



**ACTION AGAINST HUNGER AND POVERTY**

**REPORT TO THE LEADING GROUP OF COUNTRIES**  
**ON THE SANTIAGO MEETING OF THE TG-7**  
**ALGERIA, BRAZIL, CHILE, FRANCE, GERMANY, SOUTH AFRICA, SPAIN**

The Technical Group of Seven (GT-7) was born out of the initial meeting of Presidents Chirac, Lagos, and Lula together with Secretary General Annan in early 2004. Today it is composed of Algeria, Brazil, Chile, France, Germany, South Africa, and Spain.

The task of the TG-7 is to identify innovative sources of financing to Fight Hunger and Poverty, identified as two of the most urgent issues within the Millennium Development Goals.

The latest meeting of the TG-7 took place in Santiago with the presence of its seven member states and the participation of the UN Secretariat and Norway as observer, in its capacity as President of the Leading Group of Countries on Solidarity Levies (LGS). The TG-7 also invited the Chilean Association of Non- Governmental Organizations (ACCION) and the "Tax Justice Network" (TJN) to make presentations and debate issues of mutual interest.

Since the Heads of State and the Government met in September 2004, the Technical Group has continued its work to improve and develop its initial proposals. So far, some 119 countries have expressed their

support for measures such as the ones proposed and have encouraged the Technical Group to push ahead. This meeting today in Oslo is an important expression of this support.

The participants in the Santiago meeting reviewed the work done by the TG-7 to date. They recognized the significant progress achieved by the TG-7 at the international level on the discussion of innovative financing mechanisms for development. The Group acknowledged the positive reception of these mechanisms at different international fora and their inclusion in the Declaration of the UN Summit on the Millennium Development Goals of September 2005, as well as in other fora.

The Group congratulated itself on the success of the Pilot Project financed by a solidarity levy on international air tickets —applied at the national level and coordinated at the international level— implemented through UNITAID. This institution was created in September 2006, placed within the World Health Organization, with the aim of supporting the treatment of HIV/AIDS, Tuberculosis and Malaria. About twenty countries have decided to support or are considering contributions to UNITAID using air travel levies or other sources of sustainable financing. We will have a full report on this subject later during our proceedings.

With the establishment of UNITAID at the initiative of the TG-7 countries, without distinction regarding their level of economic development and with a sense of commitment to the importance of international responsibility and solidarity, we have been able to advance in less than two years from an idea to concrete action.

In terms of discussions, the TG-7 meeting in Santiago devoted its time to three key issues:

1. promoting international cooperation in tax matters, aimed at reducing tax evasion and elusion through the use of tax havens, about which we will have a panel discussion this afternoon;
2. highlighting the technical feasibility and usefulness of having the IMF issue Special Drawing Rights (SDRs) as a counter-cyclical facility to limit the severe effects of economic crisis in developing and emerging economies, thus allowing these countries to maintain the levels of domestic expenditure on investment and social programs; and
3. reducing the costs of making remittances, promoting the access of migrants to formal financial institutions in the host countries, and facilitating access of home country recipients of remittances to their banking system, as a means of encouraging and facilitating the productive use of these resources.

The Technical Group at its meeting in Santiago agreed to adopt, *ad-referendum*, a list of possible actions to help reduce tax evasion; to cooperate and consult on the promotion of the menu of options prepared by the TG-7 in all for a where TG-7 countries participate. I would encourage those present here today to also support these efforts.

The President of Chile, Madame Michelle Bachelet, hosted a working breakfast with the participants of the TG-7 meeting in Santiago, during

which she emphasised that the work of the TG-7 constitutes a new and dynamic form of international cooperation. She emphasized her Government`s commitment to assume increasing responsibility in international economic and social development issues based on shared efforts by all. President Bachelet also called on the Group to explore new pilot projects to deal with the most urgent needs of the poorest and most vulnerable groups, particularly children, by implementing a program to fight infant malnutrition in part with funds from innovative financing mechanisms.

To be successful the work of the TG-7 needs the active support of the International Community and, in particular of the countries, agencies, and groups present at this meeting. Collectively we can create the necessary political environment to promote the use of these and other innovative financing mechanisms. If we are to defeat hunger and poverty and help put a human face on globalization we ask act together and we must act now.

Thank you very much

Oslo, Norway

February 6-7, 2007