

**2<sup>nd</sup> Session of Preparatory Committee for the Fourth International  
Conference on Financing for Development (FfD4)**

**Domestic Public Resources**

**Wednesday, 4<sup>th</sup> December 2024**

**Intervention**

Thank you Chair,

Building fairer tax systems and implementing progressive taxation are vital components of effective domestic resource mobilization for financing the SDGs. While significant progress has been made, national efforts must be complemented by effective international tax cooperation that addresses the unique development needs of the EMDEs and LDCs.

India advocates for an inclusive and effective international tax framework that ensures a fair allocation of taxing rights. In this context, we support the UN Framework Convention on International Tax Cooperation.

We call on developed countries, MDBs and IOs to provide capacity building and resources to support the EMDEs, especially in harnessing digital technology for improved tax collection, expenditure efficiency and increased accountability.

Progressive tax policies are key to advancing the objectives of fairness and equity. However, the design of such policies should be based on the principle of respect for tax sovereignty, enabling countries to tailor tax systems to their specific contexts and needs.

In this context and with regard to the Elements paper, we would like to emphasise that it is premature to include any references to global solidarity levies or specific innovative taxes. These levies also violate the principle of CBDR-RC and equity enshrined in the Paris Agreement. Similarly, while we

reiterate our commitment to tax transparency and fostering global dialogue on effective taxation, discussions on taxing high-net-worth individuals remain at a very nascent stage. At this time, no commitments should be made to enact or strengthen taxes targeting HNIs, particularly in the context of international cooperation.

Combating illicit financial flows such as tax evasion, money laundering, corruption, and other risks requires robust regulatory frameworks, effective enforcement mechanisms, and enhanced international cooperation. This involves regulating financial institutions, leveraging financial intelligence, and focusing on investigating and prosecuting offenses. Promoting information-sharing among financial institutions is also crucial to mitigate such risks.

To conclude, a collective commitment to strengthening domestic resource mobilization and establishing a fair, transparent global tax framework is crucial to boost financing for development.

Thank you.

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