

annd

Arab NGO Network for Development  
شبكة المنظمات العربية غير الحكومية للتنمية



# Rethinking the development paradigm

Reflections from civil society in the region on Post2015  
and Financing for Development agendas

The post-2015 consultations were done in coordination with the Economic and Social Commission for West Asia (ESCWA) and financial support from the Open Society Foundations.



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Arab NGO Network for Development 2015

## Introduction

# Sustainable Development Goals

Ziad Abdul Samad

The outcome reached by the international track of sustainable development objectives amounts to a dangerous twist in the concept of development, especially in terms of determining the roles of stakeholders in the development process. For example, it proposes giving the business sector the key role, being a contributor to job-generating growth. This comes before the adoption of “business-binding human rights standards.”

It also reflects a new concept for “international partnership for development,” which has been based on the following: (1) promoting fair trade to help developing nations improve their economic performance and revenues; (2) reconsidering foreign debts, which are consuming large public budget revenues; (3) increasing development aid in quantity and quality (the aid effectiveness track was launched in 2003); (4) speeding up technology transfer to help developing nations overcome the challenges of improving development tools; and (5) addressing the issue of medicines for dangerous illnesses, which is part of commitments by rich nations towards developing ones.

In the sustainable development goals document, the above concept has shifted towards partnerships in which the business sector plays the main role, while minimizing the goals of fair trade and debt relief and neglecting the regulation and control of capital movement. The track of “aid effectiveness” has become a track of “development effectiveness” where the governments of developing countries are subjected to accountability rather than donor nations being held accountable for their commitments.

The approaches of donor nations operating in the arab region, as expressed in priorities adopted in these nations’ strategies, reflect weariness, or almost despair with the role of civil society. Donor nations believe that civil society failed to achieve qualitative changes after the arab spring; hence, they channeled support to entrepreneurship initiatives to help individuals and the business sector carry out development projects and programs. The partnership between the public and private sectors is being promoted to facilitate free trade and open markets.

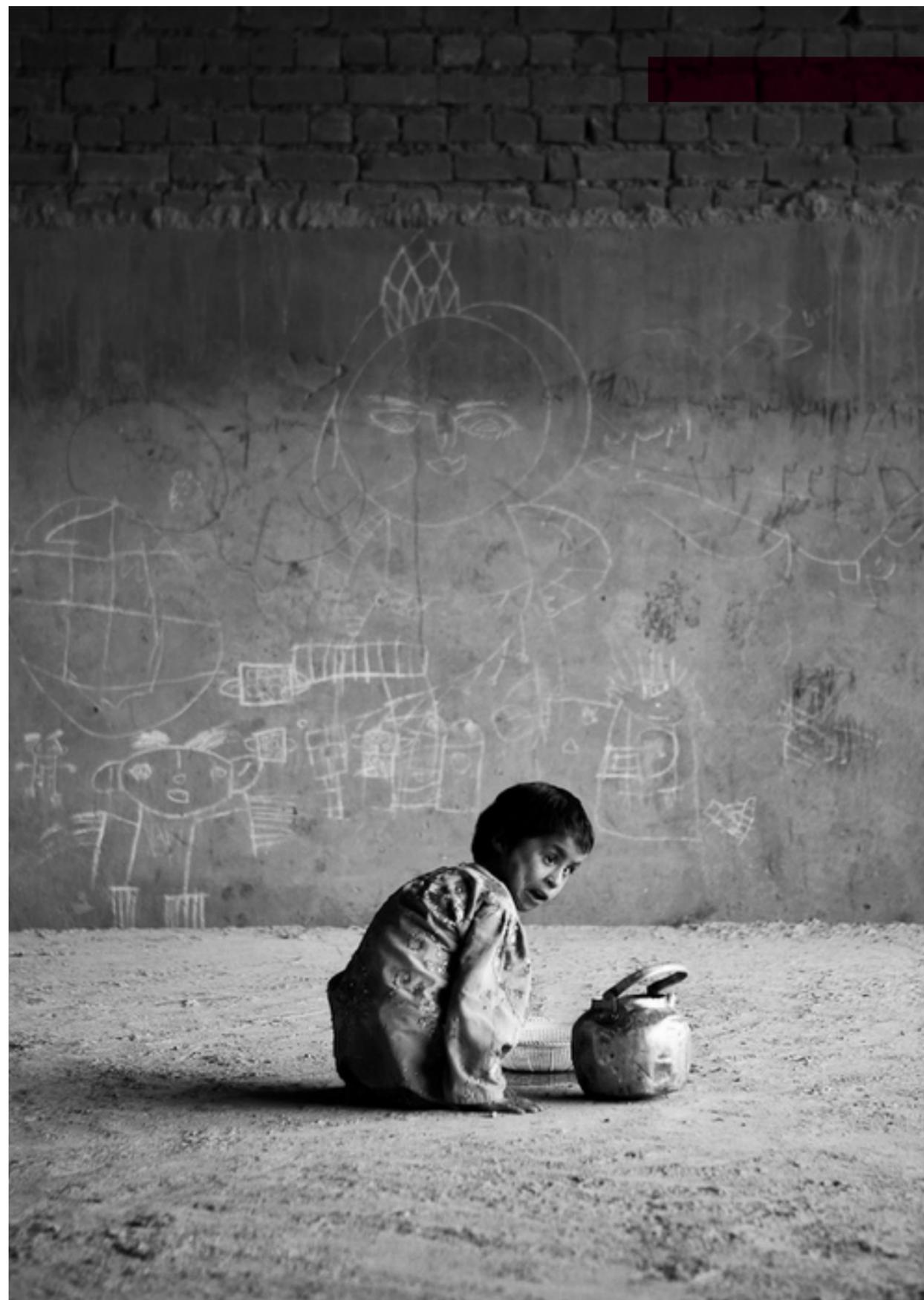
This is the essence of new approaches promoted at the time being by mainstream thinking. Donors’ priorities in the region are limited to humanitarian intervention to help refugees and victims of wars and conflicts and to dealing with security concerns in countries torn by wars

and conflicts and european neighboring nations targeted by large numbers of refugees. A high percentage of development aid is earmarked to the business sector to boost trade, while the remaining is spent on some development services and needs. Aid is being decreased for support and advocacy groups.

The arab ngo network for development (annd) believes that the civil and popular movement has been continuous since 2010, in spite of all challenges it faces. This movement is also the only option to restore balance to society in the face of ancien régime, traditional, conservative and religious forces, which set out to hinder progress in the democratic construction of the civil and modern state. Reversing support for the forces of democratic, social and economic change will inevitably lead to their weakening and limit their capabilities to build a promising future full of justice and respect for human rights.

As part of these efforts, annd participated in the arab track of sustainable development goals by following up the arab economic and social summit organized by the league of arab states every two years. Most of the summit’s proceedings are dedicated to dialogue on development challenges and the role of partner parties. Despite the summit’s exclusion of civil society from direct involvement, every time the summit was held annd organized parallel forums, which issued proposals and recommendations it wanted the summit to adopt. These forums, whose outcomes are included in this booklet, were organized by annd in partnership with the un economic and social commission for western asia (escwa).

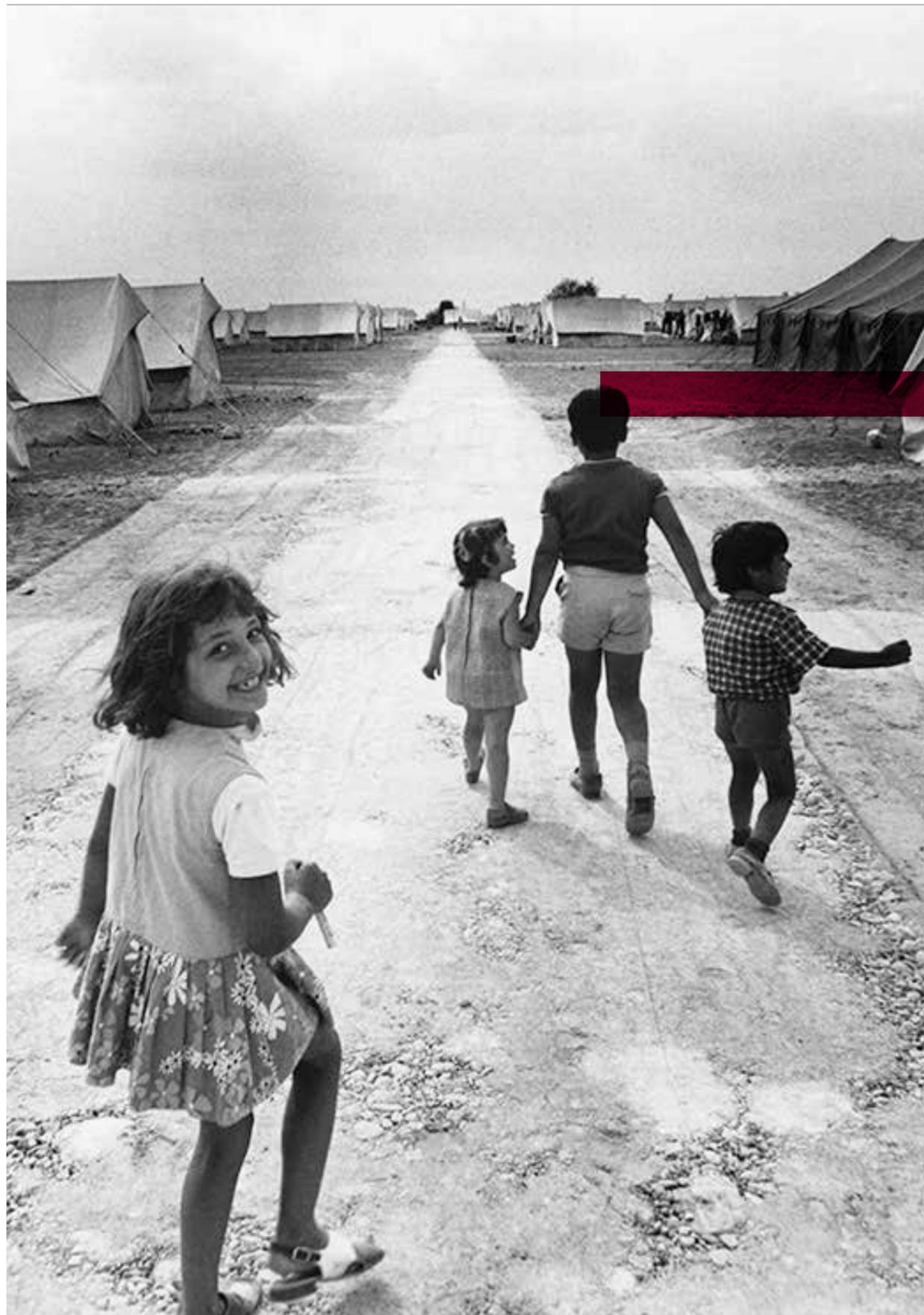
Documents in this booklet include analyses of most prominent arab development challenges and tackle on some of the elements of the alternative development model, which are the basis for dialogue between development partners.



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## PREAMBLE

The new millennium has witnessed the spread of several acute and multidimensional crises. Such crises have exposed our global society to the insecurities that underlie free and integrated markets, and further, have created new risks to the environment and our future supply of finite resources such as water and energy. The effect has so far led to increasing global poverty, inequality and hunger. The international community's inability to address these changing realities has largely been a product of weak systems of global governance sustained by the absence of accountability and fair distribution mechanisms.

The Millennium Development Goals (MDGs) are no longer viable pillars for the international development agenda. Though the objectives were noble—reducing child mortality and poverty, ensuring universal education, promoting gender equality, and so on—the steps toward implementation were set without social participation and without attention to local context. Thus, with the deadline for implementing the MDGs fast approaching, global and regional initiatives have refocused their efforts to establish a post-2015 development agenda that is less quantitative based and emphasizes the core values of human rights, equality and sustainability. The end goal, as noted by the UN in 2012, will be to create a “positive force for all the world's peoples of present and future generations.”

There have been parallel efforts to determine ongoing priorities and how to finance their development moving forward. In July 2015, members of the international community including civil society, government, trade union and other participants convened in Addis Ababa (Ethiopia) to review the current process for the UN's Financing for

Development (Ffd) and discuss proposals to reform and rebalance the international financial system for the realization of the Sustainable Development Goals (SDGs).

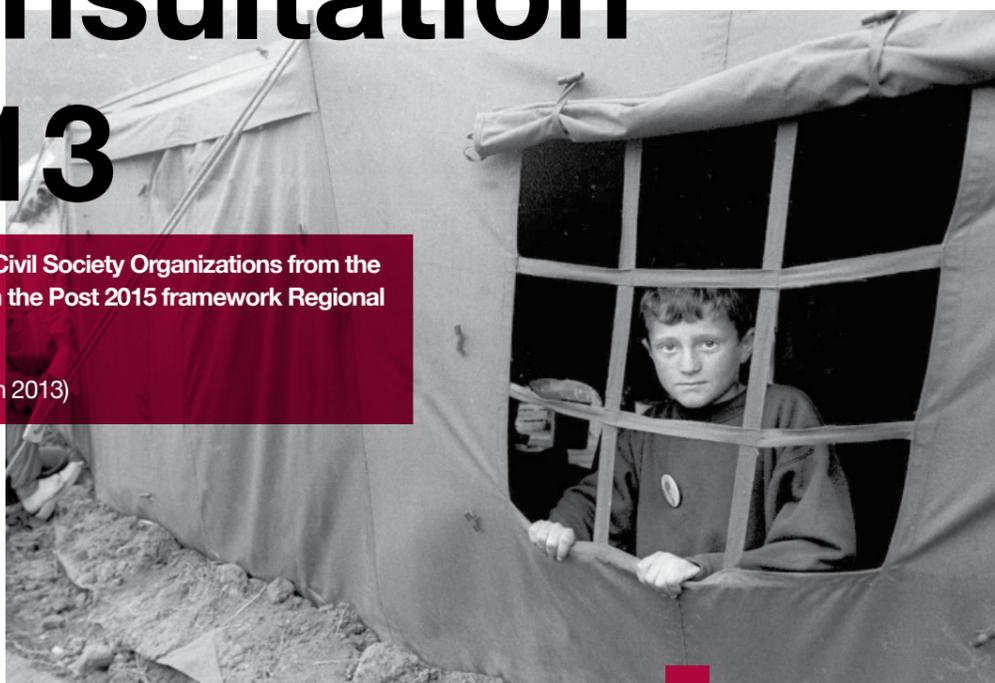
In light of the Arab uprisings in 2011, development stakeholders in the Arab region are particularly concerned with the future relationship between international and national development agendas. They understand that citizens who came out in protest called for not only the end of exclusionary political and economic systems internal to the region, but also external forces that sustained and benefitted from these systems. Thus, those involved in the post-2015 and Ffd negotiations are promoting a reliable development agenda that looks beyond nominal goals and quantitative indicators to align global governance systems with national policy choices. Such policy choices must be based on a new social contract between citizens and the state that promotes progressive policies safeguarding economic, social, cultural and environmental rights.

The documents contained in this pamphlet shed light on the specific concerns and recommendations that were presented at regional consultations in Beirut in March, 2013, July, 2014 and April, 2015, in addition to the recent conference in Addis Ababa in July, 2015. The hope is that these insights will further the finalization of a conceptual framework for a new era of human-oriented development across the Arab region and the world.

# Consultation 2013

Declaration of Civil Society Organizations from the Arab Region on the Post 2015 framework Regional Consultation

(Beirut, 14 March 2013)



## General Background

In the year 2000, the Millennium Declaration (MD) put forward a set of challenges to global development efforts and that outlined a "collective responsibility to uphold the principles of human dignity, equality and equity at the global level". The Millennium Declaration called for global policies and measures, to address the needs of developing countries and economies in transition so that all can benefit from the positive effects of globalization. It contained a statement of values, principles and objectives for the international development agenda for the 21<sup>st</sup> century. Most importantly, the MD established a strong link between Peace, Security, Democracy, respect of Human Rights and development efforts seeking to achieve social justice, eradicate poverty and create employment.

The Millennium Development Goals (MDGs) that followed were a set of negotiated, specific and measurable targets that focused on poverty, hunger, unemployment, education, health and infectious diseases, the status of women and the environment. The goals were mainly addressed to developing countries, while they included one goal (Goal 8) that addressed global collective cooperation to achieve the first seven goals. This 8<sup>th</sup> goal focused on global partnerships for development and aimed to advance an open and rule-based trading and financial system, address the needs of least developed countries, and deal comprehensively with the debt of developing countries. Furthermore, it entailed cooperation with pharmaceutical companies and the private sector so as to provide access to affordable and essential drugs and to make available the benefits of new technologies to developing countries<sup>1</sup>.

The MDGs include quantitative targets and objectives that are easy to comprehend. The good intentions of the MDGs are hard to disagree with. However, the accountability of the international community and national governments in their implementation has been limited. As a result, the MDGs did not serve the larger strategic purpose of achieving sustainable development and addressing interlinked global challenges such as "eradicating poverty, ensuring environmental sustainability, achieving economic equity, ensuring gender equality, tackling climate change, building resilience, managing equitable distribution of natural resources, realizing human rights, and reducing inequality between and within populations<sup>2</sup>."

Conceptually, the MDGs present a desired outcome but do not outline the policy and process needed to achieve such outcomes. The MDGs do not fully consider the

diverse positions that different countries are starting from in their developmental pathways. Moreover, the MDGs are laid out in terms of aggregates and averages that often conceal distributional outcomes. This poses a number of questions about the different goals including the effectiveness of the role of global partnership for development (Goal 8). For example, the intentions of this goal to provide access to affordable essential drugs in developing countries is undermined by the specificities of cooperating with pharmaceutical companies, precisely those that prohibit anyone from calling their abusive monopoly into question. Similarly, the intention to make available the benefits of new technologies in developing countries is conditioned by cooperation with the private sector that is often not interested in less than competitive pricing. Last but not least, Goal 8 calls for dealing comprehensively with the mounting debts of developing countries<sup>3</sup>, yet there is no guidance on the tools with which to go about such a process and within what framework<sup>3</sup>.

The MDGs are also set out in proportions, such as "half the number of people," and they address a number of critical human development issues such as literacy and the preservation of biodiversity. However, some of the indicators are inappropriate or misleading, and their formulation reveals the ways in which the MDGs have been misunderstood, misused and misappropriated. For instance, goal 3 in the MDGs, "Promote gender equality and empower women", does not include indicators signifying progress. Economic empowerment without reproductive rights and the corresponding health care will leave women as less than FULL citizens. Furthermore, educating females without protecting them from SEXUAL HARASSMENT and gender based VIOLENCE will hinder girls and women from fully utilizing their educational qualifications<sup>4</sup>. Similarly the MDGs emphasize increases in the rate of economic growth yet do not include policies or measures for redistribution of assets that would ensure that the poor can benefit from such growth.

**The outbreak of the global crisis, in its multiple dimensions, financial, economic, climate, energy and food prices, revealed the imbalance in the nature of the existing global trading and financial system. It became clear the extent to which the available systems were geared toward the enrichment of a select few on the global market at the expense of the larger portion of the population. More critically, it highlighted once more that achieving the goals is not just a matter of funding and commitments rather, it is an issue of patterns and policies at the macro-economic, financial and social development levels. In this sense it emphasized the need to return to the underlying principles of the millennium declaration as a conceptual framework of analysis that sought to identify the linkages between different sets of challenges and their impact on development.**

1. *We Can End Poverty 2015, Millennium Development Goals*. Available at: <http://www.un.org/millenniumgoals/global.shtml>

2. *Beyond 2015, Sustainable Development Goals and the relationship to a post 2015 global development framework: a Beyond 2015 discussion paper*. Available at: <http://www.stakeholderforum.org/fileadmin/files/Beyond%202015%20MDG-SDG%20relationship.pdf>

3. Amin, S. 2013. „The Millennium Development Goals: A Critique from the South“. *Monthly Review*. Available at: <http://monthlyreview.org/2006/03/01/the-millennium-development-goals-a-critique-from-the-south>

4. Ariffin, J. 2004. „Gender Critiques of the Millennium Development Goals : An Overview and an Assessment.

# The Developmental Picture in the Arab Region

As for the Arab Region, whilst the global development agenda was focused on the remaining five years of the MDGs, citizens in Arab countries took to the streets to say that the current economic and political systems had failed them. Popularly labeled the “Arab Spring,” these uprisings deposed a number of presidents in some countries and led to civil conflict in others. Demands by Arab citizens focused on **dignity, participation and social justice**. In other words Arab citizens were calling for an end to all forms of exclusion; be it economic, political, social or cultural. Development, they stated, cannot take place without freedom of individuals and of nations particularly in a region that is still suffering from the longest occupation in modern history. The continued Israeli occupation of Palestine and its expansionist settler policies has had tremendous and devastating impact on peace, stability and development in Palestine and surrounding countries.

These demands also demonstrated the extent to which the neo liberal development models implemented under the undemocratic regimes of the Arab region had effectively produced poverty, inequality and unemployment; this despite some promising indicators in some of those same countries in rates of economic growth and the achievement of the MDGs. Indeed, the economies of Arab countries adopted models of growth that neglected developmental objectives and peoples’ economic and social rights. Policy makers prioritized integration in the global economy through trade and investment liberalization, borrowing, expansion of privatization deals and public-private partnerships, and overall economic deregulation. Most countries achieved economic growth; however poverty, unemployment, and inequities grew dramatically. Markets were not working the way they should and the relevant political system was not correcting these failures.

Most of the countries in the region are facing multifaceted challenges particularly the imperative to move from a rentier model of governance toward a democratic and productive state. This can only take place if governance is based on the respect of Human Rights, the rule of law, transparency, accountability, integrity and responsibility. The transition toward such a state needs to consider the rights and responsibilities of citizenship a key pillar and focus on the empowerment

of citizens, by enhancing knowledge as one of the top priorities, gender equality, equity and justice.

Finally, such a state would by necessity be based on a new social contract promoting participation, enhancing competitiveness, adopting policies for fair redistribution of wealth and resources and providing all the necessary public services with a good quality.

■ *In this regard, this statement, issued during the regional Arab CSO consultation, outlines the priorities they have identified for the post-2015 development framework. These build on the new emerging challenges mentioned above and the lessons learnt from the initial MDGs process’ failures and gaps.*

## Recommendations by Civil Society Organizations in the Arab Region to the post-2015 Framework

### 1. CONCEPTUAL FRAMEWORK

- **The post 2015 development framework should be based on the main overview suggested by the Millennium Declaration; the MD** underlined the positive link between peace and security and democratic governance at all levels, including the global, regional, national and local, with efforts to realize social justice. As such it is imperative to reiterate this link in the post 2015 agenda as a key element of its conceptual framework and adopt the necessary themes, goals and plans for implementation.
- **The Post-2015 development framework must be based on a comprehensive approach to development that takes political, social, economic, environmental and cultural rights into account.** Over the past few decades, economic growth has been taken by some as an indicator of development. As the Arab uprisings and the Occupy Wall Street movements have shown, economic growth does not by necessity lead to development. A more comprehensive approach to growth is needed; one that is inclusive and re-distributional and ensures that the elements of this growth benefit all of society.
- **Following from the above, the Post 2015 Agenda should be based on a new citizen-centered development paradigm:** The central role given to economic growth within development must be set aside. The post-2015 agenda must adopt a multidimensional and comprehensive approach. In this regard, we need new economic priorities based on productive sectors that **generate sustainable and decent jobs and a reconsideration of the regulatory role of the State**, which is mainly entitled to protect the rights of citizens, shaping policies focused on fair redistribution, including through taxation and the provision of services. The post-2015 framework must adopt a **NEW SOCIAL CONTRACT BETWEEN CITIZENS**

- **and the State based on the human rights framework and protection of citizenship.** Furthermore, the development agenda should promote different objectives of national economics and a move away from growth-led policies and export-led growth towards the creation of sustainable productive sectors with an added value and jobs in agriculture, services, tourism, manufacturing, etc... in order to build productive societies. This necessitates the protection of the needed “policy space” that allows for the elaboration of national strategies, the adoption of macro-economic choices and provides the possibility of implementing them according to national needs and priorities.



- **The post 2015 agenda must create coherence between the implemented policies and the principles of Human Rights and Democracy:** the respect of Human rights and democracy is key for the success of the developmental efforts and to reach the goals; it is thus imperative that the framework, agenda, policies and goals of the post 2015 agenda are fully coherent with the human rights framework.
- **The post-2015 agenda must tackle governance at the global level: As the most recent financial crisis indicated,** the challenges faced in global governance must be prioritized in the post-2015 framework in order to make it more transparent, democratic and participatory. This requires revising the global macroeconomic policy framework, including those of “Bretton Woods Institution”; the World Bank and the International Monetary Fund. Moreover, the current global financial architecture ought to be reformed towards more fiscal regulations securing control over capital volatility and mobility. Democratization of global governance must aim at enhancing the participation of developing countries in the decision making and the promotion of the mutual accountability with efficient and effective access to information. Democratic global governance should be based

on the core principles of equal participation and common and differential responsibility.

- **The main focus of the debate should shift from merely setting new goals and targets for post-2015 towards the analysis of key issues and means of implementation to tackle them:** The MDGs over-simplified the discussion on development framework as the goals and targets set were not incorporated within a broader development framework. Therefore, we need to shift focus from thinking of new sets of numerical targets towards designing the goals and objectives to capture the various critical conditions and different enabling environments. Now that **the**

**need to shift from goal-focused development** is clear, tracking quantitative trends accompanied by qualitative analysis is also essential. Furthermore, the priority issues selected for post-2015 should entail a clear statement of the problem with thorough analysis of its root causes from a multi-dimensional perspective, as well as addressing related challenges. This should be further strengthened with clear and time-lined action plans and means of implementation.

### 2. PROCESS TO THE POST 2015

- **The implementation of the post-2015 agenda should be much more inclusive while adopting a bottom-up approach to development:** The post-2015 process should be participatory, multilateral and inclusive of all involved in promoting development. Developing countries of the South should have a similar proactive engagement as that of industrial countries. The process should be inter-governmental, involve all stakeholders and address the demands of civil society in a sound and comprehensive manner, whereby the mechanisms should be transparent, consultative and take into account the aspirations and needs of the all citizens including those who suffer from poverty, unemployment and climate change.

instruments such as UN Universal Declaration of Human Rights, core human rights treaties including International Covenant on Economic, Social and Cultural Rights and human rights monitoring mechanisms including Universal Periodic Review to ensure accountability. The post 2015 development agenda should include mechanisms for monitoring the commitment and implementation of the said development agenda.

oriented to real economy, serve needs of small producers and consumers), global macro-economic coordination and policies supportive of development, non-speculative commodity market, a development-oriented trading system, sharing of and affordable access to technology and knowledge, and a fair and participatory global economic governance.

With regards to trade, the global trading system should become development-oriented. The development agenda ought to consider the country-specificities of developing countries and their right to develop as well as to follow the suit of developed countries in the path taken and tools implemented to reach the levels of development they have reached today. Furthermore, the demands of developed country for increasing trade competitiveness and further trade integration should be aligned with a periodic assessment of the implications of existing trade agreements and upcoming ones on the economic and social fronts. Finally, it is essential that trade agreements developed and developing countries include as a benchmark the right of "policy space"<sup>5</sup>. Through this policy space, developing countries can create policies that support the revival of their economies in terms of producing employment and development as well as minimizing potential negative spillovers that may result from further liberalization.

• **The Post 2015 Agenda should promote participatory frameworks of governance.** As the popular unrest that has swept cities globally indicates, citizens and civil society organizations are demanding their right to participate at all levels of decision making. This entails the reconing of civil society as a key partner in identifying issues, policies and goals and in the implementation of the agendas; that is mainstreaming participatory processes at various levels of policy making including the provision of access to information and other channels. In turn this implies an overhaul of current systems of governance. Clear mechanisms for implementing such policies with benchmarks for their measurement and achievement must be part of the new development framework.

• **Equity and social justice rather than the reduction of poverty should be a central goal for the Post 2015 Agenda.** Focus on poverty reduction has shifted attention from larger questions of equity and justice while economic growth has been used as an indicator of development. At the same time, numerous studies are now pointing to the fact that the richest 20 percent of individuals are benefiting from 70 percent of world income while the poorest 20 percent benefit less than 1

On the economic front, this implies having a supportive financial system (financial stability,

<sup>5</sup> The policy space is the ability of the national governments to protect their policy decision making processes within the framework of the multilateral and bilateral trade agreements

#### 4. THEMATIC ISSUES/GOALS TO BE INCLUDED IN THE POST 2015 AGENDA

- **From Rentier toward a Developmental State:** States must be held accountable for their systems of governance. The post 2015 agenda should allow for clear targets for the move toward developmental and democratic states. This is particularly important for the Arab region where international support for previous dictatorships critically undermined development initiatives. For the post 2015 agenda, this could include revisiting existing social contracts and rethinking the roles and responsibilities of states and citizens alike.
- **An End of Occupation should be a distinct goal of the Post 2015 agenda.** The Arab region is suffering from the longest foreign occupation in modern history where a clear system of racial and religious discrimination has been put in place. This is not only a clear violation of the international law and of covenants on peace, security and human rights but it also a violation of the right to development. The post 2015 development agenda should include a clear goal with regards to the "right to self determination" as outlined in the MD and the end to occupation that includes a time bound agenda and targets for its achievement.
- **Freedom of individuals and of nations on the political and socioeconomic fronts to realize their aspirations and potential should be a clear goal of the post 2015 agenda.** Without freedom there can be no development as the Arab uprisings have shown. The realization of such freedom requires a number of measures on the political and economic front. On the political front, it includes the enjoyment of all political, economic, social and cultural rights. Policies, benchmarks and goal posts for the realization of such rights should be formulated with a time bound agenda for their achievement.



#### 3. THE STRUCTURE OF THE FRAMEWORK

- **The post 2015 agenda should focus on the need to elaborate and adopt national agendas based on the national priorities and the protection of the basic rights of the citizens:** the national agenda defining the priorities and the strategies to protect Human rights must be the result of an inclusive national dialogue including the different groups namely the business sectors, trade, labor, farmer and professional unions, civil society organizations, think tanks, research centers, academia, women and youth movements besides others
- **The post-2015 agenda should promote and enhance the efforts leading to the regional cooperation and coordination;** the regional cooperation is prerequisite to face the challenges of the integration in the global economies; it ought to establish sound mechanisms for conflict resolution and peace keeping, it should create the efficient system for the fair redistribution of wealth and natural resources, namely water, oil and gaz. Last but not least the regional coordination must establish the relevant rules and regulations for the economic cooperation
- The post 2015 goals should allow for **structural flexibility at the national level.** There is some interdependence among objectives. Thus, the new framework should consider **development objectives are a norm rather than floor or a ceiling.**
- It must also be explicitly stated that the Post-2015 development framework represents **objectives for the world as a whole**, which are not a scale to measure progress in every country because **national goals must be formulated domestically**, with the use of global norms as a point of reference.
- **Inequalities must be analyzed in any assessment of outcomes.** Within the post-2015 framework, it is necessary to monitor progress by introducing some weights that reflect the distribution among people. Despite the promising achievements of the MDGs, it is clear that the progress is uneven within and across countries on the geographic, social, economic and gender levels. **Combating chronic inequalities within and between countries** must be a priority in the agenda through the promotion of economic systems built on equitable redistribution.
- **The post-2015 agenda must capture the linkages between achieving development nationally and addressing systemic failures globally and must ensure policy coherence for development:** This necessitates the implementation of the targets included in the Goal 8 whilst taking into account their respect for internationally accepted instruments of human rights, which is the clear expression of the global partnership. Achieving the developmental goals goes beyond focusing on development aid to also look at the impacts of key policy areas such as trade, agriculture, fisheries, security on development prospects.
- **Ground the framework in the intergovernmental processes and mechanisms of monitoring and accountability of the existing international human rights instruments:** One of the vital issues that must be addressed in the post-2015 process is the question of accountability. The lack of accountability mechanisms in the MDGs framework necessitates grounding this framework within the existing international human rights

percent of world income. As such, the post 2015 development agenda should focus on growth with distributional mechanisms that ensure that the benefits of such growth reach all levels of society. Furthermore, patterns of inequity are not limited to income, but also include geographic, ethnic, religious and gender based biases that present a clear hindrance to development. The post-2015 agenda should present an in-depth analysis of such multidimensional inequities and include policies, goals and benchmarks for eradicating them.

- **Maintaining Social Cohesion: Many countries across the world are facing considerable social instability whether as a result of economic inequities, transitions to democracy or historic injustices.** The post 2015 agenda should include clear policy prescriptions for the maintenance of social cohesion including the implementation of transitional justice mechanisms where needed.
- **The specific conditions of LDC's many of which are suffering from considerable challenges in terms of governance, underdevelopment, acute levels of poverty and food insecurity, internal and external conflicts and widespread corruption among other issues should be addressed in a systematic manner.** This includes a commitment to institution building, facilitation of trade agreements, debt forgiveness and commitment to support peaceful dialogues and to not arm warring factions.
- **The rights of refugees and displaced should be clarified and upheld.** This includes the rights of Palestinian refugees; the largest population to be in refugee status in contemporary history as well as the rights of those displaced a result of wars and economic hardships. The post 2015 agenda should include clear benchmarks for governments in terms of the just treatment of both refugees and internally displaced populations. It should also encourage countries of origin to facilitate the return of refugees and the displaced to their areas of origin.

- **The post-2015 agenda should address gender inequality within the transformation of the development model itself:** The MDGs framework reduced gender inequalities to simplistic targets without taking into account the larger policy nexus to eradicate such discrimination. Thus, the post-2015 agenda needs to move from the mere mainstreaming of gender equality, to gender equity as central to any new development paradigm and not a mere byproduct of certain policies focused on numerical goals.

**The post 2015 agenda should be an opportunity to address the deficits in knowledge acquired or a move from quantitative to qualitative measures.** Current efforts to improve education are focusing on quantitative and numeric goals while the challenge is to improve knowledge including reforming the educational systems and curricula, promoting research and development skills and initiatives at different levels and in both the humanities and the sciences. It also should include concerted efforts to close the digital gap within and between countries and regions.

**Clear and solid commitment to ensure sources of finance for development must be ensured within the post-2015 framework:** Although the global recession and economic crisis affect both developed and developing countries, the real commitment of the developed countries to ensuring sufficient sources of finances, including 0.7% of GNI as Official Development Assistance is critical within post-2015 framework. This should be accompanied with genuine respect to commitments agreed in Accra and Bussan.

Finally, Arab civil society organizations, through ANND, will continue to coordinate and work together with ESCWA on the road to Post-2015 to ensure a genuine participatory process and engage Arab civil society effectively in its consultations.

# Consultation 2014

“Addressing social and economic inequality: the need for a new paradigm”



put forward.

9. On the regional level, the Investment Agreements between Arab Countries signed originally to promote Arab trade integration are being modified which will lead to a loss of its main objective i.e. Arab integration; by reducing protections and thus reducing the space available for Arab countries to create a real business pattern.

10. Trade partners are still contributing to further trade liberalization while neglecting real development approaches. For instance, under the Deauville partnership umbrella, the EU aims at signing Deep and Comprehensive Free Trade Agreements (DCFTAs), with four Arab countries- Morocco, Tunisia, Egypt and Jordan- which will go further in removing tariffs and furthering the liberalization of trade in agricultural and manufactured goods, services and investment sectors. Such agreements will set their economies firmly on a path towards an export-led growth model. Likewise, the IMF's loans and advice to Arab countries are always colored by the goal of improving "the business environment" and increasing market flexibilities based on Washington consensus, i.e. phasing out subsidies, dismantling tariffs, broadening the value-added taxes, resuming privatization, and increasing public-private partnerships as means for increasing infrastructure investments. Such recommendations simply result in re-enforcing the economic choices promoted with previous regimes, while neglecting the proven inadequacy of such choices in addressing development challenges that Arab countries have been facing.

**This requires a deep reconsideration of the development model to enhance development-oriented trade and investment policies, through<sup>4</sup>:**

- **Protecting development policy space of developing countries involved in trade liberalization agreements.** This cannot be achieved through the inclusion of a sustainable development chapter or clauses but rather necessitates ensuring the integration of human rights and development considerations in decision-making in policy formulation, design, and implementation. In addition, these agreements must be designed in full partnership between the negotiating parties and not based on a template model that one party develops and the other signs on. The ability to regulate and re-regulate in various areas and sectors for the legitimate public interest purposes are fundamental to any prospective development process, and should not be restrained by investment and trade rules.
- **A radical shift in the approach to trade and investment policies to get out of the current trade model, which aims at liberalizing trade**

comprehensive and centered on principles of, equality, equity, rights and participation<sup>2</sup>. The latter requires implementing transparent, inclusive and participatory mechanisms and ensuring citizen engagement models in restructuring governance and redesigning policies. This would allow achieving better distributive outcomes and strengthen democracy.<sup>3</sup>

**6. This document outlines main issues and priorities with regard to the post 2015 development agenda that were raised during the workshop.**

## The Trade and Investment frameworks in the new development paradigm:

7. *A crucial component of the new development model should be a reformed trading system and a shift from the decade-old conundrum "Liberalization for the sake of Liberalization" to a "Strategic Integration Concept". Inclusive, sustainable and redistributive growth as well as the enhancement of productive capacities would be at its center.*

8. Investment and Trade trends promoted so far have revolved around economic growth that only benefits investors. In addition, bilateral and multilateral agreements signed by Arab countries are skewed unfairly. They enforce a wide array of protections of investors at the expense of citizens' entitled social and economic rights and national economic priorities. The agreements have been advanced and advocated for by the World Trade Organization (WTO). By way of policy advice and binding recommendations, it aimed at strengthening its promoted model namely, facilitating trade and overprotecting investors. Unfortunately, the current discussions on the post-2015 agenda remain insufficient to tackle these challenges, pointing at the WTO as the most effective tool for increasing the now-absent developmental impact of Trade. No mention was made of the potential impacts of a complete liberalization of domestic markets via the removal of the various trade barriers. However, on a global level, during discussions on alternatives for "just and comprehensive growth" no concrete propositions were

<sup>3</sup> [http://www.escwa.un.org/information/publications/edit/upload/E\\_ESCWA\\_SDD\\_13\\_TP-12\\_E.pdf](http://www.escwa.un.org/information/publications/edit/upload/E_ESCWA_SDD_13_TP-12_E.pdf)

<sup>4</sup> <http://ecdpm.org/great-insights/trade-and-human-rights/democratic-transitions-eu-deep-comprehensive-ftas-mena-countries-possible-backlash/>

The Arab NGO Network for Development (ANND) in partnership with the Economic and Social Commission for Western Asia (UN-ESCWA) and the Arab Administrative Development Organization-League of Arab States (ARADO) held a Regional Forum on the 15th and 16th of June 2014 in Beirut, funded by the Dag Hammarskjöld Foundation and the Ford Foundation. The regional forum, entitled "Addressing social and economic inequalities: the need for a new paradigm" gathered around 130 participants, including representatives of non-governmental organizations, labor unions, international organizations, media institutions, experts and academics to discuss the key aspects of the economic and social challenges facing development in the Arab region. The following document summarizes the discussions and recommendations advanced for the post 2015 development process and reducing socio-economic inequalities in general

## Introduction

1. The Arab region witnessed since 2011 unprecedented upheavals movement aiming at dismantling authoritarian regimes and addressing economic and social inequalities. The reality today is far removed from the initial demands of dignity, freedom and social justice. Fact is, countries in the region still suffer from various impediments on freedom of expression, the military's stranglehold, elections held amidst turmoil and security risks, propagation of armed gangs and the rise of radical religious movements. This affects nation-building and democratic development. For the participants, the essence of social contracts between States and their people is the cornerstone for development. This entails their reconsideration and the incorporation of community and policy dialogues involving various social actors. **The participants stressed on the need to involve Civil Society as a full-fledged development partner and to ensure an enabling environment which enhances its participation in dialogue and policy-making spheres.**

2. In Parallel to the Arab uprisings, the global debate on the Post-2015 and SDG processes is moving forward. The launch of the proposed set of goals and related indicators by September 2014 is a milestone, and will pave the way for the final adoption of the new post-2015 development agenda in September 2015. In this context, the participants corroborated the outcomes of the regional consultation meeting on post-2015 organized on March 2013<sup>1</sup> and considered that a reliable Post-2015 development agenda is not only about setting developmental goals and quantitative

indicators; rather, the new development agenda must integrate transformative changes to global governance systems and to national policy choices in order to achieve development and to overcome the challenges of inequality, exclusion and vulnerability. This necessitates a shift towards a model centered on enhancing national productive capacities which require an enabling trade and investment architecture, a revision of the redistribution policies and the adoption of social policies that puts peoples' economic and social rights at the forefront. In addition, they considered that the three proposed development pillars - the economy, the environment and social concerns - are not sufficient. What is needed is an expansion of the vision to include improved national governance as well as the cultural and religious aspects so that we can build an integrated development paradigm.

3. **On the international level**, the democratization of global governance is a must, with the aim of enhancing the participation of developing countries in decision-making processes and the promotion of mutual accountability with efficient and effective access to information. Changes should be introduced to the global financial architecture with a view to reverse the expansion of financial economy at the expense of the real economy and address financial volatility, debt crisis and economic recessions. Structural reforms are also needed in the trading system, in order to move from the principle of the open-market to the concept of Strategic Integration, which maintains a necessary margin for countries at the level of policy-making (related to trade), allowing them to support productive sectors, to create required jobs and to advance national development priorities.

4. On the regional level, Arab countries need to seek a model focused on enhancing national productive and industrial capacities and collective regional production chains that would carry a positive developmental impact over the region's geography and empower labor across it. This would in turn build the basis for a regional integration and development that is fundamental to establishing sustained expansion of markets across region and hence improves competitiveness at the global market level.

5. On the national level, the new model should strengthen the developmental role of the state in order to support the process of deep transformation in the economic structures. The latter have as a core objective supporting productive sectors, industry, building technological capacity, supporting an integrated and parallel shift in the social national structures aiming at ensuring social justice for all through fair redistribution of wealth, progressive taxation and provision of basic services. Yet, though ensuring social justice is central to the new development model, it should be

<sup>1</sup> Declaration of Civil Society Organizations from the Arab Region on the Post 2015 framework, Regional Consultation on the Post-2015 UN Development Agenda, (Beirut, 14 March 2013) <http://www.annd.org/english/data/folders/117.pdf>

<sup>2</sup> ESCWA defines social justice as a normative concept centered on the principles of, equality, equity, rights and participation. It builds on the two key principles: equal basic rights and equality of opportunity that must be of the greatest benefit to the least advantaged in society.

Read more at [http://www.escwa.un.org/information/publications/edit/upload/E\\_ESCWA\\_SDD\\_13\\_TP-12\\_E.pdf](http://www.escwa.un.org/information/publications/edit/upload/E_ESCWA_SDD_13_TP-12_E.pdf)

to the concept of strategic integration, which aims at building the production capacities and increasing the added value of national production at the regional level.

- **Paying attention to the dangers of public-private partnerships in light of the weakness of public institutions in the Arab countries, which leads to an imbalance in these partnerships for the benefit of the private sector and threatens citizens' right to access public services due to the rising prices and doubts around its quality. Also, imbalanced PPPs put a huge financial load on public budgets.**
- **Organize the role of the private sector in the development process and adopt an international mandatory mechanism of human rights based on corporate social responsibility which ensures full compliance to Extra Territorial Obligations as described in the Maastricht Principles.** The former would necessitate business sector to regularly and publicly report on its investments' environmental and human rights impact, and identify steps to mitigate the risks.

## More justice in redistribution policies: Taxation policies:

11. The new developmental model must adopt policies for fair redistribution of wealth and resources through progressive taxation and providing all the necessary public services with a good quality and link it to fair wage policies which contribute to strengthening the participation of all social groups in the national economic cycle.

12. Taxes are crucial means for domestic resource mobilization and taxation is central to civility and a democratic understanding of citizenship through an enhanced accountability. Taxation enables the state to provide quality basic services and thus to ensure full enjoyment of economic and social rights by its citizens. Accordingly, progressive taxation occupies a central place in reducing inequalities and redistributing wealth equitably. Yet, several domestic and global challenges hinders the efficiency of tax, including

“weak tax collection, rampant tax evasion, ...regressive tax incentives as tax exemptions, deficiencies in the enforcement of tax obligations, insufficient application of progressive income and capital taxes and low tax morale”.<sup>5</sup>

13. There are similarities in the challenges to the tax systems in the countries of the Arab world, with the low proportion of tax revenues being a problem faced by the Arab economy. The proportion of tax revenues from the GDP ranges between 10% and 17%, which is low, and shared with most developing countries, compared to tax collection in advanced states, reaching up to 38% of the GDP. Tax systems in the Arab world are based on taxation to improve state spending or reduce the deficit and are not a result of economic and social foundations with a productive developmental outlook.

In this context, the new development model should include an improved taxation system with tax equity at its center and as a core component to address inequalities. This should include:

- **Increasing fiscal transparency at the national level and ensuring access to information on tax collection and how revenue is spent. This should be further enhanced by legislative frameworks to ensure access to information and raising citizen awareness and understanding on fiscal transparency.**
- **Implementing progressive tax in order to address inequalities while generating revenue in an equitable way, taking a larger percentage from the income of high-income earners than from low-income individuals, the mobilized resources should be allocated to benefit the most disadvantaged in society. Promote the principle of tax equity and balance between taxes on individuals in the form of taxes on income and taxes on purchases on the one hand and taxes on companies and huge investments on the other hand.**
- **Abolishing discretionary tax incentives and tax havens.** Illicit financial flows, about 80% of which stem from cross-border corporate tax evasion and capital flight through tax avoidance<sup>6</sup> This global hindrance to domestic resource mobilization should be curbed together through regular reporting of large companies on tax payments, along with their impacts on sustainable development and human rights.

## Social protection policies:

14. *The new development model must be based on a new social contract with the recognition of social protection as a human right and as central to addressing inequalities and social injustice.* Social protection policies must be at the heart of the development process and therefore it is necessary to ensure legislative and financial frameworks.

15. States are legally obliged to establish social protection systems. This legal obligation derives from the right to social security which is enshrined in Article 22 of the Universal Declaration of Human Rights and in Article 9 of the International Covenant on Economic, Social and Cultural Rights. Despite the binding nature of social protection, the approach adopted so far in the Arab region is not a legal one; it rather adopts a fragmented and targeted approach. This approach restricts social protection policies to social safety nets and offers limited solutions which do not reduce poverty in a sustainable way. In the Arab Region, social protection schemes are fragmented, underdeveloped and insufficiently-funded. Moreover, these schemes only target those who can finance their subscriptions without presenting solutions for large social strata including: people dependent on the informal economy, unemployed, elderly, children or people with disabilities. More importantly, the government's inability to compel the private sector to follow local laws regarding minimum wage or social schemes presents a common deficiency in social policies in the Arab region. Providing social protection is an indicator of the democratization of a society, since a society which enjoys social security is certainly more able to make choices and to engage in democratic processes.

Therefore the new development model must foster a new social contract that includes:

- **On the international level, the development of comprehensive social security systems is a global commitment. The international community is requested to provide adequate financial assistance and technical support to developing countries to build social protection systems or to expand the coverage of existing social security mechanisms and support policy dialogue in this area.**
- **Invite the international community to insist on human rights based social protection floors' initiative and include within social protection policies. There is a need to adopt this initiative as a basis for other developmental processes and to not abandon it through fragmented approaches to social protection.**

- **On the national level, a structural change in the approach is needed. There is a need to shift from the concepts of social safety nets, targeting programs and cash transfers in order to consider social protection schemes in a broad development strategy aimed at achieving universal coverage, social justice and the realization of human rights. There is a need to unify social protection schemes and ensure equality of services and coverage to the entire population. This change must occur while keeping in mind that the social protection system is not a rentier system, it is a duty and an obligation that the state should provide to its citizens protection and dignity at different stages of their lives.**
- **There is also a need to revisit the role of the state in relation to other partners in order to lead a social dialogue among various economic and social components including representatives of the business sector, civil society constituencies, trade unions, women movements, youth, cultural, and people with disabilities.**
- **Increase social spending as a proportion of total government spending. Reform plans must be linked to the adoption and implementation of comprehensive and integrated social policy. Ensuring adequate financing for social protection policies should be based on sustainable economic choices, effective tax policies, enhanced governance and restructuring the subsidy system.**
- **Adopt social policies that eradicate discrimination against women, guarantee their integration in the society and abolish the de jure and defacto gaps between men and women.**

## Labor policies and comprehensive social development

The main pillar of any radical change in the development model and the basic indicator of the efficacy of economic and social choices remains the extent of their ability to create decent and sustainable jobs. In fact, the social economic model adopted so far in the Arab countries has led to high rates of unemployment, to the migration of young people and to the expansion of fragile and unregulated employment sectors.

<sup>5</sup> <http://www.cesr.org/downloads/fiscal.revolution.pdf>

<sup>6</sup> <http://www.cesr.org/downloads/fiscal.revolution.pdf>

**Therefore the new development model must establish labor policies based on the following principles:**

- Review the development model in order to enhance productivity options and develop manufacturing and agriculture sectors to generate decent and sustainable jobs.
- Apply decent work standards to which it adhered and that include securing the right to work, appropriate labor conditions terms and allowances, the protection of the right to form unions in addition to enabling unions to participating effectively in the formulation of public policy and in multilateral social dialogue.
- Secure decent working conditions for migrant workers to and/ from the Arab countries.

## Cross-cutting issues:

The new development model should foster gender equity, peace and the right to self-determination.

While the Post-2015 Development Agenda is underway, rights organizations and feminist movements are pushing for a development framework based on human rights, gender equality and economic justice. Concerning the Arab region, women have always been at the heart of citizens' movements and activities; they have played key and active roles in recent revolutions and uprisings that advanced ambitions and hopes about establishing new social contracts and national development projects. Arab women sustain their struggle for participatory national economic and social public policies based on the principles of sovereignty, equality and justice and the right to development.

Nevertheless, although all Arab States have signed and ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), gender-based disparities are common in the region on political, cultural, social and economic levels. Therefore, it is decisive to include women's rights and gender equality in the post 2015 process through:

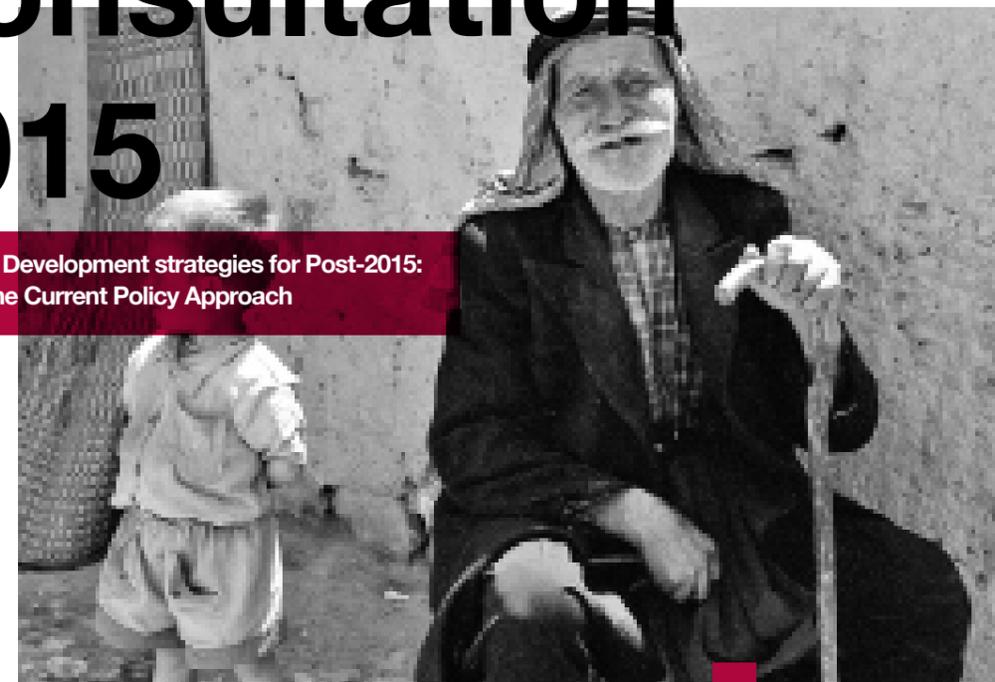
- **Recognizing women's civil, political, economic, social and cultural rights, undertaking special measures to promote these rights and combating all kinds of discrimination and violence perpetuated against them.**
- **Adopting a systematic approach to the principle of gender equality in all aspects of the development agenda, while recognizing women as key leaders and active elements in social and economic transition, not only beneficiaries.**

Conflicts have long been a reality of the Arab region, as long as the quest for peace and security. The former resulted in limitations on states capacities to progressively fulfill the obligations in the field of economic and social rights. Moreover, they have lead to the focus on narrow security agendas and rehabilitation related to immediate needs resulting from conflicts instead of building comprehensive human security approaches that integrate long-term development policies. Expenditure on militarization (as a percentage of GDP) is amongst the highest in the world, compared to low resource allocation to ensuring social and economic development. Accordingly, the vast discrepancy in resource allocation will undermine the government's ability to effectively realize these rights. The lack of peace and security is also linked to foreign occupation. The continued Israeli occupation of Palestine and its expansionist policies is not only a clear violation of international law but also a violation of the right to development resulting in devastating impact on peace, stability and development in Palestine and the surrounding countries.

- ***While the current discourse on post-2015 process refers to peaceful societies, it is evident that a clear reference to the right to self-determination is a must, as development cannot take place without freedom of individuals and of nations.***

# Consultation 2015

Alternative Development strategies for Post-2015:  
Exit from the Current Policy Approach



development, human security, and integrated social development. As a whole, it should aspire to achieve a better future for all. Standing on the principles of social justice, it should be based on equality, sustainability, equity, participation, and human rights. This also entails setting the foundations of a democratic civil developmental state, built on a new social contract between citizens and the state, based on the principles of human rights, participation, citizenship, transparency, and accountability.

## IV. Alternative Strategies and Proposed Frameworks for the Post-2015 Agenda

- The Post-2015 Agenda should be based on a new development framework, incorporating more progressive policies in line with international principles of human rights, to meet the global challenges to development, likely to result from existing policies and strategies, and to safeguard the economic, social, cultural, and environmental rights of citizens all over the world.
- The search for a more stable and fairer model should be based on the critical assessment of past development experiences and must determine the underlying causes of the growing phenomena being faced. It should conclude with identifying new measures to respond to the new challenges resulting from the interconnected crises suffered by our world since the beginning of the millennium.
- Any future vision of development in the post-2015 framework clearly requires a global responsibility to affect change in developed and developing countries alike, which includes altering global consumption and production patterns, as well as national and international regulatory frameworks. It should contribute to determining more coherent, equitable and sustainable economic, social, and environmental policy responses, in addition to promoting more representative structures of global governance.
- The debate must shift from the mere focus on identifying new post-2015 goals and objectives into analyzing the key issues and means of

## III. Arab Region: Challenges and Prospects

The Arab Region has fallen into a spiral of conflicts directly affecting the transformations it witnesses, as traditional and conservative forces cling to their interests in the face of the great desire of the people to achieve progress, justice, and solidly-grounded citizenship and democracy. The spreading violence turned into armed conflicts in several countries and into an obstacle to achieving the tasks of the Arab Spring, which erupted in protest of the lack of public and private freedoms, social justice, and human dignity, and against rampant corruption.

A range of global challenges – economic, social, and political – continue to face the Arab Region. In particular, these challenges are found in the persistent geographic, factional, and social disparities, in the breakdown of food security and worsening environmental problems, in the spread of violence and conflict, in the rampant corruption and growing crony capitalism, and in the weakness of the state and the absence of the rule of law, as a result of decades of «structural adjustment» policies and austerity measures. This is added to many challenges related to unemployment, poverty, social marginalization, growing extremism and terrorist movements, worsening immigration, aging, and lack of freedoms, not to mention the Israeli occupation of Palestine and entailed economic, security, and social barriers in the region.

Countries in the region have failed to confront these challenges, owing to the nature of the dominant global neoliberal model and the entailed continuous restructuring of the global economic and social order. Another factor on the economic, social, and political levels is the rentier nature of the state in the region. On one hand, it is still based on unproductive economies, with the absence of wealth redistribution mechanisms and social protection systems. On the other hand, this contributes to disabling freedoms and the domestication and control of civil society and trade union organizations, not to mention the rampant financial and administrative corruption in government institutions in the absence of accountability mechanisms and the lack of participation by stakeholders in implementation.

A comprehensive vision for the future of the region and the world as a whole is needed in this context. It should be founded on a range of economic, social, humanitarian, and environmental principles within an integrated and homogeneous framework, based on the principles of human rights and linking between environmental sustainability, integrated economic

## II. Where Did the MDGs Fail?

The establishment of an MDGs agenda contributed to several achievements and some progress, especially in terms of allocating resources to combat poverty and foster – albeit timidly – the spirit of global partnership involving all stakeholders. However, the MDGs did not attain the results expected by 2015, which raised questions regarding whether the current model could achieve sustainable development, including for future generations.

The MDGs were drafted based on very limited consultations and through a vague process. They resulted from discussions prioritizing expert technical opinion, in the almost complete absence of social participation towards a rights-based development agenda and with the failure to adopt social justice as a priority objective. The development agenda was thus simplified and established with a clear focus on eradicating various forms of extreme poverty. This was at the expense of other equally important development goals, such as fighting inequality and discrimination, participation and social justice, political freedoms, and so on. The goals were limited to addressing the symptoms, without going into the actual causes.

The absence of tools and mechanisms to achieve the desired objectives was another obstacle in the framework of the MDGs. It contributed to focusing policy efforts on improving social services provision (education, health, etc.), at the expense of other developmental priorities, such as diversifying production, building productive capacities, and creating decent work opportunities. This is in addition to its impact on the distributive effects of macroeconomic policies, the fair and sustainable management of natural resources, and to building a balanced global governance.

Furthermore, despite being common global goals under the supervision of the international community, in reality, the MDGs became a set of «one-size-fits-all» objectives. Each country was expected to pursue the same global goals, regardless of national developmental needs or the initial conditions in each country. Thus, the goals seemed to be biased towards the poorest countries.

On the other hand, progress on Goal 8 to develop a global partnership for development remained extremely limited, due to the lack of specific commitments for developed countries in the MDGs agenda. More precisely, targets for the promotion of the global partnership were not carefully set, which led to a weak accountability process for international aid. Many international commitments remained ink on paper.

## I. Introduction

The international community adopted the United Nations Millennium Development Goals (MDGs) at the beginning of the new century and set the deadline for their achievement by year 2015. The MDGs became the key reference for the international development agenda, setting specific, agreed upon, and measurable objectives focusing on the reduction of poverty and hunger, ensuring universal education, promoting gender equality, reducing child and maternal mortality, and so on.

The goals were directed to developing countries in particular, with only one goal (Goal VIII) related to the principle of joint international cooperation to achieve the remaining seven goals. It focused on a global partnership for development, aimed at promoting a fair and regulated trade and financial system, to meet the needs of least developed countries and address the question of debt in developing countries.

With the onset of the new millennium, however, the global economy was hit by several acute and multidimensional crises. Poverty, inequality, and hunger continued to spread. Risks and insecurity levels grew on a global scale, added to concerns regarding the future supply of basic goods like water and energy, the threat of climate change, demographic pressures resulting from growing populations, especially in the old age, and the rapid fluctuations in the balances of power in the global economy. On the global level, these challenges were closely tied to the promotion of the free economy and integrated markets, along with weak global governance and the absence of fair distribution mechanisms in the global public interest. This brought about more crises, which international development tracks failed to address or even predict.

The recent global financial crisis (2008-2009), with its tremendous repercussions on the global economy, revealed the systemic deficiencies at the heart of the international economic and social policies and the absence of any form of social justice. The financial crisis came in parallel with various other crises, including the soaring and volatile global prices of food and energy, in addition to persisting challenges related to climate change.

implementation. In this context, there should be a shift from thinking about new sets of numerical targets, into designing goals and objectives that could deal with the various critical conditions and the diverse enabling environments.

- A successful post-2015 development strategy is not limited to adequate policy design. It requires wide social support as a common social project for change and progress. In all successful cases, the state retained a key and active role in directing and managing the process of change, correcting market deficiencies, improving overall dynamic efficiencies, and protecting human rights. In this regard, the Post-2015 Development Framework should recognize the vital and active role of the state, side by side with other development actors to respond to the multiple crises shaking the global economy. In turn, this requires maintaining general cohesion so as to avoid dispensing with one advantage for the sake another and where tools and policies adopted to solve one crisis do not lead to aggravating the impact of other crises.
- The Post-2015 Development Framework should incorporate effective strategies combining short-term achievements with the long-term sustainability of development, through the adoption of measures and policies aimed to confront cyclical imbalances, create sustainable foundations for growth and development, reduce distributional tensions, and alleviate environmental costs.
- The Post-2015 Development Framework should incorporate a clear strategy to improve well-being in a socially and environmentally sustainable manner. A cornerstone of this strategy is to press towards effective manufacturing policies, along with environmental and energy regulations, for low-carbon growth. The majority of successful development experiences had aimed to diversify production and move away from rentierism. The strategies of these economic transformations were built on supporting economic diversification, through macroeconomic policies and active manufacturing. This included setting competitive exchange rates and tax and credit measures to stimulate investment, particularly in infant industries, as well as measures to support research and development and to attract foreign direct investment aimed at bolstering links to local production.
- The Post-2015 Development Framework should include a clear strategy for structural flexibility in developing economies, including the level of economic openness and the degree of integration in global markets through trade, investment, and financial liberalization. The latter must be based on the size of the country and its productive specialization. In turn, this requires an active production policy aimed to enhance national capacities, create dynamic competitive advantages, and promote sustained progress in production

and export supplies. Moreover, developing countries should be able to implement regulatory mechanisms for their own capital accounts, to avoid importing any disruptions or difficulties in the management of the macroeconomy, in addition to the fight against illicit flows.

- The Post-2015 Development Framework should include an effective and fair redistribution strategy, encompassing a progressive tax system, in order to mitigate the increasing gap between poor and rich and secure the necessary revenue from individuals and companies alike, to enable the state to provide public services to citizens. In this regard, it is imperative to reach an agreement on international mechanisms to limit the phenomenon of tax havens, which deprive countries of the South of vast resources from potential taxes. Furthermore, the strategy should include employment policies aimed at creating decent jobs and addressing the spread of the informal sector.
- The Post-2015 Development Framework should include a strategy based on a new global partnership for development, allowing all states and active development actors – including civil society organizations, academia, governments, regional and international institutions, the private sector, the media, and so on – to address global and national challenges. In turn, this requires the design of collaborative and coherent local and global approaches.

## V. Arab Demands: Issues and Objectives to for the Post-2015 Agenda

In addition to the above, CSOs in the Arab Region adopted the Arab recommendations for the sustainable development goals (SDGs) reached at the Arab High Level Forum on Sustainable Development, held in Jordan on 2-4 April 2014 and organized by ESCWA, the Arab League, UNEP, and UN DESA, in collaboration with the Jordanian Ministries of Planning and International Cooperation and of the Environment.

The proposed Arab goals seem to live up to the aspirations of Arab peoples in terms of addressing challenges and meeting developmental needs in the region. However, since drafting the goals in the context



of the post-2015 development agenda is a political process, the elaboration of such goals will be realized through Arab negotiators in the UN summit to adopt the development agenda on 25-27 September 2015.

On the other hand, in addition to the declared goals, CSOs in the Arab regions call to integrate the funding mechanisms related to the Financing for Development (FfD) track, led by the UN, within the financial mechanisms of the post-2015 development agenda. Despite being independent, both tracks raise issues, which are organically integrated; any change to the developmental model would be linked to the outcomes of both tracks. Negotiators at the next leg of the FfD track (Addis Ababa on July 13 to 16, 2015) have already prepared a paper, which includes the basic discussion points and calls for the mobilization of developing countries' national resources to set financing for development in motion.

In this context, and based on the spirit of the Arab proposal for the SDGs, CSOs in the Arab region call for the adoption of the following issues in the post-2015 agenda:

- Considering the principle of «common but differentiated responsibilities», adopted by the Earth Summit in Rio in 1992, to be a fundamental principle in strengthening the global partnership for development. It places the various development partners opposite their responsibilities to confront the challenges currently faced by humanity. Rich countries evading their responsibilities in supporting development efforts in developing countries is an underlying reason for the failure to achieve the goals.
- Reference should be made to the need to formulate a new social contract between citizens

and the state, based on the principles of human rights, participation, citizenship, accountability, transparency, and social justice. The social contract should fall within an integrated and homogeneous framework, based on the principles of human rights and linking between environmental sustainability, integrated economic development, human security, and integrated social development. This also entails setting the foundations of democratic, civil developmental states, which put economic, social, cultural, and environmental development at the forefront of their priorities. In turn, states should enact legislations, which is in line with the prospective goals of the post-2015 agenda framework.

- All states should ratify and implement all international conventions, including those related to combating corruption, as well as comply with the requirement to adopt a legislative framework, which recognizes the right to access to information and the protection of witnesses and informants, in addition to strengthening accountability and oversight mechanisms.
- Freedom of individuals and nations should extend to the political, social, and economic levels. As the Arab uprisings have shown, development will not be achieved without freedom. However, the achievement of freedom requires a number of measures on the political and economic levels. On the political front, it must include the enjoyment of all political, economic, social, and cultural rights, and the adoption of policies, standards, and targets for the realization of these rights. On the economic front, this means finding a supportive financial system (financial stability and orientation to the real economy, and serving small-scale producer and consumer needs). This is in addition

to coordination at the global macroeconomic level, identifying markets for non-speculative goods, and the exchange and affordable access to technology and knowledge. Moreover, a new development-oriented trading and investment system should be established to integrate the right to «policy space» in trade and investment agreements between countries, which would enable developing countries to develop policies that support economic recovery, in terms of enhancing productive capacities, the creation of decent employment opportunities, and contributing to the realization of economic and social rights.

- Equity and social justice should be included explicitly. Social Justice – based on the principles of participation, equity, equality and human rights – entails combating all forms of poverty that are not measured by traditional poverty lines, such as access to quality education and healthcare services, unemployment, and inequality. Reports are indicating a huge increase in the rates of disparity between people; the world has reached a stage where the richest 1% of the world's population controls more than 85% of its resources. On the other hand, patterns of inequality are not limited to income; they include geographic, ethnic, religious, and gender-based prejudices, which are a clear obstacle to development. Therefore, the post-2015 agenda must provide an in-depth analysis of these multi-dimensional discrepancies, while setting goals and standards to eliminate them. It should also reconsider the poverty line set at less than \$1.25 a day, according to which poverty levels in the Arab region are 4%, although they are actually much higher. Finally, the approach that considers social protection an additional cost and a burden on the state must be abandoned. It should be replaced with a rights-based approach, through the expansion of social protection floors to include all kinds of citizens, including those working in the informal sector.
- The rights of refugees and displaced persons must be elaborated and clarified. This includes the rights of Palestinian refugees, the largest population of refugees in contemporary history, as well as the rights of displaced persons and refugees as a result of wars and economic hardship. The post-2015 agenda must include clear standards for governments, in terms of fair treatment for both refugees and internally displaced persons. Countries of origin should also be encouraged to facilitate the return of refugees and displaced persons to their places of origin.
- Addressing gender inequality should be included in the context of changing the above developmental model. The post-2015 agenda should shift from merely mainstreaming gender equality, towards gender equity, which should be the focus of any new development model, as part of its foundations and a measure of its success, and not merely a secondary outcome of particular policies.
- Participatory governance frameworks must be enhanced. The post-2015 development agenda should refer to the rights of various stakeholders to participate at all levels of decision-making. This requires the recognition of civil society as well as other development actors as key partners in identifying issues, policies, and objectives and the implementation of programs of action. This entails allowing access to information and other channels. The post-2015 agenda must also point to the importance of social dialogue, between the various components of society, especially workers, employers, and the state.
- Social cohesion must be maintained. The post-2015 agenda should allow for clear political prescriptions to maintain social cohesion, including strengthening the independence of the judiciary and its role in fiscal, administrative, and constitutional oversight, in addition to the enactment of transitional justice mechanisms where needed.
- The funding mechanisms of the UN-led FfD track must be incorporated into the post-2015 development agenda. The issues proposed by the FfD track are organically linked to those in the context of the post-2015 development agenda, which must address questions related to reforming national tax systems, changing consumption and production patterns, strengthening the role of the state, reviewing the role of international institutions (such as IMF and OECD) in managing international financial affairs, and following-up on negotiations to restructure sovereign debt. These measures entail curbing tax evasion and exemption under the guise of promoting investment. CSOs also call for international cooperation on tax issues to implement taxes on capital flow and produce a legally binding agreement under UN auspices to ensure a solid framework for action. The FfD track must make up an integral part of the post-2015 development agenda. The international dialogue on global partnership for development, in particular, should not be neglected like the case in the framework of financing for development negotiations, merely satisfied with some structural reforms, which had failed to provide the anticipated social equality and development.
- Environmental questions should be included in all the goals as well as being a standalone goal and the standards and mechanisms for developing coherent environmental objectives must be identified.
- The inclusion of «ending the occupation» as a clear and explicit objective and setting a specific time period for ending the occupation. The Arab region suffers from the longest foreign occupation (Israel) in modern history, which imposes a system of clear racial and religious discrimination. This is not only in violation of international laws and conventions on peace, security, and human rights, but also contravenes with the right to development.

# ANND Position on Financing for Development

Placing Sustainable Development at the Heart of the Financing Agenda



# Placing Sustainable Development at the Heart of the Financing Agenda

This paper sets out ANND's position as regards the Financing for Development (FfD) process in general and the Addis Ababa Conference on financing for development in particular. It highlights the key principles that the conference is expected to be predicated upon and places forward a set of recommendations in areas where it finds that progress is needed.

The UN will finalize the new global Sustainable Development Goals (SDGs) – the post-2015 development agenda – in September 2015. Yet the question of how the future goals are to be funded remains unanswered. The first FfD conference took place in Monterrey, Mexico, in 2002, after which a follow-up conference was organized in Doha, Qatar in 2008. While both FfD conferences provided an insight on the means of financing development, they remained noncommittal on implementation. The third International Conference on Financing for Development (FfD) is set to take place in the Ethiopian capital of Addis Ababa on 13-16 July. While it is complemented with a handful of international processes happening between now and late September, the conference comes at a critical juncture at which sustainable development is teetering on the brink. Nonetheless, the Addis conference provides an opportunity to place the commitments and principles for sustainable development at the heart of the financing agenda that shall serve in realising the sustainable development goals by 2030.

While a range of global challenges – economic, social, and political – continue to face developing and Arab countries. In particular, these challenges are found in the persistent geographic, factional, and social disparities, in the breakdown of food security and worsening environmental problems, let alone the challenge of unemployment, poverty, social marginalization, the spread of violence and conflict largely driven by decades-long neo-liberal and «structural adjustment» policies. Against this background, a comprehensive vision for the future of the region and the world as a whole is needed in this context. It should be founded on a range of economic, social, humanitarian, and environmental principles within an integrated and

homogeneous framework, based on the principles of human rights and linking between environmental sustainability, integrated economic development, human security, and integrated social development. The search for a more stable and fairer model should be based on the critical assessment of past development experiences and towards the introduction of effective strategies aiming at providing structural flexibility to developing and Arab economies, including the level of economic openness and the degree of trade, investment, and financial integration in global markets. It should as well aim at altering global consumption and production patterns, as well as national and international regulatory frameworks in addition to the enforcement of an effective and fair redistribution strategy, encompassing fair tax systems at national and cross-border levels.

There is more than meets the eye to the Addis Ababa conference on financing for development, and civil society organisations in the Arab region feel compelled to call on the international community and governments to make the Addis Ababa conference a real breakthrough in effective financing for development toward financing people-centred sustainable development. Its outcome should leave no stone unturned if it was to induce an earnest change in the existing state of play. Human rights, fighting poverty and inequality – in all of its fashions and forms – and environmental sustainability must elbow their way into the Addis Ababa conference. Therefore, central to the success of the FfD III Conference is its ability to ensure that the following priorities are met:

## Challenges and way forward

It is noted that while the two tracks are independent, both the post-2015 development process and the financing for development process are intrinsically integrated, and any change to the developmental model would be linked to the outcomes of both tracks. For that reason, financing for development would bring about more favourable outcomes when under a new development framework, incorporating more progressive policies in line with international principles of human rights and in under a clear strategy for structural flexibility in developing economies, including the level of economic openness and the degree of integration in global markets through trade, investment, and financial liberalization.

Financing needs in SDGs-relevant sectors are large globally, and developing countries alone face a financing gap that UNCTAD<sup>1</sup> (2014) estimates at US\$2.5 trillion annually. In the Arab region, many

challenges stand in the way of financing development, particularly in non-oil producing countries where fiscal space to finance sustainable development is limited. According to ESCWA's<sup>2</sup> Arab Sustainable Development Report (2015), the financing gap for the Arab countries is estimated between USD 80 to USD 85 billion per year in 2015 and 2016. While filling the gap is essentially important, it should not be done through business as usual rather through addressing the structural challenges inherent to the current global governance system. It has become clear that quick fix solutions will not guarantee sustainable development in the Arab region nor globally. And in order to finance sustainable development, structural solutions including the creation of more effective, democratic and accountable institutions for managing global finance should be advanced. Arab and developing countries need to evaluate available funding sources – public or private – in terms of their effectiveness, optimal use and impact on sustainable development. This requires that these countries ensure fighting corruption, enhancing their tax regimes and curbing illicit financial flows as well as creating accountable public institutions and instilling governance and rule of law.

### • EFFECTIVE FINANCE

The FfD III conference should consider all possible financing sources including private and public as well as domestic and international sources. In the Arab region, many countries have resorted to public domestic debt, thereby crowding out other development options and partners in development. This necessitates that the efficacy of use of public finance, including public debt, be measured. Moreover, the possibility of resorting to other means of finance where future generations would not bear the brunt should be explored.

Globally, official development assistance (ODA) has also been decreasing. Yet, Arab countries are among the countries impacted the most. In this regard, a multi-sided framework for development assistance should be considered where mutually beneficial programs are developed between international donors and Arab countries as well as through Intra-Arab development assistance. In addition, domestic resource mobilisation has a crucial role in development notably through fair taxation, which represents the most sustainable and legitimate form of development finance.

### • INTERNATIONAL PUBLIC FINANCE

A necessary but not sufficient step would be for developed countries to finally do their decades-long promise to spend 0.7 per cent of GDP on Official Development Assistance (ODA), which should be complemented with the USD 100 billion per year

that industrialised countries have pledged in climate finance. Effective development plays a critical role in poor countries, particularly Least Developed Countries (LDCs) and wherever domestic resource mobilisation is low. It is equally crucial that the international community adopts tangible plans on how they will be realizing commitments. Innovative means of finance, such as the long debated financial transaction tax (FTT) could be introduced by rich countries should they decide on meeting their obligations. Regionally, innovative finance could also play a positive role in financing development in Arab countries. In its recent Innovative sources of financing for development, ESCWA (2015)<sup>3</sup> proposes green bonds, Islamic finance assets and green sukuk, which remain largely untapped in the Arab region, as tools with the potential to finance the current funding gap of several Arab countries.

Besides conventional methods such as ODA and other financing tools that remain important, a more comprehensive and integrated approach encompassing different financing options is needed, one that addresses all challenges that hinder the full utilization of all financing sources, including public and private as well as domestic and international resources. Such approach ought to be complemented by regional and international support as well as through a balanced role for both public and private sectors in ensuring a more effective and efficient mobilization of resources.

### • DOMESTIC FINANCE

Mobilizing domestic resources through tax reform is critical for attaining sustainable development. Taxation represents a fundamental source of finance, and it is the form that will most likely lead to sustainable development by way of increasing public budgets.

Since undergoing IFI-supported programs a little over two decades now, Arab countries' dominant economic model sought to achieve economic development by dismantling tariffs, reducing corporate tax rates and enacting tax incentives, thereby reducing their ability to collect tax revenues and to provide the most basic public services. Furthermore, Arab countries exhibit a generally low level of tax revenue to GDP, reliance on indirect taxes and VAT, limited progressive taxation and the significance of the informal economy, let alone the absence of taxation on wealth and the alarming rates of illicit financial outflows from MENA. While average tax revenue as a share of GDP represent 35.4 percent in high-income countries, it constitutes 10-17 percent in Arab countries, and 13 and 19.2 percent in low-income and middle-income countries, respectively. By the same token, Global Financial Integrity (GFI) estimated illicit financial outflows from MENA at an alarming 11.2 per cent of total outflows on average in 2011. Therefore, proposals for effective domestic resource mobilisation should include:

<sup>1</sup> [http://unctad.org/en/PublicationsLibrary/wir2014\\_en.pdf](http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf)

<sup>2</sup> <http://css.escwa.org.lb/SDPD/3572/1-Financing.pdf>

<sup>3</sup> <http://css.escwa.org.lb/edgd/3607/1500198.pdf>

(i) Generation of enough state revenue through broadening the tax base to include transnational corporations and the rich, who often enjoy preferential tax treatment and incentives. This necessitates strengthening the capacity of national revenue authorities, audit institutions and other oversight bodies.

(ii) Diverse abusive tax practices (tax evasion and avoidance, fraud, illicit financial flows, profit shifting, among others) shall be regarded as human rights violations since they seriously undermine Arab and developing countries' efforts to collect a fair and appropriate share of taxes and negatively impact citizens' rights.

(iii) Progressivity in taxation is important for sustainable development. Besides raising state revenue to fund public investment, it plays a role in countering economic and gender inequality as well as promoting good governance and environmental sustainability<sup>4</sup>.

## • PRIVATE FINANCE

Private funds play an important role in development. The largest part of international finance to developing countries is made up of private finance, which in turn relies on foreign direct investment (FDI), portfolio investment, remittances and domestic savings. However, in order to be considered as financing for development, the Addis Ababa conference should clearly highlight the impact and direction of private finance. In the Arab region, FDI in GDP lagged behind the world average in the aftermath of the uprisings and the subsequent unrest paralleling the transition. Thus, such source of private finance alongside private loans and others can have a significant and positive impact in economic recovery. However, it should be channelled to productive sectors of the economy notably industry, agriculture and services, thereby contributing to the achievement of sustainable development. Nevertheless, the financing for development process should subject private finance to human rights and gender-sensitive safeguards as well as development criteria as ODA and other sources.

It is noted that the world's largest Multilateral Development Banks (MDBs) have been calling for a bigger role in financing the SDGs including through moving from billions to trillions in resource flows and investments that are to be channelled through International Financial Institutions (IFIs) and MDBs. Proposals from the aforementioned included calls for having countries improve their institutional and policy environments to attract more private investment and financing, thereby loosening regulations and restrictions to the movement of capital. While MDBs

are constructive partners and private funds play an important role in development, we must be aware of over relying on private finance, notably that coming through International Financial Institutions (IFIs) and MDBs, which is often driven by private rather than public interests. To this end, the Addis Conference should ensure that MDBs and IFIs establish a process to examine the role, scale and functioning of the multilateral and regional development Banks to make them more responsive to the sustainable development agenda including the mobilisation of maximum available resources towards the realization of human rights, poverty and inequality alleviation as well as environmental sustainability. It is also critical that MDBs tailor their mandate and revisit their strategies of engagement (including choice of sectors) towards aligning with national development challenges and needs.

The FfD process should also indicate clearly the function of the private sector vis a vis the state. Along with other stakeholders, the private sector is a vital partner in development particularly through providing investment and equity into productive aspects of the economy. But in order to bring about the optimum outcomes, the FfD process is expected to challenge the human rights exploitations of certain businesses and multinational corporations who operate above the state, and whose practices are detrimental to the attainment of the SDGs. In the respect, the FfD conference should push for expanding upon the UN resolution supporting an international legally binding instrument on businesses that would warrant the application of the universal principles of human rights<sup>5</sup>.

## • HYBRID FINANCE

Blended sources include a hybrid of both public and private sources of finance. These include public-private partnerships (PPP). PPPs represent a means of cooperation between the private and public sector in order to finance various public goods and services. But in order for these complex products to fulfil social, economic and cultural rights of citizens there needs to be present the institutional and legislative framework, appropriate financial structures, capacity-building, public acceptance as well as political support. These partnerships should as well be subject to compulsory transparency and accountability safeguards in compliance with human rights norms and standards whereby human rights and access to basic public services come before profit.

## • GLOBAL PARTNERSHIP

The Busan partnership agreement and the establishment of the Global Partnership for Effectiveness Development Cooperation (GPEDC) have clearly exhibited a shift

in the global agenda towards aid for sustainable development. And since the Busan partnership of 2011, emphasis has been made on multi-stakeholder engagement in policy-making processes. The state, private sector, communities as well as civil society organisations, unions and academia, among others, all play a role in designing national development priorities and strategies. Yet the FfD process should instil at the heart of the global partnership the concept of Common but Differentiated Responsibility (CBDR) as well as mutual accountability, which is enshrined in the Paris Declaration on Aid Effectiveness.

In the same way, it will be crucial for developed countries to renew their commitment to the global partnership. Historically, the developed countries have fallen short of their commitment to contribute 0.7 per cent of their Gross National Income (GNI) to developing countries as ODA, as required within the framework of the MDGs. Developed countries should consider increasing their contribution of ODA from 0.7 percent of GNI to 1.0 percent.

## • OWNERSHIP OF DEVELOPMENT

It is crucial that FfD III places effective and sustainable development at the heart of the financing agenda, which in turn should aim at realizing human rights, creating effective, democratic and accountable global finance institutions as well as addressing the gaping inequalities and accounting for the risk and impacts of climate change.

The international community, championed by leaders of the industrialised world, must ensure that the mobilisation of money is aligned with the utmost objective of achieving sustainable development. This entails fully operationalising the model shift towards democratic ownership of development at the national level. Hardly can any sustainable development be achieved short of a global policy space that accounts for each country's national development path and priorities as well as their right to self determination.

## • PUBLIC ENGAGEMENT

Development efforts will inevitably be paralysed under a non-inclusive scheme and without engaging the public in policy-making processes. Public engagement and dialogue are essential for achieving the SDGs. They are also crucial for any transparent and accountable assessment of the impact of various development strategies and policies including the sectors of focus for development. Civil society organisations and other relevant stakeholders should be involved in the development process and must be regarded as key partners in policy-making. The relationship between the various stakeholders should be governed by values of shared responsibility, accountability and commitment at the national level.

<sup>4</sup> <http://www.christianaid.org.uk/Images/financing-people-centred-sustainable-%20development-january-2015.pdf>

<sup>5</sup> Ibid.

# ANND' Reaction to the Addis Ababa Action Agenda:

A Deviation from the Foundations of Sustainable Development



## A Deviation from the Foundations of Sustainable Development

The third International Conference on **Financing for Development (FfD)** took place in the Ethiopian capital of Addis Ababa on 13-16 July, and concluded with an outcome document – dubbed the Addis Ababa Action Agenda – which embodies the international community's plan to implement and finance the new post-2015 development agenda.

The FfD III conference came at a critical juncture where a range of global challenges – economic, social, and political – continue to face the developing and Arab worlds. In particular, these challenges are found in the persistent geographic, factional, and social disparities, in the breakdown of food security and worsening environmental problems, let alone the challenge of unemployment, poverty, social marginalisation and the spread of violence and conflict largely driven by decades-long neo-liberal and «structural adjustment» policies. Against this background, a comprehensive vision for the future of the region and the world as a whole is needed. It should be founded on a range of economic, social, humanitarian, and environmental principles within an integrated and homogeneous framework, based on the principles of human rights and linking between environmental sustainability, integrated economic development, human security, and integrated social development. The search for a more stable and fairer model should be based on the critical assessment of past development experiences and towards the introduction of effective strategies aiming at providing structural flexibility to developing and Arab economies, including the level of economic openness and the degree of trade, investment, and financial integration in global markets. It should as well aim at altering global consumption and production patterns, as well as national and international regulatory frameworks in addition to the enforcement of an effective and fair redistribution strategy, encompassing fair tax systems at national and cross-border levels.

While the conference outcome may have provided an elaborate plan on the mechanisms of financing the new sustainable development agenda, which is set to be adopted in September in New York, it lacks the spine needed to create real actionable deliverables, let alone its failure to address challenges from a structural level. Against this background, a central question to the appropriateness of the Addis agenda pertains to its ability to cultivate a global economic system that ensures that development finance is people-centred

and protects the environment and builds on the adoption of a comprehensive and integrated approach encompassing different financing options necessary to address all challenges that hinder the full utilization of all financing sources, including public and private as well as domestic and international resources. To this end, the Arab NGO Network for Development (ANND) is compelled to highlight the following critical issues:

**Domestic resource mobilisation:** Fair taxation plays a crucial role in development and represents the most sustainable and legitimate form of development finance. Arab countries exhibit a generally low level of tax revenue to GDP, reliance on indirect taxes and VAT, limited progressive taxation and the significance of the informal economy, let alone the absence of taxation on wealth and the alarming rates of illicit financial outflows from MENA. Despite global civil society calls for regional and international support to be drawn in order to promote effective domestic and cross-border resource mobilisation through focusing on the generation of enough state revenue through broadening the tax base on one hand and challenging diverse abusive tax practices (tax evasion and avoidance, fraud, illicit financial flows, profit shifting, among others) on the other, concrete commitments to ensure tax justice and equity remain absent, and the language on progressive tax systems remains weak. In fact, one of the key proposals by G77 countries and global civil society to set up an inclusive intergovernmental, transparent, accountable and adequately resourced global tax body under the auspices of the UN – where developing and developed countries have an equal say in reforming global tax policies and where universal membership could curb illicit financial flows and tackle corporate tax dodging – was rejected, thereby conserving the “rich countries club” clout over global tax affairs.

**Private funds and blended sources of finance:** Private funds play an important role in development, and the Addis agenda has indeed expressed global support for an array of measures aimed at helping developing countries' sustainable economic transformation by attracting private finance. Nevertheless, the action agenda has not subjected private finance to human rights as well as gender-sensitive safeguards and development criteria. Furthermore, it fell short of introducing binding commitments necessary to hold businesses accountable against international standards of human, labour as well as environmental rights.

The agenda retains the international community's earlier stance of aggressively pushing for an increased role of the private sector and blended sources of private finance, including public-private partnerships (PPPs), in funding public services within the FfD agenda. In fact, promoting privatisation and PPPs has nearly become an inextricable UN policy despite concerns regarding human rights impacts. Experience with PPPs in most countries were they have been implemented reveal fundamental failings, including rendering public services unaffordable and concealing public borrowing, while providing long-term state guarantees for profits

to private companies. As long as the agenda fails to recognise the developmental role of the State and its ability to regulate in the public interest, there is a great risk that the private and blended sources of finance undermine rather than contribute to the achievement of sustainable development.

**Democratic ownership of development:** Hardly can any sustainable development be achieved short of a global policy that accounts for each country's national development path and priorities, policy and regulatory spaces as well as right to self-determination.

The Addis agenda may in fact be seen as a regression on a number of pertinent issues, including the weakening of commitment to making available the policy and regulatory spaces needed by national governments to regulate their productive and vital sectors in line with their developmental needs. For instance, no critical rights-based and developmental assessment of trade and investment rules has been accounted for in the agenda. By the same token, it fell short of providing the alternatives to commodity-dependence; did not commit to undertaking human rights impact and sustainability assessments of all trade and investment agreements to ensure harmony with the national and extraterritorial obligations of governments; and failed to address the drawbacks of, or eliminate, the investor-state dispute settlement clauses responsible for the shrinking policy and regulatory spaces.

**Global Partnership:** While the agenda focuses on reinvigorating the global partnership and international development cooperation, no strong commitment is made in terms of transparency and accountability, including concrete commitments from governments and other stakeholders to publish information (timely, comprehensive and accessible) about all development activities and resource flows. In addition, while the agenda does refer to the principle of Common but Differentiated Responsibility (CBDR), the language on that remains weak and non-committal.

**Public engagement and dialogue** are also essential for achieving the SDGs. They are also crucial for any transparent and accountable assessment of the impact of various development strategies and policies including the sectors of focus for development. Civil society organisations and other relevant stakeholders have not been effectively accounted for as key partners in policy-making, and public engagement, particularly in global policy-making, has remained symbolic and not governed by values of shared responsibility, accountability and commitment at the national level.

It has become clear that quick fix solutions – which much of the action agenda is based on – will not guarantee sustainable development in the Arab region nor globally. In fact, without advancing structural challenges that would lead to the creation of more effective, democratic and accountable institutions for managing global finance any financing for development agenda would fall short of achieving sustainable development. In this regard, the follow-up process to the Addis Ababa Conference on Financing for Development should ensure effective monitoring of the implementation of commitments on Means of Implementation for the post-2015 development agenda as well as ensure more international space for discussion and negotiations to improve the current financing for development agenda.



## Consultations 2014

Dr. Ammar DJEFFAL	<i>Études maghrébines</i>	Reem Abdelhaliem Mahmoud	<i>Egyptian Initiative for Personal Rights</i>
Sayed Salman Al-Mahfoud	<i>General Federation of Bahrain Trade Unions</i>	Abdel Mawla Ismail	<i>Right to Water Forum in the Arab Region</i>
Sayed Sharaf Mohsen	<i>Bahrain Transparency Society (BTS)</i>	Ibrahim Makram Bebawy	<i>Coptic Evangelical Organization for Social Services (CEOSS)</i>
Sharaf Almosawi	<i>Bahrain Transparency Society (BTS)</i>	Wael Mohamed Ibrahim Hussein	<i>Alshorouk Newspaper</i>
Magdy AbdelHamid Belal	<i>The Egyptian Association for Community Participation Enhancement; EACPE</i>	Mohamed ELAGATI	<i>The Arab Forum for Alternatives</i>
Hebatallah Mahmoud	<i>Egyptian Center for Economic and Social Rights (ECESRs)</i>	Ghada Abed El Tawab	<i>Ford Foundation</i>
Abdelraouf Khalil	<i>Egyptian Center for Economic and Social Rights (ECESRs)</i>	Kinda Mohamadieh	<i>Arab NGO Network for Development</i>
Nadeem Mansour	<i>Egyptian Center for Economic and Social Rights (ECESRs)</i>	Mohamed said Saadi	<i>Institut Supérieur de Commerce et d'Administration des Entreprises (State Business School)</i>
Dr. Bathman Alfaisal	<i>Arab Organization for Administrative Development</i>	Anas Elhasnaoui	<i>Espace Associatif</i>
Amr Elfarr	<i>The Arab Administrative Development Organization (ARADO)</i>	El Hassan Sayouty	<i>Espace Associatif</i>
Alyaa Ghannam	<i>League of Arab States</i>	Sidina Ould Khatiri Elatigh	<i>Reseau Mauritanien Pour l'Action Sociale</i>
Nourhan Saleh	<i>League of Arab States</i>	Iyad Amra	<i>Social and Economic Policies Monitor (Al Marsad)</i>
Mona azzat	<i>New Women foundation</i>	Majeda Almassri	<i>Ex-Minister; Ministry of Interior</i>
Abdelmeguid Hassan	<i>New Women foundation</i>	Sama Owaida	<i>Women Studies Center</i>
		Mustapha Tlili	<i>International Trade Union Confederation</i>
		Nadia Shabana	<i>International Trade Union Confederation</i>

## Consultations 2015

Sayed Sharaf Mohsen Sharaf Almosawi	<i>Bahrain Transparency Society (BTS)</i>	Manar Zaiter	<i>Rassemblement democratique de la femme libanaise</i>
Ashraf Hussein Salem	<i>Egyptian Initiative for Personal Rights</i>	Amal Horkos	<i>Rassemblement democratique de la femme libanaise</i>
Ibrahim Makram Bebawy	<i>Coptic Evangelical Organization for Social Services (CEOSS)</i>	Ahmad Dirani	<i>The Lebanese Observatory for the Rights of Workers and Employees</i>
Alyaa ghannam	<i>League of Arab States (LAS)</i>	Rabee Fakhri	<i>International Labor Organization (ILO)</i>
Ahmed Khalaf	<i>League of Arab States (LAS)</i>	Abid Briki	<i>International Labor Organization (ILO)</i>
Mohamed Mahmoud Elsayed	<i>RAED NETWORK</i>	Adib Abi Habib	<i>Lebanese Trade Union Training Center</i>
Ahmad Awad	<i>Phenix Center for Economic and Informatics Studies</i>	Karen Chahine	<i>Nahwa Almuwatiniya</i>
Amneh Falah	<i>The Jordanian Women's Union</i>	Racha Chkair	<i>Nahwa Almuwatiniya</i>
Redha Qarhash	<i>International Trade Union Confederation (JOR)</i>	Jomana Merei	<i>Director of the Office Branch of the Arab Institute for Human Rights in Lebanon</i>
Nezha Hafidi	<i>Espace Associatif</i>	Fahmiyah Charafeddine	<i>The National Committee for the Follow up of women's Issues</i>
Monjed Abujaish	<i>Palestinian NGO Network</i>	Amer Khayyat	<i>Arab Anti-Corruption Organization</i>
Iyad Amra	<i>Social and Economic Policies Monitor (Al-Marsad)</i>	Habib Maalouf	<i>Lebanese League for Environment and Development</i>
Wassila Ayachi	<i>Association Tunisienne des Femmes Démocrate</i>	Kanj Hamadeh	<i>Lebanese University Professor</i>
Jamal Al Jawihiri	<i>Iraqi Al-Amal Association</i>	Khaled Hussein	<i>United Nations Economic and Social Commission for Western Asia (ESCWA)</i>
Medani Abbas Medani	<i>Sudanese Development Call Organization (NIDAA)</i>	Jana Elbaba	<i>United Nations Economic and Social Commission for Western Asia (ESCWA)</i>
Mehdi Jaafar	<i>Environment Society Of Oman</i>	Oussama Safa	<i>United Nations Economic and Social Commission for Western Asia (ESCWA)</i>
Ziad Abdul Samad	<i>Arab NGO Network for Development (ANND)</i>	Jasim Ghuloom	
Zahra Bazzi	<i>Arab NGO Network for Development (ANND)</i>	Dina Tannir	
Hassan Sherry	<i>Arab NGO Network for Development (ANND)</i>		
Slaheddine Jourchi	<i>Arab NGO Network for Development</i>		
Fateh Azzam	<i>Asfari Institute for Civil Society and Citizenship</i>		

Hussein Alotaibi	<b>Lawyers for Defending Human Rights Society</b>	Amira Abugrin	<b>New Libya Foundation</b>
Ahmad Awad	<b>Phenix Center for Economic and Informatics Studies</b>	Elham Elhadiabologma	<b>Libyan Women Forum</b>
Nabila Hamza	<b>Foundation for the Future</b>	Ziad Abdul Samad	<b>Arab NGO Network for Development</b>
NIMAT KOKO MOHAMED HAMED	<b>Gender Centre for Research and Training</b>	Frederico Neto	<b>Social Development Division, United Nations Economic and Social Commission for Western Asia (ESCWA)</b>
Medani Abbas Medani	<b>Sudanese Development Call Organization (NIDAA)</b>	Samira Atallah	<b>Centre for Women (ECW)- United Nations Economic and Social Commission for Western Asia (ESCWA)</b>
Rabie Nasr	<b>Syria Center for Policy Research</b>	Roula Majdalani	<b>United Nations Economic and Social Commission for Western Asia</b>
Aida Ahmed	<b>Iraqi Women's League</b>	Charbel Nahhas	<b>Former Minister</b>
Jamal Al Jawihiri	<b>Iraqi Al-Amal Association</b>	Rabee Fakhri	<b>International Labor Organization (ILO)</b>
Abdullah Khalid Almesalla	<b>ORG Iraq- Kurdistan region</b>	Abid Briki	<b>International Labor Organization (ILO)</b>
Afyan Ghulam Ali	<b>Tammuz Oraganization for Social Development (TOSD)</b>	Mustapha Said	<b>International Labor Organization (ILO)</b>
Souad TRIKI	<b>Association Tunisienne des Femmes Démocrate</b>	Nabil Abdo	<b>International Labor Organization (ILO)</b>
Saida Rached	<b>Association Tunisienne des Femmes Démocrate</b>	Ursula Kulke	<b>International Labor Organization (ILO), Regional Office for Arab States</b>
Abdel Jalil Bedoui	<b>Tunisian Platform for Economic and Social Rights</b>	Leila Kabalan	<b>Issam Fares Institute for Public Policy and International Affairs</b>
Azzam Mahjoub	<b>University el Manar - Tunis</b>	Rodolph gebrael	<b>Diakonia Country Representative (Lebanon)</b>
Sami Aouadi	<b>UGTT, Union Générale des Travailleurs Tunisiens</b>	Sylvana Lakkis	<b>Lebanese Physically Handicapped Union</b>
Alaa Talbi	<b>Forum Tunisien Pour les Droits Economiques et Sociaux</b>	Joumana Merhi	<b>Arab Institute for Human Rights in Lebanon</b>
Slaheddine Jourchi	<b>Al Jahez Forum</b>	Mariana Khayyat	<b>Ministry of Social Affairs (Leb)</b>
Yassine Marzougui	<b>Arab League Educational, Cultural and Scientific Organization</b>	Dr. Elie Abouaoun	<b>U.S. Institute of Peace</b>
Ali Saif Abdo Kolaib	<b>The Political Forum Toward Safe and Sustainable Political Development</b>	Ahmed Mroueh	<b>Arab NGO Network for Development</b>
Nabil Maged	<b>Social and Democratic Forum</b>		
Arafat Alrufaid	<b>Human Rights Information and Training Center</b>		

Ousama Safa	<b>Participation and Social Justice Section, Social Development Division, UNESCWA</b>	Ahmed Bin Saif Alberwani	<b>The National Commission for Human Rights</b>
Adib Nehmeh	<b>Regional Consultant, ESCWA</b>	Fatima Bint Mohammad Al Thoukhriya	<b>The National Commission for Human Rights</b>
Hassan Krayem	<b>United Nations Development Programme (UNDP)</b>	Shaker Al Shalmy	<b>Ministry of social affairs</b>
Rania Al-Jazairi	<b>United Nations Economic and Social Commission For Western Asia (UN-ESCWA)</b>	Amal Khalil	<b>Ministry of social affairs</b>
Viridiana Garcia-Quiles	<b>United Nations Economic and Social Commission For Western Asia (UN-ESCWA)</b>	Mohammed Ahmed Abou Oriej	<b>Freedom House</b>
Niranjan Sarangi	<b>United Nations Economic and Social Commission For Western Asia (UN-ESCWA)</b>	Najeh Daoud Salem	<b>Jordanian Bar Association</b>
Mounir Bardawil	<b>Ministry of Finance</b>	Sharif Abdullah Namman	<b>Ministry of Foreign Affairs</b>
Batoul Yahfoufi	<b>Creadel Liban</b>	Hiba Youssef Alhourani	<b>Charity Organization of Jordan</b>
Fahmiyah Charafeddine	<b>The National Committee for the Follow up of women's Issues</b>	Eman Al Shaalan	<b>Charity Organization of Jordan</b>
Ahmad Dirani	<b>The Lebanese Observatory for the Rights of Workers and Employees</b>	Khadoun Awad	<b>Charity Organization of Jordan</b>
Adib Abi Habib	<b>Lebanese Trade Union Training Center</b>	Iffat Idriss	<b>Humanitarian organization to ensure the rights of working women</b>
Mohsen Zaineddine	<b>Lebanese NGO's Network</b>	Noha Mopahammed Morsi	<b>National Council for Women</b>
Mona Mrad	<b>The Association of Civic Responisibility</b>	Ittihad Darwich	<b>Press</b>
Mohammed bassam	<b>Imam sadr foundation</b>	Jasim Ghuloom	
Wafa El-Yassir	<b>Norwegian People's Aid</b>	Leila Benzarti	
Anita Nayar	<b>Dag Hammarskjöld Foundation</b>	Kathryn Janvier Tobin	
Amr Nour	<b>Regional Commissions New York Office (RCNYO)</b>		
Roberto Bissio	<b>Social Watch</b>		
Abdulwahab Aloraid	<b>Editor Director, Alsharq Newspaper</b>		
Dr. Said Al Saqri	<b>The Omani Economic Association</b>		

## Consultations 2013

Ahmed Awad	<b>Phoenix Centre for Economic Studies and Informatics</b>	Salah Edine El Jourshi	<b>Arab NGO Network for Development (ANND)</b>
Wassila Ayachi	<b>Tunisian general Labor Union</b>	Fateh Azzam	<b>United Nations / Office of the High Commissioner for Human Rights UN-OHCHR</b>
Jamal Al Jawaheri	<b>Iraqi Al-Amal Association</b>	Mahinour Al Badrawi	<b>Egyptian Center for Economic and Social Rights</b>
Farah Koubeissy	<b>Lebanese Labor Watch</b>	Magdi Abdel Hamid Bilal	<b>The Egyptian Association for promoting the participation of local communities</b>
Farah Shoukeir	<b>United Nations Development Programme (UNDP) – Lebanon</b>		
Eli Aaraj	<b>Middle East and North Africa Harm Reduction Association (MENAHRRA)</b>	Tarek Al Naboulsy	<b>League of Arab States</b>
Mona Abbas Madani	<b>Nidaa Development Association – Sudan</b>	Aziz Rigala	<b>Espace Associative</b>
Golda Eid	<b>Regional Arab Network Against AIDS</b>	Audun Herning	<b>Norwegian People's Aid</b>
Nehmat Koko	<b>Center of Arab Women for Training and research (CAWTAR)</b>	Abid Briki	<b>International Labor Organization (ILO), Lebanon</b>
Adib Abou Habib	<b>Lebanese Trade Union Training Center</b>	Frank Hagemann	<b>International Labor Organization (ILO)</b>
Habib Maalouf	<b>Lebanese Association for Environment and Development</b>	Abdallah Zoubi	<b>United Nations Polpulation Fund (UNFPA)</b>
Wafaa Al Yassir	<b>Norwegian People's Aid</b>		
Ibrahim El Saleh	<b>Palestinian Human Rights Organization</b>		
Ziad Khaled	<b>Information and Training Centre for Human Rights</b>		
Samir Tawk	<b>Workers Union</b>		
Ziad Abdul Samad	<b>Arab NGO Network for Development (ANND)</b>		
Zahra Bazzi	<b>Arab NGO Network for Development (ANND)</b>		
Hassan Sherry	<b>Arab NGO Network for Development (ANND)</b>		
Sarah Bukhary	<b>Arab NGO Network for Development (ANND)</b>		



The Arab NGOs Network for Development is an independent, democratic, and civic organization that aims at strengthening civil society and enhancing the values of democracy and respect of Human Rights and sustainable development in the Arab region. It works towards its aim through programs of advocacy and lobbying on regional and national policy-making in three main areas; development, trade, and democracy, while being committed to the international convention on Human Rights, freedom, respect of the individual, respect of diversity, equality of resource division, and the protection of cultural heritage in the Region and the implementing the developmental priorities of the local societies.

P.O.Box: 5792/14 | Mazraa: 1105 – 2070 | Beirut, Lebanon | Tel: +961 1 319366 | Fax: +961 1 815636



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