

Proposals submitted by Switzerland on Introduction and Chapter I: Mobilising Domestic Financial Resources for Development

Drafting sessions on the draft outcome document for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

9.-10. October 2008

2.
We reaffirm the Monterrey Consensus in its entirety and in its integrity and recognize that mobilizing financial resources for development and the effective use of those resources are central for a global partnership for development in support of the achievement of the internationally agreed development goals (IADGs), including the Millennium Development Goals (MDGs). **Upholding the charter of the United Nations and building upon the values of the Millennium Declaration, we commit ourselves to promoting national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion.**

2. bis
We reaffirm that each country has primary responsibility for its own economic and social development, and the role of national policies and development strategies cannot be overemphasised. At the same time, domestic economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. National development efforts need to be supported by an enabling international economic environment. We encourage and support development frameworks initiated at the regional level, such as the new Partnership for Africa's Development and similar efforts in other regions.

3.
We recognize that the international economic context has changed in profound ways since we met in Monterrey. **Some of these changes, including the rising food and energy prices, the financial crisis as well as the consequences of climate change may offset the progress achieved over the last years.** While assessing progress made, sharing best practices and lessons learned, we have identified obstacles and constraints encountered. We are determined to take actions and initiatives to overcome these obstacles and devise important measures for further implementation.

7. alt
It is crucial to enhance the efficacy, coherence and consistency of macro-economic policies. To take advantage of the benefits of globalisation, we will pursue sound macroeconomic policies aimed at sustaining high rates of economic growth, full employment, poverty eradication, price stability and sustainable fiscal and external balances to ensure that the benefits of growth reach all people, especially the poor. Along with prudent fiscal and monetary policies, an appropriate exchange rate regime is required. We will pursue appropriate policy and regulatory frameworks at our respective national levels and in a manner consistent with national laws to encourage public and private initiatives, including at the local level, and foster a dynamic and well functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment. We recognise that the appropriate level of government in market- oriented economies will vary from country to country.

10.
We will strengthen efforts to increase tax revenues through more effective tax collection and modernization of tax legislation including through simplification of the tax system, broadening of the tax base, and strongly combating tax evasion. To support individual country efforts in these areas, it will be important to enhance international cooperation in tax matters and broaden participation in the development of international tax norms and rules. **[DELETE: We will consider strengthening the United Nations Committee of Experts on International Cooperation on Tax Matters by upgrading it to an intergovernmental body.]**

11.
Capital flight is a major hindrance to the mobilization of domestic resources for development and efforts should be strengthened to address the various factors that contribute to this. It is vital to address the problem of **illegal [DELETE: illicit] financial flows.** Additional measures should be sought to prevent the transfer abroad of stolen assets and to assist in their recovery, as well as to prevent capital flows that have criminal intent, such as the financing of terrorism.