UN Financing for Development negotiations:

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A Ababa 2015?

Endorsed by 137 Civil Society Organisations

(see back cover for full list)

About this document

This document was initiated by Afrodad, Eurodad, Jubilee South Asia Pacific Movement on Debt and Development[1] Latindadd and Third World Network, and endorsed by 137 Civil Society Organisations. Further endorsements can be sent to Hernán Cortés (hcortes[at] eurodad.org).

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Acronyms

BEPS	Base Erosion and Profit Shifting
COP	Conference of Parties
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DCF	UN's Development Cooperation Forum
DFI	Development Finance Institutions
ECOSOC	UN's Economic and Social Council
FDI	Foreign Direct Investment
FfD	Financing for Development
FSB	Financial Stability Board
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GIF	World Bank's Global Infrastructure Facility
GNI	Gross National Income
ICESDF	Intergovernmental Committee of Experts on Sustainable for Development Finance
IEG	World Bank's Independent Evaluation Group
IFIs	International Financial Institutions
IMF	International Monetary Fund
LDC	Least-Developed Country
MSMEs	Micro, Small and Medium Enterprises
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PIDA	Programme for Infrastructure Development in Africa
PPP	Public-Private Partnership
SDRs	Special Drawing Rights
TRIPS	Trade Related aspects of Intellectual Property Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNEP	United Nations Environment Programme
WTO	World Trade Organization

Executive summary

2015 will be a landmark year for the global fight against poverty and for equitable and sustainable development, with three crucial summits happening within just six months. A central issue for all three summits is concrete proposals for reforms to international financial and trade systems so that they support the achievement of global sustainable development goals. These reforms should be based on the right to development for all countries and ensuring economic and social rights for all. There are sufficient funds available to achieve human rights for everyone, to end poverty and to achieve global sustainable development goals, but political decisions to change structures and systems are needed to make this possible. The Third UN Conference on Financing for Development (FfD) that is due to take place in Addis Ababa in July 2015 will play a critical role as far as these issues are concerned.

This paper summarises our recommendations for concrete changes that could be made at the summit in Addis Ababa, under the six headings of the Monterrey Consensus, with a seventh chapter on other important issues:

1: Mobilising domestic financial resources

Truly global cooperation is central to solving the problem of illicit financial flows and effectively combatting international tax avoidance and evasion. The lack of a common agenda for international cooperation in tax matters is costing all governments vast amounts of resources, which could have been allocated to sustainable development. Current global tax standards are being developed behind closed doors at the Organisation for Economic Co-operation and Development (OECD) while excluding 80% of the world's countries from the decision-making processes. Our key recommendations are:

- Establish a new intergovernmental body on international cooperation in tax matters and provide the resources necessary to allow the body to operate effectively.
- Ensure a comprehensive mandate for the new intergovernmental tax body, including base erosion and profit shifting, tax and investment treaties, tax incentives, taxation of extractive industries, beneficial ownership transparency, country by country reporting and automatic exchange of information for tax purposes.

2: Foreign direct investment and other international private flows

A much more balanced approach to private international finance is needed, recognising the risks and the need for developing countries to manage flows carefully. There are two different categories of concerns. On the one hand, there are macroeconomic risks associated with these flows, such as the volatility of short-term financial flows. On the other hand, there are concerns in relation to the content and terms of longer term investment, especially Foreign Direct Investment (FDI). Our key recommendations are:

- Recognise capital account regulation as a fundamental policy tool for all countries and remove any obstacles to these important policies from all trade and investment agreements.
- Spell out the significant problems with using public institutions and resources to leverage international private finance.

3: International trade

Trade policy should allow developing countries to have policy space, including the ability to focus on impacts on unemployment, vulnerable people, gender equality and sustainable development. It should not promote liberalisation as an end in itself. International trade plays an important role in development, and trade policies are an important tool that developing countries can use to support the growth of domestic industries with greater added value, not just as commodity producers. However the current trade regime has pushed developing countries to open their markets, both through the World Trade Organization (WTO) and through regional and bilateral trade and investment treaties, which reduces their policy space to address their development needs while doing little to address rich countries' trade-distorting policies. We recommend:

- A comprehensive review of all trade agreements and investment treaties to identify all areas where they may limit developing countries' ability to prevent and manage crises, regulate capital flows, protect the right to livelihoods and decent jobs, enforce fair taxation, deliver essential public services and ensure sustainable development.
- A review of all intellectual property rights regimes that have been introduced in developing countries through Free Trade Agreements (FTA), to identify any adverse impacts on public health, the environment and technology development, among other areas.

4: Official Development Assistance (ODA) and other international public support for development.

Strengthened commitments to improving the quality and quantity of ODA are needed, with much firmer follow-up mechanisms, as are new and additional sources of public finance. ODA remains a critical resource, particularly for the poorest countries, but its value has been severely undermined by failures of rich countries to meet the UN target to provide 0.7% of their Gross National Income (GNI) as ODA and lack of progress on the Paris/Accra/Busan commitments on aid effectiveness to stop the bad practices that significantly undermine ODA. Innovative public financing mechanisms can provide much-needed additional resources. Our key recommendations are:

- Set binding timetables to meet commitments to provide 0.7% of GNI as ODA.
- Ensure ODA represents genuine transfers, including ending aid tying, removing in-donor costs and debt relief, providing the majority in the form of grants, and reforming concessional lending by reflecting the real cost of loans to partner countries.
- Implement a levy on financial transactions carried out by finance firms and use the revenue to finance sustainable development.

5: External debt

The recent United Nations General Assembly (UNGA) resolution[2] that mandates the "establishment of a multilateral legal framework for sovereign debt restructuring processes" is a critically important opportunity to put in p p551 c-2.1(fect3veness t)18.1(oces is a)]Tncu 59535 with 5ur sustainimp[(doo 8.3(e p1

- In order to scrutinise existing debt along responsible financing standards, including examining the legitimacy of the debt, independent debt audits should be commissioned, with commitments to cancelling debt found to be illegitimate.

6: Systemic issues: e ective, inclusive global governance and monetary system reform

The system of global economic governance is in urgent need of an overhaul to give developing countries a fair and equitable seat at the decision-making table at all international organisations and financial institutions, to strengthen transparency and accountability, and to tackle key international problems, while respecting developing countries' policy space. While the shift from the G8 to the G20 as the focus of global economic discussion signalled a change in power dynamics, the G20 is proving inadequate and ineffective at global coordination, while legitimate UN bodies do not have the mandate or resources to coordinate effectively in this area. The international monetary system is built on an unsustainable role for the US dollar, which needs to be gradually replaced as the world's reserve currency, while at the same time building additional stability into the system by increasing the reserve assets available to developing countries. We recommend:

- Setting up a process to establish a Global Economic Coordination Council at the UN to provide leadership on economic issues.
- Issuing $250 billion in new Special Drawing Rights (SDRs) annually, with the majority going to developing countries.

7: Other important issues

We highlight four issues in particular that require additional attention:

- The UN should take seriously the need for better approaches to measuring progress that go beyond short-term economic indicators such as gross domestic product (GDP) to include measures of social and environmental well-being, and emphasise how significant

Introduction

2015 will be a landmark year for the global fight against poverty and for equitable and sustainable development, with three crucial summits happening within just six months. The Third UN Conference on FfD in Addis Ababa in July will be followed in September by the UN Summit for the adoption of the post-2015 development agenda in New York, and in December by the 21st UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Paris. A central issue for all three summits is concrete proposals for reforms to international financial and trade systems so that they support the achievement of global sustainable development goals. Such reforms should be based on the right to development for all countries and ensuring economic and social rights for all. The FfD conference in Addis Ababa will play a critical role as far as these issues are concerned.

"International Tax Organization". The G77 has also repeatedly proposed[13] that the UN expert committee should be upgraded to an intergovernmental body, most recently at ECOSOC's special event[14] on tax matters in June 2014. In a press statement in October 2014, finance ministers from the Democratic Republic (DR) of Congo and Cameroon pointed out that: "*Consultation by the IMF and OECD cannot be sufficient: [low-income countries] need an equal seat at the table, which would best be provided by a high-level meeting under UN auspices, as part of the FfD conference in July 2015.*"

In addition to ensuring that developing country interests are included in the development of new global tax standards, an intergovernmental UN tax body is also needed to coordinate the revision of existing rules at the global as well as national level. As the finance ministers of DR Congo and Cameroon highlighted:

"*The global tax system is stacked in favour of paying taxes in the headquarters countries of transnational companies, rather than in the countries where raw materials are produced. International tax and investment treaties need to be revised to give preference to paying tax in 'source' countries. [Low-income countries] need help to revise their tax codes to: eliminate exemptions; renegotiate bilateral tax and investment treaties; and resist a 'race to the bottom' through harmful competition to reduce direct taxes.*"

Therefore, after more than a decade of delay, it is time for governments to establish a body for real global cooperation on tax matters, under the auspices of the UN.

The international community should also recognise that, on the national level, equitable and progressive tax systems are critical to achieving adequate domestic resources to finance the delivery of public services. Despite a growing body of evidence that fair tax policies are key to tackling poverty and inequality,[15] international agencies such as the IMF and the World Bank have only just started to recognise that fair and equitable tax policies are critical to poverty reduction,[16] but have been criticised for not walking the walk in terms of actual policy advice.[17] It will be important for the IMF and the World Bank to conduct an independent assessment into their policy advice, especially in light of the recently published IMF staff report on 'spillover' effects of international business taxation.[18]

As part of a strengthened international effort to combat tax avoidance and evasion, governments must also increase corporate transparency. This should include the effective implementation of a 'country by country reporting' obligation for multinational corporations to publicly disclose as part of their annual reports for each country in which they operate: key data on profits made; taxes paid; subsidies received; turnover; and number of employees. Only if such data is publicly available will it be possible to assess whether transnational corporations are paying their fair share of taxes, and whether the taxes are being paid in the countries where their economic activities take place and value is created.

Lastly, governments must establish a truly global system for automatic exchange of information for tax purposes. Such a system must be designed in a way that allows meaningful participation from all developing countries, including least developed countries, which should be allowed to receive information automatically even though they might not yet have the capacity to send the same information back.

Key issues

Private international capital flows, particularly FDI, can help to foster sustainable economic growth, but it can also have significant risks attached that need to be carefully managed. These flows have the potential to create decent jobs, facilitate

to link FDI to concrete improvements in the domestic economy, including by “enhancing the transfer of technology and creating training opportunities for the local labour force, including women

Key issues

International trade plays an important role in development, and trade policies are an important tool that developing countries can use to support the growth of domestic industries with greater added value, not just as commodity producers. However, the current trade regime has pushed developing countries to open their markets both through the WTO and through regional and bilateral trade and investment treaties, which reduces their policy space to address their development needs while doing little to address rich countries' trade-distorting policies.

The fundamentally important point for everyone who cares about sustainable development is that developing countries must be accorded the policy space to determine whether, how and when they want to liberalise sectors and markets. Trade liberalisation should not worsen unemployment, hurt vulnerable people, undermine gender inequality or threaten sustainable development or the environment.

Although we will focus on investment as a key issue for FfD, there are many other important trade policy issues that must not be forgotten. Monterrey recognised the real development issues that developing countries wanted to see addressed, and listed many of them:

"*…trade barriers, trade-distorting subsidies and other trade-distorting measures, particularly in sectors of special export interest to developing countries, including agriculture; the abuse of anti-dumping measures; technical barriers and sanitary and phytosanitary measures; trade liberalization in labour intensive manufactures; trade liberalization in agricultural products; trade in services; tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers; the movement of natural persons; the lack of recognition of intellectual property rights for the protection of traditional knowledge and folklore; the transfer of knowledge and technology; the implementation and interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights in a manner supportive of public health; and the need for special and differential treatment provisions for developing countries in trade agreements to be made more precise, effective and operational.*"

However, most of these issues have been sidelined, which is why the Doha 'development round' took so long to negotiate, and is still not finalised. Many key issues remain outstanding. For example, as heads of state noted in Doha, developed countries should aim for "the goal of full duty-free and quota-free market access for all least developed countries." However, this is still not a reality. Policy flexibilities to protect agriculture in developing countries should be proportionate to the flexibilities currently available to developed countries. In particular, developing countries should be allowed to protect their agriculture using a flexible and effective Special Safeguard Mechanism. Trade Related aspects of Intellectual Property rights (TRIPS), plus provisions such as data exclusivity and patent term extension, have pushed smaller and cheaper producers, most often based in developing countries, out of production, leading to higher costs for essential medicines and health care, agrochemicals (and therefore food), which damage development and hurt the poor. Even use of TRIPS flexibilities allowed by the WTO to protect public health or the environment are being challenged and affordable access to technology is clearly hampered by intellectual property rights required by the WTO's TRIPS Agreement. It is time for an urgent review of all intellectual property rights regimes that are have been introduced in developing countries through Free Trade Agreements, to identify any adverse impacts on public health, the environment and technology development, among other areas.

In the area of investment policy, FfD has been able to take important steps forward. In 2012 there were 3,196 investment treaties globally,[31] many of them affecting developing countries. There are also important investment chapters in free trade agreements. While these treaties and agreements are supposed to both protect foreign investors and benefit recipient countries, the World Bank and others have found that there is little correlation between having an investment treaty and increased investment.[32] There is also a growing number of investment disputes and "persistent concerns about the [investment arbitration] regime's systemic deficiencies".[33] 2012 saw the highest number of international claims filed against states by

governments to prevent 'hot money' outflows from destabilising their economies.

A comprehensive review of existing treaties is needed to identify all the elements that restrict valuable policy space for developing countries, or that may have negative development outcomes. Such a review should include participation by all relevant stakeholders including civil society groups. This review should include examining investor-state-dispute-settlement clauses as well as the definition of investment. The investor-state-dispute-settlement clause in bilateral investment treaties and FTAs agreements allows transnational corporations to sue governments in closed-door international arbitration cases for extraordinary financial sums. This trend is freezing policy regulation to support the public interest worldwide. Most developing country governments lose these cases due to lack of adequate financial resources to fight their corner. More than half of these cases are in the area of natural resources[36] threatening access to land, to clean water and air, and preventing environmental sustainability and conservation. They also disproportionately punish women and children, indigenous and local communities, the elderly and persons with disabilities.

In addition, governments should undertake mandatory human rights impact assessments of multilateral, plurilateral and bilateral trade and investment agreements, especially agreements between countries in the global north and global south, focusing especially on the rights to development, and the specific rights to food, health and livelihood, taking into account the impact on marginalised groups.

The WTO (as well as bilateral and plurilateral trade and investment agreements) is adversely affecting people's rights, including their right to development by: forcing tariff cuts in key sectors like agriculture, infant industries and essential services; unfair agricultural subsidy rules; forcing investment in natural resources, and in sensitive goods and services. Many of these agreements also prevent local value addition by banning export taxes (through FTAs). For example, refusal to grant special and differential treatment to developing countries and least-developed countries (LDCs) is threatening their right to development. At the present moment in the WTO, not allowing essential subsidies to small producers for supporting a public food distribution programme is challenging the right to food of the people of India.

As the South Centre and others nave noted, the outcome of the December 2013 WTO Bali Ministerial Conference was unbalanced, with developed countries winning binding enforceable agreement on trade facilitation – a so-called 'Singapore issue' – while LDC issues had only non-binding outcomes. Since then, developed countries have continued to push for the inclusion of other Singapore issues, including investment liberalisation, despite opposition from developing countries that continue to push for the Doha round to be genuinely development-focussed.

Finally, aid for trade should not be conceived as a substitute for a reformed trading system that refocuses its objectives on achieving full employment and sustainable development. Aid for trade can only succeed if it is unconditional, non-debt creating, additional to existing commitments and oriented towards building the productive capacities of recipient countries, rather than the mere implementation of trade rules.

Key issues

ODA remains a critical resource, particularly for the world's poorest countries. However, its value has been severely undermined by failures of rich countries to meet the UN target to provide 0.7% of their GNI as ODA and lack of progress on the Paris/Accra/Busan[37] commitments on aid effectiveness to stop the bad practices that significantly undermine ODA.

Although ODA rose in 2013, after two years of decline, it stands at 0.3% of GNI of the OECD's Development Assistance Committee (DAC) members.[38] This amount is less than half the 0.7% target that most donors agreed to achieve initially by 1985 and again by 2015. While some donors continue to take this target seriously, with five countries achieving the 0.7% target, it is unlikely that donors will be able to scale up their commitments before the 2015 deadline. Donor countries that have committed to, but not yet delivered on, the 0.7% target must implement a clear and actionable timetable or risk undermining their credibility as providers of ODA. This is needed to make good the failure to follow up on the proposal at the Doha FfD conference to "work on national timetables, by the end of 2010, to increase aid levels … towards achieving the established ODA targets", and "to establish, as soon as possible, rolling indicative timetables that illustrate how they aim to reach their goals". The DCF could play a critical role if it were mandated to report comprehensively on an annual basis on trends in ODA, including donors' net transfers against agreed targets. We examine climate finance in more detail in Chapter 7, but it is critically important that other promised transfers to developing countries such as climate finance should be new and additional to the 0.7% commitments.

ODA quality is equally important but is consistently undermined by the failure of the donor community to fulfil the aid effectiveness commitments agreed in a series of agreements begun in Rome in 2003 and reaffirmed in Busan in 2011. The Monterrey declaration itself called on donors "*to make ODA more effective" and Doha FfD conference encouraged "all donors to improve the quality of aid, increase programme-based approaches, use country systems for activities managed by the public sector, reduce transaction costs and improve mutual accountability and transparency and … untie aid to the maximum extent.*"

Unfortunately, the promises to make aid more effective by increasing developing country ownership stand in stark contrast to reality: ODA continues to be controlled by providers who keep hold of decision-making power about country allocation and often sectorial or project allocation. There is consequently poor democratic ownership, alignment to national development plans is undermined, and predictability remains low because providers a critical renandnt butavof unders mauntries such as clima]TJd

Key issues

Debt vulnerabilities around the world are high and growing:

- LDCs have riskier debt profiles as they scale up borrowing and start to add private finance raised on financial markets to the concessional loans that they receive from bilateral and multilateral creditors. In the low-income country group alone, 16 countries are currently in debt distress, or at high risk of debt distress.
- Many emerging markets suffer from volatility and the risks of crisis caused by international capital flow reversals or the bursting of speculative bubbles.
- Even in developed countries, including most of Europe, sovereign debts have reached the highest peacetime levels ever.

Debt crises risk wiping out the global d ar.3(og)18(eis)]TJT[(emade ver)d acade. In tountries awheec a large shre cf Ehe

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particular the massive private creditor bail-out in Greece and the lawsuit of holdout creditors (vulture funds) against Argentina in New York, demonstrate clearly that the existing inadequate regime is in urgent need of reform.

In September 2014, the UNGA passed a resolution that aims to create a multilateral legal framework for sovereign debt restructurings. This is one of the most critically important elements of a stable and development-oriented international financial system that has long been missing. This landmark Resolution was followed by a second Resolution by the UN Human Rights Council that put debt restructurings firmly in the context of the realisation of human rights. At Monterrey, governments said they "*would welcome consideration by all relevant stakeholders of an international debt workout mechanism, in the appropriate forums, that will engage debtors and creditors to come together to restructure unsustainable debts in a timely and efficient manner*". It is time to make good on this promise of Monterrey, and establish a debt workout mechanism that promotes fair burden sharing between debtors and creditors, and minimises moral hazard. Fourteen years later, the Addis FfD Conference is a key and long-delayed opportunity to promote and work towards the implementation of this vital reform.

To be effective, it is important that the framework should meet the following minimum requirements. First, to ensure credibility and even handedness, it should be situated in a neutral forum independent of debtors and creditors, including large lenders such as the IMF. Second, it will not work unless it is comprehensive of all creditors, including the private sector, multilateral institutions and governments. Third, the only way to ensure it can help prevent the huge human costs of debt crises, and be consistent with internationally agreed standards, is through providing a human needs-based approach to debt sustainability. Fourth, it will need the teeth to hold creditors and debtors to account for irresponsible behaviour. Finally, to improve effectiveness and strengthen legitimacy and public support, it should give all stakeholders, including civil society, the right to be heard and to give evidence.

Finally, it is important to note that official lenders, particularly the IMF and the World Bank, have often attached economic policy conditions to their lending. This damages democracy by making governments answerable to international financial institutions rather than their own populations, and has often entailed significant and controversial policy changes, which have had significant negative effects on poverty and human rights. Recent research has shown that the IMF has in fact increased its use of economic policy conditionality in recent years.[50] It is time for the practice of attaching economic policy conditions to loans to end.

Key issues

Most developing countries are excluded from decision-making at many powerful international financial institutions (IFIs), such as the Financial Stability Board (FSB), while reform at the Bretton Woods Institutions is so slow and minor that they continue to slip further away from global economic realities and basic democratic standards.

In the wake of the economic crisis, the FSB was given a key role in setting new standards and agreeing new regulatory proposals in the financial sector. However, its membership is extremely problematic. Although it includes G20 member states, several of which are large emerging markets, it excludes the vast majority of UN member states, and includes several smaller jurisdictions that are at the centre of financial secrecy and tax dodging problems, including Switzerland, the Netherlands and Singapore.[51] This is just one example: several globally important international financial standard-setting bodies exclude most or all developing countries, including the Basel Committee on Banking Supervision, and the Bank for International Settlements. Others are private entities, such as the International Accounting Standards Board, with no effective public oversight or participation. Not only are developing countries being excluded from making rules or setting standards that will affect them, but as we have seen in the case of tax policy and the OECD, the agreements made will not benefit from the increased scrutiny and greater support that true participation entails.

At Doha, heads of state agreed that "*the reform of the international financial architecture should focus on providing greater transparency and strengthening the voice and participation of developing countries and countries with economies in transition in international decision-making and norm-setting*". However, current reform efforts are weak. For example, the FSB is currently reviewing the structure of its representation, but no public details are available on how civil society groups and other stakeholders, including the countries that are not represented in the FSB, can feed in. The FSB, Basel Committees, and other bodies that set the financial sector 'rules of the game' should take immediate steps to open their membership, with the goal of achieving balanced, institutionalised and full participation by developing country governments.

Heads of states agreed at Doha in 2008 that: "the Bretton Woods institutions must be comprehensively reformed",[52] yet it is at the Bretton Woods institutions that the governance gap is most problematic, because they still wield considerable power and influence in developing countries, particularly during times of crisis. In 2010, the IMF agreed minor reforms to its voting structure that independent analysis shows would have reduced the voting share of 'advanced economies' by less than 3%, to 55% of the total.[53] Even this minor shift – which still leaves the rich world in control of the institution – has not yet been ratified by the US, which, because it holds enough votes to veto such changes, has prevented the 2010 deal from being implemented. The extension of the use of double majority voting at the IMF – requiring relevant majorities of both votes and countries for all decisions – would be a simple but effective way of giving developing countries a fair voice. The World Bank often trumpets that developing countries have half the votes and board seats, but this is simply not true: the claim is based on counting 16 rich countries such as Saudi Arabia as 'developing countries'. In fact, independent analysis shows that high-income countries retain over 60% of the vote at the Bank.[54] The World Bank should implement equality in voting shares between borrowing and non-borrowing countries, as a first step towards more significant reform.

In addition, transparency and accountability standards are woefully inadequate at most international institutions dealing with economic and financial issues, meaning people's voices and concerns often play second fiddle to the interests of powerful multinational corporate interests.

After decades of campaigning by civil society groups, in 2010, the public sector arms of the World Bank agreed to update their transparency policy under the principle that all documents should be publicly available, with a limited number of exceptions. However, even this basic principle is not applied by other ncer
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United Nations Universal Declaration of Human Rights – a right
that is consistently denied by powerful global bodies that set the

communities, receive the required support. Public finance and proper regulation can also help to ensure private finance investments are not detrimental to and benefit the poorest and most vulnerable. It is critical to note that the most comprehensive assessments agree that the costs of inaction are many times greater than these figures.

Governments must meet this challenge in next year's UNFCCC COP in Paris, where climate finance commitments must be included as 'Intended Nationally Determined Contributions' under a new legally binding agreement. It will be important to ensure that these Paris financial commitments will provide public climate finance that is not double counted as ODA, but instead is adequate, new and additional. Furthermore, climate finance must not come in the form of debt-creating mechanisms or speculative instruments. It must build on the lessons of efforts to improve aid effectiveness, which include prioritising developing country ownership, tracking actual transfers of resources, and avoiding short-sighted donor practices that attempt to link transfers to the narrow self-interest of their own companies.

Endnotes

1 JSAPMDD endorses most of the recommendations in this report.

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