



## Regional Policy Positions: Latin American Governments Post-2015 Positions on Relevant Themes

Regions Refocus, an initiative housed at the Dag Hammarskjöld Foundation has compiled below the proposals of key regional Member States, articulated in the Open Working Group (OWG) on Sustainable Development Goals (SDGs) and the 35<sup>th</sup> Session of ECLAC, related to the main themes of the meeting “Hidden Money, Hidden Resources: Financing Development with Transparency,” held 13-16 October, in Lima, Peru. The agreed language listed comes from the outcome document of the OWG and the final report of the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), published in July and August 2014, respectively.

Try the “Traffic Light” exercise: Mark the positions and agreed language below with a green, yellow, or red light according to how progressive the proposal:

- ⊕ for progressive recommendations
- ⊖ for recommendations that could be amended for greater clarity or specificity
- ⊗ for recommendations that are regressive i.e. favor corporate influence or disregard human rights and environmental agreements

Below is our assessment, as a contribution to stimulate debate.

### ILLICIT FINANCIAL FLOWS

Issue	Proposals (and Proponents)	Agreed Language
<b>Address IFFs</b>	⊕ Halt Illicit Financial Flows (IFFs) and repatriate ill-gotten wealth in foreign banks to countries of origin by 2030 (G77/China)	⊕ By 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime (OWG)
<b>Combat corruption</b>	⊕ By 2030 decrease by x% corruption in all its forms and illicit financial flows (Brazil/Nicaragua, Cuba)	⊖ Best use should be made of existing international standards and instruments in anti-money laundering, anti-corruption and asset recovery (ICESDF)
<b>Curb price volatility</b>	⊕ Address excessive price volatility, including through market information and oversight on financial commodity markets (Brazil/Nicaragua, Argentina/Bolivia/ Ecuador)	⊖ Adopt measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitate timely access to market information, to help limit extreme food price volatility (OWG) ⊖ Consider a toolkit of instruments to manage volatility of risk associated with short-term cross-border capital flows (ICESDF)

### DOMESTIC RESOURCE MOBILIZATION

Issue	Proposals (and Proponents)	Agreed Language
<b>Taxation</b>	⊕ Improve tax collection and the efficiency and transparency of public spending (Argentina, Costa Rica) ⊖ Strengthen systems to harness domestic savings for investment (Argentina, Costa Rica) ⊕ Reduce tax evasion and avoidance, including through transfer pricing in	⊕ International support to developing countries to improve domestic capacity for tax and other revenue collection (OWG) ⊕ The enhancement of international tax cooperation could cover country-based reporting, notification of owners, automatic exchange of tax information, transfer pricing regulations, lists of tax havens and standards for non-economic reporting.

	<p>international value chains (<u>Costa Rica</u>)</p> <ul style="list-style-type: none"> <li>➕ Implement a fiscal compact for equality by combatting low and regressive taxation (<u>ECLAC HLPF Input</u>)</li> <li>➕ Ensure the transparency of beneficial ownership, against tax evasion and avoidance and towards the improvement of stolen asset recovery (<u>Argentina</u>)</li> </ul>	<p>G-20 Leaders have endorsed the OECD Action Plan on Base Erosion and Profit Shifting (BEPS) and automatic exchange of information. The United Nations could be a catalyst for further strengthening international cooperation in this area, working with the G-20, the OECD, the IMF, the World Bank and relevant regional fora. (<u>ICESDF</u>)</p> <ul style="list-style-type: none"> <li>➖ Capacity development measures for developing countries could increasingly focus on international taxation issues. (<u>ICESDF</u>)</li> <li>➕ Prioritize real income gains at the bottom of the income distribution through progressive tax policies and VAT exemptions on basic goods and services. (<u>ICESDF</u>)</li> <li>➖ Domestic actions aimed at minimizing the flow of funds to secrecy jurisdictions and international cooperation to increase financial transparency, including exchange of information, country-by-country reporting and publicly available company beneficial ownership registers, effective implementation of the Financial Action Task Force (FATF) standards and asset recovery (<u>ICESDF</u>)</li> </ul>
<b>Financial Inclusion</b>	<ul style="list-style-type: none"> <li>➖ Promote universal access to inclusive financial services, for women and men (<u>Mexico/Peru, ECLAC HLPF Input</u>)</li> </ul>	<ul style="list-style-type: none"> <li>➖ Strengthen the capacity of domestic financial institutions to expand access to banking, insurance and financial services for all. (<u>OWG</u>)</li> <li>➖ Expand the scope and scale of financial services offered to the poor, older persons, women, persons with disabilities, indigenous people and other underserved populations. (<u>ICESDF</u>)</li> </ul>

## TRANSPARENCY

Issue	Proposals (and Proponents)	Agreed Language
<b>Institutions</b>	<ul style="list-style-type: none"> <li>➕ By 2030 develop open, effective, efficient, accountable and transparent institutions at all levels (<u>Costa Rica</u>)</li> <li>➕ Provide equal access to independent and responsive justice systems, including related to property and tenure rights, employment, business, taxation, trade and finance (<u>Brazil/Nicaragua</u>)</li> </ul>	<ul style="list-style-type: none"> <li>➖ Develop effective, accountable and transparent institutions at all levels (<u>OWG</u>)</li> <li>➖ Effective institutions and policies and good governance are central for the efficient use of resources and for unlocking additional resources for sustainable development. (<u>ICESDF</u>)</li> </ul>
<b>Access to Information</b>	<ul style="list-style-type: none"> <li>➖ Improve access to information on public finance management, public procurement and on the implementation of national development plans (<u>Brazil/Nicaragua, ECLAC HLPF Input</u>)</li> <li>➕ Free access to information and communications technology (ICT) (<u>Costa Rica</u>)</li> <li>✖ Remove unnecessary restrictions of</li> </ul>	<ul style="list-style-type: none"> <li>➕ Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements (<u>OWG</u>)</li> <li>➕ Financial service providers should be required to disclose key information in a clear and understandable, preferably uniform, form (<u>ICESDF</u>)</li> <li>➖ Significantly increase access to ICT and strive to provide universal and affordable access to internet in LDCs by 2020 (<u>OWG</u>)</li> <li>➖ Ensure public access to information and protect</li> </ul>

	freedom of media, association and speech (Brazil/Nicaragua)	fundamental freedoms, in accordance with national legislation and international agreements (OWG)
<b>Participation</b>	<ul style="list-style-type: none"> <li>➔ By 2030 establish inclusive, participatory decision-making (Brazil/Nicaragua, Costa Rica)</li> <li>➔ By 2020 provide public services for all, including legal identity (Brazil/Nicaragua)</li> </ul>	<ul style="list-style-type: none"> <li>➕ Ensure responsive, inclusive, participatory and representative decision-making at all levels (OWG)</li> <li>➕ Planning and execution of budgets should be based on transparency, legitimacy, accountability and participation of citizens. (ICESDF)</li> <li>➔ By 2030 provide legal identity for all including birth registration (OWG)</li> </ul>

## PUBLIC-PRIVATE PARTNERSHIPS (PPPS) & INFRASTRUCTURE

Issue	Proposals (and Proponents)	Agreed Language
<b>Investment in Infrastructure</b>	<ul style="list-style-type: none"> <li>➕ Develop basic infrastructure for sustainable development, accessible to all, with attention to needs of countries in special situations (Argentina/Bolivia/Ecuador, Guatemala/Colombia, Mexico/Peru, Brazil/Nicaragua)</li> <li>✖ Establish an investment promotion regime for LDCs to foster foreign direct investment in infrastructure building of LDCs (G77/China)</li> </ul>	<ul style="list-style-type: none"> <li>➕ Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border, to support economic development and human well-being, with a focus on affordable and equitable access for all (OWG)</li> <li>➕ Facilitate sustainable and resilient infrastructure development in developing countries through financial, technological and technical support to African countries, LDCs, LLDCs and SIDS (OWG)</li> <li>➔ Adopt and implement investment promotion regimes for LDCs (OWG)</li> <li>✖ International public finance will have an important role in financing investments in national development, such as infrastructure. Some of these investments are profitable, and international public finance can catalyze private financing for sustainable development in such areas (ICESDF)</li> </ul>
<b>Public-Private Partnerships (PPPs)</b>	<ul style="list-style-type: none"> <li>➔ Substantially increase funding for infrastructure projects in developing countries, including through public funding and strengthening of PPPs (G77/China, Paraguay, Argentina/Bolivia/ Ecuador)</li> <li>✖ Harness innovative financing for sustainable development in the region, including PPPs (ECLAC HLPF Input)</li> </ul>	<ul style="list-style-type: none"> <li>➔ If long-term investors were to bypass intermediaries and invest directly, they could adopt a longer-term horizon in their investment decisions. There is thus a need for new instruments in this area. Investor groups could build joint platforms, e.g. for sustainable infrastructure investments (ICESDF)</li> <li>➔ Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries (OWG)</li> <li>➔ Promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships (OWG)</li> </ul>
<b>Partnerships Accountability</b>	<ul style="list-style-type: none"> <li>➕ Emphasize the role of the State in effective, innovative and accountable partnerships (Argentina)</li> <li>➕ Ensure transparency,</li> </ul>	<ul style="list-style-type: none"> <li>➕ A renewed and strengthened global partnership for sustainable development, defining a compact of commitments by Member States, while providing space and flexibility for engagement with a wide</li> </ul>

	<p>accountability and intergovernmental reporting on the global partnership among Member States and multi-stakeholder initiatives and partnerships (<a href="#">Brazil/Nicaragua</a>)</p>	<p>range of stakeholders (<a href="#">ICESDF</a>)</p> <ul style="list-style-type: none"> <li>– Ongoing efforts to strengthen the global partnership for sustainable development cooperation should be based, inter alia, on the principles of country ownership, focus on results, delivery through inclusive partnerships, transparency and accountability to one another (<a href="#">ICESDF</a>)</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>– By 2030 increase by x% the share of companies reporting on corporate social and environmental responsibility, including integrated reporting (<a href="#">Colombia/Guatemala</a>)</li> <li>– Developed countries must attain a higher percentage of reporting from their companies compared to developing countries (<a href="#">Brazil/Nicaragua</a>)</li> </ul>	<ul style="list-style-type: none"> <li>– Encourage companies, especially large and trans-national companies to integrate sustainability information into their reporting cycle (<a href="#">OWG</a>)</li> <li>– Policymakers should aim to foster sustainability considerations in all institutions and at all levels, by encouraging joint reporting on both economic returns and environmental, social and governance (ESG) impacts – which can be referred to as EESG reporting (<a href="#">ICESDF</a>)</li> <li>+ A key question is whether largely voluntary initiatives can change the way financial institutions make investment decisions. Policymakers could consider creating regulatory frameworks that make some of these practices mandatory (<a href="#">ICESDF</a>)</li> </ul>

#### INSTITUTIONAL FINANCIAL ARCHITECTURE

Issue	Proposals (and Proponents)	Agreed Language
<b>Governance Reform</b>	<ul style="list-style-type: none"> <li>+ By 2020 reform the governance of international financial institutions (IFIs) to increase the effective participation of developing countries, to make them more democratic and representative and eliminate North-South asymmetries (<a href="#">Brazil/Nicaragua</a>, <a href="#">G77/China</a>, <a href="#">El Salvador</a>, <a href="#">ECLAC HLPF Input</a>)</li> <li>+ Implement the quota and governance reforms of the International Monetary Fund (<a href="#">G77/China</a>, <a href="#">Brazil/Nicaragua</a>, <a href="#">Paraguay</a>)</li> </ul>	<ul style="list-style-type: none"> <li>+ Broaden and strengthen the participation of developing countries in the institutions of global governance (<a href="#">OWG</a>)</li> <li>+ A further review of the governance regimes of the IFIs is necessary to update their decision making processes, modus operandi and priorities, and make them more democratic and representative (<a href="#">ICESDF</a>)</li> <li>+ The IMF and the World Bank have been making efforts to further integrate the voices of emerging markets and developing countries, to reflect their growing importance in the global finance and development arena. These efforts should be brought to fruition (<a href="#">ICESDF</a>)</li> </ul>