



Preparatory Process for the
Third International Conference on Financing for
Development

First Drafting Session

New York, 28 January 2015

Swiss Statement – Domestic Public Resources

Distinguished Co-Chairs,

Domestic resources are the central pillar for financing sustainable development and we welcome its prominent role as the first building block in the Elements Paper. When discussing domestic public resources, it is important to keep in mind that mobilizing resources and spending them efficiently and effectively are closely related.

Let me first address the revenue side:

Domestic resources are generated through sustained economic activity by businesses and households that enable governments to raise taxes. **These efforts must be underpinned by a continued focus on good governance, the rule of law, accountable and responsive public institutions, as well as a sound, transparent and reliable public financial management framework that ensures fair and equitable mobilization and effective spending of public revenues.**


For Switzerland, a key component in the area of domestic resource mobilization is the promotion of a transparent, fair and competitive tax regime that induces tax compliance and sets the right incentives for private sector-driven sustainable development. In circumstances where domestic resource mobilization is particularly low, a benchmark indicating the amount of domestic resources relative to the gross domestic product to be dedicated to essential public goods and services could be helpful to promote sustainable development and poverty eradication. Switzerland also believes that tax regimes and public budgets should meet robust transparency standards on all revenue raising measures to ensure accountability and traceability of funds. The implementation of the revised Fiscal Transparency Code of the International Monetary Fund

and the Extractive Industries Transparency Initiative standard are critical in this regard.

Distinguished Co-Chairs,

Switzerland considers that illicit financial flows constitute a fundamental obstacle to economic growth and good governance. The international community must continue its efforts to combat money laundering, curb tax evasion and tax avoidance, and strengthen mechanisms for the recovery of stolen assets. In the context of stolen asset recovery, Switzerland develops tailor-made solutions to ensure that the assets returned will indeed benefit the population of the country of origin.

Distinguished Co-Chairs

Let me now move briefly to the expenditure side:

Important savings could be achieved by eliminating inefficient fossil fuel subsidies because they induce behavior that conflicts with sustainable development. Eliminating these subsidies would free resources for targeted transfers to the poor. The recent slump in oil

prices provides a once in a lifetime window of opportunity to fix harmful energy policies.

Finally, another area for improving public financial management is public procurement. We support measures aiming at strengthening procurement systems to support effective, equitable and sustainable development. Furthermore, public procurement is an important mechanism for countries and international organizations to promote environmental and social safeguards, ensuring that contracts are awarded to businesses that operate in a socially and environmentally responsible manner.

Thank you!