being self-selected by youth constituents. In addition, stakeholder tokenization in the FfD process must be eliminated, in which many civil society and other stakeholders do not have the medium to effectively engage with the FfD system.

Specifically, inside the FfD Process, youth have been pushed into the sidelines of this conference. The registration for many of the FfD preparatory committees, such as the first

one on Addis Ababa purposefully created an age requirement for participants to register to the conference, even if they are supported by an accredited organization. This heinous action of ageism and discrimination silences key youth stakeholder voices in the FfD process, and must be abolished.

Holistic Approach

In view of the interrelatedness of these challenges, a holistic approach to financing for development becomes a prime requirement. The global framework for financing should be thought of as one fully integrated system that pulls economic, social, and environmental dimensions together, guaranteeing coherence among national, regional, and global policies. It means that the DMUN Foundation will look forward to taking a more holistic, systemic approach, with attention right at the roots of inequality and the need for sustaining and ensuring inclusive growth.

Specifically, the successful implementation of fundamental decisions and mechanisms produced in the Financing for Development series of conferences is not possible without the participation of various stakeholders in different fields. We must expand the FfD space to ensure that civil society and stakeholder participation is not limited to organizations of expertise in the financing, development, or debt sector. The deliberations produced inside the United Nation's FfD process has wide reaching implications, and the stakeholders present in such discussions should be reflective of such process.

Global Solidarity

Development financing should be founded on global solidarity. The conference should underscore partnership, sharing, and resource mobilization in support of the realization of the SDGs. On this matter, the DMUN Foundation is wholly behind the opening of the solidarity fund at the global level, pooling contributions from several actors—including the government, the private sector, and civil society—to finance development projects with impact.

Specifically, there is an urgent need for the international community to achieve consensus and multilateralism inside the United Nations, in particular with the FfD processes. It is

imperative that Member States ensure that the “politics” outside the FfD process does not leak into the FfD deliberations. In addition, member states and the secretariat of the FfDO DESA must ensure that stakeholder participation and engagements is placed at the priority of global discussions.

Long-term perspective

Any financing framework, therefore, has to look ahead and be long-term, directed at sustainability and resilience. The DMUN Foundation, in relation to this, urges that financing strategies be developed to address future challenges such as climate change, technological disruption, and demographic shifts. It shall draft policies that ensure intergenerational equity—that the well-being of future generations will be uppermost in the decision-making process.

In this regard, the DMUN Foundation urges the Fourth International Conference on Financing for Development to make ambitious and conclusive decisions in such a way as to overcome the financing problems of our time. Only then can we succeed in doing justice to the issue of young people's inclusion by following the same top priority, looking at it from a holistic approach, global solidarity, and long-term perspective to build a more just, more equitable, and sustainable future for all.

END OF CORRESPONDENCE

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