



# ADDIS ABABA REVISED DRAFT

## WWF REACTION

13 May 2015

WWF welcomes the revised draft (6 May 2015) for the Addis Ababa Third International Conference on Financing for Development. **This WWF reaction identifies positive elements that should be maintained as well as paragraphs that need strengthening.** We welcome the draft's strong approach on the integration of the three dimensions of sustainable development and on the need for policy coherence for development at all levels. Overall, we encourage Member States to **maintain a 'people and planet' focused approach and to reinforce the links between the Financing for Development action agenda and the post-2015 Sustainable Development agenda.**

### SELECTED CURRENT POSITIVE ELEMENTS TO BE MAINTAINED

To be maintained	
Paragraph 5	Importance of investment and consumption and production patterns
Paragraph 8, 10	An integrated approach to sustainable development – need for nationally owned sustainable development strategies, supported by integrated financing frameworks, policy coherence for sustainable development
Paragraph 15	Commitment to protect our planet and natural resources
Paragraph 36, 44	Need for appropriate regulations and incentive frameworks to encourage investments and private sector engagement in sustainable development; integrated reporting (ESG) for large companies
Paragraph 48	Careful consideration should be given to the use of pooled finance and improved criteria for PPPs
Paragraph 56, 57	Importance of meeting in full existing commitments under international conventions i.e., capitalization of the Green Climate Fund and mobilization resources for the Convention on Biological Diversity
Paragraph 58	Building climate and disaster resilience considerations into development financing to ensure sustainability of development results and transparent accounting for climate finance
Paragraph 61	Potential of MDBs and IFIs to respond to the sustainable development agenda

Paragraph 65	Role of the Global Environment Facility (GEF) in raising and allocating resources for environmental projects and capacity-building in developing countries.
Paragraph 72	Integration of sustainable development into trade policy (both trade and investment agreements) at all levels & assessment of the sustainability impact of trade agreements and their impact on developing countries
Paragraph 98	Ensuring consistency of all international agreements, rules and standards with each other and with the SDGs through 'coherence checks'
Paragraph 117	Need for greater transparency; Strengthen International Aid Transparency Initiative (IATI)
Paragraph 119	Alternative measures of progress; recognizing the multi-dimensional nature of poverty and the social, economic, and environmental dimensions of sustainable development.

## PARAGRAPHS THAT NEED STRENGTHENING

To be improved	
<b>I. A global framework for financing sustainable development</b>	
Paragraph 12	<p><i>We recognize the enormous needs for investment in agriculture, food production, fisheries and the protection of the ecosystems that underpin food production.</i></p> <p><u>Justification:</u> In addition to short-term action, the long-term elimination of hunger through viable food production systems depends on healthy ecosystems.</p> <p><i>This will be financed through <b>public and private</b> sources, and we encourage increased private investments, in accordance with the Committee on World Food Security's (CFS) voluntary Principles for Responsible Investment in Agriculture and Food Systems and <b>Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.</b> Public investments in agriculture and nutrition must play a strategic role, particularly in financing research, infrastructure and pro-poor initiatives.</i></p> <p><u>Justification:</u> The financing and governance of the important issues of food security and nutrition cannot be left to the private sector. Reliance on private investments runs the risk of jeopardizing sovereignty and food security in the context of emergencies such as conflicts or droughts.</p>

Paragraph 13	<i>Investing in sustainable and resilient infrastructure, inclusive and <b>low</b></i>
--------------	--

	<p><b>carbon industrialisation and innovation</b></p> <p><u>Justification:</u> In the absence of a definition for <i>sustainable industrialisation</i>, WWF suggests ‘low carbon industrialisation’ or ‘green industrialisation’<sup>1</sup>.</p>
<h2>II. Action Agenda</h2>	
<h3>A. Domestic public resources</h3>	
Paragraph 17	<p><i>[...] Sound economic and counter-cyclical fiscal policies, a domestic enabling environment, adequate fiscal space, democratic, transparent institutions responsive to the needs of the people, and good <b>public and corporate governance</b> [...]</i></p> <p><u>Justification:</u> WWF recommends addressing the role of the private sector alongside the public in combating corruption at all levels in order to ensure a comprehensive approach to this issue.</p>
Paragraph 18	<p><i>We also agree to incorporate sustainable development, and promote equity, including gender equality, women and girls’ empowerment, and social inclusion as an objective in our domestic policies <b>including all tax and revenue policies and incentives we give to domestic and foreign investors, and tax treaties and agreements.</b></i></p> <p><u>Justification:</u> WWF recommends reinserting the language specific to tax and revenue policies in order to ensure that these policies drive sustainable production and consumption.</p>
Paragraph 20	<p><b>By 2030</b>, we will make sure that a fair share of tax is paid where economic activity occurs and value is created.</p> <p><u>Justification:</u> WWF strongly believes a timeline is needed here in particular given that this is a critical issue for domestic resource mobilization.</p>
Paragraph 22	<p><i>Countries relying significantly on natural resource exports face particular challenges. We encourage investment in <b>environmentally sustainable value addition and processing of natural resources and the equitable sharing of benefits from natural resource use.</b> [...] We encourage all countries agree to <b>commit to and implement measures to ensure transparency and accountability in the formulation of investment agreements</b> such as the Extractive Industries Transparency Initiative Standard. We will continue to share best practices and promote peer learning and capacity building for forging successful state relationships with the extractive sector, including fair concession and royalty agreements and <b>equitable sharing of benefits.</b></i></p> <p><u>Justification:</u> WWF suggest modifying the paragraph in order to ensure consistency and avoid potential conflict with the OWG on SDGs. The call for “investment in value addition and processing of natural resources” should be coupled with a reference to social and environmental sustainability of natural resource use. WWF also recommends increasing the level of ambition in terms of the EITI standard.</p>
Paragraph 29	<p><i>We will work to gradually eliminate <b>environmentally harmful subsidies</b></i></p>

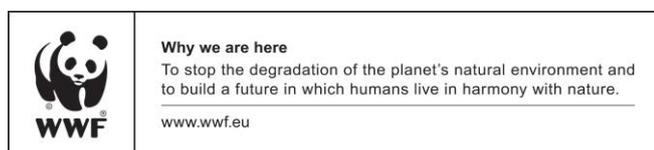
<sup>1</sup> According to UNIDO, green Industry is “industrial production and development that does not come at the expense of the health of natural systems or lead to adverse human health outcomes. Green Industry is aimed at mainstreaming environmental, climate and social considerations into the operations of enterprises”.

	<p><b>such as fossil fuel subsidies for production and consumption, minimizing adverse impacts on poor and disadvantaged communities [...] The funds should instead be reallocated toward sustainable practices, while addressing distributive impacts.</b></p> <p><u>Justification:</u> WWF recommends removing environmentally harmful subsidies in sectors such as energy, fisheries, and agriculture, while addressing distributive impacts.</p> <p><i>We will also incorporate natural capital accounting into national strategies and assessments of national economic performances to make more transparent the environmental externalities of our policy decisions.</i></p> <p><u>Justification:</u> Integrating national natural capital accounting into national development strategies will guide policymaking to deliver the best socio-economic outcomes.</p>
Paragraph 32	<p><i>We call on businesses to apply their creativity and innovation toward solving sustainable development challenges, to engage as partners in the development process and to align their business practices with the sustainable development agenda.</i></p>
<p><b>B. Domestic and international private business and finance</b></p>	
Paragraph 35	<p><i>Such principles should also address business' role in preventing and fighting corruption, illicit financial flows, tax evasion, transfer pricing, human rights and labour standards.</i></p> <p><u>Justification:</u> The HLP report on Illicit financial Flows from Africa shows that most of illicit flows in African countries are taking place through transfer pricing.</p>
Paragraph 36	<p><b>By 2020</b> <i>We agree to create strong regulatory frameworks and effective compliance mechanisms to ensure that companies adopt sustainable practices and that large companies in particular adopt integrated non-financial reporting through including environmental, social, and governance (ESG) aspects into their reporting.</i></p> <p><u>Justification:</u> WWF is calling for universal integrated ESG reporting by large companies with an associated timeline for action and greater transparency and accountability of the private sector.</p>
Paragraph 46	<p><i>We commit to ensuring the technical support for countries to translate these plans into concrete project pipelines, as well as for individual implementable projects, particularly with regard to the preparation of feasibility studies, negotiation of complex contracts, and the management of projects and the use of available tools such as strategic environmental assessment. Efforts should aim to develop local skills and capacity.</i></p> <p><u>Justification:</u> The use of tools such as environmental assessments is essential in ensuring multi-stakeholder consideration of the social and environmental impacts alongside the economic dimension of these investments.</p>
Paragraph 48	<p><i>Governments should also ensure that PPPs respect development</i></p>

	<p><b>effectiveness principles and do not lead to unsustainable debt burdens.</b></p> <p><u>Justification:</u> Using public finance to leverage private sector investment for development outcomes should include strict sustainable development criteria, alignment with national development objectives and local ownership i.e., respect development effectiveness principles.</p>
<p><b>C. International public finance</b></p>	
Paragraph 50	<p><i>International public finance plays a central role in complementing the efforts of countries to raise public resources domestically for poverty eradication and sustainable development and in the conservation of the global public goods.</i></p> <p><u>Justification:</u> The international public finance section seems to be focused on supporting poorer countries in their development. Yet this is only part of the picture. International finance is also required for the maintenance of global public goods such as climate, biodiversity and the environment for example through the Global Environment Facility or the Green Climate Fund.</p>
Paragraph 53	<p><i>ODA can support improved tax collection and help strengthen domestic enabling environments [...] It can also be used to unlock additional finance through blended or pooled financing and risk mitigation [...].</i><b>ODA should also ensure delivery of environmental sustainability and social equity.</b></p> <p><u>Justification:</u> All development finance should support social equity and respect for human rights and be environmentally sound and climate sensitive.</p>
Paragraph 64	<p><i>We encourage efforts by the MDBs to make the safeguards process more efficient and <b>effective</b>, to ensure that public investment is aligned with sustainable development and contribute to the realization of the SDGs.</i></p> <p><u>Justification:</u> WWF believes this paragraph should focus on making safeguards efficient and effective, thus ensuring the protection of human rights and the environment. WWF also recommends the deletion of <i>without being unduly burdensome</i> as this is already reflected in the concept of <i>efficient</i> and the addition of 'effective'.</p>
Paragraph 68	<p><i>We will provide <b>equitable</b> access to markets for smallholder farmers and fishers, as well as <b>ensure equitable participation in the sustainable management and use of marine resources for small-scale artisanal fishers.</b></i></p> <p><u>Justification:</u> Integrating environmental and social aspects in this paragraph ensures all aspects of sustainability are included.</p>

<b>D. International trade as an engine for development</b>	
Paragraph 70	<p><i>Such a trading system, as well as meaningful trade liberalization, can serve as an engine of inclusive economic growth, [...] reduce poverty and promote <b>the three dimensions of sustainable development</b>. With appropriate supporting policies, infrastructure, and an educated work force, trade <b>should help promote employment, decent work and women's empowerment, reduce inequality, promote environmental sustainability and contribute to the realization of the SDGs.</b></i></p> <p><u>Justification:</u> All trade policies and agreements should deliver on the three dimensions of sustainable development. Technology will play a key role in the transition towards sustainable development in developing countries.</p>
Paragraph 72	<p><i>We will assess the sustainability impact of our trade agreements and their impact on developing countries, particularly LDCs and <b>reduce any negative environmental and social effects.</b></i></p> <p><u>Justification:</u> Trade agreements should support the transition to sustainable development.</p>
Paragraph 73	<p><i>We commit to combat protectionism <b>while enhancing environmentally sound trade policies, practices and trade flows.</b> [...] We also commit to strengthen disciplines on subsidies in the fisheries sector, including through the prohibition of subsidies that contribute to over-capacity and overfishing.</i></p>
Paragraph 79	<p><i>We also recognize that <b>environmental crime including illegal wildlife trade, fishing and logging and illegal mining</b> [...]</i></p> <p><u>Justification:</u> The important concept of environmental crimes has been deleted. Building on the Declaration of the 13th UN Crime Congress (Doha, April 2015) on measures to prevent and counter the serious problem of crimes that have an impact on the environment (P9e) WWF recommends reinserting the language from v1 (p24).</p> <p>Add: <b>Developed countries commit to provide increased financial resources and technical assistance to support the efforts of developing countries including addressing poaching and illegal trade in wildlife and natural resources, and supporting the development of sustainable, alternative livelihoods for affected communities.</b></p> <p><u>Justification:</u> Financial resources and technical assistance are essential to ensure illegal trade in wildlife and natural resources is tackled along the chain, from the offtake to the transport to the sell.</p>
<b>E. Debt and debt sustainability</b>	
<b>F. Addressing systemic issues</b>	

<b>G. Science, technology, innovation and capacity building</b>	
Paragraph 109	<p><i>We agree to increase scientific knowledge and develop research capacity and transfer technology as appropriate and encourage development of local equitable solutions to improve ocean health and enhance marine biodiversity, in particular in SIDS and LDCs.</i></p> <p><u>Justification:</u> Technology transfer needs to be adapted to the needs of the recipient state and support the development of local solutions.</p>
<b>III. Data, monitoring and follow-up</b>	
Paragraphs 115	<p><i>Data at the local, national, and global levels can enable governments, civil society, and the private sector to better target policy innovations and programs [...]. We will seek to increase significantly the availability of high-quality, timely and reliable disaggregated data, including by gender, level of income, age, place of origin in support of the post-2015 development and its means of implementation.</i></p> <p><u>Justification:</u> Data collection must account for the multi-dimensional nature of poverty and three dimensions of sustainable development. Further, the level of data disaggregation should go well beyond gender to include other areas to account for marginalized groups, migrant communities or youth.</p>
Paragraph 120	<p><i>We commit to monitor national progress in implementing the agreements in this Accord in an open, inclusive and transparent manner and with multi-stakeholder participation, and to strengthen mutual accountability for results in line with the SDGs. Civil society organisations and national parliaments will play an important role in this context.</i></p> <p><u>Justification:</u> WWF recommends a coherent approach to accountability and mechanisms to ensure that development finance is well-used. Different approaches are suggested for public finance (development effectiveness principles), MDBs (safeguards), PPPs (principles and guidelines), companies (ESG reporting). WWF believes that the ‘Data, monitoring and follow-up’ section could be strengthened by increasing recognition for the role of civil society in the monitoring progress.</p>



**For further information:**

**Sally Nicholson**  
 Head of Development Policy and Finance  
 WWF European Policy Office  
[snicholson@wwf.eu](mailto:snicholson@wwf.eu)

**Celine Beaulieu**  
 Manager, Public Sector Partnerships  
 WWF International  
[cbeaulieu@wwfint.org](mailto:cbeaulieu@wwfint.org)