

ID1 on Domestic Public Resources, Belgium

**Second Session of the Preparatory Committee for the 4th International Conference on  
Financing for Development**

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Madam Chair, Ladies and Gentlemen,

Domestic public resources have both the greatest potential in terms of volume of financing and are the best way to ensure ownership, sustainability and resilience of national development policies.

Fiscal policy and public financial management instruments are powerful tools to reduce poverty and advance the SDGs, including gender equality, digital transformation, social protection, environmental protection, and the fight against climate change. On the revenue side, we support the creation or strengthening of fair, progressive, equitable, transparent and efficient tax systems and fiscal policies. On the expenditure side, we believe it is essential to create more transparent, efficient, effective public financial management systems that respond to citizens' needs for essential public services. This is also essential to promote investor confidence and create a conducive business environment.

With this in mind, we support the proposal to help developing countries, both LICs and MICs, increase their tax-to-GDP ratios in an equitable manner. We also support the implementation of transparent procurement systems; increasing transparency and improving oversight and management of tax expenditures and subsidies; promoting budget transparency, accountability and efficiency; digitizing tax administrations; integrating environmental and climate considerations into fiscal planning;

promoting gender-responsive budgeting and taxation; and phasing out harmful and inefficient subsidies.

Complementing national efforts, international support for these actions is the type of catalytic investment needed to close the SDG financing gap and for which concessional financing should be prioritized. Knowledge sharing, capacity building and technical assistance can help countries capitalize on lessons learned and best practices to design the policy mix that best fits their national circumstances and specific needs. Country platforms such as INFFs could play a role in this regard.

We also support the strengthening of existing regulatory frameworks and enforcement mechanisms to combat tax evasion, corruption, terrorist financing and money laundering. It is important to continue to develop global standards and initiatives such as the Global Forum on Transparency and Exchange of Information for Tax Purposes. And greater efforts should be made to ensure full compliance with domestic tax obligations, including by multinational enterprises.

We also strongly support the goals of inclusive, fair and effective international tax cooperation. In particular, through the ongoing work of the OECD/G20 Inclusive Framework, which seeks to reform the international tax system, including a two-pillar solution and a growing membership of tax jurisdictions with global benefits.