

BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA (BRICS): POLICY RECOMMENDATIONS DOCUMENT

Submitted for consideration by the official BRICS Summit and
Civil BRICS Summit to be held in India in October 2016

The representatives of the civil society organisations (CSOs) from Brazil, Russia, China, India and South Africa (as well as developing nations including Mexico and Indonesia) present some of the key recommendations for the forthcoming BRICS Summit and Civil BRICS forum at Goa and New Delhi, India.

This note summarises the concerns raised and expectations from the CSOs to the Government of India in six key policy areas: Agriculture and Food Security, Issues of Urbanisation and Urban Poverty, Issues of Gender Inequality, New Development Bank, Sustainable Development Goals, and Fiscal Justice.

The recommendations have emerged from several consultations with various stakeholders, including academicians, civil society, social movements and policy experts from the BRICS nations. The consultations culminated in two sub-national consultations held in Goa and Ranchi in India in July 2016 ahead of an international consultation on 'BRICS and the Agenda of Equality and Social Change' in New Delhi on 28-29 July, 2016.

This document builds on the basic conclusions and recommendations of Civil BRICS 2015 conducted in Moscow, Russia¹, and confirms its strong position on environmental and social issues.

We would urge the Government of India to consider accepting the following recommendations which have ramifications for all BRICS citizens in both the official Civil BRICS communique as well as the BRICS 2016 declaration/communique.

¹ <http://civicbrics.org/upload/iblock/3b8/3b853b13066f1cef9a43cd19133dcc18.pdf>

**BY WADA NA TODO ABHIYAN (WNTA), PEOPLE'S BUDGET INITIATIVE (PBI), OXFAM INDIA AND
PARTNER CIVIL SOCIETY ORGANISATIONS FROM THE BRICS AND DEVELOPING NATIONS**

AGRICULTURE AND FOOD SECURITY

Food security, specifically, the lack of access to food is a significant issue for the global community and particularly for developing nations as it adversely impacts their economic growth and resilience. The increased concentration of global policy-making in the hands of a few are shifting even as national-level policy decisions continue to be directed to varying extents by global and private actors such as the World Trade Organisation (WTO) and transnational or multinational corporations.

Small-scale producers play a critical role both in the global food supply chain as well as in food security and economic independence of the world's poor. However, many of these small-scale producers are disadvantaged by policies that limit their decision-making power in markets and fail to protect their rights.

Further, the upsurge in the use of bilateral and plurilateral free trade agreements (FTAs) is not only reducing tariff barriers but also limiting the policy space in critical areas such as investment, services and intellectual property leading to land grabs, the destruction and control of natural resources and traditional production systems, and raising the costs of cultivation. These provisions prevent the strengthening of developing country agriculture and livelihood options for farmers and effectively tie the hands of Governments wishing to pursue national development strategies.

Policy recommendations:

1. BRICS countries must ensure that trade and investment agreements in agriculture and food commodities provide the requisite policy space to Governments to protect and promote domestic food producers towards food sovereignty (and not be subjected to unwanted products/dumping practices).
2. There should be support for small-scale farmers who are unfairly disadvantaged by the closed food systems from production to retail. This must be done in order to better enable family farmers and smallholders - rural women, young people and indigenous people in particular – to integrate into the food value chain. These groups must also have access to financial support as well as have improved public and private service systems provided to them.

3. Governments should increase public support for renewable energy, infrastructure and the upgrading of technology to ensure affordable, reliable and sustainable resource access for rural areas and small-scale farmers. They must promote employment and mitigate climate change.

4. Gender analysis should be conducted at every step in the agriculture and food security value chain to ensure that there is economic and social empowerment for women in agriculture.

5. Use the 'Voluntary Guidelines for the Responsible Governance Tenure of Land, Fisheries and Forests in the Context of Food Security'¹ as a basis for regulating investment and land use, especially respecting peoples' right to Free Prior Informed Consent.

6. Landless families and sharecroppers should be issued an identity card by the Government. The establishment of national and regional eligible family identification commissions is essential for identification of the real beneficiaries facing food insecurity.

7. Poverty and food insecurity should be tackled through social safety (security) nets. Production-based food security should be preferred by adopting sustainable agricultural production. Adopt the 'Right to Food and GSF (Global Strategic Framework) for Food Security and Nutrition'² and the UN Comprehensive Framework for Action (CFA), Food and Agriculture Organisation, United Nations, 2012³.

When rural farmers are able to enter the market, there should be protective policies that safeguard them from exploitation by brokers, and prevent discrimination to access services.

1 <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>

2 http://www.fao.org/fileadmin/templates/righttofood/documents/RTF_publications/EN/rtf_study_global-strategic-frameworks_en.pdf

3 http://un-foodsecurity.org/sites/default/files/UCFA_English.pdf

ISSUE OF URBANISATION AND URBAN POVERTY

Recent decades have seen aggressive development in the cities of the Asia-Pacific region, particularly metropolitan cities, through urban infrastructure, beautification and real-estate projects. The need to attract investors and stimulate urban economic growth and the focus on “public interest” and “improving quality of life” etc. have facilitated such developments. These developments have led to the dispossession of the urban poor and marginalised groups.

Urban policies and programmes have not adequately addressed the question of shelter security in the country. In the Asia-Pacific context, urban poverty has been intrinsic to the urban development paradigm. Development of the nation without taking into account the issues of urbanisation will not give the holistic perspective of the challenges faced by growing cities.

In the last decade, especially after the introduction of neo-liberal economic policies, urban spaces have become more exclusive for the urban poor. This has emerged due to the largely held misconception of equating the idea of ‘progress’ with merely the creation of urban spaces. This is prevalent in all the countries of the Global South, especially ones which are seen as a promising country for economic investment. This is the challenge that needs to be addressed by BRICS nations.

Policy recommendations:

To ensure that the urban development processes in cities are inclusive and just, the policies need to be reframed based on the framework of social justice and income inequality. This is only possible with a progressive political discourse in favour of enabling social justice for all which must be tied with the United Nations’ 2030 Agenda for Sustainable Development⁴ which aims to leave no one behind.

The glaring urban challenge in the Global South is ‘Informality’ which can be seen in two categories:

⁴ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

1. Informality of habitat (housing and basic services). In order to protect and acknowledge the existence of informal settlements, the principle of social production of habitat should be taken into account to regularise the informal.

- Social housing and public investment in housing and basic services like water and sanitation should be framed as public investments. All of these have a crucial link to decent housing. To enable this, it is important that spatial planning and urban design considers planning for the growing informal spaces of production. It is imperative that we take into account processes of gentrification and deindustrialisation and the violent ways in which the State intervenes in these areas.

- Zero evictions should be included in all National Urban Policies. Making housing habitable, affordable and accessible should be a priority. This can be through community-based, cooperative and non-profit rental and owner-occupied housing programmes, services for the homeless, mobilising innovative financial and other resources, creating and promoting market-based incentives to encourage the private sector to meet the need for affordable rental and owner-occupied housing, and, through sustainable spatial development patterns and transportation systems.

- Social and human rights impact assessments must be done for all urban infrastructure investments.

Safe, affordable and sustainable transport systems that is accessible by all and especially focusing on the low income groups must be prioritised.

- Social and human rights impact assessments must be done for all urban infrastructure investments especially for New Development Bank projects. This impact assessment should be based on the principles of social justice.

2. Informality of labour: Regularisation and protection of informal workers, who are not only major contributors in urban economies but also have a significant role to play in economic transition and even climate resilience, is imperative.

It is important that these large numbers employed in the informal sector be made less vulnerable to State action, often prompted by middle class activism, and to exploitation by employers. To meet this target, the following should be the means of implementation:

- Develop parameters for private companies/corporate houses, both domestic and multi/transnational, to follow standard procedures for maintaining workers’

rights and ensure their protection.

- Development of a social security system that is pro-poor and is inclusive of groups like migrant populations, socially marginalised groups etc.
- BRICS governments must ensure social security in terms of employment opportunities, decent working conditions, safety, and security at work places.
- Develop mechanisms for people's participation and monitoring in urban local body planning and budgeting processes.

ISSUES OF GENDER INEQUALITY

It is critical to conduct a gender analysis and to mainstream gender in all thematic areas of the Civil BRICS and BRICS Summit agenda. The priority is to challenge and transform harmful social norms which discriminate against women while working with different actors who influence norms (such as traditional leaders, public figures, women's rights organisations and the media).

It is pivotal to recognise and respect the identities of all (indigenous, sexuality, caste, gender, race, religion, disability, etc.) and keep in mind the intersectionality of identities in the context of the BRICS countries. The primary request is for the BRICS to have Gender Guidelines in how they engage and that this be shared with global civil society.

Policy recommendations:

1. End structural violence

- Address legal, cultural and religious barriers (such as parental/marital consent, access to and ownership of land) that hamper women's access to economic and social rights and justice.
- Research by and about women on the manifestation, impact, and depth of violence must be undertaken and disseminated through public and private investment in publications and advertisements which contribute to positive social norms.
- Ensure the implementation of the Convention on the Elimination of all of Discrimination Against Women (CEDAW)⁵ with a special focus on addressing the

⁵<http://www.ohchr.org/Documents/ProfessionalInterest/cedaw.pdf>

culture and culpability of rape.

2. Women-centric economic, political, social approaches

- Ensuring that taxation systems and policies recognise unequal gender roles, and develop/improve redistribution tax policies taking gender into consideration, including the unfair tax impacts on women and children (e.g. taxation of certain goods such as feminine sanitary products) affects women unequally.
- Education is a basic human right and there needs to be a focus on cultural practices and attitudes to be integrated from an early age.
- The narrative must include women and girls as well as the LGBTIQ community, men and boys.

3. Systematically recognise and measure all forms of work including unpaid care work

- Commit to addressing and recognising unpaid care work and the divide between the types of jobs that women do and how these are valued (e.g. lower paid sectors, the 'three Cs' – catering, caring and cleaning).
- Contribute to, endorse and, once signed-off, implement the recommendations of the UN High Level Report on Women's Economic Empowerment⁶.
- 4. Increase the levels of influence and participation of women as leaders
- Enable women's impactful participation in governance, including economic justice.
- Create mechanisms to protect and enable women's participation in leadership positions and ensure their safety/security.

5. Secure opportunities, access, and autonomy for young women and girls

- Access to education, technology, health, work, and the means to take advantage of them.
- Create and enforce laws addressing cultural and customary practices related to children in the economy.

⁶ <https://www.empowerwomen.org/en/who-we-are/initiatives/sg-high-level-panel-on-womens-economic-empowerment>

BRICS NEW DEVELOPMENT BANK (NDB)

A commitment to sustainable development will require the NDB to go beyond a focus on market-orientated growth, towards an emphasis on social, environmental and economic development across its projects. The activities of the NDB must be geared to support sustainable patterns of consumption and production, and inclusive, transformative strategies of growth.

It is therefore paramount that the NDB must commit itself to supporting transparent, participative, and accountable development that is socially and environmentally sustainable and meets the needs of the poorest and marginalised communities

Policy Recommendations:

1. Sustainable Development Criteria

- Promote inclusive, sustainable development for all. Develop strategies and define sustainability criteria for project selection and evaluation to ensure that NDB investments are both socially and environmentally sustainable.

- Such criteria should ensure environmental protection and climate resilience, and that the NDB's investments are designed to reduce use of unsustainable fuel sources like coal, oil, nuclear, and large hydroelectric dams and to shift toward renewable decentralised energy systems.

- They should also ensure that NDB financed projects benefit the poor and marginalised, are inclusive and accessible, address deprivation and inequality, including gender disparities, and are conflict-sensitive and do not cause harm to indigenous and local communities.

2. Transformational Investment, Beyond Large-Scale Megaprojects

- Support transformational investment that moves beyond centralised, large-scale megaprojects and has a strong focus on social infrastructure that provides the poorest and disenfranchised populations with access to services such as housing and education.

- Support should also be provided to local economies, including local agriculture and small-scale farmers.

3. Environmental and Social Policy Framework

- Develop a robust environmental and social policy framework through active consultation and engagement with civil society before selection and funding of the 2nd round of projects.

- Communities should be meaningfully consulted and be able to input into the design and implementation of projects that will impact them. The NDB should respect indigenous peoples' rights to give or withhold their free, prior and informed consent, in line with the United Nations Declaration of the Rights of Indigenous Peoples¹.

- The framework should meet international human rights and environmental standards and reflect best practice on issues including environmental and social assessment, environmental protection and climate, gender, labour, conflict and security, community safety, non-discrimination, resettlement, and indigenous peoples.

- It should also include a conflict-prevention and management policy which ensures that local conflicts, including those relating to the takeover of land and common property resources, are not created or exacerbated as a result of NDB-financed projects or interventions.

- Restrict financing away from high carbon and high pollution industries such as coal and other fossil fuel projects (such as carbon capture, "clean coal" technologies, and others), including the mining, processing, shipping, or burning of fossil fuels. Especially in light of the Paris Climate Goals², financing towards projects which require or involve the burning of fossil fuels should not be considered sustainable or green.

- Develop an institutional wide annual cap on greenhouse gas emissions produced by activities which are financially supported by the bank. This kind of policy can draw from experiences and improve upon existing models such as those from China's recommendations to build a green finance system³ and Overseas Private Investment Corporation⁴.

1 http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

2 http://ec.europa.eu/clima/policies/international/negotiations/paris/index_en.htm

3 <https://www.cbd.int/financial/privatesector/china-Green%20Task%20Force%20R>

4 https://www.opic.gov/sites/default/files/consolidated_esps.pdf

4. Inclusive Participation and Stakeholder Engagement

- Ensure that the NDB promotes meaningful participation by affected communities and the public. The NDB should develop multiple channels of communication with the public in order to ensure inclusive participation and stakeholder engagement. Doing so would foster transparency and signal the bank's commitment to working with the public in developing trust and accountability. Channels of communication should take a variety of forms, such as a formal mechanism for civil society participation in policy development, project design and implementation.

- The NDB should also consider the open development of transparency policies, sustainability criteria, and the environmental and social framework with the public. Other important channels for communication could also include upholding good communication practices, such as ensuring civil society groups receive due time to register and attend NDB annual general meetings, or disclosing all project and/or company lending information on its website, which should be updated on a monthly basis.

- The NDB should develop and effectively implement policies that ensure that all relevant stakeholders, and in particular, affected communities, have access to all relevant information on NDB policies and projects that may impact their rights or interests in a manner and format that is understandable and in a timeframe that allows for them to impact decision-making. This includes information on NDB's environmental, social and climate impacts.

5. Accountability

- The NDB should be accountable to affected communities and the public. Prior to the funding of any additional projects, the NDB should first establish an independent accountability mechanism which provides redress for individuals or communities which may be impacted by NDB-financed activities.

This mechanism should meet the UN Guiding Principles on Business and Human Rights⁵ criteria for non-judicial grievance mechanisms, and take measures to protect complainants from retaliation for raising concerns and complaints, including allowing for complainants to remain anonymous.

⁵ http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The SDGs will provide and shape the global architecture for the next 15 years and BRICS nations can provide a platform for member countries to adapt and collaborate in its implementation. Of particular concern are the growing in-country inequalities and exclusion of various communities, and the need for special affirmative measures. BRICS countries must invest in publicly-funded, rights-based entitlements in education, healthcare and social protection and protect the well-being and development of vulnerable populations.

The Public Private Partnership (PPP) model of providing services has fuelled increased vulnerability, inequalities and poor access to vulnerable sections. We reiterate the need to put social development at the heart of the SDGs process and re-affirm the role of civil society organisations in promoting innovative inclusive strategies to achieve the SDGs.

The clarion call of the SDGs - 'leave no one behind' – is an important framework to promote and enhance agency and leadership of socially-excluded communities in the last-mile sustainable development connect.

Policy Recommendations

1. Evolve multi-stakeholder body to develop common definition on and monitor SDG implementation in BRICS countries and hold periodic reviews of the implementation.

- Ensure civil society is an important stakeholder at all levels, along with the Government and private sector in planning, implementation and monitoring of the SDG agenda within and across countries.

- The multi-stakeholder body should be adapted across countries at the national and sub-national levels for decentralised planning and monitoring of the SDGs.

- We encourage the BRICS to play a leading role in designing and monitoring SDGs at the global level given that 50% of the global poor, 46% of the global labour and 43% of the global population live in BRICS countries.

- Review SDG implementation agenda at every

BRICS summit and promote peer learning spaces and mechanisms in addressing critical concerns. Take a rights-based, integrated, inclusive and collective approach across BRICS in implementing the SDGs.

- We encourage the BRICS grouping to evolve and lead on the key SDG themes of poverty reduction, inequalities reduction, peace and security and climate change.

2. Promote an enabling environment for civil society to partner and contribute in the design, implementation and monitoring of SDG implementation.

- Institutionalise the Civil BRICS platform and create spaces and mechanisms for regular and continuous engagement between civil society and official mechanisms.

- Set up national and sub-national mechanisms for continuous regular engagement between civil society and the state.

- Recognise and engage with civil society organisations promoted and led by members of marginalised communities to make successful and sustainable last mile connectivity in achieving the SDGs.

3. Identify and map the specific structural and functional disadvantages/vulnerabilities of the bottom 40% of the population and evolve specific mechanisms to promote their economic advancement at double the pace compared to the national economic growth to 'leave no one behind'.

- Map and identify the specific communities that constitute the bottom 40% of the population, recognising their social and economic barriers and constraints in accessing growth and development.

- Pay special attention to women, children and other vulnerable sections within these communities and develop gender sensitive, child-centred approaches to promote social and economic development.

- Given the high proportion of young people in these communities, evolve mechanisms to engage youth and build upon the youth presence and potential in the vulnerable communities.

- Create legislative and policy mechanisms to address discrimination, exclusion and impunity, and promote equity measures towards equality and inclusion.

4. Have specific action plan(s) to reduce inequalities within and among the BRICS countries (Goal 10)

- Promote financial inclusion of the bottom 40% population.

- Share and adapt affirmative action currently implemented in member countries.

- Evolve basic social protection floor – living wages, free and compulsory equitable quality education, free quality public health care, housing and other civic amenities.

- Tax development policies do not put the burden on the bottom 40%.

5. Have specific action plan(s) to promote peace and security within countries and at the global level

- Map and identify vulnerable sections of the population affected by violence and conflict.

- Renew the social contract between the State and vulnerable populations and promote spaces for dialogue across communities to address the causes for conflict and violence.

- Promote the rule of law, build sensitivity among the police and judiciary to enhance the access of vulnerable sections to justice.

- Address social and economic inequalities that fuel and result in violence and conflict.

6. Design and direct New Development Bank projects to promote SDGs through their various interventions

- Ensure that projects are directed towards social, environment and human rights.

- Projects to be sanctioned to reduce people-centred poverty and inequality reduction.

7. Ensure adequate budgets for social sector spending

- Adequate resources are directed so that people access food, water, energy, healthcare, education as human rights.

- Public funds are spent by the government and not directed to private bodies through PPP.

FISCAL JUSTICE

Policy Recommendations:

1. Focus on the principle of fiscal justice respecting tax collection under a progressive tax system perspective (who makes and owns more, pays more) and the public spending oriented to prioritise the poorest and to activate the economy by generating employment and income.

2. Ensure that the taxation system and the policies recognise unequal gender roles, and develop/improve redistribution tax policies taking gender into consideration, including the unfair tax impact on women, children and other marginalised groups; fiscal inclusion.

3. Automatic Tax information exchange among national fiscal authorities

- BRICS countries should guarantee that all international financial centres collect and publish statistical information about aggregate sums coming into and leaving from their financial system and details of individual accounts regularly every year.

- It is imperative to devise measures to fill up the existing loopholes, such as fake residential certificates 'sold' by tax havens; make changes on threshold values that might change and reduce effectiveness of Automatic Exchange of Information (AEOI)¹.

- Push forward sanctions on financial institutions who refuse to take Common Reporting Standard (CRS)² or which do not choose all other co-signatories without proper justification.

4. Governments should establish public registries of verified beneficial ownership information on all legal entities.

All banks should know the true beneficial owner(s) of any account opened in their financial institution.

The Beneficial Ownership Transparency shall help governments, especially with low capacities, to trace fund flows in crimes of tax evasion, drug dealing, bribe, human trafficking and other crimes. Information about beneficial ownership that may

¹ <http://www.oecd.org/tax/transparency/automaticexchangeofinformation.htm>

² <https://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf>

receive government funding (primary contractors and sub-contractors) must be collected, verified and published.

5. Government authorities should adopt and fully implement all recommendations on anti-money laundering of the Financial Action Task Force' (FATF)³.

6. Trans/multinational Corporations – Policymakers should require trans/multinational companies to publicly disclose their revenues, profits, losses, sales, taxes paid, subsidiaries, and staff levels on a country-by-country basis (country by country reporting).

7. Country by country reporting (CBCR)⁴ to be available publicly, up to the project level. To ensure participation by all countries in CBCR, the BRICS should provide technical assistance, including financial support for developing countries so that developing countries can have enough time to make adjustment to avoid adverse impact and benefit from information exchange under the principle of reciprocity.

8. Effective control over Base Erosion and Profit Shifting (BEPS) mechanisms; control on transfer prices, these should include:

- Putting an end to the race to the bottom caused by competitive granting of tax incentives and lowering of tax rates, and tackling corporate tax havens.

- Addressing avoidance of capital gains tax.

- Effective control on trade operations (versus the idea of trade facilitation mechanisms, as approved in the World Trade Organization's "Bali Package", December 2013⁵).

- How to go beyond BEPS.

9. Increase financial controls and strict control on tax havens (a tax haven for the few is a fiscal nightmare for most).

10. ISDS (Investment Dispute Settlement) mechanism is counterproductive and undermines the sovereignty of the States. The investment agreements should be denounced instead of brought to disputes against the States.

³ <http://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>

⁴ <https://www.oecd.org/ctp/transfer-pricing/beps-action-13-country-by-country-reporting-implementation-package.pdf>

⁵ https://www.wto.org/english/thewto_e/minist_e/mc9_e/bali_texts_combined_e.pdf

THIS DOCUMENT HAS BEEN ENDORSED BY THE FOLLOWING ORGANISATIONS:

SRI, China

GEI, China

SANI, South Africa

EJN, South Africa

Oxfam Mexico

INFID, Indonesia

Oxfam Brasil

Oxfam South Africa

REBRIP, Brazil



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CONTACT US:

Oxfam India, 4th and 5th Floor, Shriram Bhartiya Kala Kendra,
1, Copernicus Marg, New Delhi 110001
Tel: +91 (0) 11 4653 8000
www.oxfamindia.org

