



Nepal Social Forum

March 8-10, 2018 | Kathmandu, Nepal | Kathmandu University

Programme Brief

Concept

Domestic resource mobilisation is a central but often a neglected element of development policy. National tax policies are integral to raising revenue for governments to invest in social security, make interventions across key social sectors, finance development, strive to reduce inequality and secure human rights. Low tax-GDP ratios¹ in several Asian countries, however, continue to constrain policy interventions for sustainable development. The overall taxation rates in Asia at a regional scale are among the lowest in the world, below the tax levels in the European Union, the Americas, Africa and the Middle East².

While progressive and effective national tax policies are vital to raising domestic resources, the secrecy mechanisms of the shadow financial system limit the ability of governments to raise revenue on their own. Illicit financial flows encompass the cross-border movement of money that is illegally earned, transferred or utilised, resulting from tax evasion, trade manipulation, organised crime, and corrupt payments to public officials in exchange for influence or access to resources; as well as wider aspects of illicit flows, including tax avoidance by multi-national companies. Common to illicit flows is that they tend to be hidden by those carrying them out. Whether it is through anonymous companies or tax havens, or through the lack of effective information sharing between authorities across borders, illicit financial flows have a crippling effect on countries, especially developing countries. Tax evasion, tax avoidance, crime and corruption are the broad components contributing to illicit financial flows. Depending on the country context, the degree to which each of those components is driving such illicit flows differs. These cross-border flows primarily work towards undermining the rule of law and socio-economic and political justice in a country.

The aim of the forum is to bring together various regional stakeholders to debate, discuss and further the discourse on the centrality of progressive mobilisation of domestic resources for development, the corrosive impacts of illicit financial flows, transparency reforms and the loopholes in the international financial system.

¹ The tax-GDP ratio is the proportion of the tax collected in a country compared to its gross domestic product (GDP). The tax-GDP ratio is an indicator of fiscal performance. The higher the ratio, the higher the tax revenue collected.

² Martinez-Vazquez, Jorge. 2011. Taxation in Asia. Asian Development Bank.



Agenda

March 8 (Thursday)

9:00-11:00

Domestic Resource Mobilisation in South Asia to Achieve Social Justice

Moderator: Neeti Biyani (Centre for Budget and Governance Accountability)

Domestic resources are key to ensuring that countries have sustainable revenue for public spending on social protection and for interventions across social sectors including health, education, and so on. South Asia as a region, overall, has a detrimental tax-GDP ratio when compared to other developing regions. In this session, we contextualise and explore national perspectives from countries like Afghanistan, India, Pakistan and Nepal to discuss issues around indirect taxes, low corporate income taxes, redistributive needs of a country, fair finance, tax justice, unchecked and arbitrary tax incentives that ultimately end up undermining the progressive financing of development.

Panelists:

Asim Jaffry (Oxfam Pakistan)

Durga Sob (Feminist Dalit Organisation)

Naser Timory (Integrity Watch Afghanistan)

Hansha Sanjyal (Global South Initiative)

March 9 (Friday)

9:00-11:00

Illicit Financial Flows and Tax Justice in South Asia: Lessons Learned

Moderator: Matti Kohonen (Christian Aid)

The issue of illicit financial flows is the greatest development challenge in present times with its linkages to persistent poverty and intersecting inequality. This session will focus on national and regional experiences and perspectives from the Global South on what characterises as an illicit financial outflow via case study evidence and the meaningful measures taken to address this issue.

Panelists:

Attiya Waris (University of Nairobi)

Sakshi Rai (Centre for Budget and Governance Accountability)

Towfiqul Islam Khan (Centre for Policy Dialogue)

Dr Uddhab Pyakurel (University of Kathmandu)



11:15-12:15

Illicit financial flows: What is the state of play in tackling illicit financial flows?

For concerted action against illicit financial flows, it is crucial that actors – especially in the Global South – engage, advocate with and mobilize policy makers in their countries and regions, with policy asks and messages that are rooted locally. This session will focus on the differentiated realities of developing countries, taking into account geopolitics, policies, enablers, vehicles, capacity constraints and representation concerns felt by developing countries with regard to international financial institutions that design norms of international taxation.



March 10 (Saturday)

Independent Working Group on Illicit Financial Flows

Financial Transparency Coalition

Kathmandu, Nepal | Kathmandu University

9:00 – 9:15 **Welcome and Introductions**
Sakshi Rai (Centre for Budget and Governance Accountability)/ Matti Kohonen (Christian Aid)

9:15 – 10:45 **Mapping positions of actors in unifying action against illicit financial flows and key moments in the Global South**
Facilitator: Naser Timory (Integrity Watch Afghanistan) and Neeti Biyani (Centre for Budget and Governance Accountability)

This session will map the current state of the public discourse on financial transparency in the Global South, focusing especially on actors whose views are dominating the narrative at present. It would also assess the levels of engagement of key stakeholders and constituencies in this sphere. The session would aim to identify some of the strategies that could be pursued in the coming years to democratize this discourse. Key moments nationally and regionally in the Global South will also be identified, where we may synergize our energies and intervene with our locally contextualized policy asks.

10:45 – 11:00 **Break**

11.00 – 12:30 **Kathmandu Declaration on ‘Illicit Financial Flows: Restoring Justice for Human Rights’ (I)**
Facilitator: Sakshi Rai (Centre for Budget and Governance Accountability) and Ahsanul Karim (Coast/ Equity BD)

This session will discuss the content of the Kathmandu Declaration on ‘Illicit Financial Flows: Restoring Justice for Human Rights’ and produce it as an outcome of the meeting, which will then be circulated widely for signatures and endorsements within global civil society ahead of the World Social Forum. The session will also explore specific activities, potential sources of IFFs that categorically harms human



rights. Call for an on-going and open assessment, monitoring and follow-up on what constitutes an IFF under the financing for development framework and sustainable development goals.

12:30 – 13:30 Lunch Break

13:30 – 14:30 Kathmandu Declaration on 'Illicit Financial Flows: Restoring Justice for Human Rights' (II)

14:30 – 14:45 Coffee / Tea

14:45 – 16:00 Next steps of the Independent Working Group on IFF: Delving into national/ regional and global processes

Facilitator: Matti Kohonen (Christian Aid)

This session will focus on building a robust work plan for the independent working group on IFFs for the year 2018-2019 and narrow down the structure, activities and research (national or regional case studies or thematic reports) globally with an aim to create a joint communications and intelligence sharing platform to advocate the fight against illicit financial flows.

(For more information, kindly write to sakshi@cbgaindia.org.)
