CENTER FOR ECONOMIC AND SOCIAL RIGHTS AT 20
TWENTY YEARS WORKING FOR SOCIAL JUSTICE THROUGH HUMAN RIGHTS

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"Coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda"

Thematic debate 2: "Mobilization of financial resources and their effective use for sustainable development"

Remarks delivered by Niko Lusiani, Center for Economic and Social Rights

Mr. President,

I would like to begin with a simple proposition. Ensuring coherency, coordination and cooperation in sustainable development financing requires a common set of principles and foundational standards - a shared reference point for analysis, action and accountability, which would in turn mobilize a sense of collective purpose beyond naked self-interest.

The MDGs, some say, provided just this type of shared aspirations. Yet, they were always meant to be temporary and transitional. As the Millenium Declaration made clear in fact, they were always meant to be rooted in a set of common principles with great staying power and legitimacy, and a fundamental pillar of the UN system - human rights.

The significant challenge of financing sustainable development in the 21st century, we would argue, will be most effectively and legitimately met if the existing set of human rights standards form its foundation.

What would this look like? I'd like to focus on 4 implications of founding the financing of sustainable development on human rights standards as embodied in international law and many governments' Constitutions.

First, capable and legitimate governments have the primary role of ensuring human rights in development. While the private sector makes important contributions, business- and investor-friendly policies have led too often to prioritizing certain incentives—be they tax exemptions, weakened labor and environmental protections, abusive stability and investment clauses, risk guarantees, private access and influence over public policy, biased market liberalization and deregulation–all of which have undercut the foundations for sustainable development, driven inequality and undermined human rights over the past decades. In this sense, tapping private investment should be seen as subservient, not complementary, to the public's sovereign role in defining and implementing sustainable development.

Second, fiscal policy has a hugely untapped potential to generate sufficient public resources, combat inequalities of all kinds, redistribute decision-making power over sustainable development, and reinforce accountable governance. In the face of a changing climate of austerity and perceived resource scarcity, governments could unleash, according to the UN and other robust sources, over US$1.5 trillion annually in additional public funding through a series of complementary domestic and global fiscal commitments based on the principle of common but differentiated responsibilities. Not only could these reforms decrease the dangerous scramble for private financing by boosting many countries out of their low-revenue traps without threatening other macroeconomic imperatives. If designed right, these reforms can also simultaneously undercut the corrosive levels of socio-economic inequality by making the generation and use of public resources more transparent, participatory, accountable, equitable and therefore much more effective than relying on the good nature of private financiers.

This leads to the third point. The SDGs represent a once-in-a-generation opportunity to incentivize governments to take bold steps individually and in concert to cultivate just these strong and accountable fiscal foundations—thereby marshalling domestic resources while democratizing and re-tooling a defunct global tax regime. The SDGs then should include concrete targets to strengthen these fiscal foundations. Some examples:

a) **Reduce economic inequality within countries through enhanced progressive taxation on income and wealth**

b) **End cross-border tax evasion, return stolen assets and progressively combat tax abuses, with collective sanctions for private and public actors refusing to cooperate**

c) **Raise sufficient public resources to finance high quality essential services for all, for example through a commitment to a universal domestic resource floor of 20% tax/GDP.**

d) **Support transparent, participatory and accountable fiscal governance, both domestically as well as throughout global reforms such as the OECD's BEPS process.** (Few things could drive efficiency of resources more than allowing the so-called beneficiaries to monitor how these funds are raised and spent, and hold those responsible to account)

e) **Meet minimum spending benchmarks for each goal, drawing on existing commitments to progressively equalize enjoyment of sustainable development by all social groups**

f) **Improve availability, accessibility, disaggregation and quality of data of a national and global scope about what resources are available, how they are raised and spent, including data needed to tackle cross-border tax evasion.** A data revolution is a means, with the end goal of working together to nurture robust, responsive and accountable public sector, and this depends to a great extent on the state's fiscal foundations.

Lastly, bright lines of accountability, based on international human rights law, are needed in any Global Partnership for Development to ensure the rules of the road, integrated, independent reporting of performance, and credible sanctions to prevent any partners – in particular business entities and investors – from abusing the prestige and hard-won legitimacy of the United Nations by funding with one hand, while undercutting human rights in sustainable development with the other.

Human rights-centered fiscal policies—nationally and globally—are not only necessary as a matter of morality and justice. They are crucial to ensuring a more predictable, more egalitarian, more accountable and more coherent system for financing sustainable development in these times of great uncertainty and transition.

Thank you.