

Ministers,  
Dear Heidi,  
Ladies and Gentlemen,

I would like to warmly thank Finland, which is welcoming us today for the 11<sup>th</sup> Plenary Session of the Leading Group on Innovative Financing for Development. France has the honour to open this event in its capacity as the Permanent Secretariat of the Leading Group. **The Finnish Presidency, represented by Ms. Heidi Hautala, has conducted excellent work during the past six months around an ambitious road map** focused in particular on (i) clarifying the concept of innovative financing and its relation with official development assistance (ODA); (ii) evaluating the allocation of funds raised through innovative financing mechanisms; (iii) the fight against illicit financial flows.

I am also pleased that the latter issue was added to today's agenda. We should also have the ambition to put financial flows – which today circumvent the countries of the South – in the service of development. This implies strengthening administrations in the South, tax authorities in particular. France is in fact committed to supporting the

OECD's Tax Inspectors Without Borders (TIWB) initiative. This further implies greater transparency of extractive sector revenues. The European Union is about to introduce into its legislation the obligation of transparency of payments to public authorities country by country and project by project for all its extractive industry and forest industry companies. I welcome the fact that the UK authorities have made transparency a priority of their G8 Presidency, given that private financial flows greatly exceed the amounts devoted to official development assistance (ODA). Putting financial flows in the service of development thus is an especially significant form of innovative financing.

We are today facing the dual challenge of the fight against poverty and of sustainable development. To finance this agenda, we will need new sources of financing and to strengthen the developing countries' own resources.

**The Finnish Presidency has wanted to give a new thrust to the work programme of the Leading Group, namely the post-2015**

**development agenda.** Thanks to the political impetus given by Ms. Heidi Hautala and the technical expertise of the United Nations Development Programme (UNDP), a reflection has begun on the modalities for a future **contribution by the Leading Group to the ongoing work on the new development agenda.** The event organized in December 2012 in New York has allowed progress in this direction by reaffirming that **innovative financing is necessarily part of the means of implementation of the post-2015 agenda,** of course as a complement of, not a substitute for, official development assistance (ODA). I am convinced that the Leading Group should be fully involved in this reflection to make innovative financing a decisive element of the new development agenda. **In concrete terms, the Leading Group has promoted the levy on air tickets to finance health-related actions. Tomorrow, we could promote a contribution from the maritime sector, for example, to finance climate change adaptation.** We will need all the innovative initiatives, with the countries of the North and the countries of the South, and with public and private stakeholders, to finance the new development agenda.

It is our collective duty to **pursue advocacy of all ongoing innovative financing initiatives, i.e. the “menu of options”** that has made it possible to raise approximately six billion euros since 2006 to supplement official development assistance (ODA), and I wish to stress the importance of informative communication for the international community on the various options of innovative financing since it is not limited to taxation mechanisms. While those taxation mechanisms help raise significant funds for development, other options belonging to the “guarantees” family have also proved their worth, and I am thinking in particular of the **Advanced Market Commitments** that have made it possible to finance a pneumococcal vaccine. And also of the **International Finance Facility for Immunisation (IFFIm)** that has received financial support from many States present here today. This afternoon, we will have the opportunity to hear accounts of field returns of experience on the effectiveness of those mechanisms. We will also have the opportunity to discuss their extension to agriculture. Under the aegis of the Malian Presidency, the **Taskforce on agriculture, food security and nutrition** advocated the production of an experts’ report. I am pleased

that Mali is today chairing the segment for the study of the report's conclusions. Ensuring food security in the Sahel is a further challenge to achieve peace in the region and, as you know, France is especially committed to this. Two of the experts' recommendations have drawn my attention in particular:

- The first of those are the guarantee mechanisms for nutritional products, modelled on Advanced Market Commitments that have proved their worth for vaccination.
- The second one is to promote the orientation of migrants' remittances towards investments in agriculture in their countries of origin. This proposal obviously needs to be deepened. As migrant remittances reached almost 400 billion dollars in 2011, they are a considerable financial resource for development.

I hope that this afternoon's debates on the report will allow discussion of these proposals' relevance and feasibility.

**Solidarity levies for development** based on those activities that have benefited most from globalization also deserve highlighting.

First of all, I am pleased to announce that total **revenues from the levy on air tickets** introduced in France in 2006 for the benefit of UNITAID and the Global Fund reached the symbolic **1 billion euro** mark in 2012. I commend the many Leading Group member States which joined this mechanism, African partners in particular. By introducing this levy at national level, they are helping to realize one of the key principles behind innovative financing, i.e. **the involvement of beneficiary countries in strategies for mobilizing development financing.**

Similarly, the maritime sector could tomorrow contribute to financing adaptation to climate change. As we know, the consequences of climate change risk being terrible for the developing countries. The World Bank did not hesitate to describe the consequences of global warming as cataclysmic for the poorest countries, which are also the most vulnerable. All the progress made in recent decades on child mortality and food security could hence be cancelled out.

Moreover, significant progress has been made in recent months on the **acceptance of the financial transaction tax (FTT) as a**

**means to finance development.** In line with the French President's commitments, France has allocated part of the revenue from the French FTT, which came into force on 1 August 2012, to the fight against climate change and to health, particularly the fight against major pandemics. **The introduction of a broader FTT is still among France's priorities, particularly at European level.** Thanks to the mobilization of a group of 12 pioneering European States, a European FTT will emerge in the coming months by means of enhanced cooperation, as endorsed by the Finance Ministers on 22 January. We must nevertheless continue our efforts to ensure this financial transaction taxation mechanism partly benefits international solidarity. France is committed to raising awareness among its European counterparts of the importance of such allocations. I am counting on many partners here, particularly from civil society, to continue their excellent advocacy work for the FTT.

Ladies and Gentlemen, as Permanent Secretariat, France invites Leading Group member countries to mobilize to **clarify together the role that the Group may play in the reflection on the follow-up of Rio+20.**

My belief is simple: The Leading Group undeniably possesses expertise to share to identify the most promising financing sources that are best suited to the post-2015 context. Making the international community aware of this expertise should be among the priorities of the next Presidency of the Leading Group. In particular, I advocate forming a working group to jointly put forward a **draft resolution specifically dedicated to innovative financing during the 68<sup>th</sup> United Nations General Assembly**. One of the outcomes of the Rio+20 Conference is the present setting up of an **intergovernmental committee on sustainable development financing**. The participation of one or several members of the Leading Group in this body which is to focus on ways of implementing the post-2015 agenda would, I believe, ensure that our messages are conveyed to the international community and enable us to sustain our experience.

We have the chance today that many of our African partners are present. **I welcome the presence of the Ministers from Nigeria, Guinea, Benin, Mauritania and the Republic of the Congo**. Your outlook as countries which promote, practice and benefit from innovative financing will, I am sure, prove essential in enhancing our

debates. I salute in this respect the wish of the African Union to join the Leading Group. I also salute the future African conference on innovative financing proposed by Guinea and invite all Leading Group member countries to support this initiative.

In conclusion, I would like to recall the importance of innovative financing in helping finance the new development agenda which will have to reconcile the fight against poverty and sustainable development. This new agenda is ambitious, this new agenda is innovative. This is why we must be ambitious and innovative, which is precisely the purpose of the Leading Group.

Thank you.