

**To achieve the MDGs, to tackle today's crises (food, the climate...):
Let us create a Currency Transaction Tax for Financing Development (CTT for FfD)ⁱ**

A great gathering of Heads of State and Government will take place in New York during the week of 22-26 September for the High Level Meeting on the Millennium Development Goals, as part of the opening of the new session of the United Nations' General Assembly (the 63rd session). Later on, from 29 November to 2 December, the [Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus](#) will be held in Doha, the capital city of Qatar.

Article 2 of the Monterrey Consensus on Financing for Development (March 2002) records this assertion: "We note with concern current estimates of dramatic shortfalls in resources required to achieve the internationally agreed development goals, including those contained in the United Nations Millennium Declaration – the MDGs".

It is now acknowledged by all that it is practically impossible to achieve the MDGs by the deadline set, mainly because, even at this late stage, we are not seeing any change in the funding trends for Financing Development, and that change is essential for achieving those goals. We thus find ourselves facing an international political situation that is at once paradoxical and unjustifiable: a) on the one hand, renewed support for the MDGs at the highest level will probably be aired in New York, with a flurry of fine words but a complete absence of effective commitments for achieving them; b) on the other hand, the Monterrey Consensus will be reviewed in Doha, and it too will probably be endorsed again in virtually the same terms as 6 years ago, but once again with no measures being taken to assure that the resources needed for its implementation will be available. Hence nothing will be done to resolve the predicament so clearly enunciated in that second article quoted above, particularly now when crises in food, the climate and other areas are posing a challenge for humanity as a whole.

We, the undersigned people and organizations from civil society, at the initiative of the World Forum of Civil Society Networks – UBUNTU, wish to call for NO MORE empty words, NO MORE sterile statements, and NO MORE inefficacy and apathy.

However, we also wish to say that there ARE workable solutions, solutions that we present and propose, demanding that they be discussed and approved, and in particular that they be implemented immediately afterwards, in the period between the New York meeting and the Doha meeting.

In this communiqué, which cannot be exhaustive, we focus on one particular measure we regard as essential, and it is one that, in addition to providing very tangible specific solutions, will also take us into a scenario of international work and implementation efforts. It is now essential for us – humanity as a whole – to tackle the problems we are facing from that scenario: through a reformed and reinforced United Nations.

SPECIFICALLY, WE PROPOSE THAT THE OUTCOMES OF THE DOHA MEETING SHOULD INCLUDE THE CREATION OF a Global Tax on Currency Transactions (CTT for FfD) as an additional, predictable, stable and sustainable source of Financing for Development, the funds from it being channelled into multilateral funds run by the United Nations for use, initially, in achieving the MDGs by 2015. This would have several effects:

- a) This CTT for FfD would lead to the collection of "a significant amount of resources for development while not interfering with the normal functioning of the market", since the levy involved would be tiny according to studies by the Technical Groups of Action against Hunger and Poverty (led by Brazil, France, Chile, South Africa, Spain, Germany...). According to leaders from some of the countries mentioned above, global levies should be

regarded as a “normal” counterpart provided in return for the profits that the great transnational financial corporations obtain from globalization. We fully embrace that idea!

- b) This CTT for FfD would respond to the United Nations' General Secretary's concerns when he noted “renewed international interest in a possible currency-transaction 'development levy' of 0.005%, a minuscule tax [...] having the potential to generate billions of dollars that can be allocated for development. [...] Currency transaction taxes involve more than one country [... and] are best implemented in a cooperative manner among countries.”ⁱⁱ
- c) This CTT for FfD would have a global base, since location and territorial issues are irrelevant in the Foreign Exchange Market (FOREX), the market used for currency transactionsⁱⁱⁱ. Thus the CTT we are proposing can be applied to the global financial sector as such, with the funds collected being transferred directly to a Multilateral Fund held by the United Nations, which would make a huge contribution to reinforcing the role of that organization in achieving the MDGs.

IN SHORT, WE PROPOSE THAT FINANCING FOR DEVELOPMENT BE BASED NOT ONLY ON OFFICIAL DEVELOPMENT ASSISTANCE (WHICH MUST OF COURSE NOW BE RAISED WITHOUT FURTHER DELAYS OF ANY KIND TO 0.7% OF THE GDP OF THE RICH AND POWERFUL COUNTRIES), BUT ALSO **ON THE INDISPENSABLE AND JUST REDISTRIBUTION OF THE ECONOMIC WEALTH GENERATED IN THE WORLD.**

Such redistribution can only be assured by a reformed system of international institutions, one that must evolve, as we always say in the context of the “WORLD CAMPAIGN FOR IN-DEPTH REFORM OF THE SYSTEM OF INTERNATIONAL INSTITUTIONS”, towards a new system of Democratic World Governance capable of collecting and managing those global levies, among other things.

Federico Mayor

Mario Soares

Susan George

Author and Board Chair of Transnational Institute

Noam Chomsky

Aminata Traoré

ASF - African Social Forum

Kailash Satyarthi

Global March Against Child Labour

Margaret O. Blomberg

NFO Committee on Financing for Development (FfD)

Cândido Grzybowski

IBASE - Instituto Brasileiro de Análises Sociais e Econômicas

Chico Whitaker

Right Livelihood Award; Brazilian Commission Justice and Peace

Roberto Savio

IPS - Inter Press Service

Saskia Sassen

Committee on Global Thought Columbia University

John Foster

North South Institute & Social Watch

Gigi Francisco

DAWN

Tomas Magnusson

IPB - International Peace Bureau

Miquel de Paladella

Global Movement for Children

Ricardo Díez Hochleitner

Honorary President Club of Rome

Herman Spanjaard

IPPNW -International Physicians for the Prevention of Nuclear War

Mary-Winne Ashford

Past Co-President of International Physicians for the Prevention of Nuclear War

Shula Koenig

PDHRE-People's Movement for Human Rights Learning

Sara Longwe

FEMNET - African Women's Development and Communication Network

Fatma Alloo

DAWN - Development Alternatives with Women for a New Era

Meja Vitalis

AFRODAD - African Forum and Network on Debt and Development

Elizabeth Eilor

AWEAPON - African Women's Economic Policy Network

Martin Tsounkeu

ADIN – Africa Development Interchange Network

Nadia Johnson

WEDO - Woman Environment Development Organization

Philo Morris

Medical Mission Sisters

Mohammed Fayek

Arab Organization For Human Rights

Marino Busdachin

UNPO – Unrepresented Nations and Peoples Organisation

Rómulo Torres

LATINDADD - Red Latinoamericana sobre Deuda, Desarrollo y Derechos

Ernesto Lamas

AMARC ALC - Asoc. Mundial Radios Comunitarias - América Latina Caribe

Felix Dodds

Stakeholder Forum

Fintan Farrell

European Anti Poverty Network

Martí Olivella

Alliance for Responsible, Plural and United World

Vicente García

CIVICUS - UN representative

Francine Mestrum

AEDH - Agence européenne pour la défense des droits de l'homme

Arcadi Oliveras

Justice and Peace Europe

Jorge Nieto

Centro Internacional para la Cultura Democrática

Miquel Àngel Essoba

Centre UNESCO de Catalunya

Fèlix Martí

President Honorari Linguapax

Antoni Giró

Rector UPC - Universitat Politècnica de Catalunya

Richard A. Falk

Princeton University; California University

Andrew Strauss

Widener University School of Law, USA

Hall Gardner

Professor American University of Paris

Josep Ferrer

Professor Universitat Politècnica de Catalunya – UPC

Ferran Requejo

Professor Universitat Pompeu Fabra – UPF

Sean O Siochru

CRIS - Communication Rights in Information Society Campaign

Josep Xercavins

UBUNTU Forum Ad Hoc Secretariat, professor UPC

ⁱ “CTT for FfD” - “Currency Transaction Tax for Financing Development”. The proposal refers to the application of a tiny levy (in the region of 0.005%) on international currency movements. Given the huge amount of money involved in currency exchanges, applying this tax would enable a very significant amount of resources for development to be collected.

ⁱⁱ With the tax rate mentioned by the UN Secretary General, the amount collected would add up to just over 50% of total Official Development Assistance (ODA) from the world in 2007, according to all the estimates made. Those two sources together (funds collected from the CTT + ODA) would cover the resources needed to achieve the MDGs, according to the appraisal made by Jeffrey Sachs in 2005.

ⁱⁱⁱ The global currency-exchange market or Forex (Foreign Exchange Market) is the largest financial market in existence. In general, this market is not subject to any tax regulations, since its technological nature (whose development was backed by the world's Central Banks) makes it virtually a globalized market. Money flows in that market are eminently speculative, the aim always being to boost the profits of transnational financial corporations. Applying the CTT we are proposing would be the first experiment in redistributing the wealth generated in that market.