January 29th 2015, New York

STATEMENT
First Drafting Session of the Outcome Document of the
Third International Conference on Financing for Development

In the context of this conversation, taking place within the SDG environment, it is very important to highlight that we need to integrate all three pillars of sustainable development - economic, social and environmental - throughout the outcome of this process.

For this to be operationalized, the sources and mechanisms of international public finance must be sensitized to this. We call for a paradigm shift, for an understanding of the economy as a subset of the environment, and not the other way around.

Firstly, we would like to support the points raised by our colleagues in civil society. Existing commitments on grant-based ODA must be met. We also encourage BRICS to commit to 0.3% of GNI towards ODA. In addition, we would like to stress the importance of creating new liquidity and reorienting the macroeconomic environment so that it not only encourages, but mandates behaviour and finance to be in line with sustainable development, and not just clocking numbers for blind growth.

There is a great deal of discussion on multiple fronts about the Financial Transaction Tax. The ability of this tax to create funds for sustainable development is well articulated. We cannot imagine an effective FfSD outcome that does not lay down the mandate for such a measure.

Secondly, we would like to echo Guatemala's comments from yesterday and today. We currently consume 1.5 Earths to meet the demands we make on nature, while still facing extreme poverty and inequality. The outcome of this process simply cannot ignore this. Yesterday’s comments by the EU also spoke to the need to protect the environment and implement the “polluter pays principle.” We welcome these and similar comments. There seems to be some agreement in principle on this topic among both G77 states and the EU.

Now, keeping all this in mind, we would like to propose specific suggestions that further punish undesirable activities. Firstly, carbon has to be taxed. But this will not be enough. We must also
undertake comprehensive ecological tax reform, that shifts the collection burden to extraction, pollution and resource depletion, and reduces the burden on value addition and labour, as these are desirables. These are matters of international public finance as carbon pollution and planetary boundaries are not just national, but international issues.

Secondly all long term investments and flows into a country in order to be permissible have to be explicitly assessed for their impact on our planetary boundaries, some of which we have already crossed. In the context of this discussion we would like to bring attention to a multilateral initiative led by UNEP- the Ecological Risk Integration to Sovereign Credit.

We hope our points are well received and help contribute to an ambitious and transformational outcome.