ENABLING ENVIRONMENT FOR FINANCING FOR DEVELOPMENT

Read by

Dr. Lisinka Ulatowska, Coordinator of the Commons Cluster.

The Commons Cluster is a Network of UN ECOSOC-accredited NGOs and others who are dedicated to supporting UN Member States in finding ways of developing a sustainable wolrd that serves the well being of all people and nature.

Thank you, Mr. Co-chair,

Since Doha, there have been two critical shifts:

 People and Governments are *partners* in building sustainability; and
 The sharing economy, where products and services are largely offered for free, has radically changed how development is being financed..

Here are three ways of using these shifts to access new sources of financing and maximizing these:

1. By empowering the sharing economy. The sharing economy focuses on providing access to resources rather than wielding power over these. The 90 democratically elected former Heads of State and Government who form the Club of Madrid, suggested 10 commitments governments could make to become what they termed shared societies. These are enumerated in the longer version of this statement, submitted to the Secretariat.

2. By providing universal access to the Internet. The sharing economy exists wherever we look. But on the Internet alone there is the equivalent of USD 1.3 trillion in Intellectual Property **for free**, including all forms of technology for sustainable development. Access empowers all to develop those aspects most needed and thus build sustainable communities leaving no one behind.

3. By enabling public private partnerships *with cooperatives*, the business arm of the sharing economy with their combined revenues of USD 3 trillion annually. Their Cooperative Identity is based on sharing both with their one billion members worldwide and with the communities from local to global levels in which each is situated. Societies worldwide will benefit the more cooperatives are given a level playing field, as follows:

- > no limits to cooperative activity;
- indivisible reserves should not be considered as income by the tax system, as it is not possible to make any kind of individual appropriation;
- > accounting standards should recognize cooperative members' shares as equity and not liability even if the members have an unconditional right of withdrawal; and
- they should not be made to carry more administrative burdens and costs than other types of companies (e.g. capital requirements, auditing)

Thank you, Mr. Co-Chair. (Word count 332)

Further information on above points

- 1. 10 Commitments of the Club of Madrid.
- 2. More information on the Sharing (Social and Solidarity) Economy

Here are the 10 Commitments suggested by the Club of Madrid with comments by the UN NGO MG Commons Cluster:

Commitment 1: Locate responsibility to ensure the promotion of social cohesion clearly within government structures

Comment: This means cohesion between all facets of government, including with

governments' representatives in their UN Missions, for these are in the best position to foster strong bonds with relevant global facets of Shared Society. There must also be feedback loops between representatives of Shared Society and relevant government structures for only then can governments tap into this huge resource.

Commitment II. Create opportunities for minorities and marginalized groups and communities to be consulted about their needs and their perception of the responsiveness of state and community structures to meet those needs.

<u>Comment</u>: The United Nations has made a remarkable start in involving these in global consultations (be it via email, NGOs in the field, UNDP or other UN agencies.); and summarizing the input received. If this process is to flourish and no one is to be left behind then it is critical that Governments both read the input received from the grassroots and *respond to it* in such a way that their citizens know they are being heard. Otherwise inevitable apathy and resentment will build against Governments and the UN and the latter will have lost contact with the very section of society they must reach for their poverty alleviation efforts.

Commitment III. Ensure that social cohesion is considered in devising governance structures, policy formulation and policy implementation and establish procedures and mechanisms to ensure this is achieved and to reconcile divergent positions between sectional interests.

Commitment IV. Ensure that the legal framework protects the rights of the individual and prohibits discrimination based on ethnic, religious, gender, or cultural difference.

<u>Comments on III and IV</u>: Important tools include (1) A full human-rights approach to empower all individually and in their community relations. This will go to a root cause of many conflicts. (2) Ongoing communication between people and their governments at all levels through the implementation of Rio Principle 10; and regular global and nationwide consultations; (3.) Education in and practice of peaceful conflict resolution starting with 8 year olds (as is already being done in a number of schools around the world); and the implementation of Eight Action Areas of the Culture of Peace.. **Commitment V.** Take steps to deal with economic disadvantages faced by sections of society who are discriminated against, and ensure equal access to opportunities and resources.

Comment:1. Providing access to the Internet and all of the many free and inexpensive resources this provides is a powerful tool to empower *all* people to develop their *individual* potential and to dip into the fount of creativity that exists within each. ODA can usefully be applied to this relatively inexpensive way of unleashing individual potential at every level of society, including among the most marginalized. Internet access can be facilitated to whole communities where there are computers with broadband Internet connections available to all residents, as well as facilitators who can access the Internet for those who are (IT) illiterate. Comment 2. It is essential there should be a level playing field for cooperatives. There should be no limits to cooperative activity; indivisible reserves should not be considered as income by the tax system, as it is not possible to make any kind of individual appropriation; accounting standards should recognize cooperative members' shares as equity and not liability even if the members have an unconditional right of withdrawal; they should not be made to carry more administrative burdens and costs than other types of companies (e.g. capital requirements, auditing)

Commitment VI. Ensure that physical environments create opportunities for, rather than discourage, social interaction.

<u>Comment</u>: Given the creativity of people, it would be helpful to ensure the Implementing Article 20 (1) of the UNDHR at all levels of society: Everyone has the right to freedom of peaceful assembly and association, as also access to modern communications technology. See also above comments.

Commitment VII. Ensure an education system that offers equal opportunity for developing the knowledge skills, capacities and networks necessary for children to become productive, engaged members of society and that demonstrates a commitment to a shared society and educates children to understand and respect others.

<u>Comment</u>: This should enable them to become accountable for their impact on the Earth System, (e.g. through constant awareness of their individual global footprints.); as well as of the positive contributions they are making to sustainable development.

Commitment VIII. Initiate the process to encourage the creation of a shared vision of society at local and national level.

<u>Comment:</u> (1) In shared societies the shared vision is a <u>living process</u> and requires people to have complete freedom to interact with others so that the vision can be adjusted fluidly as new challenges and opportunities emerge. as they see fit (See above comments). (2) Shared vision must be based on the well being of the whole inextricably interconnected Earth System, consisting of all people and nature. It must clarify opportunities and limits. Thus the vision must be accompanied by metrics such as global, water, carbon, biodiversity and ecological footprints; as well as ways of measuring and reinforcing positive contributions by individual, businesses, communities and nations; and ways of learning from one another.

Commitment IX. Promote respect, understanding and appreciation of cultural, religious and ethnic diversity and support local communities in exploring their identity, sharing

their experiences with other identity groups and working together with those groups on common concerns. (See all above Comments)

Commitment X. Take steps to reduce tensions and hostility between communities and ensure members of all communities are protected from abuse, intimidation and violence. Comment. Legal structures must be strengthened at all levels and further

developed at the global level to safely steward the Earth's resources; ensure their fair use; and to bring to justice those who harm the Earth System, including their fellow human beings. Proposals include that Ecocide is proclaimed and treated as a Crime Against Peace; the creation of an Environmental Court; the governance of the Earth System via the UN with input from all people globally, possibly by expanding the mandate of the Trusteeship Counsil. The use of citizens peacekeeping initiatives; and reconciliation courts using the UBUNTU approach which stresses the unity between all. (See also Comments under III)

2. More information on the Sharing (Social and Solidarity, Zero Cost) Economy

A GROUNDSWELL OF BUSINESSES AND COMMUNITIES BASED ON CARING, SHARING AND COOPERATION PROPELLING SUSTAINABLE DEVELOPMENT

Often overshadowed by social atrocities, natural disasters and economic crises, a powerful groundswell is emerging in our midst, based on caring, sharing, community and cooperation. Its various aspects are referred to as *cooperatives, commons, collaborative or solidarity economies and shared societies*. It is developing societal and business forms and other wherewithal well suited to an interdependent, sustainable world. It is doing so for free or financed through a combination of barter, alternative and hard currencies.

Governments are gradually becoming a part of this movement. The more they access this momentous resource the more they can help it develop and ensure no one is left behind. In so doing, they will partake of a very much broader concept of financing.

Here is a brief overview of some of its components and ways in which Governments can harness its full support for the implementation of the Sustainable Development Goals and the development of an effective Post 2015 agenda for sustainable development.

The overview of the components of this movement is followed by 10 suggestions made by 90-odd formerly democratically elected Heads of State and Government (Members of the Club of Madrid) who are proponents of this movement. These suggestions are elaborated on by the United Nations Major Group Commons Cluster, a network of individuals and representatives of UN ECOSOC accredited NGOs who are dedicated to enabling collaboration between this movement and Governments via the UN.

COOPERATIVES—Businesses that reinvest in their communities including globally

There are 2.6 million cooperative enterprises worldwide, which, like other businesses, are profit-based and contribute to the building of economies at all levels. They provide 250 million jobs (12% of jobs in the G20 countries). With (according to UN statistics) one billion members worldwide, they have annual revenues of USD 250 trillion—the equivalent of the 7th largest economy in the world.

Their Cooperative Identity is based on the principle of cooperation, expressed as follows:

- *Cooperation between their members* Since they are managed by their workers (i.e. owner-operated) profits are shared democratically among all involved, thereby creating a sense of cohesiveness among members as well as an ethic of hard work. They tend to do well even in times of economic downturn.
- *Cooperation and solidarity with the communities in which they are active*. Since most cooperatives belong also to international associations, a part of their profits go to the development of those in need locally, nationally and also internationally.

• Care for the environment.

Because of these characteristics, they weave together the social, economic and environmental pillars of sustainable development in their daily activities.

COMMONS tend to focus on accessibility rather than ownership.

Commons, like its business arm, *cooperatives*, are characterized by democratic decision making processes that are inclusive, transparent and fair, care for the resources they manage/steward and the equitable sharing of benefits. They are interested in providing accessibility to goods and services rather than ownership. On the Internet alone it is estimated that commons provide the equivalent of USD 1.3 trillion in Intellectual Property Rights *for free*, many under innovative commons-based licenses, such as Open Source, General Public Licensing or Copyleft.

COOPERATIVES AND COMMONS exist at every level of society worldwide.

These communities based on caring, sharing and cooperation have existed since time immemorial and are still a way of life for many Indigenous communities. Commons and cooperatives can consist of a few people or they can be huge national even global institutions. Examples of commons include: thousands of Ecovillages, Transition Towns, Sarvodaya communities globally; community-based rehydration and forest management initiatives, local currencies to reinvigorate flagging local economies; bicycle or car sharing. The Internet is a commons which contains many commons within it: gratis education in every conceivable field and at every level, including Harvard professors

lecturing to 10s of 1000s of students worldwide. All of MIT's coursework is available free of charge on line. There are blueprints for technology transfer that can be developed on line, including for renewable energy, that once developed would provide energy practically for free.

Examples of cooperatives include a few medical professionals sharing a common practice, farmers and fisherman sharing tools and voluntarily curbing their activities

glocally to regenerate species, land or water quality. Schools, universities, insurance companies, banks—businesses in every possible field are being run as cooperatives, including Des Jardins, the largest bank in Canada, Migros the huge Swiss supermarket chain, and HMOs in the USA. Agricultural products are the largest Danish export and these are produced almost exclusively by cooperatives.

GOVERNMENTS often play a key role in these so-called "solidarity economies".

They can support their development, use and implementation. Examples include trade unions, workman's compensation, national health systems, the Norwegian Pension Fund

and Franklin Delano Roosevelt's New Deal. Senegal has an Ecovillage Ministry. Governments via the UN administer Global Commons, including Antarctica, Outer Space and the Sea-bed Outside of National Jurisdiction.

COMMUNITIES OF CARING, SHARING AND COOPERATION HAVE COMMON

CHARACTERISTICS that go to the very heart of today's sustainable development efforts.

Here are just a few;

 They empower people to take responsibility for those resources and aspects of their lives that most contribute to the development of their individual potential;
 Each member, be they an individual, organization or nation, is recognized for his/her/ its individuality; diversity is seen as a means to strengthen the bonds that unite them.
 All participants are seen as equal in terms of decision making. This empowers all individually and increases their motivation to contribute to their common endeavours.
 All participants benefit from collective successes. This causes them to work hard, so that commons and cooperatives tend to do well even in times of economic downturn.
 These communities are inclusive, empower all stakeholders and leave no one behind.
 They are dedicated to the three pillars of sustainable development and naturally integrate these in their activities, thus overcoming the silo effect.

 They take good care of the natural and social resources and foster social cohesiveness.
 Together they dispose over huge financial assets and other invaluable resources that they share both internally and with the communities in which they are active.

9. They have become powerful engines for sustainable development worldwide.
10. Individual people, organizations and nations are increasingly members of multiple sharing communities, each person forming a node in a growing network of caring, sharing and cooperation that through its many inter-linkages unites people across national and other borders in a multiplicity of activities dedicated to sharing and sustainability.

Ethan Miller, founding member of the U.S. Solidarity Economy Network

(www.ussen.org) writes: "The core idea is simple: alternatives are everywhere and our task is to identify them and connect them in ways that build a coherent and powerful social movement for another economy. In this way, solidarity economy is not so much a

model of economic organization as it is a process of economic organizing; it is not a vision, but an active process of collective visioning."

OVER 90 DEMOCRATICALLY ELECTED FORMER PRESIDENTS AND PRIME MINISTERS coined the phrase "Shared Societies" in 2007 to describe this phenomenon.

They had formed the "Club of Madrid" because they wanted to make their experience and expertise available to current leaders facing the major challenges of today. They agreed that the concept of shared societies would be underpinned by four key principles: 1. Respect for the dignity of the individual and his or her community,

- 2. Absence of discrimination,
- 3. Protection of his or her human rights;
- 4. The opportunity to participate, ideally, but not exclusively through a democratic

process...(See also: www.clubmadrid.org/en/programme/the_ shared_societies_project)

The Club of Madrid agreed on 10 Commitments—*aspects of policy and inter-group relations that are key to achieving a Shared Society.* The **Comments** come from members of the United Nations Major Group Commons Cluster (an integral part of this movement) <u>www.CommonsActionfortheUnitedNations.org</u>.). These point both to how Governments can tap into the finances and other wherewithal within shared societies and harness them for implementation of the Post 2015 agenda, while building stronger bonds for collaboration. The original wording of the Commitments is in italics¹.

GOVERNMENTS CAN CREATE AN ENABLING ENVIRONMENT TO UNLEASH THE FULL POTENTIAL AND SUPPORT INHERENT IN THIS GROUNDSWELL OF CARING, SHARING AND COOPERATIVE RELATIONS BY IMPLEMENTING THE 10 COMMITMENTS MENTIONED ABOVE.

<u>BUILDING A SHARED FUTURE</u>: Throughout the Final Agreement of the June 2012 Rio Summit, *The Future We Want*, UN Member States agreed that the full participation of all stakeholders was vital to a sustainable future. Within 6 months, the UN Secretariat had involved one billion people, including the poorest and most marginalized, in outlining for Governments what would be necessary and then discussing it with one another. In October, 2014, this number had grown (according to UNDP) to 6 billion 300 people and organizations. These global consultations are creating an important globally

unifying field that capitalizes on people's diversity.

<u>The Commons Cluster</u> is dedicated to empowering people to play a proactive role in stewarding society at all levels and sharing best practices. Our main objective is helping to build a commons-based society at all levels centred on the well-being of all people and nature.

¹ The information on the Club of Madrid is taken from a side event at the United Nations on Oct. 8, 2014. organized by the Club of Madrid and sponsored by Italy and Slovenia; and the magazine Development that was passed out there: Development. Shared Societies, Volume 57.Number 7.2014.

<u>Compiled by</u> Dr. Lisinka Ulatowska (<u>commonsActionUN@gmail.com</u>), coordinator of the UN Major Group Commons Cluster, a network of UN ECOSOC accredited Civil Society Organizations and individuals that advocates commons-based approaches to sustainable develop at the UN. See also <u>www.commonsactionfortheUnitedNations.org</u>.

SYSTEMIC ISSUES TO PROMOTE FINANCING FOR DEVELOPMENT

Read by Shani Nelson Zongo, Youth Member of the Intitute of Planetary Synthesis, a Founding Member of the UN NGO Major Group Commons Cluster

Thank you, Mr. Co-Chair

Economic crises contributed to by the banking sector make it imperative we undertake two systemic shifts.

1. A shift away from a debt-based economy whereby Central Banks are permitted to lend monies while holding just 10% in collateral. This system makes it mandatory for such banks to lend at all costs and thereby to foster unsustainable production and consumption patterns that are endangering all life on Earth.

Thousands of groups are offering alternatives based not on "making money at the cost of

others". These exist at multiple levels and will truly be able to flourish and show a new way forward once a systemic shift has taken place at the global and national levels.

Examples range from credit unions to the Raffeisen Bank in Switzerland and Desjardins the largest bank in Canada.

- Some 1500 Sarvodaya communities, thousands of ecovillages, transition towns, where people share resources and decision making.
- Hundreds of Local Economic Trading Systems to restore flagging local economies using alternative local currencies.
- The sharing economy that exists worldwide and provides goods and services many for free. For here people consider accessibility to resources more important than ownership and holding power over others. Many are available through the Internet. But this approach has existed since time immemorial and is still being practiced by Indigenous Peoples.
- Cooperative businesses with one billion members and USD 3 trillion in assets annually worldwide;

2. The second shift is toward a tax system that would involve a fee for use and upkeep of those resources necessary for all people to both survive and thrive rather than on labour. For the strength of all economies depend on the combination of resources and a strong labour force. Taxes or fees for use of what we can consider commons resources would replace the present tax system. A small percentage would go to a global fund to help restore the global commons and for a basic income for all people.

This fee for use is already implemented in part in many countries. For instance, in the Netherlands we pay a fee for use of and upkeep of water provision.

The need of such a shift was underscored by Nobel Laureate Paul Stiglitz at a Side Event organized by the Permanent Mission of France.

The Commons Cluster over the years has worked out a number of points that can promote these two shifts. They will be presented in the longer version submitted to the UN Secretariat.

Thank you, Mr. Co-Chair

(Word count 418)

For more information and to request copies of documents mentioned above, please contact:

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1. Measures to Shift to economies at all levels based on the well being of all people and nature. Advantages of such a commons-based approach are mentioned in UN documents E/2010/NGO/29 and E/2011/NGO/126.

1. Shifting from present economic indicators measuring production and consumption to ones measuring the well-being of people and nature. These indicators could include those mentioned in the UN Human Development Reports from 1990

onward; and, in other UN contexts, those mentioned in Germany's Yearbook,

Bhutan's Happiness Index, etc.

- 2. Extending GA resolution A/HRC/18/L.1 declaring the human right to clean drinking water and sanitation to clean air and other fruits of nature and society that each person needs to be able to survive and thrive (including the Internet).
- 3. Recognizing in national constitutions that, beside individual people and corporations, Mother Nature has rights. Infringements on these rights should be prosecutable under universal jurisdiction, as is already the case in Bolivia and Ecuador.
- Recognizing that ecocide is a crime against peace and life, like genocide except that ecocide relates to harm done to nature, including animal and plant species. Ecocide should be prosecuted under universal jurisdiction. (<u>www.treeshaverightstoo.com</u>)
- 5. Creating a World Environmental Court.
- 6. Establishing where appropriate common property rights held by local communities over resources on which they depend. This would include forests, grazing lands, bodies of water, groundwater, and fisheries. This can ensure that the people who have a long-term stake in the preservation of these resources would have control over them, obtain benefits from them, and internalize any

externalities caused by individual community members into the decision-making of the community as a whole.

7. Encouraging the creation of Social Charters to affirm the sovereignty of human beings over their means of sustenance and well-being arising through a customary or emerging identification with an ecology, a cultural resource area, a social need, or a form of collective labour. These charters are covenants and institutions negotiated by commons communities for the protection and sustenance of their resources. They use a commoning approach to ensure that community access to

— and sovereignty over — their own commons is maintained and that the interests of all stakeholders are represented.

8. Encouraging the creation of commons trusts, legal entities responsible for protecting shared assets, inherited from past generations on behalf of current and future generations.

Community rules can be set up to prevent resource overuse while ensuring fair access and to.

- a. decide on a non-monetized metric to evaluate the sustainability, quality of life and well-being of a commons and its community of users and producers,
- b. apply this metric to the preservation of the resource by creating a cap on its usage,
- c. monitor resource creation, usage and restoration according to this cap to determine whether or not the trust may rent a portion of the resource for extraction or production by the private sector or the state,
- d. stimulate and protect the co-production of a replenishable resource because they use measures other than scarcity-based pricing to value these common goods, and
- e. allow the private and public sectors to continue to focus on profit, investment and budgetary appropriations, while the commons becomes a primary means of generating social innovation and stabilizing the principal of commons reserves to maintain the diversity and sustainability of the overall economy.
- 9. Applying the precautionary principle, including with respect to geo-engineering.
- 10. Internalization of the full life-cycle and true environmental costs of production and consumption in order to address the causes rather than simply the symptoms of environmental degradation. (See also the Cradle to Cradle certification system: <u>www.c2ccertified.org</u>)
- 11. Implementing a global footprint to assess economic performance in all sectors and at all levels, including corporations. (See also: <u>www.footprintnetwork.org</u>)
- 12. Elimination of fossil fuel and other subsidies which distort the market.
- 13. Recognizing the importance of international agreements such as the UN Charter, the Universal Declaration on Human Rights, Geneva Conventions, International Covenant on Economic and Social Rights, Declaration on the Rights of Indigenous Peoples, Kyoto Protocol and associated Work plans, Agenda 21, and

Johannesburg Plan of Implementation. Each of these promote democratic participation in planning sustainable development.

- 14. Implementing the all-win principle in all governmental decision-making. This recognizes that, since all people and all of nature are parts of one integrated whole, the well-being of all people and all of nature are essential to us all. (See also <u>www.worldcitizensaction.com</u>)
- 15. Instituting open source and General Public Licenses commons-based

alternatives to Intellectual Property Rights. The latter have begun to reduce humanity's capacity to adapt to emerging issues and global challenges. The extension of their applicability is also used now to hamper progress and further

enclose the commons and should not be accepted or permitted. (See also: <u>http://onthecommons.org/about-commons; www.opensource.org</u> and <u>www.gnu.org</u>)

16. Establishing a commons-based approach to education at the bottom of the

pyramid –i.e., children in all nations – to ensure that commons principles are instituted for future generations. This basic human right of education in the formative years is included in Article 26 of the Universal Declaration on Human Rights.

17. Creating a system whereby all people can care for and manage their impact on Earth's Systems. The legal aspects and metrics that might be used are at present being developed (see <u>www.earth-condominium.org</u>.)

Members of the UN Major Group Commons Cluster call on Governments to create a Panel of Experts (High Level or from the UN Secretariat) to develop a step-by-step plan for the implementation of a commons-based economy. This panel would consult with Governments, relevant IGOs and CSOs, Major Groups and all other stakeholders to ensure the greatest possible support for their work.

<u>The Following Members of the Commons Cluster requested a special mention</u> with regard to the above points: *Association of World Citizens; Institute for Planetary Synthesis, Global Commons Trust, the All-Win Network, Commons Action for the United Nations, the Earth Rights Institute, Kosmos Associates, Inc.; International Association for the Advancement of Innovative Approaches to Global Challenges; Climate Change Network, Nigeria, PeterEarth.org.*

2. Means to Finance the Shift

Here are 4 ways to help restore, protect, and replenish natural resources and fund the shift to a commons-based global economy.

I. Establish an Effective Institutional Framework to Shift to an Economy at All Levels Based on the Well Being of All People and Nature

Under a Commons Approach to Sustainable Development all people must have access to those gifts of nature and society that they need to survive and prosper. These would be

designated as commons goods. They can then be used to finance the shift to an economy based on the well being of all people and nature and be managed and equitably shared among all people, as follows:

• A strictly enforced cap could be placed on the use of depletable commons goods and resources;

• Trusts would then be established to oversee the caps and manage the resource. The amount of each cap would be determined and set by the stakeholders of each resource. These trusts could be located either within a state or be trans-border, depending on the extent of both the resource and the community of interest;

• Permits for the use of what is available once the cap has been put in place can then be auctioned at source enabling the cost to be spread among all subsequent users and avoiding the complex task of pricing each depletable resource;

• Income from these commons resources can then be used to protect and restore the

resource; reimburse those negatively affected by the use of these resources with a small percentage going to the government for provision of the public goods; to invest in transitioning to a sustainable future; to a global trust to restore any damage to the global commons (air, water, land); and/or to provide a basic income for all people. Broadly speaking, the assessment of commons rent by trusts around the world would require

three significant changes:

• Governments could shift their primary emphasis away from issuing corporate charters and licensing the private sector and towards approving social charters and open licenses for resource preservation and social and cultural production processes through commons trusts managed by those who cultivate and protect commonly held gifts.

• Commons trusts would exercise a fiduciary duty to preserve natural, genetic and material commons and to protect, create or regenerate solar, social, cultural and intellectual commons, yet may also decide to rent a proportion of these resource rights to businesses.

• Businesses can then rent the rights to extract and produce a resource from a

commons trust, thus creating profits and positive externalities through innovation, competitive products and services, and adjustment of the market to the actual costs of resources. However consent to the use of a Commons should first have to be granted by those that are protecting and/or whose lives depend upon a Commons resource.

Management of the Commons at the Global Level

Commons management funds could also be generated at the global level. A rental fee to finance multilateral programs and institutions could be placed on the development or use of

many transborder commons, including:

- carbon emissions
- international corporate products

- international investment
- foreign exchange transactions
- international trade
- international airline tickets
- maritime freight transport
- ocean fishing
- sea-bed mining
- offshore oil and gas
- international oil trading
- satellite parking spaces
- electromagnetic spectrum use
- internet
- information flows
- military spending and arms exports
- toxic wastes
- energy consumption

II. Global Atmosphere Commons Trust.

This type of a trust could be established based on ideas from the Alaska Permanent Fund for sharing the oil commons with all Alaskans and the thirty-plus years of commons resource management research.

Feasta Sky Trust. A specific proposal has already been developed for establishing a Feasta Sky Trust. See: www.feasta.org One of the largest commons on the planet, our global atmosphere, could serve as the fulcrum to turn our unsustainable and unjust ecological, economic and political situation in a better direction for us all. Emissions permits could be used to provide a right to use of the atmosphere – a resource which

would then receive a scarcity value based on the carbon price. Current schemes like the Emissions Trading System (ETS) assume the carbon scarcity rent should go to polluters

or governments – but really it should be used to provide for the well-being of all of humanity.

III. Applying a Commons Management Scheme to Regulate and Equitably Share in <u>the Use of the Global Commons</u>

Elinor Ostrom recently won the Nobel Prize for her studies of commons management practices around the world and how they support sustainability and justice. She has

developed a set of principles or rules which ought to be included and addressed in managing the commons.

These could be applied to the idea of establishing global and subsidiary commons institutions -- with cooperating climate trusts in each nation -- run by the people's trustees and supported by governments for enforcement of the carbon cap and distribution of the shares and are thus described as such below. These principles are applicable to a commons approach to financing the shift to a commons based global economy. They also apply to the implementation of most other Commons Applications as well. Applying these principles thus requires:

1. Clearly defined boundaries (in this case, targeted and precise measurements of upstream carbon units that can be effectively monitored)

2. Effective exclusion of external un-entitled parties [or illegitimate use] ("leaks" in the carbon measurements must be identified and primary producers of fossil fuels brought into compliance)

3. Rules regarding the use of common resources are adapted to local conditions (each national climate commons institution would decide how much to pay out as dividends to citizens, for poverty alleviation for example, and how much to invest in transition projects and infrastructure)

4. Collective-choice arrangements allow most resource users to participate in the decision-making process (a deliberative charter process with engagement by many citizens would set rules and governance for subsidiary in each nation, including collaboration on a global atmosphere institution)

5. Effective monitoring by monitors who are part of or accountable to users (some of the global revenues would go towards monitoring and enforcement of the global cap on emissions)

6. There is a scale of graduated sanctions for resource users who violate community rules (funding would be cut to national level institutions that were not adhering to the by-laws of their charters; for example companies could be fined for emitting GHG's without the needed pollution permits)

7. Mechanisms of conflict resolution are cheap and of easy access (devised in the charter processes for local, national and global scales)

8. The self-determination of the community is recognized by higher-level authorities (Nation States and the UN must uphold the rules set by such a global

atmosphere institution and the subsidiaries in each nation... the process could begin with a few progressive countries leading the way)

IV. Placing a User Fee on the Use of and Access to Commons Resources

The commons exist and must be recognized on all scales and levels, the micro to the macro. The macro scale concerns the resources which sustain our broader ecosystem such as water, air and soil. These are interdependent and provide the tripod upon which all of life is sustained. Such resources need to be held in common as the rights of all humans. *Water quality equals quality of life*.

Water and air cannot be for sale, but a graduated use fee established by the cultivators of

these commonly held goods could be collected. This fee for equitably sharing in the use of and access to this commons resource should be applied instead of outright "sale" of water and air through cash or "credits". Part of the funds from this can go to ensuring the quantity and quality of the shared resource; with part going to reimburse the stakeholding community and to help provide a basic income for all people.

UN General Assembly resolution 64/292 of 28 July 2010 recognizes the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights. It is therefore:

• imperative that water sources, springs, head waters and aquifers be held in

common by those cultivating and protecting them and

• we connect water quality to industry, access, and land stewardship to ensure that all water is kept clean and available

We urgently recommend that the same status be accorded to all other commons goods as well, without which people cannot survive and thrive.

The UN, along with government at all levels, must provide the means, mechanisms, funding and implementation needed to fully achieve all UN sustainable development agreements and ensure that our basic human right to essential goods and services is provided **for all people** as well. This will require strong governance, via the adoption and full implementation of specific conventions, programs of action, time bound and enforceable targets, and on-going periodic review processes -- which must be included in the Rio +20 Outcome Documents.

<u>For more information: www.CommonsActionfortheUnitedNations.org or write to</u> <u>Dr. Lisinka Ulatowska, CommonsActionUN@gmail.com</u>

STATEMENTS BY MEMBERS OF THE COMMONS CLUSTER MADE DURING THE UN FINANCING FOR DEVELOPMENT PREPCOM DEC 9-12,2014.

LEARNING FROM PARTNERSHIPS FOR FINANCING DEVELOPMENT

Read by

Alexandra Akira, for the Association of World Citiznes, a Founding Member of the UN NGO Major Group Commons Cluster,

a Network of ECOSOC accredited NGOs and individuals who are dedicated to supporting UN Member States in finding ways of developing sustainably and that serve the well being of all people and nature.

Thank you, Mr. Co-Chair.

If private/public partnerships are to work, it is essential to lay the spectre of neocolonialism to rest. Here are two ways in which this can be done:

Firstly. To form partnerships with cooperatives whose very founding principles demand they share profits with both their own members and with the communities of which they are a part locally to globally.

These combined have one billion members worldwide; and annual revenues of USD 3 trillion. Members are at the same time its owners and its produces. Thus all the benefits and wealth generated by cooperatives is redistributed in a fairer way among their owner operators and members, as well as society at large, instead of investors. They operate according to established values and principles.

Secondly: To request all companies wishing to enter public private partnerships to allow themselves to be graded according to past services rendered. The grade could answer the question: How much does a corporation contribute financially or in kind to the achievement of a nations sustainable development indicators in comparison to the profits it makes off the same initiative for its investors.

Taxes could also be levied within each nation where a corporation is active according to their grade. The greater percentage they contribute the less taxes they pay.

There are choices governments shall be making between potential donor corporations. With globalization, corporations are increasingly dependent on operating on international markets. It is therefore to the advantage of both recipient nations and corporations themselves if corporations are recognized for their <u>actual contributions to the sustatinable development of all people and nature.</u>

Thank you, Mr. Co-Chair (Word count 270)

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