

## Intervention by Nicole Bidegain Ponte, DAWN and WWG on FFD at the CSO Opening Plenary

### CSO Financing for Development (FfD) Forum

11<sup>th</sup> of July 2015

We believe that the latest set of negotiations has seriously reduced the integrity of the Financing for Development agenda, can result in a retrogression from previous FfD commitments and, thus, limit the possibility to remove the global obstacles to development as well as setting the right priorities, policies and rules for financing the Sustainable Development Goals/Post 2015 Development Agenda and the full implementation of internationally agreed development agendas, including those critical for women's rights such as the Beijing Platform for Action and the Cairo Programme of Action on Population and Development.

The **global partnership** between developed and developing countries established in the Monterrey Consensus is at risk of being weakened by the way multi-stakeholder partnerships are getting promoted, and the lack of commitment by developed countries to address systemic issues in the United Nations (UN), to recognize and respect the principle of Common But Differentiated Responsibilities (CBDR) and to strengthen the FfD follow up mechanism.

The draft lacks an integrated, consistent and explicit human rights based approach. The references to women's rights and **gender equality in the current text rely on previously agreed language, some consolidate regressive formulations and others rely heavily on private sector contribution to achieving gender equality.**

So few references to women's rights in the draft get undermined by a framework that shows a strong tendency towards the **instrumentalization and commodification of women, where women's empowerment, and women's full and equal participation and leadership in the economy are vital to significantly enhance economic growth and productivity or to promote market access for financial services.** It seems to speak more the IMF and World Bank language on "Gender Equality as Smart Economics" rather than to women and girls' entitlement to social and economic rights which are at the foundation of the UN.

For instance, while financial inclusion is overemphasized, little attention is given to structural barriers for women's economic rights and access to, ownership and control over economic resources: ie, the unequal distribution of unpaid care work, the little access to care services, the persistent gender discrimination in the labour market (through vertical and horizontal segregation, overrepresentation of women in precarious and low-paid jobs, and inadequate and insufficient social protection). **The mention to reduce and redistribute unpaid care work proposed by different block of countries is not finally included in the latest draft version of the Addis Action**

**Agenda.** So from making the business case on women's empowerment to respecting, protecting and fulfilling women's human rights and fixing the structural conditions to realize them.

Regarding the thematic FfD areas we highlight the follow:

**Systemic issues:** Governments are still failing to provide sufficient political leadership to strengthen the role of the UN to lead the necessary human rights-based, pro-development reforms of the global economic and financial systems. References in Paragraph 103 and 114 of improve and enhance global economic governance, "while respecting the mandates of respective organizations" limits the possibility to such reforms. The recommendations and commitments of the outcome of the Conference of the World Financial and Economic Crisis and its impacts on Development should have been the foundation of the Addis Action Agenda not only to prevent future multiple crises but to revert the financialization process that is leading to greater global inequality, instability and prevents the reorientation of finance to sustainable and equitable development sectors. **The necessary countercyclical and social policies to respect women's human rights and to avoid transferring the costs deriving from financial crisis, austerity measures, privatization, cuts in cash transfers and social services, food and job insecurity to women through further increases in their unpaid work are not even mentioned.** Thus, governments are relying on women's unpaid care work to continue to acts as a stabilizer and shock absorber of the economic and financial crisis. **We are deeply concerned that the draft Addis Action Agenda falls short in providing alternatives to the status quo.**

Only by ensuring full and equal representation of developing countries in in setting the global rules on finance, macroeconomic but also trade, investment, debt and tax policies the trend of transferring resources from developing countries to developed countries can be reversed.

**Trade:** The reference to trade and "appropriate supporting policies" (para 79) to assist and promote decent work and women's empowerment is misleading, especially when governments have failed to agree to include mandatory ex-ante and periodic human **rights impact assessments** of all trade and investment policies and to **protect policy space**<sup>1</sup> specially for developing countries to implement policies such as protection of infant-industries, female-job intensive sectors, small women's producers, indigenous and traditional knowledge or access to medicines. Moreover, the deletion of a provision calling for the proper review of investor-state dispute settlement clauses is an enormous missed opportunity to ensure that these clauses do not undermine **the right of states to regulate,**

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<sup>1</sup> There is only one reference to policy space and it is weaker than Doha "We will respect each country's policy space and leadership to implement policies for poverty eradication and sustainable development, while remaining consistent with relevant international rules and commitments" (para 9). Instead in Doha, It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space" (para 14, Doha Declaration)

especially in areas such as health, environment, water and sanitation, employment, micro, small and medium enterprise development and infrastructure, which are all critical for gender justice and women's human rights. So nothing in this text prevent foreign investors **to sue governments for implementing the SDG** which requires strong state engagement to changing production and consumption patters, address inequalities. Moreover, the development impact of **Aid for trade** programs including those who claim to improve women' access to global market has been difficult to assess, while criticism about policy conditionalities to trade liberalization increase. Aid for trade promises can't be used to shifting ODA funds priorities.

**Private finance:** the Addis Action Agenda fails to challenge the asymmetry between the set of binding juridical instruments states have been establishing over the past 40 years to protect and promote the interests of transnational corporations - especially through Free Trade Agreements, Bilateral Investment Treaties and Investor to State Dispute Settlement Mechanisms - on one hand, and the lack of binding instruments to hold corporations accountable for the human rights violations of people. The need to provide an enabling environment for business is emphasised, while evidence shows that the private sector often contradicts and undermines the possibility to respect, protect and fulfil human rights. Its promotes voluntary Global Compact principles on gender equality that have proven to be wholly inadequate and inappropriate to respond to women's human right abuses, especially from transnational corporations. Moreover, private sector activities including public-private partnerships are promoted with no sufficient safeguards to ensure **accessibility, affordability and quality of the services and infrastructure that they are expected to deliver, or to ensure that they do not create unacceptable contingent liabilities for governments.**

**Tax:** It is extremely concerning that the reference to "promote equity, including gender equality as an objective in all tax and revenue policies" was removed from the document. Governments draft agree to "work to improve the fairness of our tax systems", but the Draft Action Agenda might be promoting the contrary when it proposes simultaneously "broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances". This might negatively affect self-employed women, SME who bear a disproportionate high burden, while big corporation and rich individual continue to benefit from tax exemption and avoidance. The disproportionate burden of taxation on women and all people living in poverty must instead be reversed as well as the global race to the bottom. The UN tax body is urgently required by all countries to truly combat illicit financial flows and tax evasion, and to address inequalities within and between countries.

**ODA:** Developed countries cannot shy away from their responsibility of financing development, diverting their responsibility to Domestic Resource mobilization, South to South Cooperation or worse, the private sector. The draft Addis Action Agenda "urges" countries to meet the 0.7% of GNI as ODA, rather than requiring a commitment to 0.7%, which is substantiated by a clear and binding timetable. **The draft urges countries to track and report resource allocations for gender equality and women's empowerment**", however, tracking and reporting is not enough. The Action

Agenda should call upon donors to adequately fund gender equality, and women's human rights and empowerment. **We caution on the multi-stakeholder partnerships** in specific areas such as health, education and food that are included in the draft Action Agenda. ODA must not be used to exercise power over recipient countries, for example through the imposition of policy conditionalities. Neither should ODA be linked to trade negotiations. The multi-stakeholder partnership approach can have severe consequences for the implementation of the development agenda for the next decades since it **relies on siloed approaches without a clear link to human rights obligations and comprehensive development agendas, and national strategies**. Furthermore, their funding is unpredictable and volatile as they depend heavily on voluntary commitments from the private and corporate sector. Before promoting these voluntary initiatives, governments should establish an open, transparent, and participatory UN led intergovernmental space for oversight, monitoring and review of any partnerships developed or promoted within the framework of the United Nations.

**Follow up:** The specific modalities of FfD follow up mechanism proposed should be further discussed. The compromise is to have annual ECOSOC Forum on Financing for Development follow-up with universal, intergovernmental participation. It is positive that in Paragraph 132 it is stated that it will have **inter-governmentally agreed conclusions** and recommendations but it should be clear how this outcome will feed into the overall follow-up and review of the implementation of the post-2015 development agenda in the high-level political forum (HLPF) on sustainable development. Since the forum will have four days to discuss FfD but also the means of implementation of the post-2015 development agenda, there could be also a potential loss of specialization over many of the areas above, because programmatic concerns may dominate discussions over macroeconomic considerations.

The FfD holistic approach needs to be preserved even under the HLPF, the FfD agenda precede and surpass the scope of the SDG/Post2015. Assess the level of coherence and consistency of the international monetary, financial and trading system in support of development should be at the core of the Follow up. For instance, actions of systemically significant countries that have **direct bearing on the stability and sustained growth of relatively smaller and open economies need** to be discussed and debated in an open, transparent space that the UN provides. Bridges and inter-connections among development, trade, finance, debt, systemic issues and women's rights commitments need to be further explored.

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