
GPF Newsletter

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The path towards a global strategy for financing sustainable development



On September 19 2014, Global Policy Forum, in collaboration with MISEREOR, hosted an expert panel discussion that raised many strategic questions on the topic of financing the post-2015 sustainable development agenda and the sustainable development goals. Many of the answers to these questions depend on the outcomes of negotiations in the run up to the UN Financing for Development Conference in July and the expected UN Summit to pass a post-2015 agenda in September 2015. In the meantime, however, the workshop presented an opportunity for civil society, academia and government experts to reach some consensus on the crucial issues that need to be addressed before any agreements are finalized next year.

What's new

Luxembourg Leaks: Secret Tax Deals of Multinationals Exposed



Based on a review of 28,000 pages of leaked documents the International Consortium of Investigative Journalists and a team of more than 80 journalists from 26 countries say, international companies such as IKEA, FedEx, Pepsi and Procter & Gamble have channeled hundreds of billions of dollars through Luxembourg and slashed billions from their global tax bills. The leaked documents come from

Pricewaterhouse Coopers in Luxembourg and include hundreds of private tax rulings – so-called “comfort letters” – that Luxembourg provides to corporations seeking favorable tax treatment. The leak comes after months of Luxembourg refusing to supply information about its tax rulings to the EU, which is intended to support investigations into whether Luxembourg’s tax deals with Amazon and Fiat Finance were in violation of EU law.

NGOs: Selection Process for UN Secretary General Secretive and Outdated



Grassroots groups from across the world have written to all UN Member States to call for an open, fair and inclusive process to select the best possible candidate for Secretary-

General of the UN. Signatories include Avaaz, Amnesty International, CIVICUS, Equality Now, FEMNET, Forum-Asia, Global Policy Forum, Lawyers Committee on Nuclear Policy, Social Watch and Third World Network. The letter coincides with the launch of the 1 for 7 Billion campaign, which is calling for an end to the secret deals and horse-trading that see five countries hold sway over an appointment that affects all the world’s people.

Privatizing security: an interview with Lou Pinget



Open Democracy, an independent digital commons website championing human rights, has published a thought-provoking interview with Global Policy Forum Policy Adviser, Lou Pinget, on private military and security companies. Private military and security companies (PMSCs) have become a relevant topic in international relations and in academic literature during the last decades: the case of Executive Outcomes in the 90s, the well-known actions of Blackwater in Iraq, and G4S controversial practices are good examples of this. The controversial

collaboration of these companies with the United Nations has rarely been an open discussion, neither in the public sphere nor in academia. However, in recent years, several studies have attempted to illuminate this relationship, including the work of Lou Pinget, whose interview with David Torres on the topic can be read below.

Going Offshore: How development finance institutions support the private sector through tax havens



Developing countries lose billions of dollars every year through tax avoidance and evasion. Tax havens play a pivotal role in this by providing low or no taxation and by promising secrecy, allowing businesses to dodge taxes and remain largely unaccountable for their actions.

Development Finance Institutions (DFIs) are government-controlled institutions that, as this report shows, often support private sector projects that are routed through tax havens, using scarce public money. By supporting projects in this way, DFIs are helping to reinforce the offshore industry as they are providing income and legitimacy. Eurodad's latest report "Going Offshore" looks not only at DFIs' use of tax havens, but also at their standards when deciding where to channel their money. It also looks at the level of due diligence and portfolio transparency of these institutions as a way to assess civil society's ability to hold them to account.

Stronger Plant Variety Protection May Threaten the Right to Food



Pioneering research by an international group of NGOs compiled in the report "Owning Seeds, Accessing Food" reveals the potential human rights impacts of stronger plant variety protection laws on vulnerable groups in developing countries. These laws are based on the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV 91), which was designed with the commercialized farming systems of the developed countries in mind. In contrast to developed countries, the largely small-scale agricultural sectors of developing countries rely

heavily on the informal rather than the formal, commercial seed system. Concerns have therefore been raised that UPOV 91-type PVP laws overly restrict the traditions of seed saving and use, exchange and selling that underpin the informal seed system in developing countries. This could not only affect these countries' national food security, but also their enjoyment of human rights, particularly the right to food.

Doing Business Report "Strongly Flawed"



Campaigners and citizens groups have been questioning why the World Bank would publish its Doing Business Report (DBR), released on 29 October, when officials have failed to fix "strong flaws" which undermine the Bank's goals to eliminate absolute poverty and promote shared prosperity. The DBR, which ranks countries based on the "friendliness" of their business environments, has come under sharp criticism in recent years from two independent panels, one of which cited "strong flaws" in its methodology. They made a series of recommendations on how it should be reformed, including the removal of the overall rankings system, which creates a distorted picture for decision makers and risks promoting the wrong types of policy reform. Yet despite these far-reaching recommendations, the Bank has only made minor changes and continues to use flawed and controversial indicators as the basis of its rankings.

Nature: Free of charge or inestimably valuable?



Intense debates have been taking place for several years now on how the use of ecological resources and the destruction of natural habitats and biodiversity can be better accounted for in economic and political decisions. One outcome of these discussions has been the recommendation that “natural capital” be included in national accounts in order to enhance countries’ sustainable decision making capabilities.

However, the development of a system of “natural capital accounting” has not come without controversy, with academics and civil society highlighting the ways in which it subjects ecosystems to the logic of the market and leads to the commoditization and financialization of nature. Global Policy Forum, the Heinrich-Böll-Stiftung and terre des hommes invite you to contribute to the debate around this topic at our symposium, “Umsonst oder Unbezahlbar” (“Free of charge or inestimably valuable?”) on November 19, 2014. You can find more information about the event in German below.

The tenacious struggle of the states against corporate tax avoidance



The long struggle of governments to combat tax evasion and avoidance by multinational enterprises continues unabated. However, if the most recent developments in negotiations around the OECD’s anti-BEPS project and discussions concerning the upcoming G20 summit in Australia in

November are any indication, it does not look as if any significant progress will be made to turn the tide of tax abuse – at least not in the near future. Indeed, more entrenched problems, such as tax competition among countries (leading to ever lower taxation rates) and the disadvantages faced by developing countries under the current international tax regime are yet to be addressed. In his article below, WEED’s Markus Henn discusses these issues and provides a critical overview of the anti-BEPS actions that have been proposed by the OECD so far.

The need for alternatives to current investment treaties



"The primary role of the Investment Division of UNCTAD should be to provide to developing countries alternatives to the unbalanced provisions of international investment treaties" say 262 organizations from over 150 countries in a letter to Dr. Mukhisa Kituyi, secretary general of the UN body specializing in trade and development. The signatories worry about "the growing restrictions on policy space resulting from the investment protection rules" that threaten to impede the development of countries in the Global South. It is hoped that the letter will make a useful contribution to the ongoing debate,



particularly in light of current discussions around UNCTAD’s mandate that are already taking place in advance of the institution’s next quadrennial ministerial meeting, UNCTAD XIV, to be held in June 2016.

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