Micro levies for global public goods

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Question

What experience is there of using micro levies to mobilise finance for global public goods? What scale of funding have these realised? What are the criteria that have shaped success/failure? What opportunities have been identified for micro levies to contribute to global public goods?

Contents

1. Overview

In 2002, the Monterrey Consensus catalysed a donor search for "innovative" – alternative – sources of Official Development Assistance (ODA) to finance the Millennium Development Goals (MDGs) (Girishankar 2009: 1; United Nations 2009: 81). One type of innovative development finance is the micro levy, also referred to in donor literature as taxes, dues and solidarity levies. While governments may introduce these new taxes to fulfil more than one objective, the donor community has become interested in the prospect of using the revenues generated to finance development activities. Donor proponents of this type of innovative finance for development make the case for linking new taxes on globalised activities (finance, travel etc.) or global public bads (carbon emissions) to financing global public goods. To date, existing micro levies have been used to finance health and climate change adaptation activities.[1]

[1] With very few examples of micro levies existing, this review has not attempted to limit the search to particular global public goods. It has searched for literature on micro levies that are used to fund any global public goods and development goals, including education; health; climate change and adaptation; and humanitarian objectives.

This rapid review has identified the following principal examples of micro-levy initiatives that are currently implemented, where revenues support global public goods:

- **Solidarity levy on airline tickets** – channelled to UNITAID to support the treatment and care for those affected by HIV/AIDS, tuberculosis and malaria, focusing on low income countries. This is the most commonly cited case in the literature.
- **Micro levies on oil, gas, gold and other mining activities** – channelled to UNITLIFE to fight chronic malnutrition in sub-Saharan Africa.
- **French financial transactions tax** – earmarked for French global climate and health activities.
- **Norwegian carbon tax** – channelled to UNITAID.
- **Tax on Certified Emissions Reduction** – channelled to the Adaptation Fund to finance climate change adaptation.

There are limited assessments of the few existing micro levies – and most of the reviews available focus on the predominant example of the solidarity levy on airline tickets. Key findings include:

- Assessments of micro levies find that they have **added to public funds** for development (although it is hard to assess whether in practice this boosts ODA levels or substitutes for governments' traditional ODA efforts). However, these are not major fundraisers – innovative financing is a small part of public sector development assistance, and micro levies an even smaller part of that.
- On the whole, mechanisms such as the airline ticket solidarity levy are considered to have provided **more stable and predictable revenue streams for international development** than traditional donor budget outlays. But experts caution that such taxes remain vulnerable to fluctuations in global economic or other conditions, and domestic political will.
- There are **well-publicised claims for the reach and development impact** of initiatives such as the airline ticket tax, and in particular for the results of UNITAID. Data and attribution issues can make it difficult to verify these results while the use of (new) vertical funds to channel the resources raised by micro levies has both positives and risks. Nevertheless, independent evaluations refer to "impressive market and public health outcomes" by UNITAID, while recommending greater focus on the sustainability of results, among other issues.

The airline solidarity levy is often lauded as a significant pioneering example of innovative micro levies helping to finance international development goals. Its founders and advocates urge the development of other micro-levy proposals to finance other global public goods. Proposals include: aviation taxes; financial transaction taxes; a global currency transaction tax; a global carbon tax; and solidarity tobacco contributions. There has been slow progress on developing these further. A key challenge is that coordinated action requires years of international negotiation, while governments face domestic pressure not to divert revenues to foreign beneficiaries (UNDP 2012). Others make the case for investing in greater international cooperation for direct tax collection (an existing G20 commitment). They argue that this would be a more sustainable and equitable system than new forms of global taxation which can incur new administration costs and continue traditional ODA relationships (Fitzgerald 2013: abstract).

2. Definition and rationale

Definition

The term "micro levy" is used in donor policy and promotional literature by the Leading Group on Innovative Financing for Development[2] and by the Special Advisor to the Secretary–General of the United Nations (UN) in charge of Innovative Financing for Development, Philippe Douste-Blazy. This review has not, however, found a clear and simple definition of micro levies for global public goods. Donor summaries of different types of innovative development financing tend to include a category of 'taxes' instead. For example, in a categorisation of innovative development financing by UNDP (2012), "taxes, dues or other obligatory charges on globalized activities" are one of four main types of innovative development financing identified. Another categorisation by Guarnaschelli *et al* (2014) identifies taxes as one of 14 types of instruments frequently classified as innovative financing for development goals.

While the literature emphasises the obligatory nature of these taxes, the reality is more complex, as some involve voluntary sign-up by participating countries.[3] A 2009 World Bank research paper finds that proposed global taxes vary in whether they involve obligatory long-term payments, noting that usually a tax is considered obligatory mechanism imposed on the tax payer (Gerishanker 2009: 71-72). Instead, some of the new initiatives involve solidarity contributions of countries that are implementing the tax voluntarily. Gerishanker (2009; 71-72) notes that these kinds of taxes have been called "levies" or "solidarity levies".[4]

Rationale

Donor literature focuses on how new micro levies can be implemented to raise revenues for global public goods.[5] Intended advantages listed in the literature include:

- Generating new, additional public revenue streams for development from the private sector (UNDP 2012: 8).
- Providing stable and predictable long-term funding to finance international development (Gerishankar 2009: 72).
- Linking the global economy and the wealth of globalisation with global public goods by levying global economic activity to pay for global public goods (Leading Group 2010: 4).
- Producing "a "double dividend" by offsetting a global public bad as well as raising additional finance (Gerishankar 2009: 72).

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[2] The Leading Group on Innovative Financing for Development, created in 2006 with 64 member countries, international organizations, NGOs and foundations, aims to promote innovative financing for development. http://www.diplomatie.gouv.fr/en/french-foreign-policy/development-assistance/innovative-financing-for/

[3] Within innovative development finance, there have also been also initiatives that involve voluntary solidarity contributions by consumers. These are not covered in this review, as the donor literature tends to categorise these as separate from (obligatory) taxes and levies. (UNDP 2012).

[4] For example, the Innovative Finance Foundation talks of "global solidarity levies", referring to the taxes on airline tickets and extractive industries. http://www.innovativefinance.foundation/

[5] This report does not attempt to define global public goods. It has searched for literature on micro levies that uses this term and other related terms (such as development goals, including education; health; climate change and adaptation; and humanitarian objectives).

- Promoting South-South cooperation by allowing new actors from Africa and Latin America to participate in financing international development (UNITAID n.d.).
- Painless, effortless to the global consumer (Douste-Blazy 2015).

This review has found limited academic analysis of the economic case for micro levies for global public goods as an overall concept. An outlier is an article by Chassin *et al* (2013: 5) that argues that "international finance development taxes do not meet the criteria of "good" taxes suggested by the standard or orthodox theory of public finance"[6]. A 2010 report by the Leading Group assesses levies on the finance sector for global public goods against criteria of sufficiency; market impact; feasibility; sustainability; and suitability – and makes the case for a global currency transaction tax. There is also a large economic literature analysing current and proposed taxes on financial and currency transactions.

3. Case studies

Airline ticket solidarity levy

The most cited example of a micro-levy that helps fund global public goods is the airline ticket tax launched in 2006. This nationally implemented and internationally co-ordinated tax on airline ticket sales is paid by individual air passengers when they purchase their ticket, with transit passengers exempt and airlines responsible for collecting and declaring the levy (UNITAID 2011). Countries decide what rate to apply and ticket class to include. The airline ticket tax is collected in 9 countries – Cameroon, Chile, Congo, France, Madagascar, Mali, Mauritius, Niger and the Republic of Korea (OECD 2014: 181). This review has not found an overview of the tax rates in each country, how much revenue is raised or how it is spent. There is most information available on the tax raised in France.

In **France**, domestic/intra-European Union economy class passengers are charged EUR 1 and international economy passengers are charged EUR 4. For first and business class, the rate is EUR 10 for domestic/intra-European Union and EUR 40 for international flights[7] (OECD 2014: 181). In January 2013, France's Directorate General for Civil Aviation announced that EUR 1 billion had been collected since the inception of this tax in 2006 (OECD 2014: 181). A 2011 report by the French National Assembly found revenue stable at around EUR 160 million a year (UNITAID n.d.).

Most of the resources raised through the airline ticket tax are channelled into UNITAID[8] (UNDP 2012: 10). UNITAID was founded in 2006 by Brazil, Chile, France, Norway and the United Kingdom specifically to channel resources raised through the airline ticket micro-levy initiative into treatment and care for those affected by HIV/AIDS, tuberculosis and malaria (UNDP 2012: 10; UNITAID n.d). UNITAID reports that countries can choose to channel all or some of the revenue to UNITAID. For example, at the end of 2010, France pledged a yearly sum of EUR 110 million from the levy to UNITAID for the period 2011–2013 (UNITAID n.d.). In total the airline solidarity levy has raised USD 1.9 billion, or 65% of UNITAID's funds,

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[6] Chassin *et al* (2013: 5) argue that "international finance development taxes do not meet the criteria of "good" taxes suggested by the standard or orthodox theory of public finance: efficiency, low administrative costs, flexibility, political accountability, and fairness". They give as examples – among others – that the airline ticket tax hits relatively elastic demand, which implies a large excess burden (economic cost), while many proposed taxes will carry high administrative costs (in particular the proposed tobacco tax).

[7] In comparison Chile imposes a fixed rate of USD 2 on all international flights (UNDP 2012: 10).

[8] OECD (2014: 181) reports that funds from the airline tax are also generated for the International Finance Facility for Immunization (IFFIm). This rapid review has not found further information on this.

since its inception in 2006 (Guarnaschelli *et al* 2014: 5). About 94% of the funding that is generated through the airline tax for UNITAID comes from France (Zühr *et al* 2014: 2).

UNITAID support focuses on HIV/AIDS (accounting for over half of all funds), TB, malaria, and other cross-cutting areas. UNITAID seeks to impact on markets for drugs, diagnostics and preventive interventions, through decreasing prices and increasing access, and acting as a catalyst for new, innovative treatments and formulations (DFID 2013). To implement projects, UNITAID works together with international health organisations rather than financing countries or projects directly (Zühr *et al* 2014: 3). The 34 projects funded by UNITAID to date have been implemented by 23 partners in 94 countries, with funding particularly focused on low-income countries (Zühr *et al* 2014: 3).

Micro levy on oil, gas, gold and other mining activities

UNITLIFE, a new financing mechanism launched in September 2015 and led by the UN Under Secretary-General in Charge of Innovative Financing and the Innovative Finance Foundation (IFF), applies the UNITAID model to extractive industries. It aims to use micro-levies on oil, gas, gold and other mining activities to counter chronic malnutrition in sub-Saharan Africa (UN MDG Health Envoy 2015).

Four countries signed up at the launch to commit funds to UNITLIFE: the Republic of Congo, Guinea, Niger and Mali (UN MDG Health Envoy 2015). UNITLIFE's website says there are now six participating countries but does not name them (IFF n.d.). The micro-levies are in the range of 0.1% on their oil, gas, gold and other mining activities, according to the IFF (n.d.). The Republic of Congo is the first to introduce this micro-levy, at USD 0.10 on each barrel of oil sold by the state, equivalent to 0.001% (IFF 2014: 2). The IFF (2014: 2) projects that if rolled out to eight African countries, a 10 cents micro-levy on oil would generate USD100-200 million annually, depending on the portion of oil sales included. If all the world's oil producing countries joined in, the mechanism would generate over USD 1.64 billion a year (ibid.).

French financial transactions tax

A financial transaction tax (FTT) is a levy applied on specific types of monetary transactions, such as the purchase of shares, bonds, traded funds and derivatives. Discussion of FTTs in recent years has centred on two possible objectives: to slow down overheated and dangerously volatile financial markets, and/or to generate substantial additional public revenue, part of which could be used to finance development. (Moon and Omole 2013: 26; OECD 2014: 182). FTTs are commonplace, having been implemented over many decades in at least 40 countries, including France, United Kingdom, the United States, South Africa and India. Not all cases, however, involve using the revenues to finance development objectives.

France does channel a proportion of FTT revenues to development. Introduced in 2012, the French FTT applies to transactions of shares of listed French companies whose market capitalisation exceeds EUR 1 billion (0.2%), as well as to high-frequency trading and insurance contracts against government default risk (0.02%) (French Ministry of Foreign Affairs and International Development 2013). In 2013 the French Ministry of Foreign Affairs and International Development reported the FTT raised a total of EUR 648 million in a year. 10% of the proceeds were pledged to be allocated to global climate and health activities, with, in 2013, priority given to health care access initiatives for Sahel's children. France's 2014 budget raised the revenue allocation for development aid to 15%, earmarked to keep France's commitments to the Global Fund to Fight Aids, Tuberculosis and Malaria, and to contribute to the new Green Climate Fund (Development Initiatives 2013).

Carbon taxes[9]

A carbon tax on the carbon content of fossil fuels (such as coal, oil and gas) is designed to provide businesses and individuals with an incentive to curb activities that produce CO2 emissions (UNDP 2012: 19). Under such initiatives, UNDP (2012: 19) reports that policymakers levy a fee either for each tonne of CO2 emitted or for each tonne of carbon contained in fossil fuels. A number of countries have implemented forms of carbon tax on a national basis over the last two decades: Sweden, Finland, the Netherlands and Norway introduced carbon taxes in the 1990s; Japan and Australia more recently (UNDP 2012: 19; The Japan Times 2012). Norway allocates a proportion of its tax on CO2 emissions on aviation fuel to UNITAID, amounting to 7% of UNITAID funding from 2007–2012 (Zühr *et al* 2014: 2).

Another carbon based small global levy was established by the 1997 Kyoto Protocol. This is an obligatory 2% levy on the issue of Certified Emissions Reduction (CER), which is channelled to the Adaptation Fund (Gerishankar 2009: 72). As of June 2015, USD 194.3 million had been deposited with the Adaptation Fund from the sale of CERs[10]. The Fund has supported a range of climate change adaptation activities, from water resources and land management, health and infrastructure development to building institutional capacity for disaster prevention, preparedness, response and management, among others[11] (UNDP 2012: 15). As of 2011, the Adaptation Fund had funded 11 projects in developing countries totalling approximately USD 70 million (UNDP 2012: 15).

4. How successful have these initiatives been and why?

This review has found limited independent analysis of the success of micro levies. Most assessment is focused on the airline ticket solidarity levy and UNITAID[12].

Overall assessment

The World Economic and Social Survey 2012 by UNDESA (2012: v) concluded that international taxes (including a levy on air travel) have **added to public funds** for international cooperation. The report goes on however to add that these mechanisms have not proved to be major fundraisers (UNDESA 2012: v). Innovative financing remains a small component of public sector development assistance, and micro levies still play a smaller role[13] (Guarnaschelli et al 2014: viii).

UNDP's 2012 review of innovative development finance concludes that innovative taxation schemes such as the airline tax did **raise additional revenues for development** (UNDP 2012: 22). However, UNDP also finds it difficult to conclude whether innovative development finance in practice boosts ODA levels or substitutes for government traditional ODA (UNDP 2012: 22). Interestingly, the report goes on to

[9] A related innovative financing mechanism is revenues raised from the sale of CO2 emission allowances, which in Germany are used for development assistance. This example has not been included in this report because it is not typically described as a tax or levy in the literature. See the I-8 Group (no date) for further details.
[10] http://www.climatefundsupdate.org/listing/adaptation-fund
[11] http://www.climatefundsupdate.org/listing/adaptation-fund
[12] It is too soon to assess the success of UNITLIFE which started this year. The key assessments of innovative development finance identified by this review tend not to include the tax on the sale of the CERs that is channelled to the Adaptation Fund; given time constraints, a separate search on the success of the Adaptation Fund was not undertaken as part of this review.
[13] Taxes (of which the largest example is the airline ticket solidarity levy) accounted for an estimated 2.6% of the amount mobilised by innovative financing mechanisms from 2000-2013 (Guarnaschelli *et al* 2014: 4).

highlight that "donors most interested in innovative finance for development are also those whose aid levels are—by and large—on the increase" (UNDP 2012: 22).

Another success criterion is whether micro levies provide **predictable and stable** revenues. An independent study by Dalberg Global Development Advisors concludes that mechanisms such as the solidarity levy have successfully provided "an additional and predictable revenue source" for international development (Guarnaschelli *et al* 2014: x). The UNDP assessment (2012: 28) also finds that initiatives such as the airline ticket tax have on the whole provided more stable and predictable revenue streams for international development than traditional donor budget outlays. However, the study also warns that taxation initiatives can still be vulnerable to fluctuations in global economic or other conditions (UNDP 2012: 28). Moreover, there is a concern that a "dedicated" funding stream through micro levies might be more vulnerable to discontinuation, since the specific tax would be more visible and thus a clear target for politicians (expert comment).

Success stories on the **reach and development impact** of initiatives such as UNITAID are well-publicised (UNDP 2012). UNDP (2012: 25) cautions that results may in reality be "better—or worse", given issues of data quality and comparability across countries, and the challenges in attributing a development outcome to any one single intervention. Moreover when the delivery mechanism is a (new) vertical fund (such as UNITAID), UNDP reports both positives and risks. Positives include developing economies of scale, responding when government capacity cannot, and operating clear monitoring and evaluating frameworks. The risks include: focusing on results to the detriment of national institution capacity-building; accentuated fragmentation and poor coordination in the delivery of resources; and earmarking that can create allocative inefficiencies in government expenditures (UNDP 2012: 24-25; 33-34).

Focus on UNITAID

There are several independent evaluations and analyses of the impact of UNITAID. Key findings from recent prominent studies are:

- ITAD's 2012 five year independent evaluation of UNITAID concluded it has achieved "impressive market and public health outcomes". Room for improvement was identified in focusing on ensuring the sustainability of results, and raising the overall success rate of projects.
- DFID's multilateral aid review reported several strengths, including the achievement of significant price reductions which should lead to a sustainable benefit for countries, donors and international agencies. Weaknesses identified were a lack of results management and uneven application of value for money criteria in funding decisions (DFID 2013).
- A critical analysis suggested UNITAID should rethink its mission, in particular examining whether the goal of scaling up access to treatment is necessarily achieved through price reduction of commodities (Fan and Silverman 2012).

5. Potential

Suggested new initiatives

The airline solidarity levy is often lauded in donor literature as a significant pioneering working example of micro levies. Its founders and advocates urge the development of other micro-levy proposals to finance global public goods. Several organisations have published reports on options for future innovative finance initiatives, often focusing on revenues required for a particular development sector[14]. The proposals often include global tax initiatives. Here is a brief summary of some of the more prominent examples.

Aviation taxes

There are several proposals for taxes on international aviation, from regional and global taxes to coordinated taxes whose proceeds are earmarked toward development (Gerishankar 2009: 60). A variety of tax bases have been proposed, including taxing aviation fuel, ticket values, and departure/arrival taxes (Gerishankar 2009: 60). One suggestion is that the airline ticket solidarity levy could easily be implemented by many other (richer and poorer) countries (UNDP 2012: 36).

Financial transaction taxes (FTTs)

There are projections of what various regional and global FTTs could raise, with the suggestion that part of these additional revenues could be used to finance development and/or climate change adaptation and mitigation in developing countries (OECD 2014: 182). Estimations of how much revenue these taxes could generate vary widely, reports UNDP (2012: 18), because of proposed differences in tax rates and financial transactions covered.

OECD's 2014 development cooperation report focuses on innovative development finance. Citing a 2011 UNITAID report[15], OECD's 2014 review of innovative development finance, estimates that with even a very low rate tax[16], if all G20 countries allocated 15% of revenues to finance development (the amount committed by France) more than USD 50 billion of additional resources would be raised every year (OECD 2014: 182). Meanwhile a technical report by Bill Gates to the G20 leaders estimates that "a small tax of 10 basis points on equities and 2 basis points on bonds would yield about USD 48 billion on a G20-wide basis, or USD 9 billion if confined to larger European economies" (Gates 2011: 13).

FTTs are controversial. Civil society campaigning proponents, such as the Robin Hood Tax Campaign and Stamp Out Poverty[17], point out that they are already being successfully implemented in many countries, and some economic analysis shows that they would have a positive impact on GDP, among other points (Happel 2015; Griffiths-Jones and Persaud; 2012). Other academic and political analysts caution FTTs could reduce market liquidity and increase costs for investors to trade assets and hedge their portfolios, thereby leading to lower market efficiency and higher price volatility (UNDP 2012: 18). Some governments argue that only global FTTs could work, to avoid the potential for diversion of financial transactions to countries without FTTs (World Bank 2013: 37; UNDP 2012: 18). Moreover, without a clear commitment to channel resources from future FTTs into financing development goals, this may not become a source of financing for development (World Bank 2012: 37). For example, Moon and Omole

[14] See for example the Leading Group 2010 report on options to raise resources innovatively for education http://r4d.org/sites/resultsfordevelopment.org/files/resources/Leading%20Group%20Task%20Force%20on%20Education%20Report.pdf. According to the summary in UNDP 2012, tax proposals included a tax on international financial transactions and a tax on sports revenue (UNDP 2012: 36-37).

[15] UNITAID (2011). Tax on Financial Transactions: An Implementation Guide. Geneva: World Health Organisation. www.unitaid.eu/images/NewWeb/documents/Finance/UTD-Report-TTF_en.pdf

[16] 0.2% per equity transaction and 0.001-0.01% for debt securities.

[17] http://www.stampoutpoverty.org/

(2013: 27) report it remains highly uncertain for the proposed European FTT[18] how much of any revenue raised would be dedicated to international development activities.

Currency transaction tax (CTT)

The Leading Group's 2010 report on financial levies sets out the case for a centrally collected multi-CTT, against the criteria of sufficiency; market impact; feasibility; and sustainability and suitability (Leading Group 2010: 5). They call for the proceeds to be paid into a dedicated fund – and propose establishing a new Global Solidarity Fund financing facility for global public goods (Leading Group 2010: 6). UNDP's 2011 Human Development Report also advocates for a global CTT, finding that a minimal rate tax without incurring additional administrative costs would yield annual revenues of about USD 40 billion (UNDP 2011: 11). Opponents argue that trade currencies work on very fine margins and even a tiny tax would have a significant impact (UNDESA 2012: xiii). As with other innovative finance proposals, UNDESA cautions that the more fundamental issue is securing the political support needed to earmark at least some of the revenues for international development cooperation (UNDESA 2012: xiii).

Global carbon tax

Other proposals include carbon taxes and tax on activities which have negative impacts on the environment (such as maritime and aviation transportation) (UNDP 2012: 19). These taxes could help to reduce carbon emissions as well as generate a sizeable flow of revenues (UNDP 2012: 19). At the 2015 United Nations Climate Change Conference, the World Bank and International Monetary Fund pushed for global carbon pricing through two possible mechanisms: emissions trading systems (ETS) and carbon taxes[19]. The UN Secretary-General's High-level Advisory Group on Climate Change Financing reports that a carbon tax on all energy-related CO2 emissions in "OECD+" countries would raise USD 10 billion in 2020 for every U.S. dollar of tax per ton of emissions (United Nations no date: 2). UNDP (2012: 19) cautions, however, that coordinated international action on such measures has been a challenge, as is overcoming domestic pressure to use the revenues within the countries to soften the tax's distributional effects, among other issues. Another challenge is ensuring that global approaches do not bear a disproportionate tax burden as a proportion of national income on poorer countries.

Solidarity tobacco contributions

The Leading Group proposes pooling small increases in tobacco excise in both developed and developing countries and spending on internationally agreed global health objectives (UNDP 2012: 19-20). WHO estimates that if applied in 43 countries (G-20+), a micro levy on tobacco products (additional to national tobacco taxes) could generate between USD 5.5 billion and USD 16 billion each year (WHO 2011: 21). UNDP (2012: 19-20) cautions it is likely that only a small proportion of revenues collected via tobacco taxes will be allocated to international development objectives, because governments face significant pressure to use such revenues to fund national health priorities.

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[18] In October 2011, the EC proposed the introduction of a European Union FTT within the 27 EU member states by 2014. The tax proposed charging financial institutions 0.1 per cent against the exchange of shares and bonds and 0.01 per cent across derivative contracts. Ten euro zone countries have agreed on some aspects of this and hope to reach agreement by mid-2016. http://www.reuters.com/article/us-eu-ftt-progress-idUSKBN0TR19C20151208#vLMVZCf18TkV2pLg.97

[19] See https://www.imf.org/external/np/sec/pr/2015/pr15473.htm and http://www.worldbank.org/en/programs/pricing-carbon for further details.

Caveats

Yet, while there has been a fair amount of discussion on possible new international tax initiatives for development, spearheaded by the Leading Group on Innovative Financing for Development, these ideas are proving slow to develop further, often failing to attract broader political support (UNDP 2012: 36-37). UNDP advises that the more likely scenario in the future is the implementation of smaller schemes by individual countries, 'like-minded' countries or regions (UNDP 2012:37). A key political challenge will be to face domestic pressure not to divert all or a portion of the revenue for foreign beneficiaries, in particular in the context of austere domestic fiscal environments (UNDP 2012: 37; Fitzgerald 2013: 12).

Others make the case for donors to invest in greater international co-operation for direct tax collection (to which the G20 is already committed), as a more sustainable and equitable system than new forms of global taxation which can incur new administration costs and continue traditional ODA relationships (Fitzgerald 2013: abstract).

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