

Abs.: Austrian Institute for Sustainable Development, c/o University of
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To the
High-level Political Forum of the United Nations
c/o Mr. Juwang Zhu
Division for Sustainable Development
Department of Economic and Social Affairs
United Nations Secretariat Building
405 East 42nd Street

Vienna, 22.05.2017

**Motion to the High-Level Political Forum 2017 and ministerial meeting
on Eradicating poverty and promoting prosperity in a changing world
under the auspices of the Economic and Social Council of the UN addressing the
implementation of the SDGs convened in 2015**

We are a group of scientists, experts, practitioners and members of civil society, who have also practical experience in international and regional policy, have gathered for a three-days-conference on fostering the attainment of the agreed Sustainable Development Goals.

Since we have recognized that the presently dominating financial order, the “world financial architecture“, is the hub of the deplored deficits in sustainable development, we have chosen as a key-question to our meeting: Is the present world financial architecture impeding the achievement of the SDGs – and which changes are necessary?

Therefore, we have concentrated our discussions on target 17, especially on sub-target 17.4 and came to the following conclusions: The present overall situation is characterised by a growing international indebtedness of all States – especially of developing countries – and overburdening debt services. The latter curb economic, social and ecologic development.

Measures proposed, like a better collection of taxes and other revenues and the increase of ODA cannot be effective, since one cannot pour water out of empty glasses. The proposals in 17.4 perpetuate the present non-sustainable financial situation by giving only advice for some



alleviations of the growing burden. But in order to loosen the strangulating financial string and to bring space of manoeuvre for the attainment of the SDGs, fundamental changes in the present world financial system are inevitable.

These changes have to include:

a) A new flexible exchange rate system, helping countries trapped in unsuitable fixed exchange rate regimes, such as in the Eurozone and in Africa, to regain monetary sovereignty and allowing exchange rates to reflect purchasing power parity, which should be advanced through a World Currency Agreement (WCA) that pursues the introduction of free floating exchange rates and more currencies.

b) Restructuring of the IMF to a democratic and commonweal-oriented assistance institution and as a secretariat of the WCA.

c) Restructuring of the World Bank Group to an effective welfare enhancing development bank, which does not impose unconditional free trade, privatisation of public property and commons, cancelling of social services and other State expenditure for the common weal according to the so-called Washington consensus.

d) In these institutions, all States should have equal voting rights in order to avoid that large and powerful Nations dominate the system, leading to new inequality and indirect power politics.

e) Agreement on a world debt cut, which is a precondition for a successful worldwide sustainable development, since all debts correspond financial assets (debt claims), which have grown to a nonrepayable size and ask for overburdening debt services.

f) Re-directing of the creation of money from the central banks to the local communities in order to enable them to self-determined monetary policy, having access to interest free money for appropriate development and to exercise credit control towards productive purposes. This can be done through the support of the creation of new not-for-profit banks in local areas, such as community banks, and the introduction of community bank backed local currencies issued by local authorities in cities and regions.



g) The world trade order has to be reformed by granting infant industry protection for developing countries and by the introduction of the <principle of destiny> for all transactions. This is to say, that free access to a particular market will only be granted, if the exporter/importer can prove, that the good or service concerned has been made/created under social and ecologic conditions (standards) equal or at least similar to those applied in the country of destiny. Equalisation payments should be used to establish fair competition. But these levies should not feed national budgets (inducing protectionism) but go to an international development fund which assists countries to improve their production standards and systems.

We do hope that our proposals will be taken care of and wish good progress for the common efforts.

On behalf of the Group,



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