

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

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Contribution of the Trade Union Movement to the Paris Conference on Innovative Development Financing - Practical measures at last!

Brussels, 1 March 2006 (ICFTU OnLine) The international conference held in Paris from 28 February to 1 March marks a new phase in the international community's efforts to increase and diversify development aid mechanisms. An international solidarity levy on air-tickets to finance an international facility for medication purchases will come into operation by the end of the year, piloted by a group of countries. An important step forward was also taken to further multilateral dialogue, with the announcement that a pilot group on innovative financing is to be set up.

"The labour movement warmly welcomes this new phase in the implementation of innovative development financing mechanisms," stated ICFTU general secretary, Guy Ryder. "Governments have a responsibility to reach the millennium development goals. Innovative sources of financing must be prioritised. But let's make it very clear: these new mechanisms must supplement not replace traditional public development aid, which is targeted to reach 0.7% of the donor countries' GDP."

"Until now, there has been a lot of talk about the issue of innovative financing, and very little concrete action," said John Evans, general secretary of the Trade Union Advisory Committee (TUAC). "This Paris summit symbolically marks the shift from theory to practice. The implementation by the end of the year of an international solidarity levy on air-tickets should set the ball rolling on the diversification of sources and, in particular, highlight the role that the international financial markets could play. The ball is now in the court of the G8 Summit to be held Saint Petersburg in July."

The chief aim of the millennium goals to be reached by 2015 is to reduce poverty. In terms of financing, the international community has set itself the target of reaching public development aid equal to 0.7% of the donor countries' GDP. Today, such aid barely reaches 0.25% (OECD-DAC figures). The Paris conference brought together some 60 government ministers and representatives of international organisations - including the IMF, which hosted a panel on taxing financial transactions – as well as representatives of the trade union movement and other international solidarity organisations. Jacques Chirac, Gordon Brown and the Chilean Government were the veritable champions of these new initiatives. On the margins of the summit, France and the United Kingdom agreed to formally link their respective projects on the taxation of international transactions and an international finance facility. Following on from the conference and the implementation of the air-ticket levy project, the constitution was announced of a Pilot Group gathering several dozen countries – France will head the secretariat - to further dialogue and reflection on innovative financing.

The ICFTU represents 155 million workers in 236 affiliated organisations in 154 countries and territories (www.icftu.org). The ICFTU is also a partner in Global Unions: <http://www.global-unions.org>

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