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**LETTER**

# OUTREACH

The Voice of the NGO Community at the CSD

[Home](#) | [Site Map](#) | [Issue Caucuses](#) | [Major Groups](#) | [CSD-8 Steering Committee](#) | [Earth Summit 2002](#) | [OUTREACH](#)

## OUTREACH 2000

Voice of the NGO Community at the UN CSD

**"Working Towards Earth Summit 2002"**

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| <i>WHAT'S INSIDE</i>   |   |
|--|---|
| - <a href="#">Calling for Green Taxes</a>                            | 1 |
| - <a href="#">Recommendations on Micro-Finance Programmes</a>        | 4 |
| - <a href="#">NGO Involvement in The Hague Freshwater Conference</a> | 6 |
| - <a href="#">Interactive web-site for WSSD+5</a>                    | 6 |
| - <a href="#">Oxfam Resigns from World Education Committee</a>       | 7 |

## The NGO Agenda for Finance: Calling for Green Taxes

*The NGO CSD Steering Committee Finance Caucus have been working on a set of six finance and trade papers for this*

years CSD Intersessional. Today we are going over the recommendations of the first four.

### **New Financial mechanisms**

Most of the ideas for global taxation fall into three groups. The first group consists of various forms of taxation on financial transactions. As short-term transactions have proven to have destabilizing effects not fostering sustainable development, the suggestions below should be endorsed at this CSD, with a concrete time frame for an international implementation.

The second group tries to exploit a hitherto-untapped source of revenue which no nation-state already "owns". The most-discussed example of these "global commons" is deep-sea mineral mining outside territorial waters.

The third consists of attempts to get sovereign states to dedicate some part of their present national tax base to global purposes, in the same way that the European Union has an automatic right to part of the yield of VAT in member countries.

The CSD NGO Finance Caucus calls for the Financing for Development High-Level Event in 2001 to further investigate the following suggestions for global revenue. It should be accepted that any such mechanisms that impact adversely on developing nations or Indigenous Peoples should be avoided.

- A tax on all or some international financial transactions (Tobin-like tax)
- Taxes on specified traded commodities like fuel.
- A tax on the international arms trade
- A charge on international flights with departures and destinations in OECD countries.
- Royalties on minerals mined in international waters
- Parking charges for satellites placed in geo stationary orbit
- Charges for fishing international waters
- Charges for use of the electromagnetic spectrum (e.g. television, radio) in OECD countries
- Pollution charges
- A tax on traded pollution permits

### **Official Development Assistance**

Official Development assistance went up in 1998 for the first time since 1991 and with debt relief this opens the opportunity for preparations for earth Summit 2002 to be done in a more positive atmosphere. Still the four big (in quantity terms) Japan, the US, France and Germany have aid falling. This MUST stop. There also needs to be a realisation that not all aid is committed to sustainable development.

The CSD should:

- reaffirm UNDP's mission to support the eradication of poverty and that donors should be asked to focus UNDP funds to this.
- require governments to reaffirm commitments to 0.7% GNP or a substantially higher percentage of GNP for ODA;
- require target dates for increasing ODA, particularly from Japan, Germany, France and the United States;
- should require a yearly review of governments' implementation of their financial commitments to Agenda 21;
- instruct the Division on Sustainable Development to produce a review of the costs of implementing the CSD agreements from 1997 to 2000 for CSD2001. In this review governments should report on the funds being spent on the CSD programme areas and identify new and additional funds that have been made available. This should be part of the preparation for information for decision making and participation in international cooperation for an enabling environment;
- instruct UNDP to conduct a comprehensive economic, social, cultural and environmental review of the impact of multilateral and bilateral donor programmes on eradicating poverty and implementing Agenda 21 in the Earth Summit process since 1992. This should form the basis of the Human Development Report in 2001.

### **Debt**

Over 50 countries in the world have debts that will never be paid back but continue to be paid daily with people's lives. The debt burden of the poorest countries is 93% of their income. In Zambia, every citizen now owes the country's creditors \$790 - more than twice the average annual income. Every year resources are being diverted from health, education and sanitation towards unproductive debt service.

The United Nations Development Programme in 1997 stated that 21 million children's lives could be saved if the money used for debt service was put into health and education.

- Jubilee 2000 and the CSD NGO Finance Caucus call for the cancellation of unpayable debt. This should be done without structural adjustment as a condition. It will never be paid economically or will be paid only by exacting unacceptable costs in diverting resources from health, education and sanitation.

We call upon the CSD to require developed countries to initiate:

- a one-off cancellation of the unpayable debts of the world's poorest countries,
- by the year 2000,
- under a fair and transparent process,
- comprehensive debt solutions must also be found for middle income countries.

### **Foreign Direct Investment**

Since the Rio Summit and Earth Summit 2 in 1997, direct foreign investment, commercial bank lending and bond lending have grown significantly.

Over the last decade, net flows from private/commercial sources of funding increased from approximately \$25 billion to over \$227 billion in 1998. This includes:

- direct corporate investment from DAC countries, which grew from \$38.1 billion in 1992 to \$105.3 billion in 1997, before falling back to \$58 billion in 1998 due to the South East Asian Financial crisis;
- commercial bank lending, which rose from \$16.3 billion in 1992 to \$60.1 billion in 1997, again falling back because of the financial crisis in South East Asia to \$25.1 billion;
- and bond lending, which rose from \$11.1 billion in 1992 to \$30.2 billion in 1995.

Almost three-quarters of the direct corporate investments were made in only 12 countries. There is no reason to suppose that this investment would have been made to promote the objectives of Agenda 21 - although some Northern governments have indicated that this was the case during negotiations in the UN Commission on Sustainable Development from 1993-1997.

NGOs believe that the CSD should reaffirm its support of the Multi-Stakeholder review of Voluntary Initiatives and Agreements; and:

- call for the strengthening of the environmental and social legislation and institutions by 2002, to ensure that FDI is consistent with sustainable development and encourage capital flows to vulnerable, marginalized and under-represented Peoples and communities;
- request the World Bank with UNCTAD and UNEP produce a review for 2002 to see what impact international investment agreements have on undermining countries' ability to regulate investment based on environmental and social criteria;
- require UNEP to produce a review of industry Environmental Reports by 2002, looking in particular at how they have incorporated environmental management systems that internalize Rio agreements into business operations;
- require DESA to produce guidelines by 2002 on how FDI can have stricter scrutiny to prevent abuse of all funds and corrupt practices throughout the world at both national and international levels, including the issue of tied aid;
- call on the General Assembly for the establishment of a stronger global regulatory framework for international capital flows, in particular on speculative financial transactions, which can severely disrupt national economies and societies. This should be set up by no later than 2005.
- UNEP to produce an online database by 2002 of environmentally sound technologies available covering the sectoral chapters of Agenda 21. Consideration should be given to strategies enabling stakeholders in all countries

to access the information.

- UNEP to review the impact of their Financial Services initiative for 2002.
- request UNDP to conduct a review by 2002, of all micro-finance programs with a focus on empowerment, the maintenance of cultural integrity and gender mainstreaming. This should be done in collaboration with all stakeholders, particularly women's NGOs and representatives of vulnerable, marginalised and under-represented Peoples and communities.

CSD calls on governments all over the world to:

- reform taxation to encourage ecologically and socially responsible behavior;
- eliminate environmentally damaging subsidies in a socially equitable manner;
- have a stronger focus on ecologically and socially responsible budget disbursements.

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## Women's Caucus: Recommendations on Micro-Finance Programmes

By **Linda Mayoux,**  
**Open University, UK**

Existing evidence of the impact on gender relations of micro-finance programmes is limited, and few studies investigate the impact of different programme strategies in any detail. Nevertheless, despite its patchy nature, the existing evidence points to the need to question all the assumptions of beneficial impact.

There is an urgent need to look at how the negative impacts of micro-finance will be further reinforced by some of the commonly agreed principles of financial sustainability best practice currently being imposed by donors, in particular:

- high interest rates and service charges to cover costs of delivery;
- rapid programme growth to benefit from economies of scale;
- reducing staff and staff costs through narrow focus on micro-finance;
- reducing complementary services;
- use of 'voluntary' contributions of clients and groups to identify eligible borrowers, ensure repayment and decrease costs of service delivery;
- failure to incorporate empowerment indicators in Management Information Systems (MIS).

### Ways forward for gender policy

There is an urgent need for more explicit measures to address gender subordination both at the enterprise and household levels. Innovative strategies in some programmes, including some of those attempting to be more financially self-sustainable, do point to cost-effective ways of addressing empowerment issues. Elements of a gender policy would include:

- conditions of micro-finance delivery to support empowerment, with particular sensitivity to women's empowerment;
- cost-effective complementary services;
- institutional mainstreaming of gender policy.

Very little attention has been given to empowerment questions or ways in which both empowerment and sustainability aims may be accommodated. There are a number of ways in which women's empowerment could be increased:

- repayment schedules and interest rates to maximise impact on incomes;
- registration of assets used as collateral or purchased with loans in women's names or in joint names;

- incorporating clear strategies for women's graduation to larger loans;
- 'multiple choice' options based on participatory consultation including loans for new activities, health, education, housing etc;
- range of savings facilities which include higher interest deposits with more restricted access
- outreach and advertizing of loan availability to women and women's groups.

Financial sustainability requirements of cutting costs to a minimum has led many programmes to seriously cut complementary services. In the past some support services in some programmes, including business training and gender awareness, have been both expensive and had minimal impact. However this does not mean that complementary services are not needed or would not make a substantial contribution to both all aspects of empowerment and repayment rates if they were better designed. Possible ways forward include:

- initiating and supporting collective mutual learning on economic issues (eg skills, marketing, business development), other service provision (eg literacy, childcare) and social/political empowerment (eg legal rights) by clients/members;
- linking with and supporting other organizations working for change in gender relations;
- cross-subsidy from charging better-off clients for some services and/or charging all clients for some services once they have reached a certain level of income.

It is necessary to mainstream gender and empowerment concerns throughout all the activities of a micro-finance programme. Mainstreaming gender is not necessarily resolved by women-only programmes, and these do not necessarily challenge gender inequality. Importantly, there are definite benefits to mixed-sex programmes where male staff are also working on gender issues with men and women are able to take their concerns before a male organization.

Mainstreaming gender will however require a fundamental review at all levels:

- review of norms and regulations from a gender perspective;
- integrating gender equitable policies into services for men;
- empowerment indicators as integral part of Management Information System;
- fully integrating gender and empowerment issues into all client/member and staff training, conditions of staff recruitment and staff incentives.

### **Issues for Donors**

Increasing impact will require changes in donor policy. Donors need to include empowerment concerns in all funding guidelines, monitoring and evaluation and programme support.

Micro-finance itself can only make a marginal contribution to women's empowerment and poverty alleviation without explicit support for women's grassroots movements explicitly addressing gender inequality and mainstreaming the concerns of poor women in all macro-level economic and social policy.

### **Traditional Credit Systems & Rural Banks**

- Traditional Credit Systems of rural women need to be recognized and accepted as one component of the financial system of fund distribution (savings and credit).
- Governments should approve the establishment of rural women banks owned by the rural women farmers with their tradition of wealth creation methodology.

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# **The Hague Freshwater Conference: NGO Involvement**

**The NGO Freshwater caucus has been focusing their attention on the up-coming Second World Water Forum, in the Hague from 17th to 22nd March.**

The NGO Freshwater caucus has been focusing their attention on the up-coming Second World Water Forum, in the Hague from 17th to 22nd March. The Forum is being coordinated by the Dutch government and includes a forum, ministerial conference and fair. The NGO Freshwater caucus is being co-facilitated by Chris Tydeman (WWF International) and Sunita Neraim (Centre for science and environment in India). The outcome of the ministerial conference will be the "Ministerial Declaration of The Hague on Water Security in the 21st Century". NGO's and other major stakeholders will input into this process during the senior official meeting (Saturday 18th and Sunday 19th March) as well as by making a statement during the ministerial conference (Tuesday 21st and Wednesday 22nd). NGO workshops during the forum will contribute to the final NGO statement (for further information see [www.uned-uk.org/freshwater](http://www.uned-uk.org/freshwater)). The draft ministerial declaration is available on the web at <http://www.worldwaterforum.org>. Two key documents, the global Framework for Action (FFA) and World Water Vision (WWV), will be presented at the forum, coordinated by the Global Water Partnership and World Water Council respectively. They contain particular recommendations for international and local action which may be broadly endorsed by the ministerial declaration. This includes the following framework for water security targets:

- Second World Water Forum: Global water targets finalised
- UN Millennium assembly: Global water targets agreed
- Stockholm International Water Symposium 2001: Regional and National targets/action plans presented
- Bonn, January 2002 : The FFA to review of national strategies
- UNCED 3 (Earth Summit 2002): International agreement of national strategies
- Beyond the Earth Summit: To establish a monitoring system to check progress of implementation

The FFA report also calls for greater international coordination by the U.N. Administration Committee on Coordination (ACC) Sub-committee for Water Resources (task manager for Chapter 18 of Agenda 21 on freshwater), and for a biennial World Water Report to follow / assess national/global progress.

During the eighth session of the UN CSD the Secretary General is to report back on the progress of ACC subcommittee for water resources in the implementation of strategic approaches to freshwater as outlined in the decision of CSD 6 (paragraphs 50. and 51.)

*Rosalie Gardiner*

*Freshwater co-ordinator, NGO Forum*

## Interactive web-site for WSSD+5

UNED-UK is presenting a web-site that aims to facilitate involvement of all stakeholders in the run-up to WSSD+5.

**Tuesday, 23 February 2000, 1.15 – 2.45 pm, DC-1, 3rd floor, conference room.**

The site

- offers quick and easy access to relevant documents and web-sites - U.N. and stakeholders' documents, accessible for search by issues and by stakeholder groups;
- provides quick download of documents, including packages of international agreements on relevant issues
- provides directories of commented links and a directory of relevant list servers;
- will initiate online discussion groups towards WSSD+5

The site is located at <http://www.earthsummit2002.org/wssd>

The site is still under construction and will be updated frequently until WSSD+5.

We are looking for **your comments, input, references, documents**, etc. to provide a useful resource and a forum for all stakeholders allowing exchange and co-ordination of ideas and activities in this important process.

If you cannot attend the event but are interested, please contact Jasmin Enayati or Minu Hemmati. We'll be happy to show it to you and get your comments.

Our email is [socdev@earthsummit2002.org](mailto:socdev@earthsummit2002.org)

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# World Education Committee: Oxfam Resigns

The plan that the leaders will be given in Dakar to endorse "as it stands" is woefully inadequate, Oxfam believes.

"Unless some leadership is shown, the chance to commit to real changes to get every child in school will again be lost," said Oxfam's senior policy adviser Kevin Watkins.

Despite promises made by leaders in the past, 125 million primary school-aged children " two-thirds of them girls " do not see the inside of a classroom. In much of Africa and South Asia, schools are without desks, blackboards, chalk and pencils. Adult illiteracy rates are soaring.

Oxfam's resigned from the steering committee to the World Forum on Education for All was on February 9. The committee is being led by UNESCO and various other UN agencies, and includes as members the UK's Department for International Development and USAID.

"The present plan lacks any strategy for mobilising resources, or how to achieve the wider reforms needed to deliver on the right to education," said Watkins in the resignation letter.

At the first Forum, in 1990, 155 governments pledged that all children would have the right to a basic education by 2000.

"Having shamefully failed to deliver on the commitments they made ten years ago, governments will be asked to sign onto a blueprint in April that commits them to nothing " and which will deliver nothing," Watkins said.

"It is little more than a set of vaguely worked reaffirmations of past principles and already agreed human development targets."

"Individually, many of the steering committee members are doing outstanding work, but collectively they have provided a grossly inadequate level of political leadership. This is lowest common denominator politics of the worst sort," he said.

Oxfam and its partners in the Global Education Campaign " a coalition of more than 60 NGOs from the North and South " will be stepping up efforts to make the Dakar conference a success.

"Dakar represents a critical opportunity to tackle which is probably the single biggest development challenge facing the international community," Watkins said.

"It is vital that governments act now to overcome the inequalities in education that are hampering efforts to overcome poverty and driving global income inequalities."

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## Wednesday's Program

|              |                      |  |
|--------------|----------------------|--|
| 9.15 - 10 am | NGO Strategy Session |  |
|--------------|----------------------|--|

|                |   |  |
|----------------|---|--|
| 10 am          | Women's Caucus  |  |
| 10 am - 1 pm   | Official Session:<br>- Introduction of the report of the Secretary-General and other documentation on Trade, Investment and Economic Growth<br>- General discussion on the issue of Trade, Investment and Economic Growth |  |
| 3 - 6 pm       | Official Session:<br>- General Discussion on the issue of Trade, Investment and Economic Growth (continued and concluded)   |  |
| 6.30 - 7.45 pm | US Government - NGO Briefing (meeting will start 15 minutes after end of official session)  |  |

## *Rio Grinds*

### ***What Rio did for the environment, Rio Grinds does for gossip***

**Wanted: An Agency** to act as Task Manager for Education. Please contact the Division for Sustainable Development. Applications should understand how to prepare a strategic management plan and know how to enact instructions produced by the General Assembly.

**Wanted: A President** and a Congress that understands international relations and sustainable development.

**For Sale: One slightly used** secretariat to the Intergovernmental Forum on Forests. Going very cheap, can be used for weddings and funerals. NGO and government preparations for the Millennium Forum and Assembly are progressing and should be ready by 2100.

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#### **SUBMISSIONS TO OUTREACH**

NGO representatives are invited to submit articles and announcements to OUTREACH via the following:

- 1) E-MAIL: [northclear@csdngo.org](mailto:northclear@csdngo.org)
- 2) Labeled 3.5 diskette. Drop off (preferably with print out) at DC2-1782 (Two UN Plaza, 17th Floor).

*Feature articles should be NO LONGER than 450 words. Information articles should not exceed 250 words. Deadline for announcements is 4:00 p.m. and deadline for articles is 6:30 p.m.. The editorial staff reserves the right to shorten/omit submissions.*

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