

N E W S

LETTER

OUTREACH

The Voice of the NGO Community at the CSD

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OUTREACH 2000

Voice of the NGO Community at the UN CSD

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The NGO CSD Steering Committee Finance Caucus have been working on a set of six finance and trade papers for this years CSD Interssional. Today we look at Trade and Innovative Options for Accessing Existing and New resources.

The NGO Finance Caucus:

WTO lacks legitimacy

NGOs believe that the World Trade Organization Ministerial meeting in Seattle

failed to accomplish its objectives because of the absence of sufficient legitimacy both within and outside the WTO.

In addition to major divisions and specific disagreements among its members, the deep secrecy surrounding WTO processes proved inimical to values held by a very broad spectrum of participants and observers alike. NGOs want to see the WTO process opened up to the active involvement of all the countries in a transparent and open way. The global governance framework should be democratic, transparent, accountable, equitable and gender sensitive.

A review of WTO processes should involve consideration of mechanisms such as Multi Stakeholder dialogues. NGOs would also like to see increased funding for capacity building for developing countries, to enable them to be an active and more equal partner in the negotiations written into and a prerequisite to any trade negotiation.

NGOs express concern that the three pillars of sustainable development were not adequately integrated and addressed within the WTO process. CTE should be reestablished as a sustainable development committee within WTO.

Environmental Agreements

NGOs call for there to be a clear understanding that Multilateral Environmental agreements (MEAs) for instance MEA social conventions such as those of the ILO and human rights convention shall take precedence and not be bound by WTO-related requirements.

The CSD should establish a working group to develop criteria for evaluating when MEAs qualified under Article 20 of the GATT as exceptions. Factors that could be considered are for instance number of member signatures and ratifications whether all relevant stake holders have been involved in setting the regional or international standards and whether the MEA makes appropriate provisions for developing countries to achieve compliance.

Trade and Environment Ministers should be asked to meet together to review the outcomes from the working group.

Panel on Trade and Development

An Intergovernmental Panel on Trade and Sustainable Development (or a sub-Commission of the CSD and UNCTAD) should be set up to:

- Explore, and make recommendations and to establish a formal process between CSD and WTO on, potential cross-sectoral mechanisms to reconcile trade and sustainable economic, environmental, and social development objectives;
- Explore and make recommendations of improving free trade which does not undermine food security but rather supports rural communities, farmers, and peasants including women and indigenous Peoples in developing countries, developed countries, and countries in transition, thereby reducing the migration of people in vulnerable rural communities to urban areas;
- As part of a transition to a long-term sustainable economy, we advocate the development of policy instruments to secure commodity prices which reflect the true environmental and social cost of their production, and recommend the withdrawal of escalating tariffs on primary commodities exported from developing countries;
- Given that floating and fixed exchange rates undervalue labour goods and resources and contribute to economic injustice and the gross over consumption of the developed world, the panel of CSD should explore how basing the exchange rates on such things as a basket of comparable goods could lead to purchasing power parity.
- Develop policy instruments to ensure that world trade rules do not undermine, but reinforce, food security, especially in net food importing food deficit countries;
- Review mechanisms for meeting the needs of developing countries for technical and financial assistance in the design, utilization and response to, trade measures and technical regulations; and make recommendations to increase the capacity of developing countries in trade negotiations.
- Research, and make proposals on, the criteria under which trade measures may be taken, including development of the

concept of 'green tariffication', whereby if tariffs are deployed to protect industries meeting higher environmental standards, the revenue generated could be repatriated to developing countries - possibly in the form of an environment fund administered by a multilateral body for investment in cleaner technologies. Cost internalization, both relating to the production and transportation process must be addressed in this regard.

- To explore the content and application of the precautionary principle in relation to trade agreements.
- To explore matters relating to processing and production methods such as access to information by consumers, the ability of governments to develop and implement resource management, toxic reduction and other policies related to sustainable production and consumption frameworks.
- To develop knowledge and information on price effect of the WTO TRIPS Agreement on the transfer and sharing of technology.

Strengthening the UN

Governments should pledge to create an effective new process mechanism strategy to strengthen links between the World Bank, IMF, WTO and the UN particularly in the area of sustainable development: The CSD should call for governments:

- To commit to expand efforts to eliminate negative effects of trade, including inequalities on developing countries and developed countries by reconciling WTO rule-making and global trade practices with the post-Rio agenda to include all the UN Conference agendas;
- To explore negotiation of a Food Security Convention that would encourage sustainable agriculture as part of a broader international agenda to advance food security;
- To re-commit to implement the Habitat II agenda which calls for governments to create "regulatory and legal frameworks to promote socially and environmentally responsible corporate investment and reinvestment in and partnership with local communities";
- To pledge to work for international codes of conduct for corporations

Developing countries should be assured of continued access to the expertise of UNCTAD in trade and investment issues. UNCTAD's role for the past 20 years in supporting the least developed countries on trade negotiations issues should not be relegated to the World Trade Organization in such a short period of time.

Marginalized people

Too often vulnerable, marginalized and under represented Peoples and communities have been viewed by the international communities solely as *problems*.

There is little understanding or credence given to the notions expressed in principles 20, 21 and 22 of the Rio Declaration to the effect that these Peoples and Communities can in fact play a major role in achieving the principles enunciated in Principle 3, Principle 6 and in the introduction of Agenda 21.

The items we put forth should be conducted as an integral part of Local Agenda 21 process:

1. That these Peoples and Communities directly be involved in all levels of developing strategic plans for Sustainable Economic and Self Development of their communities appropriate to their needs as to alter or maintain the socio economic status of the community. Peoples and communities should have the right to say no to development.
2. Strategies creating an enabling environment for the private sector and local communities to cooperate and be equitable partners in planning and implementing economic development and self development should be considered.

In many countries the State lacks the resources to support or facilitate the ability of those Peoples and Communities to effectively participate in the sustainable economic and self determined development of their area.

In addition, Indigenous Peoples and other Communities having been dispossessed of their lands and resources and even where recognized, often find themselves without rights or relegated status of being wards of the state.

Even where they exist, country-based development bank mechanisms are faced with great political demand by the elites for the resources they command. Therefore in that context very little or no resources are set aside for the participation of vulnerable, marginalized and under represented Peoples and Communities in the Sustainable Economic and self Development of the Country.

Earmarked resources

One factor that would encourage the participation of development banks in the effective operation of reallocation, would be the additional infusion of financial resources earmarked for defined programs and projects defined by vulnerable, marginalized and under represented Peoples and Communities.

We also advocate that the government put in place the fiscal and regulatory framework to facilitate the creation of community based development banks or financial institutions that are inclusive, transparent and democratically run. 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 farmers with their tradition of wealth creation methodology.

We therefore propose:

A) That the United Nations recognizes that vulnerable, marginalized and under represented peoples and communities can create and implement strategic plans that generate new resources and instruments for the eradication of poverty and the achievement of sustainable development. means.

B) The UNDSO should convene a meeting to share experiences and identify good practices and promote community based sustainable economic and self development.

Participants should include multi lateral development banks and funds identified in section 4 of Agenda 21 and, pursuant to the mandate outlined to them in Agenda 21, representatives of vulnerable, marginalized and under represented people and communities and representatives of NGOs, who have conducted pilot projects and/or have expertise in the area.

This should be done by an expert meeting held between May 2000 and January 2001 to enable the outcome of the meeting to feed into the Finance For Development Conference.

C) That the CSD work with the World Bank and the UNDP to establish a community/regionally based investment fund to ensure that moneys are specifically raised and dedicated for the capitalization of sustainable and socially responsible local enterprises, activities and businesses.

This Sustainable Economic Opportunity Program should include and specifically target the development and funding of programs in developing and low income countries and in economically disadvantaged areas.

Election:

Finance Caucus Facilitators

**Elections on Facilitators for both
the Northern and Southern Finance
Caucus are going to be held 10 am
on Friday 25th, in conference room**

D.

Sustainable Production and Consumption Caucus: Too little Progress on Eliminating Destructive Subsidies

The Sustainable Production and Consumption Caucus asks why there is so little progress on eliminating destructive Subsidies, when "everyone agrees this is a problem" - and each year since Rio, CSD highlights the need for eliminating destructive subsidies.

Over US\$ 650 billion a year of the public's financial resources is invested by governments in programs encouraging unsustainable patterns of production and consumption, as well as unsustainable trade and investment. While everyone agrees this is a problem, why is there so little progress in addressing it?

Recently in Nairobi, the Expert Group meeting on Finance for Sustainable Development pointed out that "the removal of subsidies is extremely difficult politically." While CSD delegates are quite aware of the strong political pressures applied by industry groups opposing subsidy removal, they are often constrained to address or freely discuss this obstacle.

Lack of media attention

Aside from the political influence by industry interest groups, another obstacle is the *lack of media attention that would inform the public* of the environmental degradation and threats to public health and safety, which their tax payments are financing.

Understandably, when citizens learn about how badly their taxes are being used they often feel betrayed. We NGOs therefore applaud the Secretary General's report recommending "a careful review of the nature and extent of major subsidies in order to identify the gainers and losers" and for "a regular report that identifies a country's major subsidies and provides estimates of their real total costs."

Public input

In order for these country reports to be truly transparent and to adequately inform the public on the actual impacts of the taxes they pay, governments should not only provide meaningful information on their subsidies but also seek and provide for public input, receiving meaningful information from those stakeholders whose quality of life may be directly affected by those subsidies.

Health and environment

In addition to currently established channels available to business and industry groups to communicate the economic hardships of proposed subsidy elimination, governments need to establish adequate input channels for the people paying the bill – as well as the suffering the externalized costs to their health and environment.

We therefore recommend:

- That in undertaking the proposed review of the impacts of major subsidies, member governments will not only produce but *make available to the public* regular reports on their subsidies and to what degree they contribute to

or undermine sustainable development and quality of life.

- For member governments to *provide the necessary communication channels* to allow the public and especially those groups most directly harmed by subsidized programs, to provide timely input into these reports and reviews.
- *To make public and transparent these inputs*, including active lobbying campaigns and other efforts from industry, academia and the public, to eliminate or protect government subsidies.
- To organize a multi-stakeholder meeting at the Ninth Session of CSD in 2001, *to identify, examine and discuss viable actions for eliminating unsustainable subsidies in energy and transportation.*

Women's Caucus

Comments and Recommendations on

Structural Adjustment Programmes

By Dzodzi Tsikata,

Third World Network Africa Secretariat, Accra, Ghana.

Economic policy and development issues, particularly Structural Adjustment Programmes (SAPs) have dominated women's concerns in many Developing Countries, particularly in Africa, because they have been implicated in the rise of poverty, especially of women. SAPs have been cited as one of the factors responsible for the non-realisation of most of the provisions of the Nairobi Forward Looking Strategies for the Advancement of Women (1985).

Without a fundamental rethinking of SAPs, many economies have no chance of reversing their present circumstances.

While gender inequality predates SAPs, the effects of SAPs and the policy climate they create are inimical to the promotion of social programmes and measures to address this issue. The problems of gender relations, for example in Africa, have been exacerbated by SAPs in a number of important ways. Women are in the majority of those suffering the adverse social conditions blamed on SAPs.

In the area of work, for example, there is evidence from studies of the impacts of SAPs, that more women than men have become unemployed, wage differentials between men and women are growing, working conditions of women are deteriorating, a situation exacerbated by the fact that more women are swelling the ranks of informal sector workers. In addition, there are gender inequalities in obligations and reciprocities regarding labour.

Women's unpaid work has increased because of the removal of subsidies on social services. Other indicators include adverse effects on the health and education of girls, changes in household structures which increase dependency ratios and increases in domestic violence against women and stress. UN studies have found that since 1980 there has been a slowdown in the rate of improvement in the ratio of female to male enrolment.

It has been shown that SAPs themselves are gender biased in various ways – the macro-economic policies, though appearing to be neutral, work out differently for different social groups based on class and gender relations. SAPs assume the unlimited availability of women's unpaid labour and time and the efficiency approach of SAPs have tended to see women as a resource to be tapped to promote the efficiency of free market policies and to deal with the short-fall in access to social services.

Recommendations

- The international community, Governments and other stakeholders, particularly women's organisations, need to search for alternatives for SAPs. Long-term development concerns should be seen as paramount and economic policy should not be prioritised and divorced from social policy and democracy.

- Democratic participation in reviewing and making of economic policies is crucial. Governments should be urged to promote dialogue between themselves and their societies to ensure the indigenisation of socio-economic policy making and secure the broad acceptance of policy goals in the interest of stability, peace and development. Specific issues are the question of developing methodologies which enable a more inclusive assessment of SAPs and their effects, particularly to factor in informal sector activity and unpaid labour into national accounting and develop more accurate criteria for measuring socio-economic progress.
- Even more fundamentally, the nature of the informal sector and intra-household relations need to be understood properly to aid the promotion of institutional reforms and policies, to ensure that they are not exploitative to women and other disadvantaged groups. Indigenous gender research is extremely important in this regard. Research on SAPs should adopt gender analysis rather than women as a framework in order to aid the discovery of similarities and differences of the experiences of women and men under SAP.
- Gender analysis needs to tackle macro-economic issues and areas of economic policy previously considered gender neutral such as trade, resource management and monetary and fiscal policies.
- One comprehensive attempt at formulating an alternative to SAPs was made in 1989 by the UN Economic Commission for Africa (ECA) formulating the African Alternative Framework to Structural Adjustment Programmes for Economic Recovery and Transformation (AAF-SAP). The AAF-SAP stresses that the basis of economic policy should be the development of people. It states clearly that productive capacity should not be constrained for the sole purpose of achieving financial balances and neither should budget deficits be reduced at the expense of expenditure on health, education and other social sectors. Other specific recommendations include the need to strengthen the linkages between agriculture and industry, the need to correct the bias against food crops, the use of foreign exchange to import inputs for both agriculture and industry, the allocation of about 25% of public investment to agriculture and most importantly land reform to improve gender and class equity.

Thursday's Program

8.30 - 9.15 am	Women's Caucus	
9.15- 10 am	NGO Strategy Session	
10 -11 am	Sustainable Agriculture and Food System Caucus	
10 am - 1 pm	Official Session: Discussion of the Co-Chair "summary" and "elements" papers on Finance Introduction by the Co-Chair of their "Summary of the discussion" and "Elements for Discussion" on trade, investment and economic growth	
4 - 6 pm	Official Session: First discussion of the Co-Chair "summary" and "elements" papers on trade, investment, and economic growth	
6.15 - 7.45 pm	US Mission Briefing to US-NGOs	

Rio Grinds

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

Some people may have noticed that social development is meeting at the same time as the CSD Intersessional.

Preparations for WSSD+5 is in a mess. Will the Secretary General send in AV to sort it out as he did for Habitat?

The Chair of the CSD has been trying out new meeting dynamics during the Biosafety Protocol negotiations. The use of

coloured balls may become a standard use at international negotiations!

At the NGO Steering Committee meeting on Tuesday observers from other NGO processes around Beijing and WSSD are starting to attend. Will the SC approaches be copied to other UN processes?

In April we look forward to UNESCO reporting on the Education for All by 2000 target. Has it happened? If no why not?

Rio Grinds like everyone else is suffering from the lack of **the Vienna Cafe**. After a detailed investigation we understand it will re-open on Monday. So two more days of bringing in supplies!

SUBMISSIONS TO OUTREACH

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

1) E-MAIL: 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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