**Addis: 100 days to go**

1. Last week saw preparations for the Addis FFD summit pass the 100 days to go mark. At this point, **the summit is not on track to meet the high expectations for it**. It faces a mutually reinforcing set of problems, including:

* **Confusion about the summit’s intended outcomes** – with too many issues on the table, and a serious lack of clarity about what success would look like on each.
* **A lack of agenda setters** – so far only the co-facilitators are really leading the process, but their room for manoeuvre on agenda setting is constrained by the need for them to remain neutral honest brokers.
* **Insufficient political will** – the result of the summit not yet being on heads’ or finance ministers’ radars, as well as it not being a top 2015 priority for civil society.

1. **Does this matter?** Yes, in three ways. **First, for the SDGs’ prospects**. Governments have set high ambitions for the post-2015 Goals. But without a serious outcome in Addis, they have scant hope of delivering them. It is not good enough for member states to assume that they can set the goals in 2015, and worry about delivery later. Thisis the 2015 agenda’s ‘moment in the sun’. The political context will only get more difficult as other priorities make their way on to the agenda.
2. **Second, failure would matter politically** for other key moments in 2015. If Addis falls short of expectations, it could poison the atmosphere for the SDG summit in September and potentially the climate summit in December too, creating the risk of a cascading multilateral failure.
3. This feeds in to **the third risk: that failure in 2015 leads countries to give up on multilateral action altogether for the next 5-10 years**, just when they need to be cooperating more rather than less. With major recent disappointments at Copenhagen in 2009, Rio in 2012, and on IMF reform in 2014, multilateralism can ill afford another dud summit.
4. Admittedly, **it is conceivable that a failure at Addis could have the paradoxical effect of opening up political space for a second attempt in September**. Heads of government may not be engaged on FFD, but they are on the SDGs. If they arrive in NYC amid a post-Addis sense of crisis, then discussions on Goal 17 could give them a platform for making progress where Addis did not. But this approach would be to play for very high stakes. While the SDG delivery process may yet have to fall back to that position, it would be reckless to do so while there is still an alternative.
5. **So what would it take to make Addis succeed?** In essence, the challenge is to reverse the dynamic described above, and hence to:

* **Build consensus about what success in Addis would look like**, by (a) focusing down on a few key areas, with perhaps a maximum of three (as we risk discovering with a 17 Goal / 169 target framework, more is less where policy priorities are concerned), and (b) defining success on each of them.
* **Energise agenda setters** to help shape and disseminate a compelling narrative built around this small number of focus areas.
* Use the resulting political momentum to **kindle a sense of political opportunity** to engage heads of government and (especially) finance ministers and persuade them to make serious offers.

**Build consensus about what success in Addis would look like**

1. **A summit like this can generate different *kinds* of outcome, and it’s useful to think in terms of three in particular.** First, outcomes that lead the next day’s newspapers; second, longer term actions that drive development impact over time; and third, seeds planted in the outcome document that are not ready for concrete actions now but that might bear fruit in years to come.
2. First, **outcomes that lead the next day’s newspapers** – which may be more important in *political* terms than their long term development impact. These do not necessarily have to be collective initiatives, and may instead be individual countries’ announcements; media coverage of Monterrey in 2002 focused mainly on the US unveiling PEPFAR and the Millennium Challenge, for instance. At Addis, some of the leading candidates on this front are:
   1. **The overall level of international public finance**. While donor timetables for 0.7 would be welcome, it’s not clear that they would pass the test of leading the next day’s news. Such promises have, after all, been made before: by June 2005, 16 donor countries had promised to meet 0.7 no later than 2015; only 5 have kept this pledge.[[1]](#footnote-1) While a big increase in aid for LDCs (either 50% of total ODA, or at least 0.15% of OECD countries’ GNI) might be more credible, political prospects for this look limited. There may be scope for individual donors to commit to improvements in the proportion of their aid that goes to LDCs – but this will clearly be less newsworthy.
   2. **A big new thematic focus within existing flows of international public finance.** Within this area, one possible contender is the Overseas Development Institute’s emerging proposal for a global social protection floor, which would create a global fund (potentially within an existing institution, e.g. IDA) for financing national cash transfer schemes –thus allowing governments to say that Addis had effectively agreed a deal for delivering SDG1. (Under the proposal, the fund would match domestic resources for a cash transfer scheme from any low or lower middle income country, conditional on improvements in benefit provision and tapering off after e.g. 10 years.)
   3. **Scaling up non-concessional public finance**. At present, the UN membership roughly breaks down into 30 donors, 30 major aid recipients, and 130 countries that don’t fit neatly into either category – but that still often face a financing gap despite having ‘graduated’ from low income country status. Addis could be the launch pad for a major push on official flows other than ODA – for instance through agreeing on a new international indicator for ‘official finance’ or ‘total official support for development’ (TOSD) in addition to ODA, and setting a new UN-agreed international target for it.[[2]](#footnote-2)
   4. **IFI reform**. While IMF quota reform remains stalled in the US Congress – something that won’t change in 2015 – Addis will need to find some way to move on the issue. Assuming that Europe does not make a significant announcement (e.g. unilaterally giving up some its disproportionate number of Board seats), the best option may to announce a major independent review of the multilateral development banks’ governance, capitalisation, and operation – including the new architecture now emerging from the BRICS countries.[[3]](#footnote-3)
   5. **Signs of emerging economies taking the lead**. Throughout the post-2015 agenda, it has been hard to identify what the emerging economies really want from the process, and whether they actually think they have anything to win from it. But at the same time, their clear desire for a seat at the world’s ‘top table’ means that Addis is also an opportunity for them to lead. If they chose to do so – for instance by committing even just 0.1% of their GNI to ODA-like financing (with transparent reporting on it), or on formalising South-South cooperation in some other way – this would represent a major milestone in development cooperation.
3. Next, Addis could generate **longer term actions that drive development impact over time**. These may look less spectacular on ‘the morning after’ than the first category of potential outcomes, and will often be more about moving forward existing agendas than launching new ones. At Monterrey, the summit’s longer term legacy was primarily about helping build a supportive political context for decade-long ODA increases and the HIPC debt relief initiative. This time around, it’s possible to identify a range of high-potential areas – but less easy to pin down exactly what Addis could do to help move them along. A few options (in roughly descending order of usefulness):
   1. **International tax cooperation** is clearly an essential complement to (and potentially a quid pro quo for) domestic resource mobilisation, and has real political momentum following recent G7 and G20 progress. Five key areas for progress:
      1. scaling up the currently very limited international funding for building tax administration capacity in low income countries (this could include an offer of ‘twinning’ any interested developing country with a developed country tax agency);
      2. extending automatic exchange of tax information to developing countries;
      3. faster progress on standardised country-by-country tax reporting by global companies;
      4. more headway on transparency on beneficial ownership (i.e. who actually owns companies); and
      5. more progress on stolen asset recovery.
   2. **FDI / infrastructure.** There is broad consensus on the need to improve the flow of ‘bankable projects’ in developing countries through capacity building in areas like feasibility studies, infrastructure strategies, project finance, deal negotiating and so on – as well as on the need for more finance, both public and private. One option for Addis might be to scale up MDBs’ capacity to provide non-concessional finance (see paragraph 8c above); another could be to increase funding to the AfDB’s Africa 50 infrastructure fund.[[4]](#footnote-4)
   3. **Public-private partnerships** remains a polarising issue, with some countries enthusiastic while others remain deeply sceptical. One way of starting to formalise the role of multi-stakeholder partnerships while acknowledging the accountability concerns that exist could be to create a new arrangement for monitoring, transparency, and oversight of how public funds are used in this area, e.g. when aid is spent on ‘leveraging’ private sector investment or when governments take on risk guarantees. The OECD DAC might be best placed in terms of capacity; on the other hand a UN agency (e.g. UNDP) might be more politically acceptable.
   4. **Agriculture** is a key priority for Africa, understandably so given its central role as a productive sector. Africa also largely missed out on the Green Revolution, making sustainable intensification in Africa a key objective for feeding a world of 9 billion people. But it’s harder to make out a role for Addis, given the proliferation of initiatives – Grow Africa, GAIN, AGRA, the New Alliance, SUN, and so on. One possible option might be to scale up R&D funding for African agriculture, e.g. through CGIAR. It would also be welcome if more African countries were to make good on past Maputo Declaration commitments to allocate 10% of public spending to agriculture.
   5. **Trade** offers some of the biggest wins anywhere in development.[[5]](#footnote-5) But while it’s not hard to identify a set of possible wins for LDCs – full duty-free / quota-free market access, reform of rules of origin, reductions of OECD cotton subsidies, and more aid for trade – the 2013 WTO summit failed to make real headway on *any* of these fronts, despite development issues being one of 3 priority areas. Still, Addis could potentially increase the pressure on the 2015 WTO Ministerial to make more progress than its predecessor.
   6. **Technology transfer** is a top priority for developing countries, so it’s politically essential that Addis makes progress here – for instance on TRIPs Article 66.2, a new UN clean technology facility, or a ‘technology bank’ for LDCs. What’s less clear is whether these very cross-cutting ideas will have real impact, given how much technology transfer is sector-specific: conditions that will help transfer new seed technologies, say, will be very different from those that help transfer clean power generation equipment. The real potential wins may be more in sector-specific initiatives or partnerships.
4. Third and finally, **Addis offers an opportunity to plant seeds in the outcome document that may not be ready for concrete actions now but that could bear fruit in years to come**. It is not easy to identify many such areas given that the Monterrey Consensus has stood the test of time so well, but the outcome document does offer an opportunity to put down conceptual markers that can help open up new agendas in the future: Monterrey’s prescient language on domestic resource mobilisation helped catalyse the vibrant conversation now underway on this issue, for instance. So what could Addis address that Monterrey missed? Two key areas stand out.
   1. **Climate** is one. While many countries will be tempted to secure language on the ‘additionality’ of climate finance, it’s not clear that there’s much point to doing so given how far short of their promises donor countries are on either 0.7 *or* pledges to the Green Climate Fund. A *much* bigger deal, however, is how the world will share out property the global emissions budget that will, one day before 2030, have to be defined if governments actually decide to stabilise the climate. So Addis could usefully put down a marker by:
      1. referring to the *need for a global emissions budget* as a prerequisite for stabilising the climate,
      2. observing that the atmosphere is the most fundamental example of a common property resource, and that any *future emissions budget should be shared between countries in proportion to their population*, and
      3. calling for the *early introduction of emissions trading* as a way of allowing Parties to meet their commitments at least cost – in the process creating a crucialnew source of finance for development.[[6]](#footnote-6)
   2. **Inequality** is the other. As the inclusion of Goal 10 in the SDG framework shows, the global debate on inequality has acquired real momentum, and many member states may want to give the issue a helping push in the SDG delivery framework – especially if this helps create political space for a higher profile for the issue in national contexts.
5. These, then, are the three main areas in which Addis could generate results, with some possible options for outcomes on each. As noted earlier, **the fewer the political focus areas, the more resonant the narrative around the summit will be** – so a maximum of three would be ideal, or at the very mostfour or five. In practice, the outcome document would of course cover more areas than this, but the 3-5 core areas would be the ones in which political capital would be expended, and where the serious intergovernmental deal-making would be focused.
6. This package would definitely need to include an outcome from the first category for political and media impact, including creating a sense of momentum for the rest of the year’s summits. The others could then be drawn from the first, second, or third categories as desired.

**Energise agenda setters**

1. The second key area of work for improving Addis’s chances of success is to **energise agenda-setters** and enlist their help in shaping and disseminating a compelling political narrative. At the time of Monterrey, the key agenda-setters included politicians (Mexican President Vicente Fox played a key role, above all in persuading his close friend George W Bush to make a serious aid pledge), civil society (in the form of the Jubilee 2000 campaign), academic thought leaders (above all Jeff Sachs), and rock stars (Bono). This time around, there is a similarly diverse range of possible players:
   1. **The Ethiopian host government** has garnered widespread support for its idea of a summit for Africa, and has a strong story to tell on its development record, in particular on climate change (aiming to be middle income by 2025 with zero emissions growth), social protection (home of Africa’s largest social protection system), inequality (2nd lowest Gini score of any LDC), domestic resource mobilisation, and above all poverty reduction. But while they have set out three key priority areas (industrialisation, agriculture, infrastructure), they have not yet publicly defined what success would look like in each.
   2. **Ban Ki-moon** has not yet made the FFD summit a priority, but could and should play a pivotal role given its central importance in securing his legacy. In practice, he could (a) undertake to attend the summit in person, (b) appoint an eminent persons group of political champions (e.g. current and ex-heads of government or finance ministers, CEOs, thought leaders) with profile and a small secretariat capacity, (c) make a point of attending the April and June FFD drafting sessions, (d) write to heads of government to express concerns about the state of play and potentially highlighting key agenda items, and (e) play a catalytic role in generating action by other potential agenda-setters.
   3. **Jim Yong Kim** is one of the most articulate and compelling voices on the need for a major global push on zero poverty, which makes him a thought leader on post-2015 even if the Bank has not yet formally aligned itself with the SDG agenda. In practice, though, he also needs to do more on FFD. Initial signs that the Bank would place a high priority on FFD at the 2015 Spring Meetings in Washington are now being downplayed, suggesting that significant pressure from key countries may be needed.
   4. **Germany and Turkey** occupy hugely influential positions this year as hosts of the G7 and G20 (on June 7-8 and November 15-16 respectively). Either process could give a massive boost to Addis if they signalled clearly that helping to unlock an ambitious outcome on FFD and post-2015 was a priority for their summits. Germany has already signalled that its core issues will include measures to counter tax evasion and avoidance[[7]](#footnote-7), and is also a leader on reducing remittance costs.
   5. **Other member state champions.** The co-facilitators have already proposed the idea of pairs of champions (one developed, one developing) on key focus issues. High ambition member states urgently need to take them up on this call, and agree on who will lead on which issue (e.g. Brazil would be an obvious Southern choice on a global social protection floor; the UK a natural OECD leader on tax cooperation, given its G7 track record). Again, the UNSG would be ideally placed to help make this happen through some targeted phone calls.
   6. **Civil society.** The Action 2015 coalition is now up and running, with three very broad focus issues (poverty, inequality, and climate). However, it appears to be focusing on September and December, rather than July, as its key mobilisation moments. This strategy has real risks, given Addis’s central role in framing the political context for both, so targeted outreach at Action 2015’s leadership to persuade them to focus on Addis should be a priority.
   7. **The Pope.** Pope Francis is already a highly charismatic spokesman on economic justice issues, with reach and profile that extends far beyond the world’s Catholics. The Pope has told senior multilateral and NGO opinion formers that they can “count on me”, and will publish his first full encyclical in his own right in the first half of this year – on the subject of poverty and development. This will be a key media milestone between now and Addis; now is the moment to engage the Vatican in Rome and NYC to explore key messages and opportunities for collaboration.
   8. **Business leaders**. Unilever’s Paul Polman has shown what a charismatic CEO can achieve on post-2015, but more generally, business leaders have played a weak hand on the agenda, in particular failing to be concrete enough about what business can do. Above all, they have allowed partnerships to be presented as alternatives to public finance and policy frameworks rather than as *complements* to them (as for instance in the cases of GAIN and Grow Africa) which has played into the hands of opponents of multi-stakeholder approaches. However, it is not too late to turn this around with some focused corrective messages.

**Get heads of government and finance ministers engaged**

1. Finally, preparations for the summit need to **kindle a sense of political opportunity** that will draw in heads of government and finance ministers and incentivise them to put serious offers on the table. While the two broad areas of work outlined above (defining success, engaging agenda-setters) will contribute, more direct work is also needed. In particular:
   1. First, **Addis needs to be on finance ministries’ radar screens –** which it isn’t, as yet, in OECD countries. Op-eds in the right media (Financial Times, Wall Street Journal) will help, but so will lobbying from embassies, as well as making sure that the focus issues for the summit include some finance ministry policy areas (like tax cooperation) and not just spending commitments.
   2. Second, **more commitments to attend the summit** are needed – perhaps even more from finance ministers than from heads of government. Christine Lagarde’s promise to attend is hugely helpful, and it would make sense to see if she would be willing to ask finance ministers to follow suit. National NGOs could also usefully solicit undertakings to attend from finance ministers.

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1. The following countries promised in 2005 to meet 0.7 by 2015 at the latest: Austria, Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, New Zealand, Portugal, Spain. See <http://www.unmillenniumproject.org/press/07.htm>. The five donors who do give 0.7 are Denmark, Luxembourg, Norway, Sweden, and the UK. [↑](#footnote-ref-1)
2. See Homi Kharas, Annalisa Prizzon and Andrew Rogerson (2015), *Financing the post-2015 Sustainable Development Goals: A rough roadmap*, London: Overseas Development Institute [↑](#footnote-ref-2)
3. See Homi Kharas and John McArthur (2015), *Nine Priority Commitments to be made at the UN’s July 2015 Financing for Development Conference in Addis Ababa, Ethiopia*, Washington DC: Brookings Institution [↑](#footnote-ref-3)
4. See <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa%20in%2050%20Years%20Time.pdf> [↑](#footnote-ref-4)
5. See <http://www.economist.com/news/finance-and-economics/21640361-debate-heats-up-about-what-goals-world-should-set-itself-2030> [↑](#footnote-ref-5)
6. Forthcoming modelling work from the Center for Global Development shows that an emissions budget designed to limit warming to 2° C, and allocated on the basis of convergence to equal per capita entitlements by 2030, would help most developed countries to keep their costs to around 1% of GDP a year – but could by 2025 be generating revenues equal to as much as 20% of GDP a year for many low-emitting LDCs. See Owen Barder, Alex Evans, and Alice Lepissier (2015 forthcoming), *Sky Shares: Modelling the distributive and economic implications of a future global emissions budget*, Washington DC: Center for Global Development. [↑](#footnote-ref-6)
7. <http://www.g8.utoronto.ca/summit/2015elmau/program_141119.html> [↑](#footnote-ref-7)