

Key messages on Human Rights and Financing for Development

Preparations for the Third International Conference on Financing for Development to be held on 13 to 16 July in Addis Ababa, Ethiopia are well underway. Ensuring that a post-2015 sustainable development financing framework – which will be at the heart of the post-2015 development agenda - is consistent with existing human rights agreements, principles and obligations is a key priority for OHCHR. Over the past years, important gains have been made in mainstreaming human rights in the post-2015 development framework. The Open Working Group on Sustainable Development Goals reaffirmed in the Rio+20 outcome document “*The Future We Want*” (A/Res/66/288 para. 246) that goals should be consistent with international law and build on existing commitments. It is critical that these gains are also fully captured in the financing for development outcome document. Below we highlight 15 essential elements that all stakeholders should promote to mobilize the necessary means of implementation for the post-2015 development agenda and to foster policy coherence and inclusive and equitable global economic governance.

- 1. Endorse a financing framework that equals the ambition of the post-2015 development agenda –** To mobilize the unprecedented amount of resources needed for the implementation of the new agenda, all stakeholders are called upon to effectively mobilize all available resources, including through new and innovative sources of finance (such as financial transaction taxes and carbon taxes) that are additional to traditional ODA, predictable and stable, and distribute global income to reduce inequalities. This corresponds closely with the obligation, under core human rights treaties, of States acting individually and collectively to mobilize and allocate the maximum available resources for the progressive realization of economic, social and cultural rights, as well as the advancement of civil and political rights and the right to development.
- 2. Meet existing ODA commitments and target ODA towards the poorest and most vulnerable in all societies –** Meeting existing ODA commitments fully and in a timely manner will be critical to achieve the goal of ending extreme poverty by 2030 and represents one key step toward the fulfilment of State human rights commitments to mobilize maximum available resources, including through international cooperation, for the promotion, protection and fulfilment of human rights. Pursuant to relevant human rights principles, ODA should be effective and transparent, it should be administered through participatory and accountable processes, and it should be targeted towards the people, groups, and countries most in need, including those States where the ability to mobilize domestic resources is weakest.
- 3. Ensure that domestic laws and policies promote participatory, human rights-based development–** National governments bear the primary responsibility for development in their own countries. National financing strategies, fiscal policies, tax systems, subsidies, development plans, and budgets should benefit the poorest and most marginalised and be the product of transparent and participatory processes. Effective governance for sustainable development demands that public institutions in all countries and at all levels conform to international human rights standards and principles and thus that they be non-discriminatory, inclusive, participatory, and accountable to people. Laws and institutions must protect human rights under the rule of law, including in the economic sphere.
- 4. Promote an enabling international environment for development –** All countries bear responsibilities for international cooperation and to create an international order in which all human rights can be realized. MDG Goal 8 on a “global partnership for development” was the weakest of all MDGs, lacking time-bound targets, as well as failing to address global inequalities and power imbalances. The new global partnership for sustainable development must address these gaps. It must also tackle global inequities including in trade, finance and investment, as well as combatting corruption, illicit flows of funds, trade mispricing and tax evasion.

5. **Secure universal access to quality financial services** - Countries should strive to provide universal and transparent access to affordable and appropriate financial services across income, gender, geography, age and other groups. This also implies establishing effective regulation, recourse mechanisms and consumer protection agencies to prevent predatory lending and ensure greater financial literacy of consumers.
6. **Fully reflect the human rights of all people, including women and girls, indigenous peoples and migrants** – Specific barriers to women’s access to finance must be eliminated. Women and girls must have equal access to financial services, and the right to own land and other assets. Indigenous peoples’ rights should be fully reflected in line with the UN Declaration on the Rights of Indigenous Peoples. In particular, their rights to their lands, natural resources and territories, and to the benefits from their traditional knowledge should be protected. Actions likely to impact their rights should not be taken without their free, prior and informed consent. The human rights of migrants should be protected, regardless of their status and discriminatory barriers to their development should be removed. Migrants should not be treated as an economic commodity and policies on remittances should take into account that remittances are private sources of finance and seek to reduce their costs for migrants.
7. **Ensure that public private partnerships and blended finance instruments do not undermine human rights efforts and that the risks and benefits of investments are shared equitably** - States have an obligation to actively prevent investments from undermining human rights. They must ensure that all investment activities, including foreign direct investment, comply with human rights obligations. States should establish appropriate regulations and oversight mechanisms to protect human rights from the potentially negative impacts of public-private partnerships and blended finance instruments.
8. **Ensure that businesses respect their human rights responsibilities in accordance with the UN Guiding Principles on Business and Human Rights** – As businesses assume an ever-expanding role in the development and economic spheres their adherence to the human rights responsibilities outlined in the UN Guiding Principles on Business and Human Rights becomes increasingly critical. In working together, States and businesses should incorporate social, environmental, labour, human rights and gender equality considerations into their activities and subject public private partnerships to human rights safeguards and rigorous due diligence, including human rights impact assessments. Businesses can thereby identify, prevent and mitigate any risk of adverse human rights impacts. Measures should be taken to ensure that the provisions of international trade and investment agreements do not protect investor interests at the expense of State policy space to promote the realization of human rights.
9. **Make reporting on social, environmental and human rights impacts mandatory in cases where business activities pose a material risk to the enjoyment of human rights** - All countries should adopt policies and institutional, legal and regulatory frameworks to encourage responsible and accountable investment in sustainable development. Such frameworks should include human rights and sustainability criteria and align investor incentives with the SDGs. They should go beyond voluntary reporting and require all companies to undertake mandatory Economic, Environment, Social, and Governance (EESG) reporting commensurate with the level of risk posed by their activities.
10. **Ensure that global intellectual property regimes do not impede the benefits of development from reaching the poor and marginalized, including through application of TRIPS flexibilities** - Ensure that environmentally clean and sound technologies are fairly priced and broadly disseminated, that the cost of their development is equitably shared, and that their benefits are more evenly spread both between and within countries, including the poorest, and take account of the impacts on human rights while at the same time recognizing the need for intellectual property regimes to create appropriate incentives to meet the SDGs. Indigenous peoples’ rights need to be fully reflected. Indigenous peoples have the right to participate in decision making related to and to benefit from the use of their knowledge, innovations and practices.

- 11. Strengthen arrangements for transparent, orderly, and participatory sovereign debt restructuring** - States have committed to cooperate to mobilize maximum available resources for the progressive realization of human rights. Unsustainable debt burdens should not be permitted to threaten State efforts to fulfil their human rights obligations. All States would benefit from a permanent, fair and effective sovereign debt workout mechanism. Furthermore, all States, international financial institutions, relevant United Nations agencies, funds and programmes and the private sector, should cooperate to avoid sovereign debt crises by agreeing to guidelines that ensure sustainable, transparent lending and borrowing that benefits and is accountable to people, taking into consideration the guiding principles on foreign debt and human rights endorsed by the United Nations Human Rights Council.
- 12. Ensure that climate change mitigation and adaptation is being tackled in alignment with existing human rights agreements, principles and obligations** - Climate change affects people everywhere. Yet, the poorest and most marginalised individuals, communities and countries that have contributed the least to greenhouse emissions often bear the greatest burden. Efforts to mitigate and adapt to the impacts of climate change should therefore meet the special needs and circumstances of developing countries and of vulnerable and marginalised persons everywhere. For example, harmful fossil fuel and agricultural subsidies, both direct and indirect, should be phased out with safeguards that minimize the impact on the poorest and most vulnerable.
- 13. Promote policy coherence and further reform of global economic governance** – A roadmap should be put in place for economic governance reforms that ensure fair representation of emerging and developing countries in international financial and economic decision making, prevent future economic crises and promote sustainable, inclusive economic progress. Policy coherence, particularly human rights policy coherence, will be critical for the successful implementation of the post-2015 development agenda. This will entail taking measures to ensure coherence between current international legal regimes for trade, finance, and investment on the one hand and norms and standards for labour, the environment, human rights, equality and sustainability on the other hand.
- 14. Adopt a broader metric of well-being that complements GDP and recognises human rights and the multidimensionality of poverty** - A people-centred and planet sensitive post-2015 human rights and development agenda must adopt a broader measure of progress than GDP. It must take into account the three dimensions of sustainable development and be rooted in a human rights-based approach to development. The objective should be to capture the degree to which the strength of an economy meets the needs and rights of people, and how sustainably and equitably it does so.
- 15. Regularly review and monitor the global partnership for sustainable development based on specific, measurable, time-bound targets to ensure the accountability of all States for their commitments** - The reporting on Financing for Development should be based upon specific time-bound targets. The review of the global partnership for sustainable development should include a global peer review dimension, which should draw upon and feed into existing monitoring mechanisms, including by integrating in a structured manner the work of relevant human rights bodies. The monitoring of the post-2015 financing framework needs to go beyond the tracking of financial flows and also assess the development results of such financial flows as well as progress on addressing systemic issues. Monitoring efforts must be underpinned by a human rights-based data revolution that makes information more available, accessible and more broadly disaggregated to track development impacts for all people in all countries.