

Intervention by Corina Rodríguez Enríquez, DAWN and WWG on FFD at

Rountable 1

Global Partnership and the Three Dimensions of Sustainable Development

Strengthening domestic resource mobilisation

12th of July 2015

Thanks Mr. Co-chair.

I would like to make three brief comments on behalf of my organization (Development Alternatives with Women for a New Era, DAWN) as well as the Women's Working Group on Financing for Development and the broader CSO group. These comments are focused on Domestic Resource Mobilization issues, and the way they are approached in this debate and in the negotiations that (we hope) are taking place nextdoor.

1. While we appreciate the recognition to the central role of domestic resource mobilization, especially taxation, for development in its three dimensions, and for a democratic global partnership, we regret that no reference is being made to "promote equality, including gender equality, as an objective in all tax and revenue policies". The redistribution role of tax policy, and therefore the need for progressive tax reforms is crucial for avoiding perpetuation or exacerbation of inequalities.
2. While we agree on the need to expand the tax base, we find it problematic to suggest that we can do it by promoting the formalization of the informal sector (as the Mexican representative remind us), if at the same time there is not a strong committment to make corporates pay their fare share, or to promote financial transaction taxes. Formalizing the informal sector mostly means, in practice, implementing taxes on small scale producers. This will negatively affect self employed women including small-scale market vendors, farmers and fisherpeople, and those in micro and small-scale enterprises. This way, they will likely bear a disproportionately high tax burden, while big corporations and wealthy individuals continue to benefit from tax exemptions and avoidance.
3. The commitment should be much stronger in concrete and accountable measures to address tax evasion, avoidance and dodging, which constitute the main reason that

prevents Governments to comply for their obligation to mobilize the maximum available resources to implement public policies for the realization of human rights. In order to tackle the global tax heaven economy, a significant increase in transparency is needed, as well as, international tax cooperation and coordination. We need to fundamentally change the tax rules in a democratic way. We therefore support the call, made by an intervention in this panel, to establish an intergovernmental, transparent, accountable, adequately resourced UN tax body, which leads global deliberations on international tax cooperation. This will allow developing countries to avoid resources flight, generate sustainable financing for development, as well as enlarge the policy space free of pressures impose by lenders and developed countries governments.

A paradigm shift is needed in financing from developing. From mobilizing resources to enabling environments for private sector businesses, towards guaranteeing financing for development policies that can ensure a better life for all.

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