

Special High-level Meeting with the Bretton Woods institutions, the World Trade Organisation and the United Nations Conference on Trade and Development

Talking points on Aid EFFECTIVENESS and Innovative sources of finance

Official Development Assistance (ODA) is essential. But it cannot meet all the development needs of the world. Donor country agendas, priorities and conditions are prone to change, making ODA volatile and an unreliable source of financing. Long-term development programs need more certainty.

Genuine partnership in aid decisions and delivery means the concerns of recipient countries are as well respected and incorporated into decisions as those of the donors. Aid decisions must come from a transparent, inclusive and participative process, not from closed-door negotiations of finance ministers and donors alone.

National development plans and budgets must be developed through an **open and transparent process with public accountability**. When the citizens, the primary stakeholders, are part of the decision-making process, there will be stronger ownership of the development policy.

New and innovative sources of development finance are necessary to achieve the MDGs. They **supplement but do not substitute** for existing sources of finance such as ODA.

1. We endorse recent Innovative Finance Initiatives. They operate on the principles of good governance, transparency and accountability at all stages - collection, targeting and disbursement. The Air-ticket Levy (ATL); the Food Project - the International Humanitarian Lottery; the International Finance Facility for Immunization (IFFI) are directed to the most urgent health and survival needs as envisaged by the MDGs
2. We support the Committee of Experts on International Cooperation in Tax Matters
3. We support the international task force set up by Norway to tackle capital flight and tax evasion from developing countries.
4. We call for micro finance to be studied as an important innovative source of financing well suited to the realities of many of the poorest of the developing countries.
5. We urge governments to give serious consideration to a Currency Transaction Tax (CTT) as, another innovative levy to be nationally collected and pooled internationally to be disbursed to developing countries. Political will and mutual commitment can make it happen.

NGO COMMITTEE ON FINANCING FOR DEVELOPMENT
16 April 2007