**Financing for Development – Background**

The Monterrey Consensus, agreed at International Conference on Financing for Development in Monterrey, Mexico in March of 2002, set the stage for the Financing for Development (FfD) agenda as we know it today and remains one of the main reference point for international policy decision making on different forms of development financing and cooperation. The importance of the Financing for Development process is its institutional home in the United Nations, where developing countries have a much greater influence in intergovernmental agreements.

The Monterrey Consensus identified six pillars of development finance which remain the foundation of the FfD to the present day. These are:

1. Mobilizing domestic financial resources for development.

2. Mobilizing international resources for development: foreign direct investment and other private flows.

3. International Trade as an engine for development.

4. Increasing international financial and technical cooperation for development.

5. External Debt.

6. Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

More than six years later the Doha Review Conference (the second high level conference on Financing for Development), was held in Doha, Qatar, to follow up agreements made in Monterrey. The conference mobilized large civil society participation, with the trade union movement taking an active role in the overall coordination. The outcome document of the Doha Conference, The Doha Declaration, reaffirmed the Monterrey process, but also succeeded to turn significant attention towards innovative sources of development finance, like the financial transactions tax, in addition to the original six pillars. The declaration also set the stage for a follow up high level conference to be held by 2013. However, governments failed to fulfil this commitment and a follow up conference will now take place Addis Ababa, Ethiopia in July 2015.

It is not easy to situate the political relevance of the FfD process, because on the one hand it is the most legitimate space for these discussions to take place, while on the other it lacks the political capital to profoundly impact how things are done. More specifically, the FfD agenda has served as an important reference point for discussions on development finance, and served as a unique space where governments, in particular from the South, have been able to debate systemic issues like trade and financial architecture. Proponents of the process commend the effort to go beyond the MDG framework, which is criticized for being too narrow and aid focussed. Yet, despite efforts to present a more holistic vision of development, the FfD agenda has undoubtedly suffered in recent years for failing to show any significant impact on how governments behave. Governments have failed to fulfil even the most straight forward commitments made in Monterrey, for example the 0.7% target on Official Development Assistance, exposing in the first instance lack of political will but also a process that does not have the necessary leverage to realize noteworthy change.

On account of these realities, it will be difficult and probably counterproductive to disassociate the FfD process from the broader global development objectives which will be agreed under a Post 2015 Sustainable Development Framework. For this reason, the Addis Ababa meeting and the FfD process could do well to try to link with the Post 2015 agenda, especially in terms of the frameworks implementation. The success of a Post 2015 framework will in large part depend on the availability of financial resources at the country, regional and global levels to see the objectives to fruition. This gives particular relevance then to the third International conference on Financing for Development which will take place just months ahead of the Post 2015 summit at the 2015 General Assembly.

The trade union movement necessarily should engage with the official FfD process and take an active part in the civil society efforts in the coming months. The issue being discussed under this agenda are too important to ignore despite concerted efforts by certain governments and institutions to limit the reach or influence of the agreements taken under the process.