

CPDE reaction to the Addis Ababa Action Agenda (AAAA)

## **Reclaim lost ground, advance the development effectiveness agenda in the post-2015 era**

30 July 2015

CPDE's expectations for the Addis Ababa FfD3 conference (13<sup>th</sup> – 16<sup>th</sup> July) were captured in a position paper tellingly called *A long way from Monterrey to Addis: Placing an effective global partnership at the heart of development processes*; it outlined 10 key issues for the FfD3 conference to respond to, including: safeguarding country leadership and policy space, aligning all kinds of cooperation with the effectiveness principles, boosting the implementation of the effectiveness agenda both at the global and the local level, keeping ODA focused on poverty reduction, binding the private sector to effectiveness and safeguard mechanisms, stemming illicit flows, and making climate finance additional.

CPDE believes it is right to raise the bar high so as to better capitalise on commitments endorsed by the international community over the years – from Monterrey to Paris, from Doha to Busan – as well as to respond to the emerging development challenges, which come with unprecedented financial needs. The FfD3 was a critical opportunity to reform the current global governance system, overcome power imbalances, and address systemic issues. But the international community agreed to a compromise conclusion: the Addis Ababa Action Agenda (AAAA) is not up to the task and leaves many key issues unaddressed. At its best, the AAAA narrative echoes some of the past commitments, but fails to unite all development actors in joint efforts to speed up the implementation of fundamental effectiveness principles

It is now up to the international community to revive the development effectiveness agenda. All interested parties – from governments to CSOs, from GPEDC to UNDCF – must feel the moral duty to step in and make sure that the principle of ownership and the entire development effectiveness agenda will be duly fulfilled, contributing to place the FfD agenda on track.

### **The AAAA unresolved issues**

An important takeaway from the FfD3 is the commitment to an institutionalised follow-up and review process (AAAA para 132). This is a step forward inasmuch as it calls for a forum on FfD under the auspices of the Economic and Social Council (ECOSOC) that will meet annually, the results of which will feed into the High-Level Political Forum (HLPF). The HLPF, in turn, is expected to take a key role in monitoring the implementation of the SDGs. But even in this kind of arrangement, there are still concerns that the FfD agenda could get lost due to the convergence with the SDGs follow-up process, which poses challenges of its own. While there are clear interlinkages, the FfD and post-2015 are two distinct processes that should remain complementary rather than combined to ensure that the level of ambition is not diluted in both processes.

Beyond commitments to greater accountability, the global CSO community expressed disappointment on the AAAA. CSOs stated that FfD3 “lost the opportunity to tackle the

structural injustices in the current global economic system and ensure that development finance is people-centred and protects the environment.”<sup>1</sup>

From a development effectiveness angle, the AAAA lacks ambition and fails to uphold important commitments made in Monterrey and Doha. This represents a major setback in integrating the effectiveness principles into the new global partnership for sustainable development.

In this light, CPDE raises a number of concerns:

**Country ownership** – References to country ownership may be found throughout the AAAA. Para 9, for instance, starts with a strong statement: “Cohesive nationally-owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts”; this very section also includes the call for putting a policy coherence for development approach in practice. Para 10 spells out some principles to underpin a global partnership for sustainable development, which includes “[taking] into account different national realities... and [respecting] national policies and priorities.” Para 20 is even more explicit in recalling that “public policies and the mobilisation and effective resources, underscored by the principle of national ownership, are central...” Nevertheless we note that there are some good points from the Doha Declaration that fell off the table in Addis; for instance, the DD was explicit in giving governments the authority to “evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space” (DD para 14); the new language introduced by AAAA loses emphasis on the government’s right to evaluate trade-offs and instead limits policy space in accordance to international rules and commitments (AAAA para 9).

**Inclusive development partnerships** – As opposed to Monterrey and Doha, the AAAA provides more attention to multi-stakeholder partnerships. We note that the AAAA acknowledges the potential of partnerships in supporting country-driven priorities and strategies. However, we fear that references to partnerships overemphasise its potential in leveraging private sector funding (AAAA paras 46, 47, 49, 117). We reiterate that inclusive development partnerships must focus on addressing poverty and inequality, and must ensure an equitable space for dialogue among stakeholders, including civil society.

**Aid quality** – We highlight the need for donors to stay true to their commitments to increasing ODA volumes and quality, as well as to keeping a strong focus on poverty reduction and channelling assistance to countries most in need. Sadly, the AAAA doesn’t include any new commitment that can rectify current trends (AAAA para 51) that tell many donors are failing to reach the agreed target of 0,7% ODA/GNI, and that LDCs are not getting their fair share of international public finance. Para 58 talks about effectiveness and echoes language that have been agreed in other global conferences, but fails to outline any kind of action plan that might boost the implementation of these very principles. Furthermore, we worry that the AAAA lends its credibility to the arguments in favour of the so-called catalytic role of ODA, which may lead to diluting the aid poverty focus and accountability.

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<sup>1</sup> Civil Society response to the Addis Ababa Action Agenda on Financing for Development:  
<https://csoforffd.files.wordpress.com/2015/07/cso-response-to-ffd-addis-ababa-action-agenda-16-july-2015.pdf>

**Transparency and accountability to each other** – CSOs are deeply concerned with the international community’s continued overreliance on private sector funding. This concern stems from the lack of sufficient discussion on concrete and binding regulatory mechanisms to ensure that businesses comply with accountability frameworks, including ILO and UN protocols, environmental and human rights standards. We fear that the AAAA retreats from previous agreements to ensure the alignment of business interests with sustainable development objectives (AAAA para 36). Furthermore, we are alarmed that AAAA failed to support any concrete mechanism that will tackle illicit financial flows. The compromise achieved in the Addis outcome did not correspond to strong calls for a global tax body and instead merely increased the frequency of meetings of an existing UN tax commission (AAAA para 29).

**Human rights-based approaches** – The AAAA falls short in upholding a human rights-based approach (HRBA) to development in its failure to address economic and social injustices. The FfD3 missed the opportunity to come up with concrete commitments in addressing issues of inequality, including decent wages and the establishment of sound financial regulation systems. While CPDE acknowledges references to decent work and social protection systems, we are disappointed in the AAAA’s failure to recognise the vital role of these principles in the context of domestic resource mobilisation (AAAA para 16).

**Gender equality and women’s rights** - References to gender equality and women’s rights in the outcome document show strong tendencies towards the instrumentalisation of women by financing gender equality and women’s empowerment as a means to achieve economic growth, to increase productivity, and to improve economic performance (AAAA para 21). The AAAA might leave the impression to some that it is strong on gender equality, women’s empowerment, and women’s rights. However, it is important to note that the AAAA’s lacking HRBA approach, coupled with its failure to tackle structural and systemic issues, diminishes and even undermines these commitments. The specific mention to “urge countries to track and report resource allocations for gender equality and women's empowerment” is notable (AAAA para 53). However, tracking and reporting are not enough. The AAAA should have called upon donors to adequately fund gender equality, women’s human rights, and empowerment. We find it unacceptable that developed countries are not committing to scaling up the share of ODA for achieving gender equality, women’s empowerment, and women’s human rights.

**Climate Finance** - In line with the Busan agreements, effective climate finance should be underpinned by strong policy coherence, transparency, and predictability, especially in support of countries most vulnerable to climate change. We feel that existing references to climate finance remain insufficient to come up with a sound climate financing package for COP21 that can address the huge gap in climate funding needs. In addition, the final outcome document does not clearly distinguish between aid and climate finance, nor does it spell out that climate finance should be additional (AAAA para 61).

## **Call to Action**

The commitment towards a review mechanism that will take stock of and monitor progress, identify gaps, and promote accountability should be pursued. CPDE believes that the Development Cooperation Forum (DCF), with its focus on elaborating the accountability framework for the post-2015 agenda, can substantially inform the HLPF monitoring stream. At the same time, the Global Partnership for Effective Development Cooperation (GPEDC) can

complement this process by offering an architecture of global accountability that goes beyond government-centred approaches and facilitates the engagement of other stakeholders, especially civil society.

In view of the shortcomings of the FfD3, and with the post-2015 and climate negotiations just around the corner, CPDE will continue to champion development effectiveness as the cornerstone of international cooperation. We call on the global CSO community to stand ready to assume our role in reclaiming lost ground in Addis and in promoting a better world for all.

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*The CSO Partnership for Development Effectiveness (CPDE) gathers a broad coalition of community organisations, trade unions, faith-based organisations, youth groups, feminist movements, indigenous groups and NGOs, which are all committed to turning the promise of an effective development cooperation into concrete actions by governments, international organisations, businesses, and any other development actors.*

*Development effectiveness is understood as policies and practices by development actors that deepen the impact of aid and development cooperation on the capacities of the poor and marginalised.*