**REGIONAL CONSULTATION ON FfD—AN AFRICA CSO WORKING GROUP CONTRIBUTION**[1]

## 1. Challenges and Vision

At the centre of the world challenges are production and consumption systems and patterns that are unresponsive to the social, environmental, political, economic, inter-generational realities and aspirations of broader citizenry. This has resulted in: unequal sharing of benefits and opportunities of global growth as well as burden of crises; worsening inequalities in all its forms; unhealthy nexus between poverty and prosperity; increased national, regional and global insecurity; resource-curse in natural-resource endowed communities; among others. In addition, restrictive Intellectual Property Rights (IPRs) have also created technological enclaves with developing countries on the receiving end.

Considering that the post-2015 framework should be a critical instrument to alter the content and direction of current transformation to meet the aspirations of African citizens, the Addis Ababa Conference on Financing for Development should be seen as an opportunity to bring forth crucial shifts from the traditional settings of development implementation. The most important one relates to the mobilization, fair distribution and effective utilization of financial resources, as well as the means of implementation of the goals developed. As any aspect of the post 2015 development agenda, this hence needs to be oriented or geared towards people-centred, human rights-based and planet-sensitive outcomes, harnessing the power and capabilities of all development stakeholders

## 2. FfD orientation for Africa

The coming FfD conference must be structurally in line with the Monterrey pillars that have to be revisited, using lenses that integrate a profound transformation of production and consumption patterns in Africa, with the clear intension of offering an opportunity to redefine national economic systems in a view to finding an ecological equilibrium and a balanced economic power and interest ownership. The global FfD process outcome, beyond insuring sufficient means of implementation of the post 2015 development agenda, must ultimately be fit to putting in place policies that force economic agents to incorporate locally oriented structural choices that are sensitive to people's expectations and needs, in addition to environmental, social and intergenerational justice concerns. These policies will also have to ensure equitable access to financing at micro level and effective financial allocation at macro level, to guarantee necessary economic infrastructure.

Equitable access to and effective allocation of development financing are driving factors to the sovereignty of Africa, including as far as food security is concerned. It would strengthen the role of citizens and small scale players in the production and food systems and ensure responsiveness to national and regional realities. This is also a way to secure access to and control over productive assets such as land, water, seeds, and technical resources that can result in increased productivity and social protection, particularly for children and women[2].

## 3. Key points to secure in FfD negotiations

There is need to reform the global financial, trade and partnership systems or standards, as well as to reconsider domestic financing strategies in Africa. Focus should be on the broad spectrum of resources for development both internal and external looking at all possible innovative patterns and

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[1] The Africa CSO Working Group is a Coalition of over 100 Africa CSOs (including CBOs) that focus on securing pan African outcomes in the post 2015 as well as FfD processes.

[2] Also echoed in Common Africa Position Pillar One, on Structural economic transformation and inclusive growth

effectively capitalising on local natural resources. African economies should be restructured to respond to regional integration opportunities, as alternates to the traditional crude and externally oriented production models.

### 3.1 Domestic Resource Mobilization

Government revenue raising potential should be increased. Domestic resource mobilization should be based on tax justice, progressive tax systems and national capacity building in income generation (local entrepreneurship) and capacity building for local tax authorities to broaden the taxation base, as well as expenditures alignment with the expectations or demands of communities, including a minimum package for essential services, determined through a transparent, participatory and gender balanced process and commitments related to social corporate responsibility. In that respect, policies that facilitate locally driven industrialization for value addition in natural resources management as well as the enhancement of small holders in informal sector toward entrepreneurship and strengthen Small and Medium Size Enterprises (SME), in highly productive areas, should be implemented. Regional market analysis would be essential in that perspective to identify optimal transformative orientation for domestic economies.

Domestic resource mobilization also involves setting specific targets and commitments on curbing illicit financial flows, capital flight, and brain drain, considering that global capital will play a more important role in realizing the global goals. To this effect, it is crucial to ensure effective national and global information disclosure systems for natural resources related revenues, particularly in extractive industries. Additionally, ''blocking the corruption related wastage'' and taking courageous measures, not necessarily repressive and beyond political considerations, to recover embezzled resources can play a boosting role in domestic resources mobilisation.

### 3.2 External Resource Mobilisation

More consideration must be put on technology transfer and access to it, while enforcing and operationalizing various multilateral and bilateral agreements, including South-South cooperation, with pro-poor flexibility. Developed countries will have to fully deliver on their 0.7% official development assistance (ODA) commitment, without any option but improvement, in response to past and no more negotiable commitments as a threshold collaboration point. Bias in the definition and calculation of the amount of ODA should be avoided by making sure that is considered as such only resources that are allocated to African citizens' development expectations and needs. Effort by Parliamentarians to pass ODA targets into law must be encouraged, particularly in G8 and G20 countries, following the example of the UK with the series of International Development (Official Development Assistance Target) Bills discussed or tabled since 2012.

Other financial flows, including foreign direct investment (FDI), will have to be directed where the need is greatest while ensuring their profitability, through effective identification of opportunities. Schemes to ensure direct access to external resources by marginalized groups, particularly the poor and smallholders in rural areas, are necessary. There is also a need to harmonize funding modalities from different external sources, with a view to insuring flexibility beside full accountability

### 3.3 Innovative sources of financing for development

Going beyond traditional sources of financing to mobilize additional financial resources for development is crucial and all possibilities should be explored in order to multiply sources irrespective of scale. There are various avenues that can be taken to that effect including International Financial Transaction Taxes, without impeding the opportunities linked to migrant remittances. It is important to develop regional concerted strategies around which national policies can be designed. Innovative financing for development should not only look at the sources of the resources or international aspects, it can also explore the way traditional resources are utilise to design more effective models. Additionally, Market based innovative business models and cross-sectoral partnerships need to be developed in a collaborative approach involving the civil society, the private sector and governments.

### 3.4 Debt sustainability and International Financial Architecture

The International Financial System should be reframed to provide more policy space to developing countries, while Regional Financial and Monetary Institutions should be strengthened to link financial mechanisms with national and regional economic realities. National financing policies and international financial arrangements need to consider long-term debt sustainability as well as the issues of illegitimate debt and illicit financial flows.

Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations, in accordance to UNCTAD Principles on Responsible Sovereign Lending and Borrowing. A multilateral debt management mechanism that includes all relevant actors should be established. Information disclosure on public and private debt as well as on the terms of related agreements would be crucial for effective monitoring and accountability.

## 4. Mind-set in FfD negotiations and accountability framework

It is important to look at the FfD process in a spirit of partnership for a delivery on post 2015 that should aim to: be mutually beneficial; enhance capacity of state to deliver on people-centred outcomes; raise citizen agency on development; integrate the post 2015 framework with the broader economic development agenda at national, regional and continental levels; equitably sharing the burden of implementing the post 2015 at national, regional and global levels; operationalize the principle of common but differentiated responsibility; delivering of development and aid commitments already made; promoting multi-level accountability framework and cross-sectoral partnerships both at global and national level among others.

In addition, partnership should enhance ability to prevent crises at national and global levels and to respond to these in a coordinated manner. It should guarantee: a more democratic global economic governance system, particularly in international financial institutions; a development-oriented trade regime; external debt sustainability; regulation of financial markets including food and commodity price markets; affordable access to technology and medicines for developing countries and reform of the international tax system under the United Nations.