

**CALVO HORNERO, Antonia and MATARÁN SERRANO, Pedro Carlos**

**Analysis of the effects of the updating model of VAT and GNI contributions to the budget of the European Union**

The updating model of contributions of VAT (Value Added Tax) and GNI (Gross National Income) to the budget of the European Union is a dynamic process within the framework of a funding system designed to readjust the contributions that Member States (MS) have made in the past. This article analyses the operation of the aforementioned model in practice and explains the effects triggered by the model on the Community budget.

**Key words:** budget, Community own resources, VAT, GNI income, national contributions, European Union.

**JEL classification:** E10, H25, 057.

**FERNÁNDEZ DE SOTO, Guillermo**

**Strategic challenges and interests facing Latin American development banks: an analysis on the Andean Development Corporation (Corporación Andina de Fomento, CAF), the development Bank of Latin America**

Society and the global economy are going through a transition stage, requiring an update of international institutions, as well as the modernisation of efficient institutions to maintain peace and international security in the world and facilitate economic progress. The development bank is not outside the scope of this necessary review. The Corporación Andina de Fomento (CAF) is a clear example of the importance of the knowledge of the global context, regional characteristics, needs and world challenges to adjust the institution and contribute efficiently to sustained and sustainable growth, thereby fostering regional integration of Latin America and the Caribbean.

**Key words:** international economic order, productivity, structural challenges.

**JEL classification:** F02, O4, N26.

**KAMINSKI, Tomasz**

### **Investments of Sovereign Funds in developing countries**

Sovereign Investment Funds (SIF) are a potential significant source of capital for developing countries. This article sets out to conduct an in-depth study of sovereign fund investments in developing countries to ascertain whether these funds have become the main stakeholders in the financing of emerging countries. Research is based on empirical data. The sample consists of 10,446 transactions classed as cross-border transactions from 2000 to mid-2014, including 1,876 investments in non-member countries of the OECD, worth 108.6 billion dollars. This article proves that sovereign funds have not become the main stakeholders of financing for the development of emerging countries. The examination completed confirms that the main focus of these investments are advanced markets, as sovereign funds prefer broad and deep markets instead of small economies. As a consequence of the above, most developing countries are not able to attract sovereign funds. However, the results of the research also contribute to the academic discussion on the political motives of sovereign fund investments. This conclusion should be borne in mind in discussions steeped with the presentation of threats in connection with the political dependency of funds.

**Key words:** sovereign funds, developing countries, international financing.

**JEL classification:** F3, G2.

**KLEITERP, Nanno**

### **The relevance of the private sector and sustainability**

The world is changing rapidly, however policies are not. In the past, cooperation for development focused mostly on the public sector and the poor in countries with the lowest incomes. Contrastingly, over the last two decades, we find four trends with effects on cooperation for development policies. The largest challenge is, therefore, fostering economic growth of medium income countries, and attempting to reduce the environmental footprint insofar as possible, in addition to fostering the creation of good quality employment. The contribution of cooperation for development funds to the improvement of sustainability and the efficiency of the entire value chain is beneficial for the companies of developing countries and also those of emerging countries. We shall be witnesses how these funds are increasingly employed to finance value chains, in response to the need to use them for the benefit of each country, in addition to generating a positive impact on developing countries. This article discusses the progress and experience of the Dutch Development Bank (FMO) in these areas.

**Key words:** sustainability, environment, employment, development financing, development banks.

**JEL classification:** F0, F23, G20, G21, O10.

**LÓPEZ DE CERAIN, Laura**

**The contribution of AECID to cooperation for development**

The Spanish Agency for International Cooperation (AECID) is the main organisation implementing the Spanish system of cooperation for development. To attain its targets, it has an own budget, used for projects which are bilateral, with multilateral bodies, and with non-government organisations for development (NGODs) of humanitarian action, in addition to cultural, university and science cooperation projects. Furthermore, AECID manages two important funds: the Water Fund and the Fund to foster development (FONPRODE). The past years have witnessed an increasing significance of new working methods such as public-private alliances and delegated cooperation.

**Key words:** international cooperation, cultural cooperation, humanitarian action, public-private alliances, delegated cooperation.

**JEL classification:** F02, F35, O1.

**MARÍN HERNÁNDEZ, Salvador**

**Structure, development and added value of the Spanish Company of Financing of Development (COFIDES)**

In this article, we highlight the efficient and necessary contribution of COFIDES in the financial arena of Spanish companies investing in projects in developing and emerging countries. We firstly reflect on the theoretical framework of Direct Foreign Investment (DFI) in addition to the contribution required for its financing and its impact on development. A further issue is the management and repercussions of the financing of COFIDES in the area of development and sustainability and its effects on destination and source countries. There is an analysis of the contribution made over its history broken down by products, countries, sectors, types of company and autonomous regions, in connection with developing countries. We conclude confirming, as a main thesis, that when business internationalisation in developing and/or emerging countries is linked to clear support from public-private financing, or even solely from private funding, the returns in both directions are clear-cut and measurable. These details are confirmed by this paper using the database of historical information provided by COFIDES, supporting the details provided in the theoretical framework with figures and progress results.

**Key words:** financing, development, DFI, foreign sector, financial development institutions, internationalisation.

**JEL classification:** F13, F23, G20, G21, O10.

**ORTIZ MARTÍNEZ, Esther and CROWTHER, David**

**Empirical evidence of the contribution of Spanish companies to community development based on GRI reports**

In this paper, we analyse 102 sustainability reports of Spanish companies drawn up according to the principles of the Global Reporting Initiative (GRI), gathering information on their contribution to development of the community, including SO1, Society Performance Indicators. The conclusion is that there is no homogeneity across non-financial information, as only seven companies publish comparable quantitative data; and that all companies contribute to development but the descriptions provided to demonstrate this are inconsistent. The companies that do offer comparable quantitative information follow the method of London Benchmarking Group (LBG), investing in all areas of contribution to development and larger companies invest more in absolute terms.

**Key words:** investment in development, GRI, SO1, non-financial information.

**JEL classification:** D83, M14, O32.

**RIXEN, Jan**

**The association of European Development Finance Institutions. Portfolio of progress in developing countries**

The Association of European Development Finance Institutions, EDFI, is a group comprising 15 bilateral development financial institutions, providing long-term financing for private sector companies in developing countries and emerging markets. With their joint effort and experience in this field, members of EDFI provide a coordinated amount of efficient financial support and technical assistance to foster sustainable development of the private sector in developing countries and emerging markets.

**Key words:** private sector development, financial climate, merger, SMEs.

**JEL classification:** F0, F23, G20, G21, O10.

**SCHULZ, Hans U.**

**The Inter-American Development Bank and the private sector: Investing in the future**

Over the years and as new demands emerged, the Inter-American Development Bank (IDB Group) reorganised its institutional structure, its financial instruments and its expert services, for the purpose of fully complying with its mandate to increase income and reduce inequality in the region. With a view to the future, IDB Group is again changing to adjust to the new circumstances of the region. Latin America and the Caribbean have been facing development issues for some time, such as insufficient economic and social inclusion and the scarce increase of productivity, but also more recent issues, including climate change and the pressure of a growing middle class. IDB Group responds consolidating its operations with the private sector to form a new institutional structure to serve its clients more efficiently and make greater contributions to development.

**Key words:** development financing, development banks, economic growth.

**JEL classification:** F3, G2.

**SELVA SEVILLA, Carmen and SANZ GÓMEZ, María Mercedes**

**Municipal efficiency in the provision of public goods and services: from the measurement of levels to the analysis of possible causes**

The twofold objective of this article is the measurement of municipal efficiency in the provision of public goods and services in the economic growth period preceding the current economic crisis, as well as suggesting a first approach on its causes. The methodology used consists of a data envelopment analysis (DEA). Following the measurement of municipal efficiency, this is linked to some variables that may hypothetically influence the above, such as size, dispersal of population and budgetary structure. A first conclusion emerging is that efficiency levels increase when the size of the entity is greater. Secondly, efficiency rises in municipalities with less dispersal of inhabitants. And, thirdly, budgetary figures do not constitute clear factors determining the relative levels of municipal efficiency.

**Key words:** assignment of resources, public goods and services, measurement in efficiency, non-parametric methods (DEA), inefficiency causes.

**JEL classification:** C14, H21, H41.

**WENN, Bruno and BERTRAND-HARDY, Jérôme**

**DEG and PROPARCO, two examples of long-term financing for development institutions**

The private sector has progressively increased its participation in economic development and the function of the institutions providing financing to allow these activities has increased in recognition. The Deutsche Investitions- und Entwicklungsgesellschaft, mbH (DEG) finances investment of private sector companies in countries with emerging and developing markets, and provides assessment for their appliance to planning. Its mission is to create employment, income and potential for local inhabitants and, in so doing, contribute to sustainable growth. Meanwhile, for 40 years the company Proparco, which is part of the French Agency for Development, has consolidated as a significant institution financing private companies and other financial institutions in developing countries to foster economic growth, create income and provide essential goods and services.

**Key words:** private sector development, development funding, financial institutions, quality of development, new markets.

**JEL classification:** F0, F23, G20, G21, O10.

