

# Beyond2015

## Implementing the Ambition: Beyond 2015 Recommendations to the post-2015 Means of Implementation and Financing for (Sustainable) Development

### BACKGROUND

The Addis Ababa Conference on Financing for Development (FfD) and the post-2015 intergovernmental processes are wholly interconnected. Success in the FfD Conference in July 2015 will pave the way for an ambitious and aspirational Post-2015 Summit in September as well as international progress towards the climate summit in Paris. Strong synergies between the post-2015, FfD and the climate change processes are crucial to achieve Beyond 2015's vision of *'an equitable and sustainable world where every person is safe, resilient, lives well, and enjoys their human rights, and where political and economic systems deliver well-being for all people within the limits of our planet's resources'*.

We urge governments and all stakeholders, including the private sector, to **aim higher** and **raise the level of ambition** in accordance with the challenges and objectives of both agendas. We need a new understanding of financing that explicitly recognizes human rights as a basis to promote the interlinkages between the three pillars of sustainable development (social, environmental and economic); an understanding which identifies principles which ensure that 'finance for development' becomes 'financing for sustainable development', which recognises the limits of a growth-focused agenda, and the role that finance providers- especially the private sector- must play in helping us tackle the crucial challenges of climate change and environmental degradation facing our planet.

In the push to shape a FfD conference which underpins the implementation of post-2015 agenda, **critical structural and systemic issues which have been identified in the FfD process must continue to be given due attention**. While it is sensible to build links which make best use of institutional resources and increase policy coherence for sustainable development, 'Structural and Systemic Issues' (as set out in the Monterrey Consensus) are at the heart of addressing global inequalities and deserve significant attention within the post-2015 agenda.

While there are synergies between the two processes, it is important to recognise that there are also distinctions; not all financing issues are covered in the current means of implementation (MOI) targets, and not all means of implementation are financial. For example, there is a lack of clarity as to how the FfD outcome will be linked with the post-2015 agenda in terms of monitoring, accountability and follow-up. This needs to be addressed immediately. A follow-up and accountability mechanism must be proposed which, while bringing the two agendas together in a coherent manner, enables all stakeholders, including civil society to track and monitor commitments and implementation in both tracks. Space must be made for people and their organisations to provide feedback on whether the proposed accountability mechanism is adequate to meet this need.

Below we set out our key recommendations for the intergovernmental processes negotiating Financing for Development (FfD) and the Means of Implementation and Global Partnership for Sustainable Development (Post-2015).

### FINANCING FOR SUSTAINABLE DEVELOPMENT

#### **Key Recommendations:**

##### **Domestic Public Finance**

- Member States must adopt **equitable progressive taxation and redistribution measures** to finance social protection floors for all, and to guarantee income security and access to basic services for all, including the poorest and marginalized groups.

- Member States must provide enough finance to **implement strong tax reforms**, based on demand from receiver countries and ensuring a strong involvement of the public, thus improving domestic resource mobilization. (SG synthesis report, para 98).
- Member States must **reduce military spending and reallocate public resources** towards provision of social services for poverty alleviation, social protection, health care and the promotion of sustainable development.
- Member States must provide and promote **universal access to financial services**, emphasizing inclusive access across income, gender, disability, geography, age, ethnicity and other groupings. Specific barriers to women's access to finance should be eliminated. Countries should expand financial literacy and establish strong consumer protection agencies. (SG report, para 107).
- Member States must **establish and effectively implement an obligation for multinational corporations to publish, as part of their annual reports, public country-by-country reporting**. Those reports should include key data on profits made, taxes paid; subsidies received; turnover; and number of employees.
- Member States must commit to, at the national level, **implementing transparent domestic budgeting**, with clear budget lines for sustainable development priorities; disaggregated by gender and other key social indicators.
- Member States must fully utilise **gender-responsive budgeting** tools and ensure that commitments to achieve gender equality are reflected in budgetary allocations and wider macro-economic decision-making. This should include the prioritisation of financial support for women's rights organisations and fiscal support for initiatives that challenge and address discriminatory social norms and practices for all groups at risk of exclusion.

### International Public Finance

- Developed countries must set **binding timetables through national legislation to meet their outstanding 0.7% GNI ODA commitment**, and meet their commitments to direct 0.15% - 0.20% of aid to LDCs within five years. These flows must support democratic ownership, transparency, accountability, inclusiveness and maximise poverty eradication impacts. (Adapted from SG Synthesis report, Para 98)
- Transparency of all resource flows for development – public and private, domestic and international – is essential. **All development actors should commit to publishing** timely, comprehensive and forward-looking information on their activities in a common, open, accessible, electronic format, including via the International Aid Transparency Initiative (IATI).
- Member States must establish a **follow up mechanism** on the commitment from developed countries to provide **climate finance of at least USD100 billion annually by 2020**. A substantial part of these funds should flow through the Green Climate Fund, and be in the form of **grants, not loans**.
- Member States must establish a **global fund to finance social protection floors** in the poorest countries.
- Any potential **efforts to modernize ODA** and measures of development finance must be done in an open and transparent forum including representatives of donor and recipient countries and other relevant stakeholders (SG synthesis report, Para 92)
- Member States must ensure that **infrastructure projects** and services financed with ODA and other sources of public finance **comply with environmental and social safeguards, and be fully accessible for and inclusive of all people**. This will ensure that ODA and other public finances do not create or perpetuate legal, institutional, attitudinal and physical or ICT barriers to the inclusion and participation of all people, especially the most vulnerable and marginalized.
- Member States must commit to ensure that **ODA explicitly targets the poorest quintile of the global population**, determined through an analysis of disaggregated data.
- Member States **must agree to set a tax on all financial transactions**, including currency, stocks and other value papers, to mobilize additional funds for financing the post-2015 agenda, climate change initiatives and eradicating poverty.
- **Revenue derived from this tax must be spent on achieving the SDGs and climate agreements.**

### Domestic and international private finance

- Member States must **insist on responsible and accountable long-term investment of private financing in sustainable development**, and require companies to undertake mandatory economic, environmental, social and governance reporting, accompanied with regulatory changes that ensure that investor incentives are aligned with the SDGs.
- Member States must commit to **hold private actors accountable to the same human rights and environmental standards as public actors** including through a clear call for the private sector to implement **the UN Guiding Principles on Business and Human Rights**, the core labour standards of the International Labour Organization and United Nations environmental standards. Member States must implement their commitments of these agreements.
- Member States must establish **strong human rights and environmental accountability mechanisms to determine whether specific actors are appropriate for a partnership in pursuit of the SDGs**, to hold companies accountable for their impact on human rights, those most affected by poverty and injustice, and the environment and to prevent any negative impacts.
- Member States must make the **Extractives Industry Transparency Initiative** universal, covering all countries, but also adapting and extending coverage to include oil and minerals production companies and commodity traders.

### Public Private Partnerships

- Donor agencies, multilateral banks and governments implementing PPPs, including those which engage private sector partners in **'blended finance' mechanisms must urgently undertake a Southern led review to ensure that existing finance and aid effectiveness principles** are respected or created. These principles must, include transparency, accountability, effectiveness, equitable sharing of the tax burden, and participation of affected communities in the planning, design and implementation of PPPs. The International Aid Transparency Initiative and Open Contracting must be considered as means to facilitate full transparency in PPP arrangements.
- Donors must commit that **PPPs will support the partner country in increasing their long-term capacity to manage the partnership for the benefit of their domestic economy and the natural environment**, and should also provide technical guidance, based on recipient country demand, to ensure that the long-term impacts to the partner country economy and environment are recognised and risks mitigated within the project plans.

### Trade

- Development partners must commit to **enhance capacity building and technical assistance** such as Aid for Trade, and support developing countries to increase their share of trade.
- The FfD outcome document must call upon developed countries to immediately and fully implement their commitments **to grant duty-free, quota-free access for all products of all developing countries** and to remove market entry barriers, including non-tariff measures and other trade barriers.
- Developing countries must commit to **ensure that revenues from trade are used to drive poverty eradication**, supporting small business growth, reducing the vulnerability of the poorest households to economic shocks; financing social protection programmes, and strengthening agricultural development productive capacity.
- Member States should commit to **rapidly eliminate all forms of agricultural export subsidies** and all export measures with equivalent effect, while protecting low income and vulnerable populations from negative impacts.
- Member States must reform trade systems to promote equality among trade partners, and commit to implement the **principle of special and differential treatment for developing countries**.
- Member States must commit to include **binding human rights clauses** in all investment treaties and to establish independent and robust mechanisms to monitor the social and environmental implications of trade.

### Debt sustainability

- Resources provided for **debt relief must not detract from ODA** resources.
- Member States must agree to **create a multilateral legal framework for sovereign debt restructuring processes**. This comprehensive framework must be situated in a neutral forum; provide a human needs based approach to debt sustainability; hold lenders and borrowers to account for irresponsible behaviour; and give all stakeholders, including civil society, the right to be heard and give evidence.
- Member States must agree to undertake efforts to scrutinize existing legacy debt along responsible financing standards. Independent debt auditors should determine the legitimacy of the debt, and **all illegitimate debt must be cancelled**.
- Member States must endorse and implement the **UNCTAD Principles for Responsible Sovereign Lending and Borrowing**, and reinforce the earlier commitments which state that debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations.

### Climate Finance

- Member States must **phase out all direct and indirect fossil fuel subsidies** (FFS) in developed countries by 2020 and in developing countries shortly thereafter, accompanied by pro-poor policy instruments. Budget resources freed up by FFS phase outs should be redirected to support those most affected by poverty and injustice, and support access to clean, reliable and affordable energy.
- Member States **must establish a multilateral initiative to create a global price on carbon**, to contribute to the multilateral climate finance institutions which form part of a package of measures to phase out fossil fuels.
- Member States must ensure that **climate finance is new and additional to ODA** and accounted for separately.

### Reform of global financial institutions

- Member States must agree to **reform the regulation of the financial sector**, to safeguard global financial stability and safeguard poor countries against future economic shocks.
- Member States must call upon multilateral financial institutions to work on the basis of **nationally owned paths of reform** when providing policy advice and financial support, taking into account domestic priorities.
- Member States must commit to greater representation of developing countries on the board and leadership of international institutions and to take the necessary **actions to ensure that decision-making for these institutions is fair, equitable, transparent and gender balanced**.
- Member States must reinforce investments in the **fight against illicit financial flows**, including money laundering, trade mispricing, transnational corruption and bribery. They must eradicate cross-border tax evasion, improve and standardize financial reporting standards to increase transparency, including full transparency of global financial transactions, bank holdings and deposits.
- Member States must commit to more vigorous implementation of the United Nations Convention against Corruption, as well as measures to overcome impediments to the **return of stolen assets**. Member States should agree on measures to ensure information exchange and judicial cooperation (based on SG Synthesis report, para 115).
- Member states must support formation of a **UN intergovernmental body on tax cooperation**. It should be appropriately resourced, and organised so as to ensure truly global representation and cooperation, good decision-making and implementation, and inclusion of expertise in gender and human rights.
- Member states should develop and implement **a broader metric of well-being than GDP**, including the costs of human and environmental capital.

### THE MEANS TO IMPLEMENT THE POST-2015 AGENDA

Recommendations in the preceding section cover finance and trade issues. The section below covers the non-financial means of implementation.

## **Key Recommendations:**

### **Participation**

- **People's participation is a strategic means of implementation** for the post-2015 agenda and a key element to make this a people-centered agenda. **Member States must commit to implement the post-2015 agenda with the full participation of people, especially the most marginalized and vulnerable, and their organisations, through institutionalized multi-stakeholder engagement.**
- Member States must recognise **transparency and accessibility of data and information as a cross-cutting systemic issue and a principle applying to all aspects of both FfD and post-2015.** Without transparency in all aspects of financing for sustainable development, participation and accountability to people is not possible, systems become less effective, and impacts of investments on the poorest cannot be measured.
- Therefore, the post-2015 agenda must include a clear commitment to **increasing people's ability to effectively and meaningfully participate in and contribute to policy choices** and to hold governments and other actors into account for what they do – or fail to do - to achieve the progress we seek. To do so, Member States must also commit to establishing an **enabling environment** (in legislation, policy and practice, consistent with international human rights standards) for people and their organisations to carry out their crucial roles as independent development actors in their own right.
- The MoI must incorporate approaches that **tackle the discriminatory social norms and practices that continue to subordinate women and girls** in public and private life, and exclude them from the realisation of their rights.
- Member States must recognise **volunteerism** must be recognized as a powerful and cross-cutting means of implementation which can help expand and mobilize constituencies, and to engage people in national planning and implementation of the post-2015 agenda. (SG Synthesis report, para 131)

### **Technology and innovation**

- Member States must finalize the arrangements for **a technology facilitation mechanism**, including for the LDCs.
- Member States must ensure that the global intellectual property regimes and the application of **TRIPS flexibilities are fully consistent with and contribute to the SDGs.**

### **Capacity building**

- Member States must commit to **provide access to a range of financial services and business capacity support for micro, small and medium sized enterprises, building an enabling environment for domestic-led sustainable and equitable economic development.**
- Member States must **allocate funds to increase the capacity of people and their organisations** to support the implementation and monitoring of the post-2015 agenda, including holding their governments to account.
- Member States must enhance international support for implementing effective and targeted capacity building in developing countries to **support multi-stakeholder initiatives that inform national plans to implement all sustainable development goals.**

### **Data Monitoring and Accountability**

- **Governments must make data 'open by default' and focus the "data revolution" on the needs of stakeholders in developing countries,**
- Governments must **prioritise data collection and strengthen national statistical systems in domestic budgeting** and develop disaggregated monitoring systems which can track impact of social investments on the poorest. Data must be disaggregated by, at least, gender, age, ethnicity, disability, rural-urban split, minority status, social status and income quintile.
- Governments must implement **open data initiatives**, including, where appropriate through joining the Open Government Partnership.



- Data collection, disaggregation and analysis must engage **new approaches** such as the use of self-reported measures. Data collection processes themselves need to be gender sensitive by, for example: reviewing coding and terminologies; delivering gender training for data collectors; recruiting female enumerators; and carrying out data collection in a manner that is sensitive to the different needs of men and women in terms of, for example, privacy, time of day, and work and caring responsibilities.

### **Implementation at the national and local level**

For the post-2015 agenda to become more than an aspirational paper agreement and to make a real difference to people's lives, governments must start putting in place strategies, institutional plans and mechanisms at the national and local level to ensure implementation. Such strategies could include:

- **Cross-ministerial commissions**
- **Integration of targets into national and local sustainable development plans**
- **Integration of targets into national and local budgetary processes**

While governments have the primary responsibility for the implementation of the post-2015 agenda, they must recognise that this agenda goes far beyond government. **It is a shared agenda - it is our agenda.** As such, **people and their organisations must be involved in the implementation process right from the start.** They must be included on political commissions, on groups developing sustainable development plans and budgets. Without this level of participation, it will take much longer to embed the post-2015 agenda at the local and national level.

### ***About this paper***

*This paper is issued on behalf of Beyond 2015. The original draft was produced by the Beyond 2015 FfD Advisory Task Force, co-facilitated by Development Initiatives (UK) and WaterAid Senegal. Numerous members of the Task Force contributed to this first draft, based on their organisational expertise. This draft was then opened for comments by the whole campaign and comments and feedback were received from over a dozen organisations. The redrafting was coordinated by Development Initiatives and WaterAid Senegal, supported by the Beyond 2015 Secretariat, and it was possible to incorporate most of the inputs received. In accordance with the Beyond 2015 protocol on forming policy positions, the final version was signed off unanimously by the Executive Committee of Beyond 2015.*

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### ***Diversity of opinion within civil society***

*Whilst Beyond 2015 participating organisations have a range of views regarding the content of a post-2015 framework, the campaign is united in working to bring about the following outcome:*

- *A global overarching cross-thematic framework succeeds the Millennium Development Goals, reflecting Beyond 2015's policy positions.*
- *The process of developing this framework is participatory, inclusive and responsive to voices of those directly affected by poverty and injustice*

*During the process of writing this paper, different opinions emerged within Beyond 2015 on the links between the post-2015 and the FfD process, and how funds derived from a FTT should be controlled.*