

Doha, Qatar
December 1, 2008

FOLLOW UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

Notes for remarks by John W. Foster to the **Roundtable 4: Increasing international financial and technical cooperation for development.**

Note: An agreement among the potential seven NGO speakers led to an order in which Jean Saldanha (CIDSE) was first, introducing a series of points about ODA, quantity, quality and governance as well as mentioning innovative financing, I (North-South Institute, Social Watch, UBUNTU) was second, focusing on the CTT and Elizabeth Eilor (AWEAPON, LDC Watch) was third. Only three of us were called on to speak, this was an improvement on three previous roundtables in which only one CSO person was called.

Mr. Chair, delegates,

Today is World AIDS Day. What more appropriate moment to

- reinforce a sense of urgency,
- renew commitment to rapid movement toward universal access to treatment on a free and sustained basis,
- ensuring that this commitment extends fully to resources for the battle against other chronic diseases and the support of stable accessible public health systems in every country, with adequate staff.

Even more to the point, today, we are dealing with resources and the necessity of increased quantity, quality of genuine official aid.

However, ODA is not enough to meet the crises we face in the time required for action.

Innovative finance initiatives can and should provide resources which are *predictable and sustainable*. They also must provide resources which are *additional*, above and beyond the 0.7% commitments of GNI to ODA.

In particular we believe it is opportune in the current climate to proceed with a pilot project for a currency transaction tax (CTT). Our Institute has done critical technical research regarding the contribution a CTT could make to development finance. As outlined in the Secretary-General's note (E.2008/7. of March 14, 2008) a levy of 0.005% on, progressively, all foreign exchange transactions is technically feasible, can be efficiently raised, and can mobilize far more funds than all innovative financing instruments that have been proposed to date. The tax base is extensive, \$1 trillion per day. So conservative estimates on such a tiny levy begin at US\$33 billion per annum.

We support the position put forward by former President Chirac of France and taken forward by the Leading Group of more than 50 governments, that via such an initiative, the benefits of globalization may be more equitably shared and put to sustainable

development purposes, among which health objectives should have a high priority.

Mr. Chair, delegates,

This Conference has heard clear evidence of the growing crises we face, and this morning we have heard warnings of the possibility of reduced aid flows.

But the resources *can* be provided. A simple, small, feasible, efficient and productive levy can provide roughly the equivalent to a third of the current estimated overall flow of ODA, US \$33 billion per year. Additional funds. Predictable funds.

Why let the current finance crisis reduce funds for development, when a simple initiative could significantly increase new resources available.

Thank you.

Note: Just before my address, Mr. Alessandro Motter, Liaison Officer of the Inter-Parliamentary Union had spoken, remarked on the marginalization of parliaments in aid debates, and asked what sort of initiatives NGOs and foundations advised to increase engagement of the public and parliaments. I asked permission to respond.

Mr. Chair,

In response to the question from the IPU representative, I would like to speak from our own national experience in Canada. Last June, following an extensive campaign by civil society and all-party agreement, the Parliament passed the ODA Accountability Act. This Act requires all ministers responsible for transfer of assistance overseas (this could include not only the development minister, but the foreign, finance and other ministries) to report to Parliament annually on how Canadian aid is directed to the eradication of poverty, takes account of the views of recipients and coincides with Canada's international human rights obligations. We hope that this Act will increase not only Parliamentary engagement and participation in aid policy, but assure increased transparency and public confidence.

Thank you.