CPDE Inputs on UNPGA MOI High Level Thematic Debate

1) **What actions are needed to scale up mobilization of financial resources from all sources: domestic public financing, domestic private financing, international public financing (including ODA), international private financing (FDI and remittances), trade, and partnerships?**

Resource mobilization for the P2015 agenda must be premised on a departure from conventional economic practices, in the context of a new international financial architecture rooted in the principles of HRBA, gender equity, environmental sustainability, and aid and development effectiveness. Financing should therefore take the following forms, though unfortunately moves toward actual mobilization of resources are often stalled by debates in the official negotiations:

Domestic public financing.

- Capacity building for public institutions in the global south to better and more transparently manage national budgets
- Accountability and transparency mechanisms, including the implementation of freedom of information laws
- An enabling environment for civil society to monitor financial flows at the domestic level

Domestic private financing

- Improved domestic taxation systems with a view toward a more equitable distribution of wealth
- Tax incentives to promote charitable giving.
- Tax exemptions to civil society organizations (CSOs) to enable their work in development.

International public financing (ODA).

- Fulfillment of all existing and future ODA commitments, which should be new and additional
- Major reforms in the international aid architecture, in line with Busan and AAA pledges
- Institute policies toward the progressive elimination of third world debt

International private financing (FDI and remittances).

- Remittances often do not make up for what is lost in social capital from the economies of developing countries, with migration trends from global south to north having left a vacuum in skilled labour and opportunities for development. There is a need to reinforce and protect the rights of migrant workers, and take steps to improve economic conditions in the developing world to ensure migration is done on a voluntary basis rather than by force of political or economic necessity
- Strengthen the International Aid and Transparency Initiative (IATI) and the Extractive Industries Transparency Initiative (EITI)
- A binding and coherent international regulatory scheme governing FDI. This should be made consistent across all countries to prevent investment imbalances and capital flight when governments enact social, environmental, and labour regulations
- A global tax on all financial transactions akin to the Tobin Tax

Trade and development partnerships.

- Democratise and reform international trade institutions in a manner that protects the interests of developing countries and populations
- Reverse decades of economic reforms (unfair trade, lifting of tariffs, liberalisation) that have placed developing countries at the losing end of trade relationships, in the context of entrenched inequalities in the global trade regime

2) What is required of the different development players/actors to improve efficiency and effectiveness in the use of available resources for sustainable development?

a.) A role for civil society, parallel with other development players, in an international architecture for sustainable development financing, through *institutionalized participation* in public policy-making, implementation, and monitoring at both domestic and international levels.

b.) Ensuring an enabling environment for civil society in accordance with internationally agreed rights, including the rights to freedoms of expression, peaceful assembly, and association. The freedom of association includes the freedom for CSOs to seek and access resources--both domestic and international--to *enable CSOs to perform their critical independent role in sustainable development*. CSOs have on-the-ground expertise and skills and are critical connections to the most marginalized voices, to ensure that no one is left behind.

c.) A stronger focus on public sector *financing* and private sector *accountability* in the P2015 financial architecture – for instance, through mandatory corporate reporting on major financial transactions and social and environmental impacts.

d.) The public sector (namely governments) is still best placed to address critical development short-falls, especially in the global south (see # 4), as governments are the only actors with the mandate and institutional capacity to carry out sustainable development initiatives to the extent that is necessary in the decades ahead. There is a need to strengthen the mandates of public institutions in this regard, and reverse trends that seek to elevate the private sector to a privileged place in the P2015 development agenda

3) How can coherence and a common understanding for robust means of implementation in the post-2015 agenda and the Financing for development process be fostered and agreed? How can trade contribute to renewing the global partnerships for development?

A strong emphasis on trade and economic ties alone as drivers for development cooperation should give way to cooperation built around shared *public policy frameworks* rooted in principles like a human rights-based approach (HRBA), inclusive development, gender equity, and sustainable development. As mentioned in #1, agreeing on major reforms in international trade and financial institutions is the first step in this, but the P2015 agenda should be committed to addressing socioeconomic and historical inequalities that are at the heart of major conflicts between the global north and south.

Innovative approaches can be shared through multi-stakeholder platforms, which are already taking place through such channels as the GPEDC and CPDE. These should be better incorporated into the official

P2015 negotiations. Ensuring the participation and institutionalization of civil society at all stages of the development and management of the Global Partnership is crucial in this context.

4) What measures can be taken to develop a financial architecture/system that incentivizes the direction of global public and private savings towards sustainable development investments, including provision of long-term financing to fill critical investment gaps?

Sustainable development investments - in renewable energy, climate adaptation and mitigation infrastructure, among others – should be made in the context of democratic public policy-making, rooted in public accountability mechanisms. National development strategies should be arrived at in the spirit of civil society engagement and debate, and should be made with a view toward benefiting vulnerable sectors of society.

Long-term financing for sustainable development can ultimately only be guaranteed through domestic economic development and relative independence from external sources of aid.

In this regard there should be:

- A coherent international system to track and monitor financing for development (FFD), measuring effectiveness of development flows based on HRBA, gender equity, environmental sustainability, and other considerations
- Sensitivity to the role of SSC and middle-income countries **as** both senders and receivers of FFD
- Strengthening of the International Aid and Transparency Initiative (IATI) and the Extractive Industries Transparency Initiative (EITI)
- Climate financing that is <u>additional</u> to ODA and development financing, and not just re-packaged ODA
- Clear and binding targets on FFD for all development actors, with emphasis on CBDR and a specific timeframe

5) Given the critical role the development, transfer and dissemination of clean and environmentally sound technologies will play in achieving a transformative post-2015 agenda, what are the best options for a technology facilitation mechanism?

The tight-knit nature of the global economy offers the potential for rapid diffusion of environmentally sound technologies (EST). A technology facilitation mechanism must put in place measures to ensure that the private sector transitions to EST, with governments ensuring these technologies are integrated into, and benefit, broad sections of society. Transnational corporations in particular, which have operations across developed and developing economies, ought to follow internationally binding environmental, social, and labour regulations.

The Green Climate Fund could also play a critical role in financing and implementation of EST-sharing, which highlights the need for governments to fulfill commitments on resource mobilization.

In addition, intellectual property rights regimes have often acted to inhibit innovation in the global south, while concentrating knowledge and expertise in a handful of governments and technology companies in the developed north. IP laws should be eased in favour of an international framework that encourages rather than restricts knowledge-sharing on green technology between and within countries, ensures protection and acknowledgement of indigenous technologies, as well as facilitates public financing for technological innovation.n.

A knowledge and technology 'commons' dedicated to finding and sharing solutions to issues like climate change could be located within the UN. EST innovations should flow both ways, and there is an urgent need to build capacity for scientific and cultural innovation within developing countries.

Much of this can be achieved in the context of the IADGs, with developed country governments committing to sharing innovation and developing country governments in turn introducing mechanisms to ensure that these technologies reach people on the ground.

6) What measures and actions need to be undertaken to further build and strengthen capacities of developing countries, in particular to ensure an effective domestic enabling environment and enhance their ability to effectively implement the post-2015 development agenda?

Deep, structural reforms in global trade, finance, and tax regimes should be a major step in allowing developing countries the space to follow development trajectories envisioned by their own citizens in the spirit of democratic country ownership. A *transformational* agenda for global financial governance would:

- Address illicit financial flows and corporate tax avoidance, tied aid, unsustainable debt, country ownership and domestic resource mobilisation
- Introduce taxes on all major global financial transactions and transnational corporations (e.g. Tobin tax)
- Introduce major reforms of international financial institutions, and bring them more into line with UN practices and internationally binding standards
- Tackle broader issues surrounding global governance, international trade, technology transfer and intellectual property rights regimes, migration, and debt relief

Furthermore, gross economic figures often disguise the fact that the majority of the world's poor in reality reside in middle-income and 'emerging' economies. Entrenched inequalities within these countries are in turn ignored in the rush to elevate them to 'graduate' status. This could result in resources not flowing to where they are needed. Given the fast-evolving nature of the global economy, there is a need to ensure that the needs of the poor and vulnerable are at the forefront of all development efforts.