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**Annual report of the United Nations High Commissioner
for Human Rights and Reports of the Office of the
High Commissioner and the Secretary-General**

**Promotion and protection of all human rights, civil,
political, economic, social and cultural rights,
including the right to development**

Written statement* submitted by Associazione Comunita Papa Giovanni XXIII, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[20 August 2020]

* Issued as received, in the language(s) of submission only.



Financing for Development at national and international level

Associazione Comunità Papa Giovanni XXIII (APG23) welcomes the report of the Special Rapporteur on the right to development, Mr. Saad Alfarargi, delivered at the 45th regular session of the Human Rights Council.

We appreciate the fact that the Special Rapporteur examines in his report the national-level financing for development practices from the perspective of the right to development, highlighting good practices and reviewing challenges to ensure the meaningful participation of rights holders. We also concur with his recommendations on integrating the right to development into the areas of resource mobilization, tax policies, participation and access to information.

Mr. Alfarargi tackles the crucial subject of Financing for Development (FFD) for a coherent and integrated implementation of the internationally agreed frameworks as the 2030 Agenda for Sustainable Development, the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Action Agenda and the Paris Agreement on climate change. He also refers to the “Guidelines and recommendations on the practical implementation of the right to development” that he delivered at the 42nd regular session of the Human Rights Council.¹

The guidelines clearly state that affected communities must have ownership over development agendas, budgets and processes, and that participation can only be effective if it is institutionalized and continuous.

The discourse on financing for development, at national and international level, should be carried out based on this perspective of participation, a core principle of the Declaration on the Right to Development and of the human rights international law.

Rights holders – individuals, communities, vulnerable populations and marginalized groups – should be placed at the centre of decision making for all aspects of FFD, including from the planning to the evaluation stages, and measures should be taken to ensure that FFD is based on rights holders’ development priorities. In this regard, access to reliable, timely and easy to comprehend information on all aspects of FFD is crucial.

To gather information about the extent to which rights holders have been placed at the centre of decision-making on financing for development, the Special Rapporteur issued a call for submissions from Member States, development finance institutions, non-governmental organizations, think tanks and academics to which our Association also responded. APG23 thanks the Special Rapporteur for having mentioned in paragraph 78 and 79 of his report our Rainbow Project, a large-scale model programme coordinating local community-based organizations to support orphans and vulnerable children, which implements a participatory microfinance scheme in Zambia, Kenya and Tanzania. It is just an example on how active, free and meaningful participation can work at a micro and grass-root level.

According to the report, only 14 member states answered to the call providing practical examples of the ways that their Governments work to integrate the right to development into national systems for financing development. APG23 appreciates their contributions in terms of implementation of social protection programmes, tax reforming and redistribution of resources, more inclusive national development plans and policies, attempts to reach gender parity and reduce inequalities, among others... what about contributions from other States? The lack of them is quite regrettable.

We are sure that several other examples and good practices exist, which can be inspiring and useful. For instance, we recognize the notable stance of some European countries that decided to not provide financial help during the COVID-19 crisis to firms registered in tax havens. This official stance creates a remarkable precedent that we hope will be followed by policies and procedures to face the issue of tax evasion, an activity that undermines the resources available for Financing for Development.

¹ A/HRC/42/38.

We do hope that States will give account on their national policies for financing for development and their measures to enhance real and meaningful participation of their people, especially the most vulnerable one, in other reporting mechanisms such as: the Voluntary National Review (VNR) at the High-Level Political Forum and the Universal Periodic Review.

The Covid-19 pandemic has become sooner this year, one of the biggest challenges of our entire planet. It is in many ways a new and disorienting crisis, which for the first time is affecting considerably also the rich and industrialised world. According to different sources, COVID-19 is likely to cause the first increase in global poverty since 1998. Even though measuring how much this increase will be is challenging and comes with a lot of uncertainty,² World Bank (WB) estimated that COVID-19 is pushing about 40-60 million people into extreme poverty: in the worst scenario, this would mean to go back to 2017 levels of average poverty, and as much as 30 years in some regions such as sub-Saharan Africa, the Middle East and North Africa.³ United Nations' predictions are more pessimistic: a global recession will plunge as many as 420 million people into extreme poverty, defined as earning less than \$2 a day.⁴

At the same time, billionaire's wealth boomed, especially for those related to digital corporations, thanks also to the consequences of the crisis and lockdowns. In many cases, billionaires donated huge amounts of money to face the crisis. Even though APG23 recognizes this attempt by the wealthiest people to be useful to combat the pandemic, we would like to stress the importance of not mistaking philanthropy with Financing for Development. The trend of lowering taxes, due to the neoliberalism vision, showed its consequences: States faced the crisis alone, with poor resources and depleted health systems. After four decades of neoliberalism and preaching for the market against governments, the key actor to face the crisis has been the State. The International Monetary Fund (IMF), WB, as well as non-governmental organizations such OXFAM, list their recommendations on the underlying assumption that States should play a fundamental role in the current crisis, putting into action policies that face the health and economic crisis focusing on health as a priority, on financial help with debt relief and cash grants, on preparing for recovery and building back better as well as on employment by ensuring economic stimulus packages to support business and workers. Rebalancing the distribution of wealth, through proper tax policies, is crucial to provide States the essential tools to assure worldwide the right to development.

As usual, developing and least developed countries will be dramatically and disproportionately affected by the impact of the COVID-19 pandemic. In this context, there is need to increase international cooperation and reinforce multilateralism. Yet, we are witnessing States going back to policies meant to protect their domestic interests without considering the impact on others and some rich countries are banning exports of essential goods such as personal protective equipment.

When humanity will learn the lesson that only through international solidarity and the search for the common good our interconnected world will be saved?

Not only there is a need for more international cooperation, but also for cancellation of the external debt for those countries that are disproportionately affected by the economic challenges created by the COVID-19 pandemic. In fact, the current situation is threatening the ability of many developing countries to service their external debts, and raises the

² Daniel Gerszon Mahler, Christoph Laknerr, Andres Castaneda and Aguilarhaoyu Wu, The impact of COVID-19 (Coronavirus) on global poverty: Why Sub-Saharan Africa might be the region hardest hit, 20.04.2020, World Bank Blogs: <https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest>.

³ OXFAM, Half a billion people could be pushed into poverty by coronavirus, warns Oxfam, 09.04.2020: <https://www.oxfam.org/en/press-releases/half-billion-people-could-be-pushed-poverty-coronavirus-warns-oxfam>.

⁴ Kate Linticum, Nabih Bulos and Ana Ionova, The economic devastation wrought by the pandemic could ultimately kill more people than the virus itself, 11.05.2020, Los Angeles Times: <https://www.latimes.com/world-nation/story/2020-05-11/more-than-a-billion-people-escaped-poverty-in-the-last-20-years-the-coronavirus-could-erase-those-gains>.

possibility of a wave of sovereign debt defaults. It also poses large risks for the attainment of the 2030 Agenda for Sustainable Development.

The IMF Managing Director and the President of the World Bank recognized the heavy burden the crisis is having on Low Income Countries and, on March 25th, called on bilateral creditors to suspend debt service payments from the poorest countries.⁵ The G20 responded to this call on April 15th by suspending repayment of official bilateral credit from the poorest countries. The temporary suspension of payments started in May 2020, with the possibility of extension for 2021, and involves 76 countries - 40 from Sub-Saharan Africa.

However, such provision of temporary debt moratoriums by the Group of 20 countries and IMF is not adequate. Full debt cancellation or debt waiver measures in order to relieve the acute debt distress in the 76 low-income and lower-middle-income countries is needed. APG23 signed together with over 150 civil society organizations, a petition letter calling for debt cancellation by all creditors, including bilateral creditors, the World Bank and IMF, as well as private creditors.⁶

Another international dimension of financing for development from the perspective of the right to development is Official Development Assistance (ODA). Regrettably, ODA contributions have declined over the past few years. Instead, States should oblige with their commitment to release 0.7% of their gross national income (GNI) and increase it further because of the COVID-19 crisis.

Finally, APG23 would like to bring the attention to a very important mechanism for financing for development contemplated also by the article 7 of the Declaration on the Right to Development, which is a significant reduction of the military expenditures and the redirection of the released resources towards social expenditures and the achievement of the Sustainable Development Goals (SDGs). Resources made available by military sector cuts could constitute one of the most important innovative mechanisms for development financing. Global military spending in 2019 was \$1.9 trillion, 300 times the World Health Organization's budget.⁷ This amount of financial resources is a huge potential if invested in practices and policies that enhance human well-being instead of threaten it.

⁵ IMF, How the IMF Can Help Countries Address the Economic Impact of Coronavirus, 20.05.2020: <https://www.imf.org/en/About/Factsheets/Sheets/2020/02/28/how-the-imf-can-help-countries-address-the-economic-impact-of-coronavirus>.

⁶ Jubilee Debt Campaign, "A debt jubilee to tackle the COVID-19 health and economic crisis", April 2020. Available at <https://jubileedebt.org.uk/a-debt-jubilee-to-tackle-the-covid-19-health-and-economic-crisis-2>.

⁷ <https://www.vaticannews.va/en/vatican-city/news/2020-07/vatican-commission-covid-19-more-money-healthcare-less-weapons.html>.