



## Innovative Financing for Development - Declaration

1. We are five years away from the 2015 deadline for achieving the Millennium Development Goals (MDGs) to which we collectively and solemnly committed ourselves in 2000 at the United Nations.
2. Significant progress has been made over the last decade on several MDGs, exceeding what has been accomplished over the last forty years. However much remains to be done: almost a quarter of the world's population lives below the poverty line; 1 billion people do not have access to safe drinking water and 2.6 billion people do not have access to basic sanitation facilities; 1 billion people are suffering from hunger, while there will be 9 billion people to feed in 2050; 72 million children do not attend school; and close to 5 million people a year are still dying from the three major pandemics (HIV/AIDS, tuberculosis, and malaria).
3. Today's world is facing a series of interlinked challenges and crises including the fight against poverty and hunger, food security, infectious diseases, access to quality education, access to water and sanitation, the threat of global warming, access to sustainable energy and financial crises.
4. In order to meet these challenges and achieve the goals we set for 2015, we need a new global partnership in favour of efficient policies, transparent measures, respect for human rights and good governance. To support this partnership sustainable financing for development is necessary. The economy is global but financing for development solidarity nonetheless remains patchy and volatile.
5. We are convinced of the crucial importance of official development assistance (ODA) in this respect and reaffirm the importance of fulfilling all ODA commitments, including the commitments by many developed countries to achieve the target of 0.7% of GNI for ODA by 2015. We are also convinced of the importance of innovative approaches as a supplement to traditional aid in helping provide more stable and predictable flows for financing international solidarity and meeting 21<sup>st</sup> century challenges. Existing innovative mechanisms for financing development have already proved effective by providing more than \$3 billion in additional resources, especially in the health sector, for combating pandemics, enabling access to essential medicines and accelerating vaccination programmes.
6. The extent of the challenges involved requires us to scale up innovative financing, in accordance with the commitment made by the international community at Doha in December 2008. The world cannot wait. Development is also a way of addressing the economic crisis. Failure to act will generate higher costs for future generations.
7. We believe that those who benefit from globalization should contribute to solidarity efforts. We now need to consider how they can help address the challenges of sustainable development.
8. In that respect, we explore a very small tax on international financial transactions appropriately applied on a large scale and to a wide range of transactions that could provide stable and substantial financing for development, while minimizing economic distortions or damage to the real economy. The tax base, rate and collection procedures could be coordinated among States. In the context of increasingly automated and centralized financial transactions, the technical feasibility of such mechanisms has been highlighted in recent reports of experts, including *Globalizing Solidarity : The Case for Financial Levies*.
9. We believe it is essential for the revenues from this type of mechanism to be used transparently, efficiently and effectively, in addition to traditional ODA and focusing on results, in order to finance objectives with broad international support such as education for all, the fight against major pandemics, access to food and water and sanitation and other global challenges for sustainable development.
10. We call on other members of the United Nations to join us in exploring the way of scaling up innovative financing, in a coordinated manner internationally, and in considering how to manage the revenues they could generate. The time has come to show political will. We have globalized the economy and it is now time to globalize solidarity.