



**Preparatory Committee (PrepCom) for the Fourth International Conference
on Financing for Development (FfD4) Second Session, NY, 3-6 December,
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**Hernan Saenz, Oxfam International, on behalf of the CS FfD Mechanism
Intervention delivered at the Interactive Discussion :1 Domestic Public
Resources**

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Thank you chair. My name is Hernan Saenz from Oxfam International speaking on behalf of the CS FfD Mechanism.

- We are closer of having the first trillionaire than eradicating poverty or achieving gender justice and this future trillionaire is barely paying taxes on his wealth and income.
- Progressive taxation is crucial to increase revenues in a fair way so everyone pays its fair share of taxes, to increase public investment in social protection, care, etc. But well-designed taxes and at rates high enough, it is also a powerful tool to reduce inequality.
- We know though that inequality is deepening between and within countries.
- We also know that the richest 1% owns more wealth than 95% of global population. Over the past two decades, the wealth owned by the richest 1 percent in G20 countries has increased by nearly 150 percent in real terms (\$68.7 trillion). But despite these numbers, progressivity of tax systems is broken at the very top, with richest individuals paying on average around 0.5% in real taxes.
- One extremely encouraging element is the newly adopted Terms of Reference for a new UN Framework Convention on International Tax Cooperation is the commitment to ensure effective taxation of high-net-worth individuals as a part of the new Convention. It is also encouraging because we now have a big political momentum here at the UN to advance in a proposal that well-designed could raise almost 2\$tn per year enough to lift 2 billion people out of poverty...

- To be fully effective, this needs a combination of domestic reforms as well as global initiative, commitments, coordination and cooperation. And here the UNTC is crucial, and we are encouraged to see the progress. We are, however, also very concerned about the fact that especially developed countries are still hesitating to endorse the Terms of Reference and call on them to do so immediately.
- FFD4 and its negotiations must be supportive of the UNTC negotiations and increase the momentum for change – including on effective taxation of the world's richest. It is here in the UN where all the countries negotiate on an equal footing, and this is key to rebuild trust in multilateralism.
- If we want to advance on taxing high-net-worth individuals FFD4 needs to reinforce, complement and avoid duplicating the UNTC negotiations so not to lose the momentum and distract us from the main objective: a fairer international tax system based on justice and fairness to fight inequality and financing sustainable development.