

Addressing Debt and Tax to Build Sustainable Development
UN intervention from Eric LeCompte

Addressed to the UN Open Working Group on Sustainable
Development Goals

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On behalf of Jubilee USA's 75 member organizations and 300 faith communities, I'd like to thank-you for the opportunity to be a part of this discussion.

As a global community we have yet to fully address the causes and conditions that created the global financial crisis. A lack of regulation, support of speculation, record levels of sovereign indebtedness and an inability to raise basic revenues from multinational corporations, resulted in more than 70 million people, mostly women and children, being forced into extreme poverty.

One of the most important things that our global community must do is curb illicit financial flows, or capital flight, of debt repayments and corporate tax avoidance in the developing world. For every 10 dollars of aid that developing countries receive, 15 dollars exits countries as a result of tax avoidance. For every 10 dollars developing countries are receiving in aid, 30 dollars is leaving in debt repayments.

The global community must seize opportunities to curb corporate tax avoidance, cancel illegitimate debts and restructure unsustainable debts in order to address extreme poverty. In order to further cross cutting goals on human rights, poverty reduction and governance, The International Monetary Fund, International Financial Institutions and big Banks need to become more accountable, transparent and leave austerity promotion in the past.

We can build off the global consensus, that the behavior of predatory hedge funds or vulture funds, that profit from

countries in financial distress, should not be tolerated. As a global community, we need to support new forward thinking ways of restructuring debt. Debt restructuring currently taking place in Grenada and soon to be happening in multiple Caribbean nations is offering opportunities for IFIs and global leaders to move forward responsibility, transparency and accountability. Analysis from the UN Development Programme has illustrated the opportunity and the need for comprehensive solutions with that can set global precedents in the Caribbean.

By moving forward principles of responsible lending and borrowing as described by the UN Conference on Trade and Development (UNCTAD) and implementing an international bankruptcy process for countries as The UN Guiding Principles on Foreign Debt and Human Rights - endorsed by the UN's Human Rights Council - advocate, not only do we address some of the underlining causes of the financial crisis but we also start to bring more predictability and sustainability to the global markets.

Thank-you for inviting my comments.