Civil 7 Communiqué 2024

ECONOMIC JUSTICE AND TRANSFORMATION
PREAMBLE

As the year 2030 looms and just six years remain to achieve the Sustainable Development Goals, the world is still facing a number of critical structural and systemic challenges with large groups of population such as women, children and youth and the most marginalised carrying the heaviest burden of the current polycrisis.

The G7 can be part of the problem, if it unilaterally promotes the interests of the most developed economies, or part of the solution, if it champions human rights and the common interests of humanity and the planet for a more peaceful, just, sustainable and secure future.

The compounding impacts of climate change, economic shocks, the consequences of the pandemic and the alarming increase of conflicts and wars, have been exacerbating the already unacceptable social and economic inequalities. Gender inequalities are magnified, food security and even famine are increasing, fostering forced migratory flows and driving humanitarian needs to record levels. The prolonged public-private indebtedness is at the same time a consequence and a further cause of the crisis. This complex situation, as a comprehensive result, is slowing and even reversing previous progress in leaving no one behind.

The prevalence of war is growing. Russia's war of aggression in Ukraine has now reached its third year, with deep consequences on the state of the population and the environment, and no perspectives of solutions seem close. In the Middle East, following the horrific attacks and hostage-taking on 7th October, the actions of the Israeli government and army are starving and killing the population of Gaza, without distinction or proportionality. In this context, the lack of initiative of the G7 and other countries becomes, de facto, a complicity. Words and actions of peace are needed and urgent, to avoid the escalation of the crisis.

In multiple protracted and often forgotten crises, blatant attacks on civilians and civilian infrastructure, demonstrating clear violations of and lack of respect for International Humanitarian Law and humanitarian principles, coupled with a sustained lack of political commitment to address the drivers of humanitarian needs, are leading people to make horrific choices simply to survive.

The international civil society gathered in the Civil 7 (C7) believes it is necessary to recognise the critical relevance of the present moment, and the responsibility of all actors, including the G7 and its Presidency to treat the current situation with utmost importance. The threats to the planet's and humankind's health need political initiative, ambition and accountability. The fragility of global peace, poverty, inequalities, injustice, their drivers and root causes, while violence is perpetrated with impunity on a catastrophic scale, demand the utmost urgency, and concrete and bold action.

As a constituency, we cannot fail to remember how these processes have been marked since their beginnings by recommendations that asked global leadership to introduce a paradigm shift in development, with democratic processes to address the root causes of the current polycrisis.

We have chosen to move the C7 and C20 process forward in synergy, counting on the participation of over 700 civil society organisations from all over the world involved in seven C7 Working Groups: Climate, Energy Transformation and Environmental Justice; Economic Justice and Transformation; Global Health; Principled Humanitarian Assistance; Peace, Common Security and Nuclear Disarmament; Human Mobility and Migration; Food Justice and Food Systems Transformation. They are set to tackle the different drivers and root causes of poverty, inequalities and injustice.
Therefore, leveraging on its locally and globally linked experience and expertise from such different perspectives, the global civil society gathered in the C7 process is active in putting forward proposals and approaches based on human rights with a gender transformative lens, suggesting alternative visions and concrete recommendations, upholding transparency in decision-making, building on voices of those who are most excluded, the most vulnerable, and bringing them to the centre of the policy debate.

The C7 policy positions and recommendations are therefore collectively developed thanks to a vibrant and inclusive process to nourish the contribution to ensuring respect for human rights for every human being and to stubbornly promoting peace.

The multi-layered crisis requires **common resolve, strong international solidarity, centrality of human rights, International Humanitarian Law and UN-centred multilateral process** to firmly advance on the pathway towards sustainability, to address systemic issues, aiming at building open and resilient societies, bridging emergency solutions with a long-term vision, stimulating change.

We urge the G7 to play a constructive and ambitious role in building consensus and strengthening the UN multilateral spaces to promote a global just transition capable of fighting inequalities, providing climate justice, equal treatment for women and men, decent work for all and protection of the most vulnerable, using all available political, legal and technical opportunities, including the ones available in the perspective of new digital technologies and artificial intelligence, in a responsible way.

We call upon the G7 members to take clear responsibility at the domestic and international levels and be proactive and ready to find compromise and preserve dialogue despite strategic differences, highlighting main areas of common action. The current critical time requires a **systemic revision of the narrative for action** and the political approach determined to leave no one behind. The global challenges require **policy coherence between national and international dimensions, and among sectors** to link together the future of the planet and of all human beings and to renew a bold promotion of global peacebuilding.
ECONOMIC JUSTICE AND TRANSFORMATION

CONTEXT: CHALLENGES TO ADDRESS

The evolving poly-crisis exacerbated economic systemic failures that, coupled with global policies unsuited to comprehensive and long-lasting responses, are reversing hard-won development gains and undermining the prospects for a just, equitable, and rights-based recovery. At a time of depletion of the current economic model that threatens the survival of the planet and humanity, there is no room left for business-as-usual responses. We call for a real transformation of the current economic, trade, and financial architecture, based on justice, centred on the sustainability of life, and aligned with social, economic, and cultural rights based on a gender perspective. We need to decolonise systems, governance, and policies to transform the competitive paradigm of business by placing cooperative and solidary care of the planet and all living beings at the centre of change.

C7 POLICY RECOMMENDATIONS

Debt Relief and Resolution

60 countries are at high sovereign debt risk, while debt service burdens are at historically elevated levels for the majority of the Global South. High-cost borrowing reduces the fiscal space, including the financing of essential public services. The international debt architecture has proven inadequate; recent global debt relief initiatives have failed to reduce the debt of countries in need in order to promote a strong, equitable, and sustainable recovery. It is necessary to:

- Promote and support multilateral negotiations to move towards the establishment of a debt resolution mechanism under UN auspices, binding on all creditors, and comprehensively addressing the sovereign debt problems and vulnerabilities of all low- and middle-income countries.
- Implement national binding legislation that prevents private creditors from undermining multilateral debt restructuring agreements.
- Support the introduction of debt service cancellation clauses that protects from economic, political, climate, and security shocks.
- Promote debt transparency and accountability through the establishment of a publicly accessible global debt registry that includes all debt contracts and lenders, including bondholders.
- Support the elimination of IMF surcharges policy.
- Commit to defining the participation of multilateral development banks (MDBs) in debt restructuring processes.
- Disrupt the dominant role of private credit rating agencies and promote a multilateral initiative instead.

Concessional and Development Finance

In the face of tight fiscal spaces and an unfavourable international financial context, scaling up access to concessional finance for low and middle income countries will be essential to address the compounding crises. Therefore, we call on G7 leaders to:

- Support an immediate new Special Drawing Right (SDR) allocation to enable unconditional access to liquidity without increasing the debt burden, and act as a bridge to further reforms. The IMF and its shareholders should support regular SDR allocations that are needs-based, and to simplify the process for triggering these new issuances.
MDBs’ reform, including its governance, is needed to address the increasing financing gaps. Among the key needs is to increase its capacity lending, with efforts to provide concessional lending, beyond the capital adequacy policies, including a model of rechanneling SDRs through concessional financing and without conditionalities. MDBs approach should minimise the risk for borrower countries in initiatives such as debt swaps and private sector financing. In addition, it is key that MDBs increase the development effectiveness of projects, aiming to reduce inequalities, environmental care, and social needs; including the support of an external and independent evaluation of MDBs policies and programmes’ development impact.

Fulfil the 0.7% Official Development Assistance (ODA) target and agree on a clear timetable to reach and exceed it with new, additional resources, and in the form of unconditional grants.

Climate Finance
Efforts to meet the climate finance goal to mobilise $100 billion annually to low and middle income countries have fallen short, and access to the funds is often blocked by bureaucratic and inefficient processes. The impacts of the climate crisis are increasingly and disproportionately affecting the countries of the South and their populations. There is an urgent need to fulfil commitments and mobilise additional concessional climate finance to tackle the crisis.

Scale up public investment to provide free, universally accessible, and quality gender-transformative public care services, social protection, healthcare and gender-sensitive curricula and training.

Prioritise gender-sensitive financing and feminist fiscal policies in all their components - debt, tax systems, social security contributions, ODA - to boost recovery and transformation for a more crisis-resilient future.

Investments
The investment gap across all SDG sectors has increased from $2.5 trillion in 2015 to more than $4 trillion per year today. G7 countries and the private sector committed to invest $600 billion over 2027 through Partnership for Global Infrastructure and Investment (PGII). All investments, including the Mattei Plan, must have a broader and in-depth assessment of the economic, financial, social and environmental impacts for the territories and population involved. To achieve it, the G7 need to:

- Determine and stipulate the sources of funding in the process towards the establishment of the New Collective Quantified Goal (NCQG) on climate finance.
• Give adequate emphasis to the need for public social, health and intangible infrastructures or those of public relevance.

• Prevent the occurrence that the private investor’s risk mitigation actions, especially in inherently risky and frequently unprofitable infrastructure projects, transfer the risk to the public sector in the form of contingent liabilities.

• Design and adapt new and existing infrastructure to withstand, respond to and recover rapidly from disruptions related to climate change. This requires strengthening public institutions, improving design standards and supporting the development of community led infrastructure and decentralised systems.

• Promote that private investors, lenders, investment banks (underwriters), bond holders and asset managers have a due diligence responsibility not to lend or buy bonds that creates excessive governmental and corporate debt by using official debt sustainability and SDG financing assessments.

• Promote that investment from private sources is appropriate, that follows democratically owned development plans, prioritises high quality and equitable public services, and meets international standards of transparency, accountability and impact management. National governments should preserve their capacity to regulate in the public interest.

• Promote a global ban on short selling among all financial markets and algorithm based automated trading. To ensure financing is available to those most in need, G7 should promote ‘only essential trading’ and halt, or impose punitive taxes on, high frequency trading, day trading, speculative hedge funds strategies and speculative financial products such as betting on volatility.

**Taxation**

Recognising the impact of tax resources to achieve justice in all its dimensions – economic, social, labour, political, climate, cultural, racial, gender, and regional, among others – we urge to promote structural changes in global tax policy with the following perspectives:

• Support the creation and implementation of the United Nations Tax Convention (UNTC) towards the establishment of the universal, intergovernmental tax convention under the auspices of the United Nations as a binding space to ensure that all countries benefit equitably from the allocation of global revenues ensuring civil society participation in tax debates and tax-decision processes.

• Work together to enact a more progressive international tax system to counter the ability of the ultra-rich to avoid paying their dues and introduce new rules that determine higher taxation of extreme wealth: the creation of a global minimum tax on billionaires, with political guarantees that the resources raised through this mechanism will be invested for the benefit of all.

• Undertake an analysis of tax measures and spill-over effects, where G7 assesses the tax impact of their own tax system and bilateral tax treaties in relation to other countries, especially low and middle income countries, to propose effective measures to address gaps and imbalances, particularly in gender analysis.

• Ensure transparency, especially beneficial ownership transparency, global automatic exchange of information (that benefits all countries) and establish national asset registries until they all converge into a global asset registry, so that there is asset ownership information that allows the enforcement of wealth taxes (so that wealth taxes cannot be evaded or avoided).

• Tax the digital economy, which will eventually encompass most of the economy. Each country and economy should be free to find the optimal way to tax the digital economy, and this may include customs duties in some cases.
Trade
The stalemate of multilateral trade governance and its contraction, due to the fragmentation of the production system and the impact of geopolitical and climatic instability on the viability of transnational trade routes, signals the need for a profound rethinking of its patterns, rules of flow, governance and democratic viability. We call G7 to:

• Ensure that any possible reform of the WTO strengthens its multilateral dimension and does not weaken the consensus mechanism in times of trade conflicts.

• Stop its expansion at a plurilateral level in issues, such as investments facilitation and digital trade, which do not register full and balanced consensus among all members;

• Voluntary declare an immediate moratorium on the use by private investors of any investor-state dispute settlement (ISDS) mechanism included in trade and investment agreements or other courts.

• Rethink how to lead global trade policies to a binding assessment of their impact on human, social and environmental rights, taking into account the historical responsibilities of the countries involved and current gender imbalances.

• Renegotiate the current agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver to respond to the growing demands for the equal diffusion at global level of life-saving drugs and technologies, not only in the health sector but also in the climate and energy sectors.

• Support a permanent solution on food public stockholding to sustain the local production of low- and middle-income countries in times of crisis and to fight inflation.

• Enforce a special safeguard mechanism (SSM) that would enable members from low-income members to temporarily raise tariffs in the event of a sudden import surge or a fall in food prices.

• Voluntarily avoid the proliferation of Bilateral agreements and Memoranda of Understanding with individual countries and groups of countries.

• To provide a more appropriate and democratic policy space to strengthen algorithmic accountability in trade and build strong public digital infrastructure and skills.

• Ensure that all possible reshoring and friendshoring actions, as well as environmentally or socially based trade limitations, are preceded and accompanied by multidimensional monitoring of their social, environmental and economic impacts in the third countries involved. They shall be accompanied by mitigation and cooperation activities aimed at removing the material, social and political causes that generated these limitation needs.

• To preserve and actively protect national governments’ capacity to regulate

• To guarantee civil society transparency, dialogue, usability of decision-making and appeal spaces, and specific spaces for discussion in the context of negotiation processes, summits, meetings with stakeholders, with adequate, timely access and the right to effectively comment the negotiation texts and agreements

Business and Human Rights
In-work poverty is increasing for the first time in decades: support pay rises and facilitate collective bargaining are tools to ensure that all workers enjoy fair wages and decent working conditions. We recommend that G7:

• Introduce human rights and environmental due diligence legislation for the corporate, financial, and public sector, which includes strong mechanisms to ensure access to justice for victims, remediation, and safe and meaningful stakeholder engagement, building on the consensus reached in the EU on the Corporate sustainability due diligence directive (CSDDD)
• Enforce commitments made in G7 Leaders’ Communiqués adopted in 2021, 2022 and 2033 to eradicate child and forced labour, including by introducing and enforcing import controls on products made in whole or in part with private and/or state-imposed forced labour, and addressing circumvention of such controls.

• Support the actions of human rights and environmental defenders, guaranteeing them adequate democratic political space and humanitarian protection if needed.

• We ask for the potential of the “proximity economy” to be recognised. The experiences of the civil economy, social and solidarity economy, fair trade, circular economy are not just “good practices”: they support the national economic and productive system with a constant, multidimensional growth and they should be indicated and supported in their network of relationships with partner countries for the diffusion of a transformative economy centred on care, widespread well-being, social and environmental justice.

“G7 needs to commit to bring back trade policies, including digital trade, under UN framework, and to submit them to a binding assessment of their impact on human, social and environmental rights, taking into account the historical responsibilities of the countries involved and current gender imbalances”.

Monica Di Sisto, C7 WG Coordinator, Fairwatch

“In a context of high debt levels and trillionaire financing needs to reach SDGs and the climate agenda, the G7 has an opportunity to set the path towards a global debt and financial architecture that allows a long-term fiscal sustainability centred on the people and the planet”.

Patricia Miranda, C7 WG Coordinator, LATINDADD
The C7 is supported by the United Nations SDG Action Campaign and by Unione Buddhista Italiana (UBI)
The Civil 7 (C7) is one of the official Engagement Groups of the G7.

It provides a platform for Civil Society Organizations (CSOs) to bring forth proposals and demands aimed at protecting the environment and promoting social and economic development and well-being for all, ensuring healthy lives, gender equality, Human Rights and the principle of leaving no one behind, in order to stimulate a constructive dialogue with the G7.

The C7 gathers the voice of more than 700 organizations from around 70 countries and in 2024 has established seven thematic working groups.

The C7 Communiqué, as all C7 policy positions and recommendations, is developed collectively as the result of a vibrant and inclusive process, representing a coral voice of civil society.

The C7 process under Italian Presidency is coordinated by the coalition GCAP Italy (Global Call to Action against Poverty) with the widest representation of the Italian Civil Society Organizations.