

Media brief summary (for information only)

Third international conference on financing for development in Addis Abeba

8 July 2015

Current year 2015 is the year, when the UN Millennium Development Goals agreed in 2000, should be met. Therefore, it is time evaluate the results, deal with the present situation and think about future goals and strategies.

The first key United Nations (UN) summit on global issues will take place during 13 – 16 July in Addis Abeba. It will be crucial international conference on financing for development where world leaders will, among other, discuss future of development aid and domestic financial resources mobilisation for development, including tax issues. Its outcome is crucial for success of following conferences on future development framework (so-called Sustainable Development Goals, SDGs) in NY and climate in Paris (COP21). Despite this, there will be no member of the Czech government present around the table.

In the context of current migration crises, Czech politicians more-less unanimously declare the need to address the causes of the involuntary fleeing of millions of people from their homes. Among these causes, there are not only armed conflict, but also extreme poverty, hunger and several kinds of discrimination. The Czech Development Cooperation and Humanitarian Aid can contribute to their elimination. A month ago, the Czech Prime Minister Bohuslav Sobotka had a speech in the Parliament where he mentioned that the Czech Republic was a sympathetic country which helped and definitely intended to continue helping. However, the Czech Republic in the long-term contributes to the development cooperation by only one third of the amount which was promised by our politicians. Even our Minister of Foreign Affairs Lubomír Zaorálek has noticed this fact and expressed his remorse for the situation publicly. It is obvious that the difference between the reality and our commitments is a problem we should face.

Nevertheless, we are sending to Addis Abeba only a small delegation of the Ministry of Foreign Affairs headed by the deputy minister and Ministry of Finance sends no one. Although, Minister of Finance, Andrej Babis, personally considers tax issues to be the Czech policy flagship at the international level. From the view of Czech Forum for Development Cooperation, this behaviour is a huge paradox and a huge mistake.



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z prostředků Evropské unie, České rozvojové agentury a Ministerstva zahraničních věcí. Obsah nemusí vyjadřovat stanoviska sponzorů a nezakládá zodpovědnost z jejich strany.

Why?

- *The presence of the Prime Minister or Ministers in such a conference strengthens the prestige of the country and gives reliability to its attitudes in the eyes of its partners;*
- *The presence of the Prime Minister or Ministers in such conference gives to the country the possibility to make a change, to present own solutions, to defend national interests of the country;*
- *Czech politics seems to be rather rhetorical and seem to have double standards of solidarity – on the one hand, the Czech Republic reclaims European Union to be sympathetic and to contribute to our development, on the other hand, Czech solidarity lags behind in fulfilling the commitments towards the developing countries;*
- *It is not convincing, when Czech Minister of Finance, who presents himself as a fighter against tax heavens does not attend the UN conference on finances where the topic will be discussed at the high political level;*
- *Czech neighbours from Central Europe confirmed their presence in the conference at the ministerial level: Poland would be represented by the Minister of Finance, Slovakia by the Minister of Foreign Affairs and a representative of its MF would be present as well.*

Below are **the key points concerning Official Development Assistance (ODA) and tax issues** in Addis Abeba negotiations from our point of view:

Key points concerning ODA:

- *confirmation of collective commitment to contribute to ODA at the level of 0,7 % of GNI within concrete deadline*
- *confirmation of national ODA/GNI targets with elaborated implementation plans*
- *ODA targeting into the least developed countries (LDCs)*
- *effectiveness improvement of ODA and development cooperation in general*

Key points concerning taxes:

- *creation of truly representative intergovernmental panel on tax matters*
- *adopting public country by country reporting rules for large companies*
- *improving multilateral automatic exchange of information on taxes also with developing countries*
- *contribution to ending harmful tax practices*

