Policy Brief #3
Recommendations on Means of Implementation in the New Global Partnership for Sustainable Development

for the UN General Assembly Open Working Group on Sustainable Development Goals (OWG on SDGs)

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The recommendations on means of implementation presented here have been compiled from two civil society consultations conducted by UN-NGLS in 2013: a teleconference-based consultation that resulted in the report *Advancing Regional Recommendations on the Post-2015 Agenda*, and an online consultation on four post-2015 reports to the Secretary-General. A list of organizations that participated in these consultations is available here. This policy brief also draws on recommendations from the consultation that UN-NGLS undertook for the Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System in 2009 and the consultation it carried out for the UN Secretary-General's High-level Advisory Group on Climate Change Financing (AGF) in 2010. In addition, it includes elements from *A Call for a Global Partnership for Just and Transformative Development in the Post-2015 Era* by the CSO Partnership for Development Effectiveness (CPDE). While presenting a wide range of views, this brief does not intend to represent the complete breadth of perspectives and recommendations from civil society on the subject of means of implementation[1] in the new global partnership for sustainable development.

Many consultation participants asserted that the adoption of global Sustainable Development Goals (SDGs) will be meaningless unless strong means of implementation are in place. The post-2015 development agenda must go well beyond the limited set of means of implementation captured under Goal 8 of the Millennium Development Goals (MDGs) framework (a "global partnership for development"), and must be anchored to firm time-bound targets and objectives. Civil society networks pointed out that in practice, Goal 8 is the primary responsibility of industrialized countries, but has shown the least progress in implementation – even though this global partnership for development was supposed to create the "enabling international environment" to support implementation of the other MDGs. This lop-sided pattern must be reversed in the new global development framework, so that means of implementation are realized well before the target date(s) of the new substantive global goals.

Questions related to means of implementation cannot be disassociated from the need to tackle the major global macroeconomic, systemic, and structural reforms required to create the truly stable and

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[1] As described in a UN Technical Support Team issues brief for the sixth session of the OWG on SDGs, "The notion of 'Means of implementation' describes the interdependent mix of financial resources, technology development and transfer, capacity - building, inclusive and equitable globalization and trade, regional integration, as well as the creation of a national enabling environment required to implement the new sustainable development agenda, particularly in developing countries."

enabling international environment needed for the implementation of sustainable development goals. These reforms were already called for by civil society ahead of the 2010 MDG+10 Review Summit[2] and are essential to accelerate progress in the achievement of the existing MDGs and to prevent major setbacks such as the 2008 food and financial crises.

In the current post-crisis context of widespread practice of austerity by governments around the world, the new global partnership for development is increasingly referred to in terms of partnerships with the private sector, where private finance is expected to complement shrinking public resources. The level of investment that will be required to achieve the global transition to sustainable development is unprecedented and will far exceed the non-binding goal set by developed countries in the 2009 UNFCCC Copenhagen Accord to mobilize US $100 billion a year by 2020 for climate change mitigation. The US $100 billion goal itself is widely viewed as arbitrary and inadequate for meeting the financing needs for climate mitigation. In debates about climate and sustainable development finance, it is often proposed that private sources must be tapped to generate long-term stable and affordable finance. Civil society consultation contributors emphasized, however, that the private sector cannot be expected to support the transition to sustainable development on a purely voluntary basis, and only strong, democratically-defined public policies (including new laws and regulations) can steer public and private investments on the scale and with the predictability required to manage the transition. A number of safeguards must be put in place to ensure that public-private partnerships support and do not undermine sustainable development and human rights.

Just as importantly, the new development agenda must call for the mobilization of new and innovative sources of public finance, and must limit undue losses. This will require: new international taxes; global rules to ensure that wealthy individuals and corporations contribute their fair share of taxes; and equitable treatment between debtors and creditors in the face of recurring sovereign debt crises, which have caused major regressions in human rights.

To be effective, the post-2015 agenda must also include much stronger accountability measures to ensure delivery on commitments. The principle of common but differentiated responsibilities must be respected, taking into account the historical responsibilities of industrialized countries. Lack of accountability has enabled developed countries to shirk their long-standing commitment to contribute 0.7% of annual gross domestic income to official development assistance (ODA); this "global development partnership" commitment, which dates back to 1970, is still widely unfulfilled and must be met unconditionally.

The new development framework must also prioritize greater domestic resource mobilization. Much can be done in this regard at country level, but international cooperation is also required to overcome systemic flaws that prevent or discourage countries from taking bold progressive tax measures on their own.

Detailed recommendations from civil society consultation participants are presented below, organized according to the following six objectives:

1. Reform the international financial architecture;
2. Reform the international tax architecture;
3. Reform the international development and climate finance architecture;

[2] See Reports of the UN-NGLS Consultation and Informal Interactive Hearings of the General Assembly with non-governmental organizations, civil society organizations, and the private sector in preparation for the 2010 MDG+10 Summit.

4. Reform the international trade and investment architecture;
5. Adopt strong safeguards in the implementation of public-private partnerships; and
6. Increase domestic resource mobilization.

1. Reform the international financial architecture

a) Improve financial regulation, including through the use of capital controls, and reverse the financialization of the economy in a manner that allows for a sustained shift of resources from the financial economy back to the real economy, prioritizing employment-intensive, low-carbon, and low-resource intensive production.
b) Prioritize support to micro-, medium, community-based, and cooperative enterprises, where the overwhelming majority of jobs around the world are created, notably through measures such as national and international guarantee funds, grants, and highly concessional long-term loans.
c) Rein in the power of "too big to fail" institutions through enforceable national and international regulations that would sanction them as "too big to allow," and implement a range of measures to prevent the socialization of the costs of corporate wrongdoing.
d) Regulate food and commodities markets to curb price volatility, while rendering illegal any high-yielding financial instruments that lack social purpose.
e) Address the problem of unsustainable debt, including by: i) reviewing onerous debts and cancelling those deemed illegitimate; ii) prioritizing resources for meeting development goals and human rights obligations over debt repayments, especially in Least Developed Countries (LDCs); iii) establishing an independent and fair debt arbitration court that can provide a single statutory framework for debt crisis resolution by ensuring that both creditors and debtors cooperate to restructure sovereign debt, while taking into account the unique economic conditions of debtor countries; and (iv) preventing human rights violations during a debt crisis by declaring a debt standstill and pursuing counter-cyclical fiscal and monetary policies (with international assistance if needed) rather than austerity measures.
f) Reform and democratize international financial institutions to ensure that they: i) give much greater voice to developing countries, particularly LDCs; ii) genuinely respond to national and regional circumstances and priorities; iii) catalyze productive investments, including in clean production systems; and iv) abide by the international human rights obligations of States.
g) Limit exchange rate volatility, notably by developing and implementing an effective regulatory system for countries and blocks of countries that issue reserve currencies, and transitioning from overdependence on the US dollar in international transactions towards a supranational reserve currency – with revamped Special Drawing Rights as a proxy leading towards such currency.
h) Promote new financial and monetary architectures at the regional level, by: i) establishing regional monetary funds that would pool foreign currency reserves to combat speculative attacks and to compensate for economic asymmetries within the region; ii) extending intra-regional trade through regional complementary currencies; and iii) establishing or consolidating regional development banks that finance transformative objectives in alignment with the realization of economic, social, and cultural rights and environmental regeneration.
i) Foster inter-regional learning on best practices for new regional financial and monetary architectures, drawing especially on such experiences from Latin America.

2. Reform the international tax architecture

a) Implement financial transaction taxes regionally and at the global level.

b) Agree internationally to automatic exchange of information of bank holdings, country-by-country reporting of transnational corporations (TNCs), and the closing of tax havens, as indispensable measures to prevent tax avoidances and enable progressive redistributive taxes; upgrade the UN Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body.
c) Adopt regional and global agreements to reverse the "race to the bottom" in national tax concessions to foreign corporations, which may extend to prevent other perverse incentives, such as weakening labour and environmental standards to attract foreign investments.

3. Reform the international development and climate finance architecture

a) Refrain from treating foreign direct investment (FDI) as a substitute for ODA; the long-standing commitment of developed countries to dedicate 0.7% of gross domestic income to ODA should be met unconditionally. Implement a new rights-based approach of financial transfers beyond ODA in the form of a mandatory system, a fiscal equalization scheme, or a compensation scheme, to pay off climate debt and other forms of ecological debt.
b) Conclude a fair, ambitious, and binding international climate change agreement, which should include a finance package that primarily focuses on non-market mechanisms to address climate change and ensure that developed countries provide the required funds and technology to developing countries, in line with the principle of common but differentiated responsibilities.
c) Make a legally binding commitment to provide climate finance at a much higher level than the developed countries' "goal of mobilizing jointly US$100 billion a year by 2020 to address the needs of developing countries" in the context of climate change mitigation, as pledged in the 2009 UNFCCC Copenhagen Accord.[3]
d) Ensure that climate finance is balanced between mitigation and adaptation, and that adaptation projects – for both practical and ethical reasons – are funded by grants rather than loans, so that they do not place onerous debt burdens upon developing countries, particularly the LDCs and Small Island Developing States (SIDS), who have contributed the least to climate change[4] but are the most vulnerable to climate disasters.
e) Activate the use of Special Drawing Rights as an innovative source of development and climate finance.

4. Reform the international trade and investment architecture

a) Review international trade and investment agreements, which restrict the ability of governments to regulate foreign investments in the public interest, impose barriers to technology transfer, prevent fair taxation, and include other measures inconsistent with the objectives of sustainable development.
b) Address the problem of excessive concentration of corporate power, such as global cartels that stifle innovation and crowd out alternative initiatives, notably by developing international anti-trust laws and institutions and by reinstating the equivalent of the former UN Centre on Transnational Corporations – an independent entity to monitor TNCs and help ensure that States respect their commitments to regulate them.

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[3] This Accord was drafted by only five countries and was not adopted by delegates; it was merely noted. Civil society widely views the US $100 billion goal as arbitrary and far below what science and equity demands to address climate change.
[4] According to the Global Humanitarian Forum Human Impact Report (2009), "The 50 least developed countries contribute less than 1% of global carbon emissions." This finding is supported by annual data for carbon dioxide emissions per country available from the UN Statistics Division.

c) Ensure that the trade architecture provides the flexibility for developing countries to adopt trade, public procurement, and other policies to protect and promote the livelihoods of small producers, achieve food security, ensure access to affordable medicines and technology, and foster nascent domestic industries, including by giving Special and Differential Treatment (SDT) serious weight, operationalization, and legal status for developing countries in the next phase of negotiations at the World Trade Organization (WTO).
d) Phase out agricultural and fisheries subsidies in developed countries that harm the livelihoods of farmers and fisherfolk in developing countries.
e) Rapidly close the implementation gap of the technology transfer commitments laid out in Agenda 21 of the 1992 UN Conference on Environment and Development and the Plan of Implementation of the 2002 Johannesburg World Summit on Sustainable Development, and reaffirmed in the outcome document of the 2012 UN Conference on Sustainable Development, which underlined "the need for enabling environments for the development, adaption, dissemination and transfer of environmentally sound technologies," notably through foreign direct investments, international trade, and international cooperation (paragraph 271).
f) In this regard, adopt new flexibilities in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and the local content requirements restrictions in the WTO Agreement on Trade-Related Investment Measures (TRIMS), to accelerate the transfer of clean technologies to developing countries; repeal any provisions (including so-called "WTO plus" provisions) in bilateral and regional trade and investment treaties that stand in the way of accelerating the transfer of affordable clean technology to developing countries.

5. Adopt strong safeguards in the implementation of public-private partnerships

a) Ensure that international and national financing partnerships with the private sector are subject to mandatory accountability safeguards to ensure that financing is allocated to businesses that are creating decent work and contributing to the expansion of the domestic tax base rather than tax evasion. Ensure that criteria related to "equitable distribution" and "affordability" – and not only to "access" – are met; further ensure that these safeguards prevent the socialization of costs in the case these projects fail.
b) Frame partnerships with the private sector within the UN Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework (adopted by the UN Human Rights Council and the General Assembly in 2011), and supplement these principles with binding enforcement measures, including legislation, court adjudication, and penalties for violations.
c) Respect, protect, and promote social and environmental justice and human rights, including by complementing the provisions of the Declaration on the Right to Development. The rights of communities affected by projects, particularly marginalized and Indigenous peoples, must never be violated for development. Ensure democratic control of natural resources.
d) Create multi-stakeholder governance structures, ensuring equitable and inclusive representation that promotes gender equality and includes members of civil society and affected communities. Ensure that respective stakeholder groups, rather than a Secretariat or other management entity of the partnership, nominate representatives to partnership bodies. Prohibit corporations and their interest groups from having undue influence over agenda-setting and political decision-making by governments.
e) Identify and design projects through "bottom up" processes that include affected citizens and empower historically marginalized people to participate.
f) Clearly define the roles and responsibilities for each partner; while doing so, prioritize public

delivery of services, which has historically and consistently best served the public interest.

g) Ensure that the public sector does not incur unsustainable debts and fiscal commitments (including contingent liabilities) that compromise its capacity to serve diverse needs of its people.
h) Adopt ethical guidelines that address any real, perceived, or potential conflicts of interest.
i) Enhance the key development effectiveness principle of country ownership. Ensure that sustainable development policy and implementation is in line with country priorities and national contexts, with expertise sourced through transparent and inclusive processes that are gender balanced and involve affected communities, particularly Indigenous peoples.

6. Increase Domestic Resource Mobilization

In some cases, the following measures need to be backed by enabling international policies and rules outlined above to be fully effective in a context of globalized financial markets and unrestricted corporate capital movements.

a) Implement progressive taxation measures on wealthier companies and individuals, and reverse regressive tax measures, such as high value-added taxes (VATs), especially on essential products; ensure that progressive tax reform takes into consideration the impact of tax codes on human rights, especially of the more vulnerable groups.
b) Phase out subsidies that support unsustainable production and consumption patterns and redirect these large amounts of resources to fund sustainable development, while ensuring that poorer income groups are not negatively affected by these measures.
c) Adopt targets to shift government resources away from military spending and towards social spending.
d) Include in the Sustainable Development Goals domestic resource mobilization targets related to: i) progressive taxation; ii) corporate taxation; and iii) increasing the ratio of tax revenue to Gross Domestic Product, recognizing that countries have different starting points and ensuring that middle and low-income groups are not negatively affected.