

## UK Statement: Domestic public finance

- Domestic public finance is central to mobilising resources for development and the most sustainable and stable source of development finance.
- Many colleagues have outlined important areas which we should consider at Addis including tax reform and phasing out fossil fuel subsidies.
- However, mobilising domestic revenues is not sufficient. These must be spent transparently and effectively. Good public financial management and budget transparency are critical to effective use of resources. Spending wisely and avoiding waste is as essential as collection of revenues.
- So, what can we do internationally to support national action? Here a few specific proposals:
  - We know there are many countries who are committed to reform of tax, public financial management and strengthen anti-corruption. However not all of them can do it alone. There is therefore a need for further capacity building to support domestic resource mobilisation. This should be regional as well as global and include strengthened regional tax administration networks and knowledge sharing, technical and financial assistance.

- We also need to address those who seek to evade taxation. This will require tax transparency and exchange of information. As well as ensuring that the international tax infrastructure delivers for developing countries, e.g. through full implementation of the G20 AEOI roadmap
- We should Address base erosion and profit shifting (BEPS) including through country by country reporting with effective participation of developing countries in BEPS governance structure
- Tackle international money-laundering and recover proceeds of corruption
- Build asset recovery capability in all financial centres
- Support developing countries' effective enforcement of anti-money laundering and financial investigation capability,
- Agree open government principles, full fiscal transparency and publish what you pay principles
- Agree global standards of extractive transparency and implement the Extractive Industries Transparency Initiative (EITI) standard.