

Remaining priority areas to highlight for Beyond 2015 in upcoming FFD influencing

1. Sustainability and the principles of financing in a 'sustainable' way

Beyond 2015 identified several priorities in the 'Implementing the Ambition position paper related to this issue.

Critical points we raised:

- We need a new understanding of financing that explicitly recognizes human rights as a basis to promote the interlinkages between the three pillars of sustainable development (social, environmental and economic); an understanding which identifies principles which ensure that 'finance for development' becomes 'financing for sustainable development', which recognises the limits of a growth-focused agenda, and the role that finance providers- especially the private sector- must play in helping us tackle the crucial challenges of climate change and environmental degradation facing our planet.

The revised text and key priorities remaining for B2015:

- The revised document has a welcome focus on 'financing for **sustainable** development' in the preamble and in language throughout. It also makes good mention in relation to private finance of the need for sustainable investment horizons. However, there is not strong enough language on the need for private businesses to recognise the limits to planetary growth and to do more to align profit-seeking activities with the urgent need to tackle climate change and environmental degradation. **Para 30** in particular should recognise the environment as a key dimension, in relation to sustainable development strategy planning.
- The revised draft outcome document references in human rights in several areas but language must be stronger, commensurate with ambition and recognising binding international agreements. In **paragraph 1** we would suggest the text is amended as follows: *...commit to promote and protect all human rights, including the right to development*
- The line "We agree to create strong regulatory frameworks on ESG practices, including mandatory integrated reporting for large companies to be adopted by 20xx." should be reinstated in para 35-37.

2. Climate finance

We raised a number of issues but critically we called for:

- Achieving strong synergies between the post-2015, FfD and the climate change processes

- Member states to establish a follow up mechanism on the commitment from developed countries to provide climate finance of at least USD100 billion annually by 2020

The revised text and key priorities remaining for B2015:

- We would like to see **Para 15** to be reinstated in the document as it contained critical language on private sector impacts on the planet, the need for regulation and the need for policy coherence to fight climate change.
- **Paras 55-56** make reference to the UNFCCC and meeting climate finance commitments; However, the line "We further acknowledge the importance of aligning all financing flows, including ODA, with the three dimensions of sustainable development" is no longer there in the new version (para 58) . This text should be re-instated.

3. Participation of civil society / poor people as active agents of change

Beyond 2015 raised many priorities relating to participation. Critically are two key points.

- a. Putting people at the center of a post 2015 financial framework is pivotal to achieving the SDGs and eradicating poverty. We said "Member States must commit to implement the post- 2015 agenda with the full participation of people, especially the most marginalized and vulnerable, and their organisations, through institutionalized multi-stakeholder engagement."
- b. We also asked for transparency and accessibility of data and information to be recognised in the document as a **cross-cutting systemic issue** and a principle applying to all aspects of both FfD and post-2015.

The revised text and key priorities remaining for B2015:

- The proposal of an interagency task force for monitoring progress on the FFD commitments in **paragraph 123** is interesting, but would need greater clarity on who this task force would report to, and significant resources allocated to ensure that it can carry out the task at hand. We would further like to see recognition that the process to be developed for follow-up, will require member states to report explicitly on their progress in ensuring the participation, both in the development of national sustainable development plans and in the reporting on outcomes and progress, of all people; but especially the most marginalised and vulnerable in society.
- All mentions of data on people and their needs, should refer to data disaggregated by sex, disability, age and other characteristics.
- While the document contains much mention of transparency and various transparency initiatives these would be strengthened by stating more concrete, time-bound commitments, otherwise this language risks being rhetorical, without stakeholders able to hold their governments to account.

4. Social protection as a means of leaving no-one behind

Para 28 makes a welcome mention of social protection floors. Beyond 2015 sees social protection as a key means of supporting the poorest and most vulnerable to become active agents of change, giving them choice and empowerment, enabling them to grasp economic opportunity and cushion against risks and shocks to their livelihoods. Social protection should be seen not as a welfare mechanism but an investment in the future of national sustainable development strategies, ensuring the participation of all people in progress and development.

The revised text and key priorities remaining for B2015:

The Addis Accord still needs to recognise that people in the poorest and most vulnerable countries will not benefit from any commitment to social protection floors if their government does not have the resources to finance these programmes, or to design, deliver them and scale them up. Recent research demonstrates that the current coverage of the extreme poor by social protection in LDCs is as low as 20%. Moreover the external financing gap required to scale up coverage to meet needs in LDCs is large, only 12% of social protection needs are currently funded in LDCs and even in the best possible scenario, domestic resources in LDCs will not be adequate to meet needs. There is an urgent need to focus international attention and resources on this issue. The role of international public finance will be critical, as the most stable, predictable and concessional form of international finance which LDCs have access to. We suggest the following amendment to para 28:

We agree to support national efforts with commensurate international cooperation and finance, LDCs and other vulnerable countries, to ensure that by 2030, every woman, every man, every child and every family has access to a nationally agreed package of essential services¹

Text from Apollos paper

Sustainability and the principles of financing in a 'sustainable' way.

One of the lessons the world has learnt from the 2008 financial crisis is the interconnectivity and ripple effect it had on all countries. The current financing framework has further weakened poor countries as well as brought rich donor countries to the point where they have reversed policies due to their unsustainable financing. Sustainable financing requires building local ownership, strengthening the investment chain at the country level and linking it to FDIs. While ODA will remain important in a post 2015 world, the sustainability of ODA needs to be strengthened with a legal fence that ensures the flow. Sustainability of national financing should be pro-poor in nature by strengthening social protection policies and frameworks, improving local capital, protecting local industries and strengthening national reserves with policies that insulate them from economic shocks.

¹ Development Initiatives, 'Getting POverty to Zero in Least Developed Countries'
<http://devinit.org/#!/post/getting-poverty-to-zero-financing-for-social-protection-in-least-developed-countries>

1. climate and environment specific financing issues (*1 and 2 could be considered together, but I think are separate, views welcome*)

Today's climate variability threatens the lives and prosperity of people across many of the countries where WaterAid works, along with other challenges such as population growth, socio-economic inequality and changing land-use. Climate change will worsen these challenges. Our understanding of the known risks posed by existing climate variability reinforces the need for a financing framework that is robust to both current challenges and future uncertainty. Resilience and adaptation must be considered in the financing framework

Carbon-driven growth has largely benefitted wealthy and middle-income countries; however, the distribution of impacts is likely to be tilted against many of the world's poorest regions and the poorest people within those regions. Poor people have the least economic, institutional, scientific and technical capacity to adapt to either rapid or slow-onset climate change. It is therefore critical that a post 2015 financial framework includes developing local capacity especially for the poor especially women who are agents of mitigating climate change impact on families and livelihoods.

2. participation of civil society / poor people as active agents of change (Linkages and monitoring are important here, but will be covered by our joint statement with the accountability task force)

Putting people at the center of a post 2015 financial framework is pivotal to achieving the SDGs and eradicating poverty. At the national level, where primary responsibility for resource mobilization, allocation and monitoring sits, peoples voices including those of the poor and vulnerable and marginalized should be reflected in a national financing framework to ensure that they have a shared responsibility in implementation and monitoring as well as strengthening public accountability. Transparency and accountability of how resources are raised and used will be if access to information is unhindered and backed by relevant policies and laws. This should include data disaggregated by sex, disability, age and other characteristics. As such a financing framework that is further supported by relevant policies on public accountability and inclusive citizens engagement will strengthen implementation and monitoring of development plans

Basic needs for all that leaves no one behind.

There is a welcome focus in preparations for Addis Ababa on domestic resource mobilisation (DRM).⁴ Effective DRM is essential for eradicating poverty and delivering the public services and accessible infrastructure needed for sustainable development. It also enables developing countries to take ownership of their development strategies, meet the needs of their citizens and adopt a pathway out of aid dependence. Therefore a new financial framework must have clear mechanisms that leave no one behind. This implies tackling inequalities in access to finance for the poor and marginalised as well as create the enabling environment for small scale and informal sector players to thrive and grow.

Social protection

South–South cooperation is a growing source of funding for many countries, with China, Brazil, India and the Gulf States making increasingly significant investments. This is very welcomed; but, together with many separate flows from OECD countries, contributes to a proliferation that introduces a risk of fragmentation, increased transaction costs, challenges around debt

sustainability and perpetuates poverty. This puts a huge risk on social protection for the ordinary citizen. To address this, it is important that social protection policies are strengthened with financial policies and strategies that allows for a percentage of these investments in social protection programmes promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and **social** risks, such as unemployment, exclusion, sickness, disability and old age