Trade Union reaction to the Addis Ababa Action Agenda (AAAA) on Financing for Development (FFD3)

Addis Ababa, 16 July 2015

**FFD3 OUTCOME LACKS AMBITION AND COMMITMENT:** the Addis Ababa Action Agenda (AAAA) is empty of ambition and achieves little in terms of identifiable and concrete commitment, especially in the areas of international cooperation on tax, financial, trade and systemic issues. Trade Unions regret the failure to strengthen and upgrade international cooperation on tax matters within the UN system. The removal of a moderate clause calling for the review of the investor-state dispute settlement from the final text is another demonstration of lowered ambition. Without a change of paradigm in the global economic and financial system, it will be impossible to deliver on the SDGs agenda.

**BUSINESS WORSE THAN USUAL:** Trade Unions still have deep reservations with the uncritical support of the private sector in the AAAA, and is not matched by a recognition of the role the State to define and implement development strategies. Further there is little in the text which will guarantee business accountability for development, by aligning the AAAA with existing binding commitments and only calling for a vague mix of "voluntary and mandatory rules". Unconditional criteria is needed to ensure that private sector intervention is in line with the public interest, especially where public resources are used to support the private sector. We still insist essential public services including water and sanitation, health and education, should be excluded from PPPs, blended finance and trade agreements.

**SOCIAL DIALOGUE DEFICIT:** Trade Unions appreciate the mention of Decent Work and Social Protection Systems, but we regret that the important linkages with domestic resource mobilisation were not recognized and maintained, as with earlier versions of the text. Trade Unions fail to identify concrete commitments to fight inequality, such as decent wages, extension of social protection coverage and improvement of fiscal regulation at national and international level (including through the introduction of a Financial Transaction Tax). Along the same lines, Trade Unions regret that the social dialogue and the role of the social partners are not mentioned. It unfortunately demonstrates a failure to recognize rights-based means which underpin democracy and development. A shift from the culture of privilege to the culture of equality is needed. While the Action Agenda aims to leave no one behind it only succeeds in perpetuating a culture of exclusion.

**FFD3 FOLLOW-UP?** Trade Unions appreciate the commitment for a follow-up despite a lack of clarity on how it will link with the SDGs. We maintain that FFD3 follow-up remains distinct from follow-up on the Post-2015 agenda, recognising that the two are interconnected. Follow-up mechanisms like the Technology Facilitation Mechanism should be inclusive in order to ensure that Trade Unions’ points of view are given adequate consideration, as social partners on equal footing with the business sector.

Permalink: [http://www.ituc-csi.org/FFD3](http://www.ituc-csi.org/FFD3)

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