

*Permanent Mission of Brazil
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The Permanent Mission of Brazil to the United Nations presents its compliments to the Financing for Development Office of the Department of Economic and Social Affairs and has the honour to refer to the unedited draft of the 2017 report of the Inter-Agency Task Force on Financing for Development, issued on the 31st of March 2017.

In this regard, and attending the invitation for comments formulated by this Office, the Permanent Mission of Brazil has the further honour to attach herewith the Brazilian comments on the abovementioned report.

The Permanent Mission of Brazil to the United Nations avails itself of this opportunity to renew to the Financing for Development Office of the Department of Economic and Social Affairs the assurances of its highest consideration.

New York, 10 April 2017.

Financing for Development
Office of the Department of
Economic and Social Affairs
– United Nations

New York



Comments from the delegation of Brazil on the unedited draft of the 2017 report of the Inter-agency Task Force on Financing for Development

Chapter II. Financing investment and social protection

Page 28: “Overall, blended finance and other mechanisms that aim to incentive private investments in developing countries have so far largely bypassed LDCs”.

Comment: Where it reads “to incentive” it should read “to incentivize” or “to stimulate”.

Chapter III.A. Domestic public resources

Page 38: “In general, as shown in Figure 2, middle-income countries rely more heavily on indirect taxes (general goods and services taxes) and corporate income taxes, while LDCs and SIDS rely more on indirect taxes and trade revenue. An increase in indirect taxation, for example through increasing value-added taxes or reducing exemptions, can provide scope to easily increase the revenue collected.”

Comment: The underlined passage is written in a way that could be misleading to the reader, insofar as it contrasts two equal predicates (“indirect taxes”). The sentence could thus be written in a way to adequately express that middle-income countries and LDCs rely more heavily on indirect taxes, in contrast to developed countries relying more heavily on direct taxes.

Page 42: “At the United Nations, the Model convention is developed and maintained by the Committee of Experts on International Cooperation in Tax Matters, which draws its membership from Member States nominations, maintains a balance between developed and developing countries, and submits it report and conclusions to the Economic and Social Council of the United Nations.”

Comment: Where it reads “it report” it should read “its report”.

Chapter III.C. International development cooperation

Comment: The chapter presents comprehensible and useful data and information on South-South cooperation, on the special needs of LDCs and middle-income countries and on the ways of measuring development assistance (including an extensive box on TOSSD on page 85).

However, the section on “global financing flows” could present a better picture of the current state of affairs regarding official development assistance (ODA). The section has only one paragraph devoted to data and analysis on ODA (page 74), and the information presented is very limited in its scope.

Although recognizing the importance of ODA for the accomplishment of the 2030 Sustainable Development Agenda, the report does not offer the readers qualitative information that could help decision-making in a context where there is a clear need for extra resources in order to finance sustainable development. The report could thus present real cases of what has been done in specific countries with resources from ODA and contain a more comprehensive data section with analysis on the real effectiveness of ODA; on the potential for ODA to mobilize private financing; and on how effectively could the current development picture be changed had the commitments of the Monterrey Consensus been reached. Although not the more substantial means of implementation of the 2030 Agenda, ODA has an important role to play in financing for development and it should be reflected thusly in the IATF report.

Chapter III.D. International Trade as an Engine for Development

Page 90: “An enabling environment for inclusive trade growth calls for policy coherence at all levels. In the Addis Agenda, Member States committed to strengthen the coherence and consistency among bilateral and regional trade and investment agreements, and to ensure they are compatible with WTO rules. Regulatory harmonisation, often sought through free-trade agreements, can offer benefits. Governments should reduce the potential for regulatory measures in the areas of food, health, environment, and labour policies to inadvertently act as non-tariff barriers to exports from developing countries. The Addis Agenda also commits to strengthen the role of UNCTAD as the focal point within the United Nations system for the integrated treatment of trade and development, and interrelated issues in the areas of finance, technology, investment and sustainable development.”

Comment: "Regulatory harmonization" implies adopting internationally agreed standards in foreign investment policies, which is highly controversial, in several developed and developing countries. Many countries are currently reviewing, revising or adopting their foreign investment policies and such standards are often seen as detrimental to such efforts. Brazil, in particular, understands that the diversity of perspectives on investment agreements is salutary, as it reflects different points of balance between the sovereign right to regulate and the protection to the foreign investor.