Multistakeholder Dialogue, Third Session of the Intergovernmental Committee of Experts on Sustainable Development Financing: Remarks of Tessa Khan (Asia Pacific Forum on Women, Law and Development)

I speak today from the perspective of the members of the Asia Pacific Forum on Women, Law and Development, who work to promote women's human rights in 26 countries in the Asia Pacific. From where we stand, the challenge we face in realizing the future that is envisaged in the Rio+20 outcome document, The Future We Want, is two-fold.

The first is the challenge of mobilizing sufficient resources to address the multiple, interrelated crises of finance, environment, and inequality we face today—crises that hit women, who comprise 70% of those living in poverty globally, the hardest.

The second is ensuring that the international legal and institutional framework enables countries to use those resources for sustainable, human rights-based development. Structural imbalances and inequities in the current framework are reflected in deep gender inequalities, the development disparities between the North and South, and the entrenched marginalization of numerous groups in economies and in governance.

Taking, first, the issue of resource mobilization: there is no question that developed countries must take responsibility for the recent decline in levels of official development assistance, and reaffirm their commitment to 0.7% ODA. While developed countries invoke the financial crisis as a reason to compromise their ODA commitments, the reality is that between USD$500 and 800 billion are transferred each year from the global South to the North, in large part as a result of illicit capital flows, as well as ongoing debt servicing. Indeed, the OECD estimates that developing countries lose three times more to tax havens than they receive in aid each year.

The well-documented, extraordinary level of wealth concentration further illustrates that the key to resource mobilization lies in the redirection and redistribution of capital. This requires international cooperation to end tax evasion and corruption; the introduction of international taxes, such as a financial transaction tax and the taxation of harmful industries such as the arms trade; and the cancellation of debts claimed of impoverished countries, de-linked from lenders' conditionality.

The second challenge is ensuring that the international legal and institutional environment supports governments to achieve their sustainable development goals. At an international level, this calls for the reform of key institutions, such as the International Monetary Fund, World Bank, and World Trade Organization, to ensure the equal and effective participation of developing countries; commitment to international human rights and environmental norms; and the accountability of these institutions to the people and communities they purport to serve. Responsibility for coordinating reform of the global economic and financial architecture should ultimately lie with the UN, as the most globally representative and participatory multilateral body.

At a national level, the policy space of States to devise their own macroeconomic, industrial, financial, and social policies must be protected. Trade and investment liberalisation continues to drive a regulatory race to the bottom that endangers decent work and environmental protection, and prevents countries from protecting industries that are often critical to the livelihoods of women, such as small-scale agricultural production. Moreover, multilateral and bilateral trade and investment agreements that allow considerable incursion by corporations on national policy-making are fundamentally at odds with the fact that trade is not an end in itself; it must be a means to inclusive, equitable development, at the heart of which is people.

Accordingly, we strongly caution against the elevation of the role of the private sector in any new model of development financing. While the private sector advocates for a greater role for itself in this forum and associated post-2015 processes, we note that corporate narratives rarely acknowledge the historical responsibility of corporations for creating or exacerbating many of the problems we face, including the role of financial speculation in the 2008 food crisis, corporate land-grabbing, and ongoing aggressive resistance by the corporate sector to regulation and accountability.

Further, the development challenges we face are too great and too complex to answer to a simple profit motive. We also note that private public partnerships can seem financially attractive because of accounting that hides fiscal risks and costs. These partnerships risk worsening inequality in income and access by socializing costs while privatizing benefits. We therefore ask that States, which are bound by international legal frameworks and are the principal duty-bearers of human rights obligations, remain the central actors in any model of development finance. We reiterate that the Rio+20 outcome document states that new sources of financing, such as public-private partnerships and South-South cooperation, are complementary and not a substitute for traditional means of implementation

This is critical in the context of current negotiations around climate finance. Country ownership is one of the key principles underpinning The Green Climate Fund, and yet the establishment of a Private Sector Facility which would allow businesses to go directly to the Fund for money threatens to undermine national processes for determining priorities for climate finance. We also emphasize in this context that finance from the Green Climate Fund must take the form of grants and not debt-creating instruments such as loans. Loans are contrary to the principle of climate finance as an obligation on the part of countries that stems from their historical responsibility for climate change. As stated by Dr Cephas Lumina, the UN Independent Expert on the effects of foreign debt on human rights, debt-creating instruments also have the potential to undermine the enjoyment of human rights by those who shoulder the burden of climate change: women, rural and indigenous peoples, and the poor in developing countries. "Climate finance is not a matter of charity, and should be seen as a legal obligation under the United Nations Framework Convention on Climate Change and a moral responsibility on the part of those that have contributed the most to it."

Finally, in addressing each of the challenges I've outlined, the effective representation of civil society groups, including women, in all governance and decision-making processes is fundamental. Ultimately, the decisions that are made by this Committee and the other bodies currently grappling with new models and goals of development will affect us most of all.