

The Currency Transaction Levy

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The Leading Group



- Landau report -> AAHP
- Paris, 2006 - UNITAID/IFFIm
- Doha, UN FfD
- High Level Task Force on Innovative Financing for Health Systems

Global Financial Crisis – impact on health, poverty, hunger



- HLTF - \$30 billion needed for health, above ODA commitments
- UN – 104 million will be pushed into hunger in 2009 – total: 1 billion
- Global Fund to fight HIV, TB and Malaria funding gap: \$4-8\$ billion

What the CTL will deliver?



- ❑ **Revenue: \$33 billion pa**
Prof. Rodney Schmidt – UN Report

- ❑ **Intelligence Capital (London) - 0.005% rate**
President: Avinash Persaud (Stiglitz taskforce)

- ❑ **Currency – foreign exchange - FX:**
 - 1973: \$4 trillion pa; mid-80s: \$40 tr. pa**

 - 2004: \$500 tr. pa = \$1.9 tr. per day**

 - 2007: \$800 tr. pa = \$3.2 tr. per day**

 - 2008: \$1,000 tr. pa = \$4 tr. per day**

Why it is Feasible?



- ❑ **Real Time Gross Settlement**
- ❑ **Continuous Linked Settlement Bank**
- ❑ **SWIFT messaging**
- ❑ **Automated payment – collection through central banks**
- ❑ **UNITAID – important precedent: solidarity levies, nationally collected, internationally disbursed**

Precedent & progress



- Financial transaction taxes including bonds and stocks - applied in many countries: UK, USA, China, India, Colombia
- UNITAID – resolved legal issues
- Legislation:
France (2001); Belgium (2004)

Make it happen



- CTL – solidarity levy to follow UNITAID
- Implementation Group
- Historic opportunity