**Concluding observation by Civil Society Organizations on the Asia-Pacific High-Level Consultation on Financing for Development on April 29-30, 2015 in Jakarta, Indonesia**

Indeed, financing plays a critical role in the implementation of a transformative post-2015 development agenda, with a set of sustainable development goals (SDGs), and universal and meaningful climate change agreements. It also has a critical stand-alone value. It is imperative that the Financing for Development (FfD) outcome document reaffirms the global partnership for development in spirit, values and principles of the centrality of the role of States as duty bearers within a rights-based framework. The third FfD outcome document should not result in retrogression from the achievements of the Monterrey Consensus of 2002 and the Doha Declaration for Development of 2008. The two existing FfD outcomes should serve as a baseline for the Addis Ababa outcome document.

Since we are in a consultation about a far-reaching strategy for financing for the development, the primary discussion and debate in this Consultation should be consistent with sustainable development goals that have gender, age, disability, social, economic, cultural and political dimensions, and consistent with a human rights framework.

The CSOs attending the Asia-Pacific High-Level Consultation on Financing for Development on April 29-30, 2015 in Jakarta concludes as follows:

General observation:

A transformative post-2015 development agenda must consider gender, age, disability, social, economic, cultural and political dimensions of financing for development. Transformative means that at its core the welfare of the peoples, empowerment and human rights, as well as protection of their rights, including to inclusive development.

This Consultation is certainly not yet clear and transformative enough in its articulation of how we can adequately finance social welfare and social protection, creating quality jobs and inclusive development as part of the overall FFD agenda, toward Addis Ababa.

On gender

The Consultation doesn’t dedicate a specific session to discuss gender equality, women and development financing. Strongest and most substantive gender equality and women’s human rights have to be ensured in the development financing and included in the financing for development processes, and in all development and human rights work. Any global development agreement must be consistent with long-agreed gender equality and women’s human rights agreements, and be clearly human rights framed.

On inclusive regional partnerships

A fully inclusive multi-stakeholder dynamic is essential to realize partnerships for meaningful ownership and commitment to the post-2015 agenda by all development actors. At the 2011 Busan High Level Forum, all actors committed to “enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximizes the contributions of CSOs to development.” But rather than witnessing improved enabling conditions since Busan, CSOs have documented in many countries increased harassment, repression and shrinking spaces for policy dialogue, research, advocacy and program and project implementation. Thus, governments must continue to work towards ensuring an environment for civil society organizations that maximizes their roles and contributions to development, including enabling legal and regulatory conditions, access to funding and institutionalized spaces for policy dialogue. These principles and commitments should guide development cooperation and partnerships in the region.

On infrastructure financing:

Infrastructure financing is not solely about investment of capital with consideration of financial risks. Since it has social, economic, cultural and political dimensions, social and infrastructure financing should also include all dimensions in risks assessment, use a human rights frame, and develop measures to avoid and mitigate those risks. Many experiences in the Asia and Pacific region show negative impacts of infrastructure development such as land-grabbing, loss of livelihoods, environmental pollution and destruction of natural resources. But how do we put in place the regulatory frameworks to avoid this in future? How will the statement from this meeting help this to change through the Addis Ababa process?

Prioritizing basic infrastructure to fulfill people needs is a key. The assessment and prioritization of infrastructure development needs and options is a political process. The protection of the public interest especially the interests of the poor are typically ignored in the formal political process. As a result, the development of basic infrastructure such as sanitation, school, hospital and water is still considered as a luxury good for the poor especially those living in rural area. States have to be responsible in securing basic essential services for the peoples.

Robust gender responsive safeguards for any investment by public and private sector should be adopted as an element of this move to responsible and just financing for development.

On micro, small and medium enterprises

Micro, small and medium enterprises (MSMEs) comprise over 95% of the number of enterprises in developing countries. They contribute substantially to the country’s total employment, wealth creation, and economic diversification and resilience. Economic incentives and technical assistance should be provided by national governments and the international donor community for MSMEs to work together and develop their value chains. Financial instruments for funding MSMEs) have to be diversified to include Hometown Investment Trust Funds which can serve the dual purpose of mobilizing local savings and providing investment funds to local enterprises. Multilateral financial institutions such as the World Bank and the regional development banks should implement technical assistance programs aimed at building the capacities of MSMEs in asset management and enabling financial institutions to develop innovative financial instruments to meet both their short-term and long-term financing requirements.

On domestic resource mobilization:

Domestic resource mobilization in order to achieve gender equality, the empowerment of women and girls and toward full realization of their human rights as essential for sustainable development, poverty eradication and the well-being of our societies, as clearly stated in the Doha Declaration.

The trend towards private finance is concerning given that public finance currently funds 77% of the MDGs. We need to recognize and protect the centrality of public finance, commit to the principles agreed at Monterrey, and ensure developing countries can mobilize more domestic resource through, inter alia:

* Additional tax revenue needs to be mobilized through progressive tax systems. Progressive tax systems reflect the need to adopt an effective mechanism in reviewing tax incentives as well as promoting cooperation at the regional and global level to end tax competition that reduce State policy space
* Public investment in agriculture and fisheries, which is already at low levels, needs to be enhanced and channelized into such activities as agriculture and fisheries research, extension services and direct support to small and marginal farmers and fishers, including women who are a large part of these food security systems, and yet are not enough included in decision-making on development, implementation and monitoring
* just corporate taxation, through the creation of a strong and transparent intergovernmental body on tax cooperation and regulation
* an increase and improvement of the quality of new and additional commitment of ODA from donor countries fulfilled by 2020, and consistent with prior commitments
* an increase in South-South Cooperation (SSC) but only when developed countries fulfill on past promises
* the use of innovative finance streams such as taxes on carbon, bunker fuels, sin tax and a Financial transaction tax, on which we sadly have not see much discussion here, while the EU is meanwhile likely going to see one FFT model in operation from 2016 - But do we know that income will go to FFD, to south countries? For what will it be used, consistent with CBDR and historical responsibility?
* Commitments to increase tax revenues, promote equity and ensure progressive tax systems,  accompanied by concrete targets in this area should be clearer - where these objectives must be pursued in tandem; tax revenues must be increased in ways that are progressive and do not harm the most vulnerable such as women, people with disabilities, the poor and marginalized children, and others

We welcome the commitment of the government to address tax evasion, and we **f**ully share the view that corporate tax avoidance via transfer pricing – notably in the commodity sector – must be addressed to increase the national tax takes. The problem of international corporate tax avoidance as framed by the OECD has from the start been a narrow mandate, deliberately leaving out of the discussions important issues, especially for developing countries, such as taxation in the extractive industry sector.

Besides, the OECD generally maintains the status quo and engages in marginal reforms. It is building on the existing OECD model, reinforcing the arm’s length principle that is, in practice, very difficult of not impossible to apply. The country by country reporting obligations will only apply to 10 to 15% of large companies, because of the very high threshold of €750 million turnover the OECD has set up. Finally, there will be no reform of the taxing rights between “residence” countries (where multinationals are resident, usually rich countries) and “source” countries (where many multinational corporations’ profits are sourced, often developing countries).

The Financing for Development Conference in Addis represents a perfect opportunity to make an intergovernmental body on tax matters a reality. A first step to make it happen is to have an inter-ministerial roundtable in Addis dedicated to this issue, whose outcome will be the set up of this new tax body.  We call that Asia Pacific countries attending the Asia Pacific Consultation in Jakarta will support the organization of an inter-ministerial summit on tax and its inclusion in the FfD conference agenda. This inter-ministerial discussion should be the starting point to set up a new international tax body housed in the UN, and adequately resources.

On climate finance:

Climate finance should be gender responsive, environmentally sound, and prioritize the needs of gender, age, disability, environment, and socio-economic and politically vulnerable groups in societies.  Mobilization, support and investment of climate finance should not be only for low carbon emission and climate resilience  development objectives but also have to be environmentally sound and gender responsive as well as consider depletion of natural resources.  Hence, the investments of climate finance must not only work to reduce the use of fossil fuel but also stop investments in dirty and harmful energy particularly nuclear, hydropower and geothermal that affect negatively water and other natural resources.

We also strongly advise that climate finance should  not create any new debt and be used for climate change actions including mitigation, adaptation and loss and damage, considered to significantly support just, safe and equitable low carbon and resilient livelihoods which includes the participation of wider stakeholder throughout its development and implementation. Therefore as adaptation is needed right now as well as to anticipate the future impact, we would like to call for a balanced allocation for all climate finance areas, as they are equally important. Climate finance should also be allocated to support access to safe, accessible, low carbon technologies.

The country ownership in regard to climate finance is highly important in order for national and even local entities to access existing climate finance. In order to increase direct access and value the country ownership, we call for 'readiness support; and for support of local and national entities, giving priority to those that work at the micro-level. However, country ownership should pursue gender responsive, human rights and country driven approach. There must also be more support for country ownership that is defined not as solely government driven policies, but also people’s ownership that requires gender and social justice, information disclosure and participative decision-making.

Countries should commit to ensuring climate finance that qualifies as ODA is part of a rising overall aid budget, and rising at least at the same rate.  This would be a first step towards stopping the diversion of existing aid to climate finance, and making it additional to existing aid promises, such as 0.7 ODA/GNI.

The FFD process should secure commitment to a high level political process on innovative public finance with concrete objectives and milestones.  This would help unlock new sources of finance additional to government budget contributions including for the Green Climate Fund.

We also call wider-stakeholders to be included in consultations at the national level, wherever projects/programs funded by climate finance are to be endorsed, in order to increase transparency, and to ensure free, prior and informed consent, a long held sustainable development and climate justice principle.

On monitoring and accountability:

The emphasis given to the role of business in financing for development should be accompanied with corresponding regulation and binding laws that sufficiently specify their duties and responsibilities towards protection and respect of universal human rights. This would also mean that we have to have strong States that will call for, and then uphold these regulations and laws. This process should also result in an FFD outcome that includes a strong, consistent and just sustainable development framework, including full attention to means of monitoring and accountability.

Closing:

*"We reiterate that in this discussion of financing for development, the’Global Partnership for Development’ must never be collapsed into the idea of ‘Partnerships’ in the plural. The Global Partnership for Development is specific, principally between governments of south and north countries, with north countries taking the lead in providing resources and means of implementation. A genuine and balanced global partnership requires all actors to prohibit, rather than perpetuate, any global obstacles to sustainable development. We call for this to be the overall aim of the Addis Ababa Conference in July.* "

**This concluding observation is endorsed by:**

1. IDA/IDDC (international Disability Alliance/International Disability and Development Alliance), Indonesia
2. Institute for Essential Services Reform (IESR), Indonesia
3. DebtWatch Indonesia, Indonesia
4. Aksi! for gender, social and ecological justice, Indonesia
5. Diverse Voices and Action for Equality, Fiji
6. Pacific Partnerships on Gender, Climate Change and Sustainable Development (PPGCCSD), Pacific regional
7. Save the Children in Indonesia
8. Oxfam
9. EquityBD/COAST, Bangladesh
10. INFID, Indonesia
11. Perkumpulan Prakarsa, Indonesia
12. Social Watch, Philippines
13. Asian Solidarity Economy Council (ASEC)
14. RIPESS Asia (RIPESS stands for 'Reseau Intercontinental de Promotion de l'Economie Sociale Solidaire - Intercontinental Network for the Promotion of Social Solidarity Economy)
15. Reality of Aid, Philippines
16. Centre for Budge and Governance Accountability/Peoples Budget Initiatives/Wada Na Todo, India.
17. The Asia Development Alliance (ADA) and  Beyond 2015 Asia
18. Asian People’s Movement on Debt and Development (APMDD)