



Washington DC, November 17 2014

H.E. Mr. Ban Ki-Moon

Secretary General

United Nations

CC: Ms. Amina J. Mohammed

Special Adviser to the UN Secretary General for Post-2015 Development Planning

We, member organizations and networks of the RightingFinance Initiative, are writing to address the following requests in regards to the upcoming Synthesis Report that your office is preparing as input for the intergovernmental negotiations on the Post-2015 Development Agenda Summit.

We have from the very beginning welcomed the emphasis that the UN System Task Team and your office placed on human rights and equality as two of the three main pillars of the post-2015 development agenda. We believe that such centrality calls for the promotion of human rights and equality not only in the goals themselves, but also in the full range of means of implementation. Our analysis of the experience of the Millennium Development Goals concludes that failure to align the means of implementation with human rights standards risks hampering not only human rights but also development effectiveness.

Aware that the Intergovernmental Committee of Experts on Sustainable Development Finance was tasked with provided a key input for deliberations on the means of financing, we have carried out an audit of the output produced by such Committee. In this document, which we attach in full for your consideration, we have assessed the Committee's proposals through the lens of international human rights principles including those of maximum available resources, non-retrogression, minimum core, non-discrimination and equality, participation, transparency and accountability, access to justice and access to remedies.

A reading of our assessment will show that while we find several of the Committee's recommendations useful steps towards the realization of human rights, we also find others fail to utilize and build on grounds available among existing human rights standards.

We would like to request that your Synthesis Report, in line with your earlier statements, builds on international human rights law for its recommendations on financing means of implementation of the post-2015 development agenda. Human rights commitments— as legally-binding and universal norms aimed to promote human dignity and well-being —should be a central benchmark for assessing whether the financing

of sustainable development is sufficient, progressively generated and allocated, and accountable in the lead up to the Third Financing for Development Conference (FfD) in July 2015, the Post-2015 Development Agenda Summit, and in the implementation of their outcomes.

For such purpose, a helpful procedural aspect your report could address is that the modalities of negotiations leading towards the Summit ensure civil society access and that civil society has the chance to make interventions from the floor at the discretion of the chair, which would provide a stronger platform for civil society participation in such negotiations. Substantively, we believe that your Synthesis Report should:

- Recognize the role of public finance in increasing equity, providing public goods and services that markets will eschew, provide incentives to change behavior of market actors and strengthening public accountability. Progressive fiscal policy must be central to a revenue raising strategy. This is in line with the Special Rapporteur on Human Rights and Extreme Poverty's call for governments to seek to increase tax revenue in a manner compatible with their human rights obligations of non-discrimination and equality, and increase the allocation of revenues collected to budget areas that contribute to the enjoyment of human rights including, importantly, women's rights and gender equality.
- Support that public spending be consistent with national sustainable development strategies, inclusive of environmental, social, economic, gender, and other goals, and planning and execution of budgets based on transparency, legitimacy, accountability and participation of citizens, including through public sector internal and external control mechanisms, such as supreme audit institutions.
- Call on all States to refrain from any conduct that impairs the ability of another State to raise revenue as required by their human rights commitments. Domestic public revenue-generation strategies should be fully backed up by international cooperation on tax matters that cover, inter alia, country-by-country reporting, publicly-accessible registries of beneficial ownership, automatic exchange of tax information, transfer pricing regulations, lists of tax havens and standards for non-economic reporting.
- Recommend strengthening of social protection floors and macroeconomic and fiscal policies that promote full and productive employment and investment in human capital. Lenders and donors should respect the necessary policy space for individual countries to implement such policies.
- Call for a deep overhaul of the IMF/World Bank Debt sustainability framework to take into account that unduly burdensome debt service represents an obstacle to the fulfillment of human rights obligations in many countries.
- Call upon States to ensure that the renegotiation and restructuring of external debt and the provision of debt relief when appropriate does not derogate from their obligations to respect, protect and fulfill human rights. All States should constructively engage in ongoing discussions at the General Assembly to establish a multilateral legal framework on sovereign debt restructuring with a view to ensure it is: 1) neutral and independent, 2) designed to resolve disputes concerning the restructuring of sovereign debt, based on the obligation of States to respect, protect and enforce human right, both in their territories and extraterritorially, 3) comprehensive and binding for all creditors, public and private, bilateral and multilateral. Such framework

should also contemplate an immediate stay of all payments as of the initiation of proceedings, make a determination about what constitutes a sustainable debt burden taking into account the need to recover ensure the population's human rights are met and provide opportunities for participation, accountability and transparency that encompass the debtor country's population.

- Reaffirm the demand that donor countries meet the 0.7 per cent of GNI target for ODA. In addition, States should pursue innovative sources of finance whose feasibility is technically proven, such as Financial Transaction Taxes, Special Drawing Rights, a 'Sustainable Development Solidarity' progressive capital tax or a range of environmental taxes.
- Recommend utilization of a toolkit of capital instruments for managing capital inflows, including macroprudential and capital market regulations, as well as direct capital account management, and that the International Monetary Fund encourages countries to do so.
- Refrain from recommending, in the name of fostering a better business environment, one-size-fits-all reforms and a deregulatory bias. Improvements in rule of law and human rights standards should be pursued on their own, and not as an instrument to attract foreign investment.
- As a way to foster sustainability and human rights considerations, recommend adoption of legislation to make private companies accountable for human rights abuses, including reporting on human rights, environmental, social and governance impacts. In this regard, support ongoing efforts at the Human Rights Council to elaborate an international legally binding instrument to regulate, in international human rights law, the activities of Transnational Corporations and Other Business Enterprises that complements the Guiding Principles on Business and Human Rights.
- Recommend that "blended finance" mechanisms are not undertaken unless a previous assessment reveals they will lead to efficiency gains and benefits that will be fairly distributed, governance and institutional structures exist for the protection of taxpayers and consumers, returns to be perceived by the private sector are not excessive, additionality is beyond doubt, and human rights and sustainable development impacts will be positive. Where pursued, all stages of "blended finance" projects, selection, negotiation, implementation and monitoring, should live up to human rights standards of participation of, and transparency to, all affected. Undertaking of "blended finance" projects should be gradual and go in pace with the existing capacity in the State implementing them. There is no valid justification for States undertaking multiple projects at once when their capacities for adequately managing one are still being put to the test.
- In the case of "Partnerships" in pursuit of the post-2015 goals that involve a wide range of stakeholders, ensure specific ex ante criteria be established to determine whether a specific private sector actor is fit for it, which should include 1) whether the private actor has a history or current status of serious allegations of abusing human rights or the environment, including in their cross-border activities; 2) whether the private sector actor has a proven track record (or the potential to) deliver on sustainable development, as articulated by the UN outcome by 2015, including ruling out conflicts of interest antithetical or contradictory to the UN Charter, the Universal Declaration on Human Rights, and the SDG framework; 3) whether the private

sector actor has previous involvement in acts of corruption with government officials; and 4) whether the private actor is fully transparent in its financial reporting and fully respecting existing tax responsibilities in all countries within which it operates. Private sector financing and public-private partnerships for sustainable development should likewise be accompanied by mandatory transparency and accountability safeguards in compliance with human rights norms and standards putting people's rights before profit. These are minimal safeguards to save the UN from potential reputational shocks if chief private financiers it engages with were found to be also chief violators of its most cherished principles.

- To ensure that investments do not undermine international human rights standards, recommend correction of existing imbalances in international investment agreements between protection of investors and the sovereign capacity to regulate in the interest of sustainable development and human rights. Likewise, recognize that the WTO Doha Round has outlived its development focus, and call for a review of current trade rules not compatible with member governments' requirements to comply with their human rights obligations.
- Stress the importance of deepening financial re-regulation in order to prevent socialization of risks and privatization of benefits, excessive speculation, market opacity and increasing financialization of natural resources from undermining human rights, equality, and a shift to more sustainable consumption and production patterns in all countries.
- Request that States to exercise their responsibility to act collectively to put in place an international monetary system that enhances, rather than limits, the space of individual governments to take actions on monetary, and also fiscal, policy to support human rights for all. Such system should include new sources of finance freed up through the Special Drawing Rights whose overhaul and allocation.

Your Excellency, in your Synthesis Report you have the historical chance to call for a reaffirmation of the Global Partnership for Development that is framed by existing human rights commitments adopted by the international community. If you choose to do so, you will be empowering with the authority of your office a call that comes from the citizens and communities across the world, hungry for that kind of leadership. We stand ready to assist in the implementation of such agenda, and will be glad to assist in other ways your office deems fit.

Sincerely yours,

RightingFinance Initiative<sup>1</sup>

---

<sup>1</sup> Association for Women's Rights in Development –AWID, Center for Economic and Social Rights –CESR, Center for Women's Global Leadership –CWGL, Center of Concern, CIVICUS: World Alliance for Citizen Participation, Development Alternatives with Women for a New Era –DAWN, International Network for Economic, Social and Cultural Rights -ESCR-Net (Working Group on Economic Policy and Human Rights), IBASE (Brazil), Social Watch