General Assembly High Level Dialogue on Financing for Development

Round Table 3

Topic: The role of financial and technical development cooperation, including innovative sources of development finance, in leveraging the mobilization of domestic and international financial resources for development.

Thank you Chair,

Philo Morris representing Society of Catholic Medical Missionaries following up the FFD process for the last 9 years, am a member of the NGO Committee, Global Social Economy Group and International Working Group on Financial Transaction Tax.

You are very right Your Excellency Princes Maxima, "the Road ahead is long and the climb is steep". It is very encouraging to hear from Dr. Blazy that there is a lot of momentum to get FTT done in 2010".

We are confronted with multiple crises posing risks to humanity on many fronts including threats to security. MDGs can only be achieved with very radical changes. The voluntary approach will not deliver. It is possible that the entire deficit can be paid for by appropriate taxation on those who are responsible for the crisis. Financial and technical development cooperation is needed for providing global public goods, including addressing the challenge of **climate change,** particularly of vulnerable nations.

It has long been held that Official Development Assistance (ODA) -----financial and technical--- has a major role in complementing and stimulating other sources of financing for development. That is why it was explicitly re-stated in the Monterrey Consensus. Yet experience has not borne this potential. Fact is that ODA has been:

- Too little, much less than a half of what was considered needed
- Too tightly tied up in conditionalities
- Too much focused on objectives other than promoting development in developing countries----the trade of the countries providing the financial resources and the careers of those delivering the technical assistance.

So, we need to do better with ODA. It was good to hear Mr. Simon Scott stating that the ODA will go up in the future.

The campaign to enhance the effectiveness of aid, and the untying of aid, are important. But they are arising at a time when the official finances are not increasing at the rate agreed in November

2008 in Doha. This brings us to the important phrase between the commas in the topic of this Round Table "**Innovative sources of development finance".**

Proposals for new and innovative sources of finance such as the currency transaction tax; proposed in 2008 in the process towards the DOHA Conference; financial transactions tax as advanced by a member State at the time of the Copenhagen Conference in 2009 have some significant advantages in generating resources to meet objectives such as development and climate change adaptation and mitigation in developing countries. These advantages include:

1. The capacity to generate the volume of resources required without significant negative impact on the source of generation;

2. They do not come with any particular "National Passport" and so can be subject to genuine international management. No country can claim that the proceeds "must return to their nationals to justify their taxpayers demands";

3. All countries will contribute removing the argument by developed countries "donors" that they and/or their controlled agencies must control the management of the funds and the establishment of any conditions;

4. They are genuinely new; they are not part of the consolidated funds/budgets of any Member State. Collection by any national agency/authority is a service but are not resources for the Consolidated Fund, and

5. They do not substitute or overlap with the ODA historical commitment of development.

Thank you Chair

Philo Morris
Society of Catholic Medical Missionaries a.k.a. Medical Mission Sisters
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