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Report of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

Doha, Qatar, 29 November-2 December 2008

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Resolution 1*
Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,

Having met in Doha, Qatar, from 29 November to 2 December 2008,

1. *Adopts* the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, which is annexed to the present resolution;

2. *Recommends* to the General Assembly that it endorse, during the main part of its sixty-third session, the Doha Declaration on Financing for Development as adopted by the Conference.

Annex

Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

Introduction

Reaffirming the goals and commitments of the Monterrey Consensus

1. We, Heads of State and Government and High Representatives, gathered in Doha, Qatar, from 29 November to 2 December 2008, almost seven years after the landmark International Conference on Financing for Development,[1] held in Monterrey, Mexico, reiterate our resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development in the spirit of global partnership and solidarity. We once again commit ourselves to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system.

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* Adopted at the 7th plenary meeting, on 2 December 2008; for the discussion, see chap. VI. The Declaration was subsequently endorsed by the General Assembly in its resolution 63/239 of 24 December 2008.

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7).

2. We reaffirm the Monterrey Consensus[2] in its entirety, in its integrity and holistic approach, and recognize that mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for sustainable development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals. We also reaffirm the importance of freedom, peace and security, respect for all human rights, including the right to development, the rule of law, gender equality and an overall commitment to just and democratic societies for development, as spelled out in the Monterrey Consensus. We reiterate that each country has primary responsibility for its own economic and social development and that the role of national policies, domestic resources and development strategies cannot be overemphasized. At the same time, domestic economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. National development efforts need to be supported by an enabling international economic environment.

3. We recognize that the international context has changed in profound ways since we met in Monterrey. There has been progress in some areas, but inequality has widened. We welcome the substantial increase in public and private flows since 2002, which has contributed to higher economic growth in most developing countries and a reduction in global poverty rates. Yet we express our deep concern that the international community is now challenged by the severe impact on development of multiple, interrelated global crises and challenges, such as increased food insecurity, volatile energy and commodity prices, climate change and a global financial crisis, as well as the lack of results so far in the multilateral trade negotiations and a loss of confidence in the international economic system. While acknowledging the response of the international community to these crises and challenges to date, such as the High-level Conference on World Food Security, held in Rome from 3 to 5 June 2008, and the recent Summit on Financial Markets and the World Economy, held in Washington, D.C., on 15 November 2008, we are determined to take immediate and decisive actions and initiatives to overcome all these obstacles and challenges through achievement of people-centred development and to devise important measures for the full, effective and timely implementation of the Monterrey Consensus.

4. We recall that gender equality is a basic human right, a fundamental value and an issue of social justice; it is essential for economic growth, poverty reduction, environmental sustainability and development effectiveness. We reiterate the need for gender mainstreaming into the formulation and implementation of development policies, including financing for development policies, and for dedicated resources. We commit ourselves to increasing our efforts to fulfil our commitments regarding gender equality and the empowerment of women.

5. The spectre of terrorism continues to haunt us and is on the rise. This has serious implications for economic development and social cohesion, apart from its horrific human misery. We resolve to act together stronger than ever to address terrorism in all its forms and manifestations.

[2] Ibid., chap. I, resolution 1, annex.

6. We reaffirm the political declaration on "Africa's development needs: state of implementation of various commitments, challenges and the way forward",[3] adopted at the high-level meeting of the General Assembly on 22 September 2008. We further reaffirm our commitment to provide and strengthen support to the special needs of Africa and stress that eradicating poverty, particularly in Africa, is the greatest global challenge facing the world today. We underline the importance of accelerating sustainable broad-based economic growth, which is pivotal to bringing Africa into the mainstream of the global economy. We reaffirm the commitment of all States to establish a monitoring mechanism to follow up on all commitments related to the development of Africa as contained in the political declaration on "Africa's development needs". All commitments to and by Africa should be effectively implemented and given appropriate follow-up by the international community and Africa itself. We underscore the urgency of addressing the special needs of Africa based on a partnership among equals.

7. We welcome the decision to convene the Fourth United Nations Conference on the Least Developed Countries at a high level in 2011.

Mobilizing domestic financial resources for development

8. In the years following the Monterrey Conference, a number of developing countries have made significant progress in the implementation of development policies in key areas of their economic frameworks, often contributing to increased mobilization of domestic resources and higher levels of economic growth. We will continue to build upon this progress through promoting inclusive and equitable growth, eradicating poverty and pursuing sustainable development in its economic, social and environmental dimensions, and by ensuring the necessary enabling environment for mobilizing public and private resources and expanding productive investments. Greater efforts are required to support the creation and sustenance of a conducive environment through appropriate national and international actions.

9. We reaffirm that national ownership and leadership of development strategies and good governance are important for effective mobilization of domestic financial resources and fostering sustained economic growth and sustainable development. In this context, we should take into account the different characteristics and specificities of each country.

10. We recognize that a dynamic, inclusive well-functioning and socially responsible private sector is a valuable instrument for generating economic growth and reducing poverty. In order to foster private-sector development, we shall endeavour to promote an enabling environment that facilitates entrepreneurship and doing business by all, including women, the poor and the vulnerable. The international community, national Governments and regional economic groups should continue to support these efforts.

11. We will continue to pursue appropriate policy and regulatory frameworks at our respective national levels and in a manner consistent with national laws to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights

[3] Resolution 63/1.

and the environment. We recognize that the appropriate role of Government in market-oriented economies will vary from country to country.

12. Human development remains a key priority, and human resources are the most precious and valuable asset that countries possess. The realization of full and productive employment and decent work for all[4] is essential. We will continue to invest in human capital through inclusive social policies, inter alia, on health and education, in accordance with national strategies. The provision of, and access to, financial and credit services to all is also important. Such facilities have begun to show results, but increased efforts, where appropriate, supported by the international community, are needed. We stress the importance of fostering diverse local and supporting industries that create productive employment and strengthen local communities. We will strive to ensure social security systems that protect the vulnerable in particular.

13. To advance towards the goals of the Monterrey Consensus, policies that link economic and social considerations are required to reduce inequalities within and among countries and guarantee that the poor and vulnerable groups benefit from economic growth and development. Measures aimed at integrating the poor into productive activities, investing in the development of their labour skills and facilitating their entry into the labour market are necessary. In this regard, greater efforts are required for mobilizing more resources, as appropriate, to provide universal access to basic economic and social infrastructure and inclusive social services, as well as capacity-building, taking special care of women, children, older persons and persons with disabilities in order to enhance their social protection.

14. The increasing interdependence of national economies in a globalizing world and the emergence of rules-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and international development, is now often framed by international disciplines, commitments and global market considerations. It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space.

15. We reiterate that macroeconomic policies should be aimed at sustaining high rates of economic growth, full employment, poverty eradication, and low and stable inflation, and seek to minimize domestic and external imbalances to ensure that the benefits of growth reach all people, especially the poor. They should also attach high priority to avoiding abrupt economic fluctuations that negatively affect income distribution and resource allocation. In this context, the scope for appropriate counter-cyclical policies to preserve economic and financial stability should be expanded. Public investment, consistent with medium- and long-term fiscal sustainability, may have a proactive role and encourage a virtuous cycle of investment.

16. We will continue to undertake fiscal reform, including tax reform, which is key to enhancing macroeconomic policies and mobilizing domestic public resources. We will also continue to improve budgetary processes and to enhance the transparency of public financial management and the quality of expenditures. We will step up

[4] International Labour Organization Declaration on Social Justice for a Fair Globalization; see, inter alia, Economic and Social Council resolution 2007/2.

efforts to enhance tax revenues through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion. We will undertake these efforts with an overarching view to make tax systems more pro-poor. While each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters, including in the area of double taxation. In this regard, we acknowledge the need to further promote international cooperation in tax matters, and request the Economic and Social Council to examine the strengthening of institutional arrangements, including the United Nations Committee of Experts on International Cooperation in Tax Matters.

17. The development of a sound and broad-based financial sector is central to the mobilization of domestic financial resources and should be an important component of national development strategies. We will strive for diversified, well-regulated, inclusive financial systems that promote savings and channel them to sound growth generating projects. We will further refine, as appropriate, the supervisory and regulatory mechanisms to enhance the transparency and accountability of the financial sector. We will aim to increase the domestic supply of long-term capital and promote the development of domestic capital markets, including through multilateral, regional, subregional and national development banks.

18. To achieve equitable development and foster a vibrant economy, it is vital to have a financial infrastructure that provides access to a variety of sustainable products and services for micro-, small- and medium-sized businesses, with particular emphasis on women, rural populations and the poor. We will make sure that the benefits of growth reach all people by empowering individuals and communities and by improving access to services in the fields of finance and credit. We recognize that microfinance, including microcredit, has proven to be effective in generating productive self-employment, which can contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals. Despite some progress, there is widespread demand for microfinance. We underline the need to appropriately support, in a coordinated manner, the efforts of developing countries, including in capacity-building for their microfinance, including microcredit institutions.

19. Gender equality and women's empowerment are essential to achieve equitable and effective development and to foster a vibrant economy. We reaffirm our commitment to eliminate gender-based discrimination in all its forms, including in the labour and financial markets, as well as, inter alia, in the ownership of assets and property rights. We will promote women's rights, including their economic empowerment, and effectively mainstream gender in law reforms, business support services and economic programmes, and give women full and equal access to economic resources. We will further promote and reinforce capacity-building of States and other stakeholders in gender-responsive public management, including, but not limited to, gender budgeting.

20. Capital flight, where it occurs, is a major hindrance to the mobilization of domestic resources for development. We will strengthen national and multilateral efforts to address the various factors that contribute to it. It is vital to address the problem of illicit financial flows, especially money-laundering. Additional measures should be implemented to prevent the transfer abroad of stolen assets and to assist in

the recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention against Corruption,[5] as well as to prevent capital flows that have criminal intent. We note the efforts of the United Nations Office on Drugs and Crime and the World Bank Group through the Stolen Asset Recovery Initiative and other relevant initiatives. In this regard, we urge as a matter of priority all States that have not yet done so to consider becoming parties to the International Convention for the Suppression of the Financing of Terrorism, and call for increased cooperation with the same objective.

21. The ongoing fight against corruption at all levels is a priority. Progress among countries has varied since 2002. Corruption affects both developed and developing countries, and both the public and private sectors. We are thus determined to take urgent and decisive steps to continue to combat corruption in all of its manifestations in order to reduce obstacles to effective resource mobilization and allocation and avoid the diversion of resources away from activities that are vital for development. This requires strong institutions at all levels, including, in particular, effective legal and judicial systems and enhanced transparency. We welcome the increased commitment of States that have already ratified or acceded to the United Nations Convention against Corruption, and, in this regard, urge all States that have not yet done so to consider ratifying or acceding to the Convention. We call upon all States parties to fully implement the Convention without delay and to work jointly in the establishment of a mechanism for follow-up on implementation of the Convention.

22. While the pursuit of economic resilience is important for all countries, it requires constant and more concerted efforts in small and vulnerable economies. These national efforts need to be reinforced by international support for capacity-building, including through financial and technical assistance, and United Nations operational activities for development in accordance with national development strategies and priorities. In development cooperation policies, we will pay special attention to the efforts and specific needs of Africa, the least developed countries, landlocked developing countries and small island developing States. Similarly, special and sustained attention is needed to support post-conflict countries in their rebuilding and development efforts.

Mobilizing international resources for development: foreign direct investment and other private flows

23. We recognize that private international capital flows, particularly foreign direct investment, are vital complements to national and international development efforts. We appreciate the rise in private international capital flows to developing countries since the Monterrey Conference and the improvements in business climates that have helped encourage it. However, we take note with concern that a significant number of developing countries have not experienced a rise in private international capital flows. We will seek to enhance such flows to support development. In this context, we will strengthen national, bilateral and multilateral efforts to assist developing countries in overcoming the structural or other constraints which currently limit their attractiveness as a destination for private capital and foreign direct investment. To that end, we acknowledge the need to particularly assist those countries that have been at a particular disadvantage in

[5] United Nations, *Treaty Series*, vol. 2347, No. 42146.

attracting such flows, including a number of African countries, least developed countries, landlocked developing countries, small island developing States and countries emerging from conflict or recovering from natural disasters. Such efforts could include the provision of technical, financial and other forms of assistance; the promotion and strengthening of partnerships, including public-private partnerships; and cooperation arrangements at all levels.

24. We will enhance efforts to mobilize investments from all sources in human resources, transport, energy, communications, information technology and other physical, environmental, institutional and social infrastructure that serve to strengthen the business environment, enhance competitiveness and expand trade in developing countries and economies in transition. We recognize the need for bilateral and multilateral partners to provide technical assistance and share best practices relating to these efforts. The programmes, mechanisms and instruments at the disposal of multilateral development agencies and bilateral donors can be used for encouraging business investment, including by contributing to mitigating some of the risks faced by private investors in critical sectors in developing and transition economies. Official development assistance (ODA) and other mechanisms, such as, inter alia, guarantees and public-private partnerships, can play a catalytic role in mobilizing private flows. At the same time, multilateral and regional development banks should continue to explore innovative modalities with developing countries, including low- and middle-income countries and countries with economies in transition, so as to facilitate additional private flows to such countries.

25. Experience has shown that providing an enabling domestic and international investment climate is fundamental to fostering domestic and foreign private investment. Countries need to continue their efforts to achieve a stable and predictable investment climate, with proper contract enforcement and respect for property rights. We will continue to put in place transparent and appropriate regulations at the national and international levels. Efforts should be enhanced to upgrade the skills and technical capabilities of human resources, improve the availability of finance for enterprise, facilitate public-private consultative mechanisms and promote corporate social responsibility. Bilateral investment treaties may promote private flows by increasing legal stability and predictability to investors. It is important that bilateral investment treaties, as well as tax treaties and other tax measures to facilitate foreign investments, take into account regional and multilateral cooperation, including at the regional level. We acknowledge the importance of supporting capacity-building in developing countries aimed at improving their abilities to negotiate mutually beneficial investment agreements. It is important to promote good tax practices and avoid inappropriate ones.

26. To complement national efforts, there is a need for the relevant international and regional institutions, as well as appropriate institutions in source countries, to increase their support for private foreign investment in infrastructure development and other priority areas, including projects to bridge the digital divide in developing countries and countries with economies in transition. To this end, it is important to provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies. Inter-enterprise partnership is a powerful means for the transfer and dissemination of technology. In this regard, strengthening of the

multilateral and regional financial and development institutions is desirable. Additional source country measures should also be devised to encourage and facilitate investment flows to developing countries.

27. We recognize that the development impact of foreign direct investment should be maximized. We further recognize that the transfer of technology and business skills is a key channel through which foreign direct investment can positively impact development. We will strengthen national and international efforts aimed at maximizing linkages with domestic production activities, enhancing the transfer of technology and creating training opportunities for the local labour force, including women and young people. It is also important to enact and uphold, as appropriate, labour and environmental protection and anti-corruption laws and regulations in accordance with obligations undertaken in relevant international conventions. We welcome efforts to promote corporate social responsibility and good corporate governance. In this regard, we encourage the work undertaken at the national level and by the United Nations, including through the United Nations Global Compact, and the promotion of internationally agreed corporate social responsibility frameworks, such as the International Labour Organization Tripartite Declaration. We reaffirm that every State has, and shall freely exercise full permanent sovereignty over, all its wealth, natural resources and economic activity. We support measures to enhance corporate transparency and accountability of all companies, taking into account the fundamental principles of domestic law. We take note of voluntary initiatives in this regard, including, inter alia, the Extractive Industries Transparency Initiative.

28. We realize that the perception of a country’s current economic conditions and prospects influences the international private financial flows that it attracts. The provision of objective, high-quality information from all sources, including private and public entities, such as national statistical agencies, the International Monetary Fund (IMF), the World Bank, the United Nations system, investment advisers and credit-rating agencies, is vital for informed decisions by potential domestic and foreign investors alike. We will continue to strengthen modalities, including through the efforts of the country itself, the United Nations system and relevant multilateral agencies, to enhance and improve the level and objectivity of information regarding a country’s economic situation and outlook.

29. Remittances have become significant private financial resources for households in countries of origin of migration. Remittances cannot be considered as a substitute for foreign direct investment, ODA, debt relief or other public sources of finance for development. They are typically wages transferred to families, mainly to meet part of the needs of the recipient households. The manner of their disposal or deployment is an individual choice. A large portion of migrants’ incomes is spent in destination countries and constitutes an important stimulus to domestic demand in their economies. In this regard, we will strengthen existing measures to lower the transaction costs of remittances through increased cooperation between originating and receiving countries and create opportunities for development-oriented investments.

International trade as an engine for development

30. We reaffirm that international trade is an engine for development and sustained economic growth. We also reaffirm that a universal, rules-based, open,

non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting all countries at all stages of development. We are encouraged that international trade, especially the trade of developing countries as a group, has expanded at a fast pace in the current decade. Trade among developing countries has now become one of the most dynamic elements in world trade. However, many developing countries, in particular the least developed countries, have remained at the margins of these developments and their trade capacity needs to be enhanced to enable them to exploit more effectively the potential of trade to support their development. We also reaffirm our commitment to meaningful trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all. We recall our commitment in the Monterrey Consensus to the decisions of the World Trade Organization to place the needs and interests of developing countries at the heart of its work programme and to implement its recommendations.

31. A well-functioning multilateral trading system can bring benefits to all and can contribute to enhancing the integration of the developing countries in the system, in particular the least developed countries. We reiterate our urgent resolve to ensure that the ongoing efforts to improve the operation of the multilateral trading system better respond to the needs and interests of all developing countries, in particular the least developed countries. This is particularly important at a time when the systemic impact of the financial crisis is affecting us all. We call for the implementation of the ministerial declaration of the World Trade Organization adopted at its Sixth Ministerial Conference, held in Hong Kong, China, on the central importance of the development dimension in every aspect of the Doha Development Agenda work programme and its commitment to making the development dimension a meaningful reality. We emphasize that maximizing the benefits and minimizing the costs of international trade liberalization calls for development-oriented and coherent policies at all levels.

32. We are very concerned that, despite significant efforts, the Doha Development Agenda round of multilateral trade negotiations has not yet been concluded. A successful result should support the expansion in the exports of developing countries, reinforce the potential for trade to play its due role as the engine of growth and development, and provide increased opportunities for developing countries to use trade to support development. It is important to make progress in key areas of the Doha Development Agenda of special interest to developing countries, such as those outlined in paragraph 28 of the Monterrey Consensus, reaffirming the importance of special and differential treatment referred to therein. To this end, flexibility and political will are essential. We welcome recent commitments concerning trade and the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty, especially as this might particularly affect developing countries. On this basis, we will urgently re-engage and strive to reach agreement by the end of the year on modalities that lead to a successful and early conclusion to the World Trade Organization Doha Development Agenda with an ambitious, balanced and development-oriented outcome.

33. We acknowledge that the optimum pace and sequence of trade liberalization depends on the specific circumstances of each country, and that each country will make this decision based on its own evaluation of the costs and benefits. Trade liberalization must be complemented by appropriate action and strategies at the national level for the expansion of productive capacities, the development of human

resources and basic infrastructure, the absorption of technology and the implementation of adequate social safety nets. Achieving the positive impact of trade liberalization on developing countries will also depend to a significant extent on international support for the above measures and actions against policies and practices that distort trade.

34. We recognize the particular challenges faced by least developed countries in integrating beneficially into the international trading system. We acknowledge that least developed countries require special measures and international support to benefit fully from world trade, as well as in adjusting to and integrating beneficially into the global economy. We welcome the decision at the Sixth World Trade Organization Ministerial Conference, held in Hong Kong, China, from 13 to 18 December 2005, on improved market access for least developed countries as set out in the decision and its annex,[6] and call for its full implementation. We also welcome the actions taken by some individual countries since Monterrey towards the goal of full duty-free and quota-free market access for all least developed countries, and call on other developed and developing countries declaring themselves in a position to do so to take steps towards this objective. We will also reinforce efforts to provide technical assistance to least developed countries that request it in order to enable them to participate more effectively in the multilateral trading system, including through the effective operation of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and by providing support to allow them to participate effectively in international trade negotiations.

35. We also recognize the particular challenges that may be faced by other developing countries, including small and vulnerable economies, to fully benefit from the multilateral trading system. Appropriate consideration and support should be provided to these countries to help facilitate their effective participation in the global economy. In this regard, we encourage progress in the implementation of the World Trade Organization work programme on small economies, mandated in the Doha Ministerial Declaration.[7]

36. Aid for Trade is an important component of the measures that will assist developing countries in taking advantage of the opportunities offered by the international trading system, the outcome of the Doha round and regional trade agreements. A critical aim of Aid for Trade should be to enhance trade capacity and international competitiveness while ensuring ownership and alignment with national development strategies of individual developing countries. Aid for Trade should aim to help developing countries, particularly least developed countries, with trade policy and regulations; trade development; building productive capacities; trade-related infrastructure; trade-related adjustment and other trade-related needs. However, Aid for Trade is a complement and not a substitute for a successful outcome of the Doha Development Agenda or any other trade negotiation. Successful programmes under the Aid for Trade Initiative require joint efforts by concerned partners. The commitments by individual donors relating to Aid for Trade should be fully implemented in a timely manner. It is also important that the Aid for Trade needs and priorities of recipient countries are fully integrated and reflected in their national development strategies. United Nations specialized agencies that have

[6] See WT/MIN(05)/DEC, para. 47 and annex F.
[7] See WT/MIN(01)/DEC/1, para. 35; and WT/L/447.

a relevant mandate in this field should continue to help developing countries build their trade-related productive capacities.

37. Broader and effective participation of developing countries in the multilateral trading system, including in any round of multilateral trade negotiations and in the World Trade Organization Doha Development Agenda negotiations, are key objectives. We note progress in this area since Monterrey, as evidenced by the countries that have acceded to the World Trade Organization, the countries that have newly engaged in World Trade Organization accession and the countries that have made progress towards World Trade Organization accession over the past six years. We welcome additional progress in this regard. We also reaffirm our undertaking in Monterrey to facilitate the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization. In this regard, we note the decision of the Sixth World Trade Organization Ministerial Conference to give priority to the ongoing accessions with a view to concluding them as rapidly and smoothly as possible.

38. We recognize that regional integration as well as bilateral trade and economic cooperation agreements are important instruments to expand trade and investment. We should continue to ensure that these agreements promote long-term development, advance the goals of the World Trade Organization and are complementary elements of the multilateral trading system. International support for cooperation in trade and other trade-related areas can be catalytic in strengthening and consolidating regional and subregional integration. We stress the importance of increased support to South-South trade and cooperation initiatives in trade-related areas, including through triangular cooperation, consistent with World Trade Organization rules.

39. We welcome the ongoing work of international institutions that assist developing countries in realizing the benefits of trade liberalization, in particular the United Nations, the World Trade Organization, the World Bank, IMF and the regional development banks, and encourage their continuing efforts to facilitate trade that results in economic growth and development. In this context, we welcome the outcome of the twelfth session of the United Nations Conference on Trade and Development (UNCTAD), held in Accra from 20 to 25 April 2008, and reaffirm the role of UNCTAD in trade and development.

Increasing international financial and technical cooperation for development

40. We recognize the severe impacts that the current financial and economic crises are having on the ability of developing countries to mobilize resources for development. We stress the importance that ODA plays, leveraging and sustaining financing for development in developing countries. In this regard, we recall our commitments to the internationally agreed development goals, including the Millennium Development Goals, and call for the international community to redouble its efforts to facilitate the achievement of these goals.

41. We reaffirm the essential role that ODA plays, as a complement to other sources of financing for development, in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals. For many African countries, least developed countries, small island developing States and landlocked developing

countries, ODA is still the largest source of external financing. ODA can play a catalytic role in assisting developing countries in removing constraints to sustained, inclusive and equitable growth, such as enhancing social institutional and physical infrastructure; promoting foreign direct investment, trade and technological innovation; improving health and education; fostering gender equality; preserving the environment; and eradicating poverty.

42. We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference (ODA in real terms increased by 40 per cent between 2001 and 2007), while noting that a significant part of aid flows after 2002 comprised debt relief and humanitarian assistance. However, we note with concern the overall decline in ODA in 2006 and 2007, driven in particular by the drop-off in debt relief from its peak in 2005. We are encouraged by the fact that some donor countries have met or surpassed the ODA targets referenced in the Monterrey Consensus (0.7 per cent of gross national product (GNP) for ODA to developing countries and 0.15 to 0.20 per cent of GNP for ODA to least developed countries). We are also encouraged by others that have established timetables for fulfilling their long-standing commitments, such as the European Union, which has agreed to provide, collectively, 0.56 per cent of GNP for ODA by 2010 and 0.7 per cent by 2015 and to channel at least 50 per cent of collective aid increases to Africa, while fully respecting the individual priorities of Member States in development assistance. We welcome the more than doubling of ODA by the United States. We also welcome the declaration by the leaders of the Group of Eight in Hokkaido, Japan, that they are firmly committed to working to fulfil their commitments made at Gleneagles, Scotland, including increasing, compared to 2004, with other donors, ODA to Africa by $25 billion a year by 2010. We encourage donors to work on national timetables, by the end of 2010, to increase aid levels within their respective budget allocation processes towards achieving the established ODA targets. The full implementation of these commitments will substantially boost the resources available to push forward the international development agenda.

43. The fulfilment of all ODA commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of GNP for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, as well as a target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries. To reach their agreed timetables, donor countries should take all necessary and appropriate measures to raise the rate of aid disbursements to meet their existing commitments. We urge those developed countries that have not yet done so to make additional concrete efforts towards the target of 0.7 per cent of GNP for ODA to developing countries, including the specific target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries in line with the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010,[8] in accordance with their commitments. To build on progress achieved in ensuring that ODA is used effectively, we stress the importance of democratic governance, improved transparency and accountability, and managing for results. We strongly encourage all donors to establish, as soon as possible, rolling indicative timetables that illustrate how they aim to reach their goals, in accordance with their respective budget allocation process. We stress the importance of mobilizing greater domestic support in developed countries towards the

[8] A/CONF.191/11.

fulfilment of their commitments, including through raising public awareness, and by providing data on aid effectiveness and demonstrating tangible results.

44. We stress the importance of addressing the development needs of low-income developing countries, including through the provision of technical, financial and other forms of assistance, the promotion and strengthening of partnerships and cooperation arrangements at all levels.

45. We recognize that middle-income countries still face significant challenges in the area of poverty eradication and that their efforts to address those challenges should be strengthened and supported by the United Nations system, the international financial institutions and all other stakeholders, in order to ensure that achievements made to date are sustained. We also acknowledge that ODA is still essential for a number of these countries and has a role to play in targeted areas, taking into account the needs and domestic resources of these countries.

46. We welcome increasing efforts to improve the quality of ODA and to increase its development impact. The Economic and Social Council Development Cooperation Forum, along with recent initiatives, such as the High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness, and the 2008 Accra Agenda for Action, make important contributions to the efforts of those countries which have committed to them, including through the adoption of the fundamental principles of national ownership, alignment, harmonization and managing for results. Continued building on these initiatives, including through more inclusive and broad-based participation, will contribute to enhancing national ownership and making aid delivery more effective and efficient and lead to improved outcomes. We also encourage 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, in this regard, we call upon all donors to untie aid to the maximum extent. We will make aid more predictable by providing developing countries with regular and timely, indicative information on planned support in the medium term. We recognize the importance of efforts by developing countries to strengthen leadership of their own development, national institutions, systems and capacity to ensure the best results of aid by engaging with parliaments and citizens in shaping those policies and deepening engagement with civil society organizations. We should also bear in mind that there is no one-size-fits-all formula that will guarantee effective assistance. The specific situation of each country needs to be fully considered.

47. We note that the aid architecture has significantly changed in the current decade. New aid providers and novel partnership approaches, which utilize new modalities of cooperation, have contributed to increasing the flow of resources. Further, the interplay of development assistance with private investment, trade and new development actors provides new opportunities for aid to leverage private resource flows. We re-emphasize the importance of the Development Cooperation Forum of the Economic and Social Council as the focal point within the United Nations system for holistic consideration of issues of international development cooperation, with participation by all relevant stakeholders. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as the Organization for Economic Cooperation and Development (OECD)/ Development Assistance Committee (DAC), to advance dialogue and cooperation

among the increasingly diverse community of development partners. All development actors should cooperate closely to ensure that increased resources from all sources are used in a manner which ensures maximum effectiveness. We shall also pursue enhanced collaboration at the country level with the private sector, non-official donors, regional organizations and official donors.

48. There is a growing need for more systematic and universal ways to follow quantity, quality and effectiveness of aid flows, giving due regard to existing schemes and mechanisms. We invite the Secretary-General, with relevant United Nations system agencies, in close cooperation with the World Bank, the regional and subregional development banks, OECD/DAC and other relevant stakeholders, to address this issue and to provide a report for consideration by the Development Cooperation Forum.

49. We reiterate our support for South-South cooperation, as well as triangular cooperation, which provides much needed additional resources to the implementation of development programmes. We recognize the importance and different history and particularities of South-South cooperation and stress that South-South cooperation should be seen as an expression of solidarity and cooperation between countries, based on their shared experiences and objectives. Both forms of cooperation support a development agenda that addresses the particular needs and expectations of developing countries. We also recognize that South-South cooperation complements rather than substitutes for North-South cooperation. We acknowledge the role played by middle-income developing countries as providers and recipients of development cooperation. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening regional financial institutions to better assist in upgrading critical sectors in developing countries.

50. We encourage developing countries in a position to do so to continue to make concrete efforts to increase and make more effective their South-South cooperation initiatives in accordance with the principles of aid effectiveness.

51. We recognize the considerable progress made since the Monterrey Conference in voluntary innovative sources of finance and innovative programmes linked to them. We acknowledge that a number of the initiatives of the Technical Group created by the Global Action Initiative against Hunger and Poverty and the Leading Group on Solidarity Levies to Fund Development have become a reality or are in an advanced stage towards implementation. These include, inter alia, the International Finance Facility for Immunization; the pilot advance market commitments and the airline ticket solidarity levies, which finance health programmes in several developing countries, including the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria; and instruments based on the carbon market. Other noteworthy initiatives include the United States Millennium Challenge Corporation, the President’s Emergency Plan for AIDS Relief, the India Brazil-South Africa Fund, the Egyptian Fund for Technical Cooperation with Africa, the Libya-Africa Investment Portfolio and the PetroCaribe Initiative. We encourage the scaling up and the implementation, where appropriate, of innovative sources of finance initiatives. We acknowledge that these funds should supplement and not be a substitute for traditional sources of finance, and should be disbursed in accordance with the priorities of developing countries and not unduly burden them. We call on the international community to consider strengthening current initiatives and

explore new proposals, while recognizing their voluntary and complementary nature. We request the Secretary-General of the United Nations to continue to address the issue of innovative sources of development finance, public and private, and to produce a progress report by the sixty-fourth session of the General Assembly, taking into account all existing initiatives.

52. We reiterate our resolve to operationalize the World Solidarity Fund established by the General Assembly and invite those countries in a position to do so to make voluntary contributions to the Fund. We also recall the establishment of the Digital Solidarity Fund and encourage voluntary contributions to its financing, including through considering innovative financing mechanisms.

53. We underscore the importance of capacity development and strengthening technical cooperation as important avenues for developing countries to attain their development objectives. In this regard, we reiterate the importance of human resources development, including training, exchange of expertise, knowledge transfer and technical assistance for capacity-building, which involves strengthening institutional capacity, project management and programme planning. The capacity of developing countries to absorb long-term development aid has begun to increase.

54. We underline the important role of an effective, well managed and adequately resourced United Nations system through its operational activities in delivering capacity-building support for development with long-term sustainability. This is particularly important for least developed countries. Given that the level of core funding inevitably affects the ability of the United Nations system to fulfil this mandate, we urge donor countries and other countries in a position to do so to substantially increase voluntary contributions to the core/regular budgets of the United Nations development system, in particular its funds, programmes and specialized agencies, and to contribute on a multi-year basis, in a sustained and predictable manner. We also note that non-core resources represent an important supplement to the regular resource base of the United Nations development system to support operational activities for development, thus contributing to an increase in total resources, while recognizing that non-core resources are not a substitute for core resources and that unearmarked contributions are vital for the coherence and harmonization of operational activities for development. We welcome the efforts to improve efficiency, coherence and effectiveness of the United Nations development system.

55. The multilateral development banks, including the World Bank, regional and subregional development banks and other international institutions that promote development, can be an important source of financing for development. They provide strategic resources, including in the form of technical assistance, for such areas as governance, institution and capacity-building and the promotion of best practices. They play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. They also constitute a valuable forum for exchange of information on best practices between developing countries. For some countries, the net outflow of resources from some of these institutions has become negative and, therefore, we will work with these institutions to enhance their financing to developing countries as part of the measures for further implementation of the Monterrey Consensus. These institutions should continue to explore innovative

ways to use their capital to leverage additional finance to foster development while preserving their capital and ensuring their activity is sustainable.

External debt

56. The debt stock of developing countries as a group continues to increase, while key debt sustainability indicators have improved significantly since Monterrey, but care needs to be taken to avoid a recurrence of unsustainable levels of debt. Debt repayment by several developing countries, debt relief under the Heavily Indebted Poor Countries Initiative (HIPC), the Multilateral Debt Relief Initiative (MDRI) and the Evian treatment in the Paris Club, together with other debtor countries' efforts and ongoing initiatives, such as the World Bank/IMF Debt Sustainability Framework, have contributed to achieving such progress. The HIPC initiative is estimated to provide a total of US$ 71 billion to 41 eligible countries, while MDRI is expected to provide an additional US$ 28 billion.[9] Borrowing countries have also enhanced their debt management programmes and many have built reserves. Debt relief initiatives also helped beneficiary countries mobilize much-needed resources for poverty reduction, as part of wider efforts to mobilize financial resources for development. We recognize that the current global financial and economic crises carry the possibility of undoing years of hard work and gains made in relation to the debt of developing countries. The situation demands the implementation of existing and any future bold and encompassing initiatives and mechanisms to resolve the current debt problems of developing countries, particularly for Africa and the least developed countries, in an effective and equitable manner, including through debt cancellation.

57. We stress the importance of continued flexibility with regard to the eligibility criteria for debt relief under HIPC and MDRI. We recall our encouragement to donor countries to take steps to ensure that resources provided for debt relief do not detract from ODA resources intended to be available for developing countries.

58. We underline that heavily indebted poor countries eligible for debt relief will not be able to enjoy its full benefits unless all creditors, including public and private, contribute their fair share and become involved in the international debt resolution mechanisms to ensure the debt sustainability of low-income countries.

59. We emphasize that middle-income developing countries are mainly responsible for the achievement and maintenance of a sustainable debt situation and for addressing their external debt situation. While welcoming the Evian approach, we emphasize the importance of sustained efforts by all towards achieving sustainable debt of middle-income countries, including by improving their sustainable debt management and through debt relief based on current debt mechanisms and debt swap mechanisms on a voluntary basis.

60. We recognize that important challenges remain. Debt service accounts for a significant portion of the fiscal budget and is still unsustainable in a number of developing countries. The existing international debt resolution mechanisms are creditor-driven, while taking into account debtor country situations. More efforts are needed through international debt resolution mechanisms to guarantee equivalent treatment of all creditors, just treatment of creditors and debtors, and legal predictability. We are deeply concerned about increasing vulture fund litigation. In

[9] Both figures in net present value terms at the end of 2007.

this respect, we welcome recent steps taken to prevent aggressive litigation against HIPC-eligible countries, including through the enhancement of debt buy-back mechanisms and the provision of technical assistance and legal support, as appropriate, by the Bretton Woods institutions and the multilateral development banks. We call on creditors not to sell claims on HIPC to creditors that do not participate adequately in the debt relief efforts.

61. We will intensify our efforts to prevent debt crises by enhancing international financial mechanisms for crisis prevention and resolution, in cooperation with the private sector, and by finding solutions that are transparent and agreeable to all. These mechanisms need to be underpinned by principles that have served us well in dealing effectively with many debt problems. These include the need to ensure that debt resolution is a joint responsibility of all debtors and creditors, both State and commercial; to recognize that furthering development and restoring debt sustainability are the main objectives of debt resolution; to strengthen transparency and accountability among all parties; to promote responsible borrowing and lending practices; to improve debt management and national ownership of debt management strategies; and to facilitate equivalent treatment of all creditors.

62. We recognize that a shift has occurred from official to commercial borrowing and from external to domestic public debt, although for most low-income countries external finance is still largely official. We note that the number of creditors, both official and private, has increased significantly. We stress the need to address the implications of these changes, including through improved data collection and analysis.

63. In debt renegotiations, we stress the need for full involvement of debtors as well as creditors and the importance of taking into account debtors' national policies and strategies linked to attaining the internationally agreed development goals, including the Millennium Development Goals.

64. Technical assistance to manage debt and address debt problems can be crucial for many countries, in particular the most vulnerable. We reaffirm the importance of adequate capacities of debtor countries during debt negotiations, debt renegotiations and for debt management. In this regard, we will continue to provide developing countries with the necessary assistance, including technical assistance, upon request, to enhance debt management, negotiations and renegotiation capacities, including tackling external debt litigation, in order to achieve and maintain debt sustainability. The Bretton Woods institutions and other relevant organizations should continue to play an important role in this field, as appropriate, given their respective mandates. Preserving long-term debt sustainability is a shared responsibility of lenders and borrowers. To this end, we encourage the use of the joint IMF/World Bank Debt Sustainability Framework by creditors and debtors, as appropriate. Borrowers should strive to implement sound macroeconomic policies and public resource management, which are key elements in reducing national vulnerabilities.

65. Particular attention should be paid to keeping the debt sustainability frameworks under review to enhance the effectiveness of monitoring and analysing debt sustainability and consider fundamental changes in debt scenarios, in the face of large exogenous shocks, including those caused by natural catastrophes, severe terms-of-trade shocks or conflict. We stress the need to construct debt indicators based on comprehensive, objective and reliable data. We also need to increase information-sharing, transparency and the use of objective criteria in the

construction and evaluation of debt scenarios, including an assessment of domestic public and private debt in order to achieve development goals. We are convinced that enhanced market access to goods and services of export interest to debtor countries is an important factor in enhancing debt sustainability.

66. Debt sustainability frameworks should also give due weight to the development needs of debtor countries, including benefits from expenditures and investment that have long-term social and economic returns. Given the imperative of maintaining debt sustainability and the external financing requirements for meeting development goals, particularly in least developed countries and low-income countries facing increased risks of debt distress, bilateral donors and multilateral financial institutions should seek to increasingly provide grants and concessional loans as the preferred modalities of their financial support instruments to ensure debt sustainability.

67. We acknowledge the need to continue to address all relevant issues regarding external debt problems, including through the United Nations, and we will consider ways to explore enhanced approaches of sovereign debt restructuring mechanisms based on existing frameworks and principles, with broad creditors' and debtors' participation and ensuring comparable burden-sharing among creditors, with an important role for the Bretton Woods institutions.

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

68. Some results have been achieved since Monterrey in addressing systemic issues, but significant additional progress is needed. This is all the more urgent given the current financial crisis. The progress expected after Monterrey with the mandated work of the multilateral financial institutions, including the role of IMF in strengthening surveillance, giving high priority to the identification and prevention of potential crises and strengthening the underpinnings of international financial stability, remains incomplete. The current financial crisis, as well as the continued weaknesses in the international financial system, further underline the need to strengthen the international financial architecture. 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. Thus, we resolve to undertake appropriate and timely steps to improve the functioning of the international economic and financial system. It is essential to maintain the involvement of the United Nations in these undertakings. This is crucial for an integrated implementation of the Monterrey Consensus.

69. We resolve to strengthen the coordination of the United Nations system and all other multilateral financial, trade and development institutions to support economic growth, poverty eradication and sustainable development worldwide. Greater cooperation between the United Nations, the Bretton Woods institutions and the World Trade Organization is needed, based on a clear understanding and respect for their respective mandates and governance structures.

70. We encourage better coordination and enhanced coherence among relevant ministries in all countries to assist in the formulation and effective implementation of policies at all levels. We also encourage international financial and development institutions to continue to enhance policy coherence for development, taking into

account diversified needs and changing circumstances. In order to complement national development efforts, we call on all countries whose policies have an impact on developing countries to increase their efforts to formulate policies consistent with the objectives of sustained growth, poverty eradication and sustainable development of developing countries.

71. Stable international financial markets require sound macroeconomic and financial policies. It is crucial that all countries manage their macroeconomic and financial policies in ways that contribute to global stability and sustained economic growth and sustainable development. Solid and strong financial institutions at the national and international levels are essential pillars of a well-functioning international financial system. Countries should continue to pursue sound macroeconomic policies and, as appropriate, structural reform while also strengthening their financial systems and economic institutions.

72. New and highly globalized financial instruments continue to change the nature of risks in the world economy, requiring continuing enhancement of market oversight and regulation. To strengthen the resilience of the international financial system, we will implement reforms that will strengthen the regulatory and supervisory frameworks of financial markets as needed. We will strive to improve key accounting standards to remedy weaknesses and deficiencies, including those exposed by the current financial crisis. National regulators should enhance financial information and transparency at the domestic level. We will further enhance cooperation among national regulators from all countries to strengthen international financial standards. These efforts should address timely and adequate risk disclosure standards in order to improve the foundation of decisions of investors. There is also a need for enhanced transparency by financial institutions. Enhanced disclosure practices and transparency should assist efforts to reduce illicit capital flows.

73. We reaffirm that the international financial institutions, including the Bretton Woods institutions, need to be further reformed. The reformed multilateral financial institutions should have the technical capacities, credit facilities and financial resources to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation and that is consistent with their respective mandates. The international financial institutions should continue to foster the multilateral cooperation needed to restore and safeguard international monetary and financial stability and should stand ready to quickly make available sufficient resources to help countries in overcoming crises. The International Monetary Fund, in collaboration with an expanded and representative Financial Stability Forum and other bodies, should work to better identify vulnerabilities, anticipate potential stresses and act swiftly to play a key role in crisis response. Similarly, the World Bank can also play a significant role to mitigate the difficulties countries face. The Bretton Woods institutions must continue, within their respective mandates, to help developing countries to deal with the adverse effects of exogenous shocks, such as large fluctuations in the prices of key commodities, for example, through the reformed IMF Exogenous Shocks Facility. We also recognize the need for keeping under review the allocation of special drawing rights for development purposes.

74. Regional development banks play a vital role in supporting economic development and assisting regional integration efforts. We encourage continued cooperation and coordination among the regional development banks and other

international financial institutions, as appropriate. We should review the adequacy of resources required to accomplish their tasks, as necessary. Other regional cooperation frameworks, such as financial and monetary arrangements that complement the international financial system, can be instrumental in fostering development and financial stability among their members and should be in line with multilateral frameworks, as appropriate. Those arrangements can facilitate financial flows and lower transaction costs and may serve as mechanisms that assist in the prevention of financial crises and render parties to such arrangements more resilient.

75. Credit-rating agencies also play a significant role in the provision of information, including assessment of corporate and sovereign risks. The information provided by credit-rating agencies should be based on broadly accepted, clearly defined, objective and transparent parameters. The ongoing financial crisis has revealed weaknesses and raised concerns about accounting standards and the way credit-rating agencies currently operate. We will exercise strong oversight over credit-rating agencies, consistent with the agreed and strengthened international code of conduct, and take additional action to strengthen financial market transparency and enhance the convergence of global accounting standards.

76. We recognize the need to address the often expressed concern at the extent of representation of developing countries in the major standard-setting bodies. We therefore welcome the proposed expansion of the membership in the Financial Stability Forum and encourage the major standard-setting bodies to review their membership promptly while enhancing their effectiveness.

77. We underscore that the Bretton Woods institutions must be comprehensively reformed so that they can more adequately reflect changing economic weights in the world economy and be more responsive to current and future challenges. We reaffirm that the enhancement of voice and participation of developing countries in the Bretton Woods institutions, in accordance with their respective mandates, is central to strengthening the legitimacy and effectiveness of these institutions. We recognize the governance reforms that the international financial institutions have already undertaken, including the recent agreement regarding the quota review and voice reforms at IMF and related steps in the World Bank, and encourage further reforms in that direction.

78. Welcoming the ongoing international discussions on global economic governance structures, we acknowledge the need to ensure that all countries, including low-income countries, are able to effectively participate in this process. This debate should review the international financial and monetary architecture and global economic governance structures in order to ensure a more effective and coordinated management of global issues. Such a debate should associate the United Nations, the World Bank, IMF and the World Trade Organization, should involve regional financial institutions and other relevant bodies and should take place in the context of the current initiatives aimed at improving the inclusiveness, legitimacy and effectiveness of the global economic governance structures. Greater cooperation among the United Nations, the Bretton Woods institutions and the World Trade Organization is needed, based on a clear understanding and respect for their respective mandates and governance structures.

79. The United Nations will hold a conference at the highest level on the world financial and economic crisis and its impact on development. The conference will be

organized by the President of the General Assembly and the modalities will be defined by March 2009 at the latest.

Other new challenges and emerging issues

80. We commit ourselves to reinvigorating the global partnership for development in order to effectively address the full range of financing for development challenges facing the world today. We recognize that multiple financing for development challenges and opportunities have emerged since the Monterrey Conference, including the impact of the financial crisis, additional costs of climate change mitigation and adaptation and damage to the Earth's environment, price volatility in international markets of key commodities, expanding economic cooperation and the growing needs for reconstruction and development of post-conflict countries. We reaffirm our resolve to take concerted global action to address all these areas while consistently furthering economic and human development for all.

81. We are deeply concerned by the impact of the current financial crisis and global economic slowdown on the ability of developing countries to access the necessary financing for their development objectives. Developing countries and countries with economies in transition risk suffering very serious setbacks to their development objectives, in particular the achievement of the internationally agreed development goals, including the Millennium Development Goals. It is critical to adopt further decisive and prompt actions to contain the current crisis and restore sustained economic growth. Given this global context, we call the attention of all donors to the situation and needs of the poorest and most vulnerable. We also urge all donors to maintain and deliver on their ODA commitments and call on the international community, including the World Bank and IMF, to draw on the full range of their policy advice and resources, as appropriate, to help developing countries and countries with economies in transition to strengthen their economies, maintain growth and protect the most vulnerable groups against the severe impacts of the current crisis. In this context, it is also important for developing countries to maintain sound macroeconomic policies that support sustained economic growth and poverty eradication.

82. The concern of the international community about climate change has increased markedly since the adoption of the Monterrey Consensus. We reiterate the importance of reaching an agreed outcome at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen from 30 November to 11 December 2009, and urge all parties to engage constructively in negotiations consistent with the Bali Action Plan. Ongoing and potential responses to tackle this phenomenon have major financing for development implications and will incur substantial additional costs on all countries, thus requiring additional resource mobilization, including from the private sector, particularly for developing countries to address the challenges of climate change, in order to support appropriate national adaptation and mitigation strategies and actions. We reiterate that it is critical to address the pressing needs of developing countries, especially those that are particularly vulnerable to the adverse impacts of climate change, such as the least developed countries, small island developing States, and other affected countries in Africa. In this regard, we urge all parties to engage in the ongoing process in a manner that will ensure an agreed outcome commensurate with the scope and urgency of the climate change challenge. The States parties to the Kyoto Protocol welcome the launching of the Adaptation

Fund within the structure of the United Nations Framework Convention on Climate Change and look forward to its early operationalization with full support.

83. We also underscore the special challenges emerging from volatility in international commodity markets, particularly the volatility of food and energy prices. We take note of recent initiatives and will continue to mobilize resources to assist developing countries, in particular the least developed countries, attain food and energy security. At the same time, we recognize the necessity of a substantial sustainable expansion of food production in developing countries by enhancing investments and productivity in the agricultural sector, including in small-scale farms, promoting rural development and intensifying agricultural research. It is critical to eliminate barriers to food production, to improve processing and distribution over time and to have carefully targeted safety nets in the event of food crises. We recognize that food insecurity has multiple and complex causes and that its consequences require a comprehensive and coordinated response in the short, medium and long terms by national Governments and the international community. We thus encourage the development of an inclusive global partnership for agriculture and food. We acknowledge the work of the High-level Task Force on the Global Food Security Crisis established by the Secretary-General and encourage its continued engagement with States Members of the United Nations, relevant organizations, the private sector and, especially, farmers.

84. We acknowledge the recent volatility in energy markets and its impact on low- and middle-income countries. We will strengthen cooperation to develop energy systems that can assist in meeting development needs and are consistent with the efforts to stabilize the global climate, in accordance with the principle of common but differentiated responsibilities and respective capabilities. We will strengthen our efforts to substantially increase the share of renewable energies and to promote energy efficiency and conservation. We reaffirm that access to basic energy services and to clean and sustainable energy is important to eradicate extreme poverty and to achieve the internationally agreed development goals, including the Millennium Development Goals.

85. We acknowledge the recent efforts to bring to light the particular challenges faced by middle-income countries in the area of development, poverty eradication and inequality. We note the conferences held in Madrid in March 2007, in Sonsonate, El Salvador, in October 2007 and in Windhoek in August 2008 on international development cooperation with middle-income countries. We welcome the positive impact of expanding economic relations among middle-income countries, as well as recent initiatives by the international financial institutions to enhance their facilities for them.

86. Consensus has emerged since Monterrey that countries emerging from conflict are an important part of the international agenda. Many of the poorest continue to live in post-conflict States where inadequate infrastructure and low investment prevent the delivery of basic social services and limit the productive capacity of the economy. We affirm the importance of providing seamless assistance to peacebuilding efforts, including humanitarian assistance, rehabilitation and nation-building, and assistance for governance and improvement of social and economic infrastructure. We welcome the efforts of the international community to provide flexibility to post-conflict developing countries regarding debt relief and restructuring and stress the need to continue those efforts in order to help those countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development, particularly for the early

recovery period. We will step up our efforts to assist countries in accessing financing for development in the post-conflict context. In this regard, we welcome the valuable work of the United Nations Peacebuilding Commission and the Peacebuilding Fund, as well as commitments outlined in the Accra Agenda for Action.[10]

Staying engaged

87. We recommit ourselves to staying fully engaged, nationally, regionally and internationally, to ensuring proper and effective follow-up to the implementation of the Monterrey Consensus, taking into account the intergovernmentally agreed outcome document adopted at this Conference. We will also continue our unremitting efforts to build bridges between all relevant stakeholders within the holistic agenda of the financing for development process. We appreciate the role played by the United Nations as a focal point for the financing for development follow-up process. It will be important to maintain this role to ensure the continuity and dynamism of our process. We reaffirm the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, IMF and the World Trade Organization in the follow-up and implementation of the commitments made in Monterrey and reiterated here at Doha.

88. We recognize that maintaining a comprehensive and diverse multi-stakeholder follow-up process, including with civil society and the private sector, is critical. We also recognize the core responsibility of all participants in the financing for development process to exercise ownership of it and to implement their respective commitments. It is important that the follow-up process be undertaken in an integrated fashion, including through the continued engagement of all relevant ministries, in particular ministries of development, finance, trade and foreign affairs. An integrated treatment of financing for development issues in national development plans is also important in enhancing national ownership and implementation of financing for development. The international community should continue to draw upon the expertise, data and analysis available in multiple forums, while enhancing information-sharing and dialogue between the various United Nations and non-United Nations bodies that monitor progress on financing for development issues. There is substantial room to enhance the sharing of best practices.

89. We acknowledge the need for a strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up, which would review progress in the implementation of commitments, identify obstacles, challenges and emerging issues and propose concrete recommendations and actions, taking into account various proposals that have been put forward. We request the Economic and Social Council to consider this matter during its spring meeting and at its substantive session of 2009, in consultation with all relevant stakeholders, with a view to making appropriate and timely recommendations for final action by the General Assembly as early as possible in its sixty-fourth session.

90. We will consider the need to hold a follow-up financing for development conference by 2013.

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[10] A/63/539, annex.

Resolution 2*
Expression of thanks to the people and Government of Qatar

The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,

Having met in Doha, Qatar, from 29 November to 2 December 2008, at the invitation of the Government of Qatar,

1. *Expresses its deep appreciation* to His Highness Sheikh Hamad bin Khalifa Al-Thani, Amir of the State of Qatar, for his outstanding contribution, as President of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to the successful outcome of the Conference;

2. *Expresses its profound gratitude* to the Government of Qatar for having made it possible for the Conference to be held in Qatar and for the excellent facilities, staff and services so graciously placed at its disposal;

3. *Requests* the Government of Qatar to convey to the city of Doha and to the people of Qatar the gratitude of the Conference for the hospitality and warm welcome extended to the participants.

* Adopted at the 7th plenary meeting, on 2 December 2008; for the discussion, see chap. VIII.

Resolution 3*
Credentials of representatives to the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,

Having considered the report of the Credentials Committee and the recommendation contained therein,

Approves the report of the Credentials Committee.

* Adopted at the 7th plenary meeting, on 2 December 2008; for the discussion, see chap. V.

Chapter II
Attendance and organization of work

A. Date and place of the Conference

1. The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, was held in Doha, Qatar, from 29 November to 2 December 2008, in conformity with General Assembly resolutions 62/187 of 19 December 2007 and decision 63/509 of 18 November 2008. The Conference held seven plenary meetings (1st to 7th).

B. Attendance

2. The following States and regional economic integration organizations were represented at the Conference: Afghanistan, Albania, Algeria, Andorra, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Estonia, European Community, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Haiti, Holy See, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Rwanda, Saint Lucia, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Somalia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Turkey, Tuvalu, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

3. Palestine was represented at the Conference.

4. The secretariats of the following regional commissions were represented: Economic Commission for Africa, Economic Commission for Europe, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for West Asia.

5. The following United Nations bodies, funds and programmes were represented: United Nations, Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Capital Development Fund, United Nations Children's Fund, United Nations Conference on Trade and Development, United Nations Development Fund for Women, United Nations Development Programme, United Nations Environment Programme, United Nations Population Fund, United Nations University, International Trade Centre, Office of the United Nations High Commissioner for Human Rights, World Food Programme.

6. The following specialized agencies and related organizations were represented: Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, International Labour Organization, International Monetary Fund, United Nations Educational, Scientific and Cultural Organization, World Bank, World Health Organization, World Tourism Organization, World Trade Organization.

7. The following intergovernmental organizations were represented: African, Caribbean and Pacific Group of States, African Development Bank, African Union, Asian Development Bank, Association of Southeast Asian Nations, Caribbean Community, Common Fund for Commodities, Commonwealth Secretariat, Cooperation Council for the Arab States of the Gulf, Global Digital Solidarity Fund, Ibero-American Conference, Inter-American Development Bank, International Development Law Organization, Islamic Development Bank, League of Arab States, OPEC Fund for International Development, Organization for Economic Cooperation and Development, The Global Fund to Fight AIDS, Tuberculosis and Malaria.

8. Other entities having received a standing invitation and participating as observers were: Inter-Parliamentary Union.

9. A large number of business entities and organizations attended the Conference (see A/CONF.212/INF.2/Rev.1).

10. A large number of non-governmental organizations attended the Conference (see A/CONF.212/INF.2/Rev.1).

C. Opening of the Conference

11. The Conference was opened on 29 November by the Secretary-General of the United Nations.

D. Election of the President of the Conference

12. Upon the proposal of the Secretary-General, the Conference elected by acclamation His Highness Sheikh Hamad bin Khalifa Al-Thani, Amir of the State of Qatar, as President of the Conference.

E. Adoption of the rules of procedure

13. At its 1st meeting, on 29 November, the Conference adopted the provisional rules of procedure (A/CONF.212/2), as recommended by the General Assembly in its decision 63/510.

F. Adoption of the agenda and other organizational matters

14. At its 1st meeting, on 29 November, the Conference adopted the provisional agenda (A/CONF.212/1), as recommended by the General Assembly in its decision 63/511. The agenda read as follows:

1. Opening of the Conference.
2. Election of the President.
3. Adoption of the rules of procedure.
4. Adoption of the agenda and other organizational matters.
5. Election of officers other than the President.
6. Organization of work, including the establishment of the Main Committee.
7. Credentials of representatives to the Conference:
   (a) Appointment of members of the Credentials Committee;
   (b) Report of the Credentials Committee.
8. General debate on financing for development:
   (a) General exchange of views on reviewing the implementation of the Monterrey Consensus, including new challenges and emerging issues;
   (b) Consideration of the draft outcome document of the Conference.
9. Multi-stakeholder round tables under the overall theme "Looking ahead: further cooperative actions in financing for development", focusing on the following six major thematic areas:
   (a) Mobilizing domestic financial resources for development (round table 1);
   (b) Mobilizing international resources for development: foreign direct investment and other private flows (round table 2);
   (c) International trade as an engine for development (round table 3);
   (d) Increasing international financial and technical cooperation for development (round table 4);
   (e) External debt (round table 5);
   (f) Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development (round table 6).
10. Adoption of the outcome document of the Conference.
11. Adoption of the report of the Conference.

G. Election of officers other than the President

15. At its 1st and 2nd meetings, on 29 November, the Conference elected Vice-Presidents from the following regional groups:

African Group of States (five Vice-Presidents)
Côte d'Ivoire, Egypt, Namibia, Senegal, United Republic of Tanzania

Asian Group of States (four Vice-Presidents)
Iran (Islamic Republic of), Philippines, Syrian Arab Republic, Tajikistan

Eastern European Group of States (five Vice-Presidents)
Bosnia and Herzegovina, Bulgaria, Czech Republic, Russian Federation, Slovakia

Latin American and Caribbean Group of States (five Vice-Presidents)
Bolivia, Guatemala, Nicaragua, Paraguay, Venezuela (Bolivarian Republic of)

Western European and other States (five Vice-Presidents)
Andorra, Australia, Canada, Switzerland, United States of America

H. Election of the Vice-President ex officio of the Conference

16. At its 1st meeting, on 29 November, the Conference elected by acclamation Ahmad Bin Abdullah Al-Mahmoud, Minister of State for Foreign Affairs of Qatar, as Vice-President ex officio of the Conference.

I. Election of the Rapporteur-General

17. At its 1st meeting, on 29 November, the Conference elected Kaire M. Mbuende (Namibia) as its Rapporteur-General.

J. Organization of work, including the establishment of the Main Committee

18. At the 1st meeting, on 29 November, the Conference approved its organization of work as contained in the note by the Secretariat on organizational and procedural matters (A/CONF.212/4).

19. At the same meeting, the Conference approved its proposed timetable of work (A/CONF.212/4, annex).

K. Credentials of representatives to the Conference

20. At the 1st meeting, on 29 November, on the proposal of the President, it was decided that the composition of the Credentials Committee would be based on that of the Credentials Committee of the General Assembly of the United Nations at its sixty-third session, as follows: Botswana, China, Cyprus, Luxembourg, Mexico, Mozambique, Russian Federation, Saint Kitts and Nevis, the United States of America.

Chapter III
General debate on financing for development

A. General exchange of views

1. Under agenda item 8 (a), the Conference held a general exchange of views on reviewing the implementation of the Monterrey Consensus at its 1st to 7th meetings, from 29 November to 2 December.

2. At the 1st meeting, on 29 November, opening statements were made by His Highness Sheikh Hamad bin Khalifa Al-Thani, Amir of the State of Qatar and President of the Conference; Miguel d'Escoto Brockmann (Nicaragua), President of the General Assembly; Ban Ki-moon, Secretary-General of the United Nations; and Pascal Lamy, Director-General of the World Trade Organization.

3. At the same meeting, statements were made by Nicolas Sarkozy, President of France (on behalf of the European Union); Jakaya Mrisho Kikwete, President of the United Republic of Tanzania (on behalf of the African Union); Emomali Rahmon, President of Tajikistan; Georgi Parvanov, President of Bulgaria; José Manuel Barroso, President of the European Commission; Ángel Gurría, Secretary-General of the Organization for Economic Cooperation and Development (OECD); Fradique Bandeira Melo de Menezes, President of Sao Tome and Principe; James Alix Michel, President of Seychelles; Mahmoud Ahmadinejad, President of the Islamic Republic of Iran; Laurent Gbagbo, President of Côte d'Ivoire; Óscar Arias Sánchez, President of Costa Rica; and Ahmed Abdallah Mohamed Sambi, President of the Comoros.

4. At its 2nd meeting, on 29 November, the Conference heard statements by Léo Mérorès (Haiti), President of the Economic and Social Council; Heidemarie Wieczorek-Zeul, Special Envoy of the Secretary-General to the Conference; Trevor Manuel, Special Envoy of the Secretary-General to the Conference; Philippe Douste-Blazy, Special Adviser of the Secretary-General on Innovative Financing for Development; and Kemal Derviş, Administrator of the United Nations Development Programme, in his capacity as the Chairman of the United Nations Development Group.

5. At the same meeting, statements in the general exchange of views were made by Stjepan Mesić, President of Croatia; Blaise Compaoré, President of Burkina Faso; Mwai Kibaki, President of Kenya; Robert Mugabe, President of Zimbabwe; Omer Hassan Ahmed Al-Bashir, President of the Sudan; Bingu Wa Mutharika, President of Malawi; Boni Yayi, President of Benin; Haris Silajdžić, Member of the Presidency of Bosnia and Herzegovina; Idriss Déby Itno, President of Chad; Pierre Nkurunziza, President of Burundi; Mahmoud Abbas, President of the Palestinian Authority and Chairman of the Executive Committee of the Palestinian Liberation Organization; Ana Vilma Albanéz de Escobar, Vice-President of El Salvador; Isatou Njie-Saidy, Vice-President of the Gambia; Han Seung-soo, Prime Minister of the Republic of Korea; Pakalitha Bethuel Mosisili, Prime Minister and Minister for Defence and Public Service of Lesotho; Mohamed Ghannouchi, Prime Minister of Tunisia; Luisa Dias Diogo, Prime Minister of Mozambique; Ahmed Tidiane Souaré, Prime Minister of Guinea.

6. At its 3rd meeting, on 30 November, the Conference heard statements by Faure Essozimna Gnassingbé, President of Togo; Nader Dahabi, Prime Minister of Jordan; Sibusiso Barnabas Dlamini, Prime Minister of Swaziland; Deleita Mohamed Deleita, Prime Minister of Djibouti; Tuilaepa Lupesoliai Sailele Maliele Gaoi, Prime Minister of Samoa; Moulaye Ould Mohamed Laghdaf, Prime Minister of Mauritania; Jean Eyeghe Ndong, Prime Minister of Gabon; Abbas El Fassi, Prime Minister of Morocco; Faustin Archange Touadera, Prime Minister of the Central African Republic; Sheikh Mohammad Al-Sabah Al-Salem Al-Sabah, Deputy Prime Minister and Minister for Foreign Affairs of Kuwait; Keat Chhon, Deputy Prime Minister and Minister of Economy and Finance of Cambodia; Aniceto Ebiaca Moete, Deputy Prime Minister of Equatorial Guinea; Miyegombo Enkhbold, Deputy Prime Minister of Mongolia; Abdullah Al-Dardari, Vice Prime Minister for Economic Affairs of the Syrian Arab Republic; Frederick Fono, Deputy Prime Minister of the Solomon Islands; Carlos Correia, Prime Minister of Guinea-Bissau; A. B. Mirza Md. Azizul Islam, Minister of Finance of Bangladesh (on behalf of the least developed countries); Beverley J. G. Oda, Minister for International Cooperation of Canada (on behalf of CANZ); Patricia Espinosa Cantellano, Minister for Foreign Affairs of Mexico (on behalf of the Rio Group); Ralph G. Recto, Secretary of Economic Planning of the Philippines; Celso Amorim, Minister for Foreign Affairs of Brazil; Miguel Ángel Moratinos, Minister for Foreign Affairs and Cooperation of Spain; He Yafei, Special Representative of the President, Vice Minister for Foreign Affairs of China; Micheline Calmy-Rey, Head of the Federal Department of Foreign Affairs of Switzerland; Ulla Tørnæs, Minister for Development Cooperation of Denmark; Rita Kieber-Beck, Minister for Foreign Affairs of Liechtenstein; Peter Moors, Director-General for Development Cooperation of Belgium; Sultan Bin Saeed Al-Mansoori, Minister for the Economy of the United Arab Emirates; and Urmas Paet, Minister for Foreign Affairs of Estonia.

7. At its 4th meeting, on 30 November, the Conference heard statements by Haja Nirina Razafinjatovo, Minister for Finance and Budget of Madagascar; Ana Afonso Dias Lorenço, Minister for Planning of Angola; Osman Mohamed Osman, Minister of State for Economic Development of Egypt; Fuad Siniora, Prime Minister of Lebanon; Erik Solheim, Minister for the Environment and International Development of Norway; Paskah Suzetta, State Minister for National Development Planning Agency of Indonesia; Peter Power, Minister for Overseas Development of Ireland; Georgina Barreiro Fajardo, Minister for Finance and Prices of Cuba; Juan Temístocles Montás, Minister for Economy, Planning and Development of the Dominican Republic; Bert Koenders, Minister for Development Cooperation of the Netherlands; Juan Alberto Fuentes, Minister for Finance of Guatemala; Fander Falconi, Minister for National Planning and Development of Ecuador; Hla Tun, Minister for Finance and Revenue of Myanmar; Serigne Diop, Senior Minister to the President of Senegal; Alejandro Hamed Franco, Minister for Foreign Affairs of Paraguay; Samuel Santos López, Minister for Foreign Affairs of Nicaragua; Meritxell Mateu-Pi, Minister for Foreign Affairs of Andorra; Jorge Taiana, Minister for Foreign Affairs, Trade and Religious Relations of Argentina; Baburam Bhattarai, Minister for Finance of Nepal; Sarath Amunugama, Minister for Enterprise Development and Investment Promotions of Sri Lanka; Pehin Dato Abd Rahman Ibrahim, Minister for Finance II of Brunei Darussalam; David Choquehuanca Céspedes, Minister for Foreign Affairs and Worship of Bolivia; E. Ahamed, Minister of State for External Affairs of India; Moctar Ouane, Minister for Foreign Affairs

and International Cooperation of Mali; Saara Kuugongelwa-Amadhila, Minister for Finance of Namibia; Elder Godsday Orubebe, Minister for the National Planning Commission of Nigeria; Rosemary Museminali, Minister for Foreign Affairs and Regional Cooperation of Rwanda; Hans Winkler, Secretary of State in the Federal Ministry for European and International Affairs of Austria; Nobuhide Minorikawa, Parliamentary Vice-Minister for Foreign Affairs of Japan; Tatyana Starchenko, Deputy Minister for the Economy of Belarus; Justin Yifu Lin, Chief Economist and Senior Vice-President of the World Bank; and Kamalesh Sharma, Secretary-General of the Commonwealth Secretariat.

8. At its 5th meeting, on 1 December, the Conference heard statements by Josaia Voreqe Bainimarama, Prime Minister of Fiji; Paavo Väyrynen, Minister for Foreign Trade and Development of Finland; Joakim Stymne, State Secretary for International Development Cooperation of Sweden; Jean-Louis Schiltz, Minister for Cooperation and Humanitarian Action of Luxembourg; Lyonpo Yeshey Zimba, Minister for Works and Human Settlement of Bhutan; João Gomes Cravinho, Secretary of State for Foreign Affairs and Cooperation of Portugal; Ahmad bin Abdullah Al-Mahmoud, Minister of State for Foreign Affairs and member of the Council of Ministers of Qatar; Kaleb Fundanga, Governor of the Central Bank of Zambia; Lotéala Metia, Minister of Finance and Economic Development of Tuvalu; Mahoud Gebrel, Secretary of the National Planning Council of the Libyan Arab Jamahiriya; Murilo Portugal, Deputy Managing Director of the International Monetary Fund; Nguyen Chi Dung, Vice Minister of Planning and Investment of Viet Nam; Nurlan Danenov, Deputy Minister for Foreign Affairs of Kazakhstan; Vincenzo Scotti, Secretary of State, Ministry of Foreign Affairs of Italy; Douglas Alexander, Secretary of State for International Development of the United Kingdom of Great Britain and Northern Ireland; Anton Niculescu, State Secretary, Ministry of Foreign Affairs of Romania; Ahmed Naseem, Minister of State for Foreign Affairs of Maldives; Olga Algayerova, State Secretary of Slovakia; Paula Quintana Meléndez, Minister for National Planning of Chile; Henrietta Fore, Administrator and Director of Foreign Assistance, United States Agency for International Development; Mariano Browne, Minister, Ministry of Finance of Trinidad and Tobago; Musa Kulaklikaya, President of the International Cooperation and Development Agency of Turkey; Jan Kohout, Deputy Minister for Foreign Affairs of the Czech Republic; Jorge Hidalgo Valero Briceño, Vice-Minister for Foreign Affairs for North America and Multilateral Affairs of the Bolivarian Republic of Venezuela; and Darwish Ismail Ali Al Bulushi, Secretary-General, Ministry of the Economy of Oman.

9. At its 6th meeting on 1 December, the Conference heard statements by László Várkonyi, State Secretary, Ministry of Foreign Affairs of Hungary; Henri Eyebe Ayissi, Minister for External Relations of Cameroon; Maxine McClean, Minister for Foreign Affairs and Foreign Trade of Barbados; John W. Ashe, Ministerial Representative for Sustainable Development Matters, Chairman of the delegation of Antigua and Barbuda (on behalf of the Group of 77 and China); Haim Divon, Deputy Director General and Head of the Center for International Cooperation, Ministry of Foreign Affairs of Israel; Robert McMullan, Parliamentary Secretary for International Development Assistance of Australia; Robert Fillon, Chairman of the delegation of Monaco; Andrey Andreev, Chairman of the delegation of the Russian Federation; Raymond Wolfe, Chairman of the delegation of Jamaica; Ahmed Ali Al Kahtani, Chairman of the delegation of Saudi Arabia; Atoki Ileka, Chairman of

the delegation of the Democratic Republic of the Congo; Geoffrey Yu, Special Representative of the Minister for Foreign Affairs of Singapore; José Luis Cancela, Chairman of the delegation of Uruguay; Charles T. Ntwaagae, Chairman of the delegation of Botswana; Suvat Chirapant, Chairman of the delegation of Thailand; José Armando Duarte, Chairman of the delegation of Cape Verde; Muhammad Asghar Afridi, Chairman of the delegation of Pakistan; Dato' Muhammed Shahrul Ikram bin Yaakob, Chairman of the delegation of Malaysia; Heidi Liliana Botero Hernández, Chairperson of the delegation of Colombia; Archbishop Celestino Migliore, Chairman of the delegation of the Holy See; Hissa Khalifa Al-Thani, Special Rapporteur on Disability of the Commission for Social Development; Miguel Hakim Simón, Secretary for Iberoamerican Cooperation, Iberoamerican Secretariat; Ursula Schaefer-Preuss, Vice-President for Knowledge Management and Sustainable Development of the Asian Development Bank; Abdullah Salim Bin Al-Harthy, Permanent Observer to the United Nations of the Gulf Cooperation Council; William T. Loris, Director-General of the International Development Law Organization; and Frederick Fono, Deputy Prime Minister of the Solomon Islands, on behalf of the African, Caribbean and Pacific Group of States. The representative of China made a statement in exercise of the right of reply.

10. At its 7th meeting, on 2 December, the Conference heard a statement by Mikheil Saakashvili, President of Georgia. A statement was made by the representative of the Russian Federation in exercise of the right of reply. At the same meeting, the Vice-President ex officio of the Conference, Ahmad Bin Abdullah Al-Mahmoud, Minister of State for Foreign Affairs of Qatar, presented a report on the high-level discussions on financing education in conflict-affected areas, which were convened on 30 November in Qatar by Sheikha Moza Bint Nasser al-Missaned, in cooperation with the United Nations Educational, Scientific and Cultural Organization.

11. A summary of discussion for all plenary meetings (A/CONF.212/6/Add.1) is contained in annex III to the present report.

Global Civil Society Forum, International Business Forum and Parliamentary Hearing

12. At its 2nd meeting, on 29 November, the Conference heard reports from:

(a) Gemma Adaba, representative of the International Trade Union Confederation to the United Nations, on the Global Civil Society Forum held in Doha on 26 and 27 November 2008;

(b) Louise Kantrow, Permanent Representative of the International Chamber of Commerce to the United Nations and Chair of the Business Sector Steering Committee, on the International Business Forum held in Doha on 28 November 2008;

(c) Theo-Ban Gurirab, President of the Inter-Parliamentary Union and Speaker of the National Assembly of Namibia, on the Parliamentary Hearing held in Doha on 28 November 2008.

13. An account of the Global Civil Society Forum, the International Business Forum and the Parliamentary Hearing is contained in annex IV to the present report.

B. Consideration of the draft outcome document of the Conference

14. At its 1st meeting, on 29 November, the Conference, in accordance with rule 46 of its rules of procedure, decided to establish a Main Committee and to allocate to it agenda item 8 (b), "Consideration of the draft outcome document of the Conference". At the same meeting, the Conference elected Miguel d'Escoto Brockmann (Nicaragua), President of the General Assembly, as Chairman of the Main Committee.

15. The Main Committee held two meetings. At the first meeting of the Main Committee, on 29 November, it heard a statement by its Chairman.

16. At the same meeting, Ahmad bin Abdullah Al-Mahmoud, Minister of State for Foreign Affairs of Qatar, made a statement.

17. At the same meeting, on the proposal of the Chairman, the Committee, in accordance with rule 48 of the rules of procedure of the Conference, established a Working Group to finalize the draft outcome document of the Conference (A/CONF.212/3/Rev.1) and decided that the Working Group should meet only when the Main Committee was not in session. Also on the proposal of its Chairman, the Main Committee appointed Paul Oquist-Kelly, Minister of National Policy of Nicaragua and Special Adviser to the President of the General Assembly, to be Chairman-cum-Rapporteur of the Working Group, with the support of Maged Abdelaziz (Egypt) and Johan Løvald (Norway).

18. Also at the same meeting, statements were made by the representatives of the Libyan Arab Jamahiriya, Antigua and Barbuda (on behalf of the Group of 77 and China), France (on behalf of the European Union), Liechtenstein, Bahrain, the United States of America, the Russian Federation, Japan, China, Mexico, Canada, Algeria, Switzerland, the European Community and the World Trade Organization.

19. At the same meeting, the Secretary of the Main Committee and the Executive Secretary of the Conference made statements.

20. At the 2nd meeting of the Main Committee, on 2 December, the Chairman of the Working Group reported on the work of the Working Group, which had held three meetings, on 29 and 30 November and 2 December. At its 2nd meeting, on 29 November, the Working Group had decided to request its Chairman to finalize, in open-ended informal consultations, the draft outcome document (A/CONF.212/3/Rev.1). The Chairman, with the support of Maged Abdelaziz (Egypt) and Johan Løvald (Norway), had held a number of open-ended informal consultations, on 29 and 30 November and on 1 and 2 December. At its 3rd meeting, on 2 December, the Working Group had decided to approve the draft outcome document of the Conference as contained in a conference room paper and had recommended its adoption by the Main Committee.

21. Also at its second meeting, the Main Committee had before it a draft resolution entitled "Draft outcome document of the Follow-up International Conference to Review the Implementation of the Monterrey Consensus" (A/CONF.212/L.1 and Corr.1).

22. At the same meeting, the Secretary of the Main Committee orally corrected the draft resolution and stated that further corrections would be made, as required, to ensure that the text was consistent with that approved by the Working Group of the

Committee. Such further corrections would be included in a second corrigendum to be issued for consideration by the plenary of the Conference.

23. Also at the same meeting, the Chairman made a statement.

24. At the same meeting, the representatives of Brazil and Barbados made statements and the Secretary of the Main Committee responded to questions raised.

25. Also at the same meeting, on the proposal of the Chairman, the Committee decided to approve draft resolution A/CONF.212/L.1 and Corr.1, as further orally corrected by its Secretary, and requested the Chairman to transmit it to the Conference for its consideration.

26. The Committee concluded its consideration of agenda item 8 (b).

Chapter IV
Multi-stakeholder round tables

1. In accordance with General Assembly resolution 62/187, the Conference held six multi-stakeholder round tables on the overall theme “Looking ahead: further cooperative actions in financing for development”, focusing on the six major thematic areas of the Monterrey Consensus, as follows:

Round table 1
Mobilizing domestic financial resources for development
(29 November, p.m.)

Round table 2
Mobilizing international resources for development: foreign direct investment and other private flows
(30 November, a.m.)

Round table 3
International trade as an engine for development
(30 November, p.m.)

Round table 4
Increasing international financial and technical cooperation for development
(1 December, a.m.)

Round table 5
External debt
(1 December, p.m.)

Round table 6
Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development
(2 December, a.m.)

2. An account of the round tables is set out below.

Round table 1
Mobilizing domestic financial resources for development

3. The Co-Chairpersons of round table 1, Emomali Rahmon, President of Tajikistan, and John Michuki, Minister for Finance of Kenya, presided over the round table.

4. The Moderator, Justin Lin, Chief Economist and Senior Vice-President of the World Bank, made an introductory statement. Statements were also made by the panellists: Azizul Islam, Minister of Finance, Bangladesh; Assane Diop, Executive Director, Social Protection Section, International Labour Organization; Ángel Gurría, Secretary-General of OECD; Michael Keating, Director, Africa Progress Panel; Her Royal Highness Princess Máxima of the Netherlands; Vito Tanzi, former State Under-Secretary for Economy and Finance, Italy.

5. Comments were made and questions raised by:

(a) The representatives of Norway, Bolivia, Austria, Germany, Indonesia, Kazakhstan, Egypt, Mali, Burundi and Algeria;

(b) The following institutional stakeholder participants: United Nations Population Fund;

(c) The following civil society participant: Intermón Oxfam.

6. The Moderator made concluding remarks.

7. The summary of discussion for round table 1 (A/CONF.212/6/Add.2) is contained in annex III.

Round table 2
Mobilizing international resources for development: foreign direct investment and other private flows

8. The Co-Chairpersons of round table 2, Denis Sassou Nguesso, President of the Congo, and Robert McMullan, Parliamentary Secretary for International Development Assistance of Australia, presided over the round table.

9. The Moderator, Supachai Panitchpakdi, Secretary-General of UNCTAD, made an introductory statement. Statements were also made by the panellists: Hiroto Arakawa, Senior Special Adviser, Japan International Cooperation Agency; Trevor Manuel, Minister of Finance of South Africa and Special Envoy of the Secretary-General for the Conference; Joyce H. de Ginatta, President, Federación Interamericana Empresarial, Ecuador; Avinash Persaud, Chairman, Intelligence Capital; and Kamalesh Sharma, Secretary-General of the Commonwealth.

10. Comments were made and questions raised by:

(a) The representatives of the Libyan Arab Jamahiriya, the Sudan, China, South Africa, Senegal, Palau, Bangladesh, Algeria and Bolivia;

(b) The following civil society participants: World Federation of United Nations Associations.

11. Panellists responded to comments and questions raised. The Moderator made concluding remarks.

12. The summary of discussion for round table 2 (A/CONF.212/6/Add.3) is contained in annex III.

Round table 3
International trade as an engine for development

13. The Co-Chairpersons of round table 3, Ana Vilma Albanéz de Escobar, Vice-President of El Salvador, and Olga Algayerova, State Secretary for Foreign Affairs of Slovakia, presided over the round table.

14. The Moderator, Valentine Rugwabiza, Deputy Director-General of the World Trade Organization, made an introductory statement. Statements were made by the panellists: Pedro Luis Carneiro de Mendonca, Under-Secretary-General for Economic and Technological Affairs of Brazil; Debapriya Bhattacharya, Permanent Representative of Bangladesh to the United Nations at Geneva and President of the Trade and Development Board of UNCTAD; Miguel Hakim, Secretary for Iberoamerican Cooperation, Iberoamerican Secretariat; Abdoulie Janneh, Executive Secretary of the Economic Commission for Africa; Sun Zhenyu, Ambassador of

China to the World Trade Organization; and Paavo Väyrynen, Minister for Foreign Trade and Development of Finland.

15. Comments were made and questions raised by:

(a) The representatives of Bahrain, the Syrian Arab Republic, the Libyan Arab Jamahiriya, the Congo, India, Indonesia, the European Community, Bolivia, the Republic of Korea, Israel and the United Republic of Tanzania;

(b) The following institutional stakeholder participant: Common Fund for Commodities;

(c) The following civil society participant: Center of Concern.

16. Panellists responded to comments and questions raised. The Moderator made concluding remarks.

17. The summary of discussion for round table 3 (A/CONF.212/6/Add.4) is contained in annex III.

Round table 4
Increasing international financial and technical cooperation for development

18. The Co-Chairpersons of round table 4, Laurent Gbagbo, President of Côte d'Ivoire, and László Várkonyi, State Secretary, Ministry of Foreign Affairs of Hungary, presided over the round table.

19. The Moderator, Olav Kjørven, Assistant Secretary-General and Director, Bureau for Development Policy, of the United Nations Development Programme, made an introductory statement. Statements were made by the panellists: Bader Al Dafa, Executive Secretary of the Economic and Social Commission for Western Asia; Ahmad Mohamed Ali Al-Madani, President of the Islamic Development Bank; Eckard Deutscher, Chair of the Development Assistance Committee of the Organization for Economic Cooperation and Development; Gargee Ghosh, Senior Program Officer for Development Finance and Policy of the Bill and Melinda Gates Foundation; Jean Ping, Chairperson of the African Union Commission; and Sam Worthington, President and CEO of InterAction.

20. Comments were made and questions raised by:

(a) The representatives of Bahrain, Chad, the Sudan, Bangladesh, Indonesia, Saudi Arabia, Italy, Israel, Egypt, Burundi, India and the United States;

(b) The following institutional stakeholder participant: Inter-Parliamentary Union;

(c) The following civil society participants: Coopération internationale pour le développement et la solidarité, Instituto del Tercer Mundo and the African Women's Economic Policy Network.

21. Panellists responded to comments and questions raised. The Moderator made concluding remarks.

22. The summary of discussion for round table 4 (A/CONF.212/6/Add.5) is contained in annex III.

Round table 5
External debt

23. The Co-Chairpersons of round table 5, Isatou Njie-Saidy, Vice-President of the Gambia, and Mario Delgado Alfaro, Deputy Director-General for International Affairs, Ministry of Economy and Finance of Spain, presided over the round table.

24. The Moderator, Murilo Portugal, Deputy Managing Director of the International Monetary Fund, made an introductory statement. Statements were made by the panellists: Nancy Birdsall, President of the Center for Global Development; Carlos Braga, Director of the Economic Policy and Debt Department, World Bank; Benoît Coeuré, Co-Chairman of the Paris Club; Robert Gray, Chairman of Debt Financing and Advisory, HSBC; and Mary Robinson, President of the Ethical Globalization Initiative.

25. Comments were made and questions raised by:

(a) The representatives of: Bahrain, Norway, Indonesia, the United States, Jamaica, Senegal, the Dominican Republic and the Libyan Arab Jamahiriya;

(b) The following institutional stakeholder participant: Cephas Lunima, Independent Expert on Foreign Debt and Human Rights of the United Nations Human Rights Council;

(c) The following business sector participants: International Chamber of Commerce and Private Sector Steering Committee on Financing for Development;

(d) The following civil society participants: African Forum and Network on Debt and Development, Jubilee South and Year of Relief.

26. Panellists responded to comments and questions raised. The Moderator made concluding remarks.

27. The summary of discussion for round table 5 (A/CONF.212/6/Add.6) is contained in annex III.

Round table 6
Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development, including consideration of cross-cutting new challenges and emerging issues, as well as the topic "Staying engaged"

28. The Co-Chairpersons of round table 6, Joon Oh, Deputy Minister for Foreign Affairs of the Republic of Korea, and Jorge Hidalgo Valero Briceño, Vice-Minister for Foreign Affairs for North America and Multilateral Affairs of the Bolivarian Republic of Venezuela, presided over the round table.

29. The Moderator, Sha Zukang, Under-Secretary-General for Economic and Social Affairs, made an introductory statement. Statements were made by the panellists: Hany Dimian, Deputy Chairman of the International Monetary and Financial Committee and Deputy Minister of Finance of Egypt; John Eatwell, Professor at the University of Cambridge; Louis Michel, European Commissioner for Development and Humanitarian Aid; Adib Mayaleh, Chair of the G-24 and Governor of the Central Bank of the Syrian Arab Republic; Joakim Stymne, State Secretary for International Development Cooperation, Ministry of Foreign Affairs of Sweden; and Heidemarie Wieczorek-Zeul, Special Envoy of the Secretary-General

for the Conference and Federal Minister for Economic Cooperation and Development of Germany.

30. Comments were made and questions raised by:

(a) The representatives of: Algeria, Indonesia, India, Brazil, Spain, the United Republic of Tanzania, Ecuador, Senegal, Norway and Egypt;

(b) The following institutional stakeholder participant: International Development Law Organization;

(c) The following business-sector participants: Business Steering Committee on Financing for Development and the African Business Women's Organization;

(d) The following civil society participants: Instituto del Tercer Mundo, Eco-Accord and the New Rules for Global Finance Coalition.

31. Panellists responded to comments and questions raised. The Moderator made concluding remarks.

32. The summary of discussion for round table 6 (A/CONF.212/6/Add.7) is contained in annex III.

Chapter V
Report of the Credentials Committee

1. At its 1st plenary meeting, on 29 November 2008, the Conference, in accordance with rule 4 of its rules of procedure, appointed a Credentials Committee having the same composition as that of the Credentials Committee of the General Assembly of the United Nations at its sixty-third session, namely, Botswana, China, Cyprus, Luxembourg, Mexico, Mozambique, Russian Federation, Saint Kitts and Nevis, and the United States of America.

2. The Credentials Committee held one meeting, on 1 December 2008.

3. Mr. Charles Ntwaagae (Botswana) was unanimously elected Chairman.

4. The Committee had before it a memorandum by the Secretariat of the Conference dated 1 December 2008 on the credentials of representatives of States and of the European Community to the Conference. A representative of the Office of Legal Affairs of the United Nations Secretariat made a statement relating to the memorandum by the Secretariat of the Conference, in which, inter alia, he updated the memorandum to indicate credentials and communications received subsequent to its preparation.

5. As noted in paragraph 1 of the memorandum and in the statement relating thereto, formal credentials of representatives to the Conference, in the form required by rule 3 of the rules of procedure of the Conference, had been received as of the time of the meeting of the Credentials Committee from the following 64 States and the European Community: Algeria, Andorra, Austria, Belarus, Benin, Bhutan, Botswana, Brunei Darussalam, Burkina Faso, Canada, Cape Verde, China, Colombia, Cuba, Cyprus, Dominican Republic, Egypt, El Salvador, Estonia, Fiji, Finland, Gabon, Germany, Ghana, Greece, Guatemala, Hungary, India, Iran (Islamic Republic of), Jamaica, Jordan, Kazakhstan, Lesotho, Liechtenstein, Luxembourg, Malawi, Malaysia, Mali, Malta, Monaco, Mongolia, Myanmar, Namibia, Nepal, Netherlands, Oman, Poland, Portugal, Republic of Korea, Saint Lucia, Serbia, Singapore, Solomon Islands, Spain, Sri Lanka, Switzerland, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tuvalu, Uruguay, Viet Nam and Zimbabwe.

6. As noted in paragraph 2 of the memorandum and in the statement relating thereto, information concerning the appointment of representatives of States to the Conference had been communicated to the Secretary-General of the United Nations as of the time of the meeting of the Credentials Committee, by means of a cable or a telefax from the Head of State or Government or the Minister of Foreign Affairs, or by means of a letter or note verbale from the mission concerned, by the following 105 States: Afghanistan, Albania, Angola, Antigua and Barbuda, Argentina, Australia, Azerbaijan, Bahrain, Bangladesh, Barbados, Belgium, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Chile, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Czech Republic, Democratic Republic of the Congo, Denmark, Djibouti, Dominica, Ecuador, Equatorial Guinea, Eritrea, France, Gambia, Georgia, Guinea, Guinea-Bissau, Haiti, Holy See, Indonesia, Iraq, Ireland, Israel, Italy, Japan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Libyan Arab Jamahiriya, Lithuania, Madagascar, Maldives, Mauritania, Mexico, Morocco, Mozambique, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Romania, Russian

Federation, Rwanda, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Slovakia, Slovenia, Somalia, South Africa, Sudan, Suriname, Swaziland, Sweden, Tajikistan, the former Yugoslav Republic of Macedonia, Timor-Leste, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uzbekistan, Venezuela (Bolivarian Republic of), Yemen and Zambia.

7. As noted in paragraph 3 of the memorandum and in the statement relating thereto, the following States participating in the Conference had not, as of the time of the meeting of the Credentials Committee, communicated to the Secretary-General any information regarding its representatives to the Conference: Armenia, Bahamas, Belize, Cook Islands, Democratic People’s Republic of Korea, Ethiopia, Grenada, Guyana, Honduras, Iceland, Kiribati, Liberia, Marshall Islands, Mauritius, Micronesia, Montenegro, Nauru, Niue, Palau, Republic of Moldova, Saint Kitts and Nevis, Saint Vincent and the Grenadines, San Marino, Tonga, Turkmenistan and Vanuatu.

8. The Committee decided to accept the credentials of the representatives of all States listed in the above-mentioned memorandum and the statement relating thereto and the European Community, on the understanding that formal credentials for representatives of the States referred to in paragraphs 6 and 7 above would be communicated to the Secretary-General as soon as possible.

9. The Committee adopted the following draft resolution without a vote:

> “*The Credentials Committee*,
>
> *Having examined* the credentials of the representatives to the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus referred to in the memorandum of the Secretariat of the Conference dated 1 December 2008,
>
> *Accepts* the credentials of the representatives of the States and of the European Community referred to in the above-mentioned memorandum.”

10. The Committee decided, without a vote, to recommend to the Conference the adoption of a draft resolution approving the report of the Committee.

Action taken

11. At its 7th meeting, on 2 December 2008, the Conference considered the report of the Credentials Committee (A/CONF.212/5).

12. The Conference adopted the draft resolution recommended by the Committee in its report (for the text, see chap. I, resolution 3).

Chapter VI
Adoption of the outcome document of the Conference

1. At its 7th meeting, on 2 December 2008, on the recommendation of its Main Committee, the Conference had before it a draft resolution on the outcome of the Conference (A/CONF.212/L.1 and Corr.1[11] and Corr.2[11]).

2. At the same meeting, on the recommendation of the President of the Conference, the Conference unanimously adopted draft resolution A/CONF.212/L.1 and Corr.1 and Corr.2, as orally amended, by the representative of Antigua and Barbuda on behalf of the States Members of the United Nations that are members of the Group of 77 and China, with the support of the representative of Mexico, to add to the title words “Doha Declaration on Financing for Development”,[12] and recommended it for endorsement by the General Assembly (for the text, see chap. I, resolution 1).

[11] Issued in English only.

[12] The draft resolution was later issued as document A/CONF.212/L.1/Rev.1 for information only pending the issuance of the report of the Conference, so as to consolidate the text adopted in documents A/CONF.212/L.1 and Corr.1 and Corr.2 as orally amended. The Declaration was subsequently endorsed by the General Assembly in its resolution 63/239 of 24 December 2008.

Chapter VII
Adoption of the report of the Conference

1. At the 7th meeting, on 2 December 2008, the Rapporteur-General introduced the report of the Conference (A/CONF.212/L.2).

2. At the same meeting, the Conference adopted the draft report and authorized the Rapporteur-General to finalize the report, in conformity with the practice of the United Nations, with a view to its submission to the General Assembly at its sixty-third session.

Chapter VIII
Closure of the Conference

1. At the 7th meeting, on 2 December 2008, the representative of Antigua and Barbuda, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution expressing the Conference's gratitude to the host country (A/CONF.212/L.3).

2. At the same meeting, the Conference adopted the draft resolution (for the text, see chap. I, resolution 2).

3. Also at the same meeting, the Under-Secretary-General for Economic and Social Affairs made a statement.

4. At the same meeting, the Vice-President ex officio of the Conference, Ahmad Bin Abdullah Al-Mahmoud, Minister of State for Foreign Affairs of Qatar, made a statement and declared the Conference closed.

Annex I

List of documents

Symbol	*Title or description*
A/CONF.212/1	Provisional agenda
A/CONF.212/2	Provisional rules of procedure
A/CONF.212/3 and 3/Rev.1	Note by the President of the General Assembly transmitting the draft outcome document of the Conference
A/CONF.212/4	Note by the Secretariat on organizational and procedural matters
A/CONF.212/5	Report by the Credentials Committee
A/CONF.212/6	Note by the Secretariat transmitting summaries of the plenary meetings and round-table discussions
A/CONF.212/6/Add.1	Summary of plenary meetings
A/CONF.212/6/Add.2	Summary of round table 1
A/CONF.212/6/Add.3	Summary of round table 2
A/CONF.212/6/Add.4	Summary of round table 3
A/CONF.212/6/Add.5	Summary of round table 4
A/CONF.212/6/Add.6	Summary of round table 5
A/CONF.212/6/Add.7	Summary of round table 6
A/CONF.212/L.1	Draft resolution submitted on the recommendation of the Main Committee, entitled “Draft outcome document of the Follow-up International Conference to Review the Implementation of the Monterrey Consensus”
A/CONF.212/L.1/Corr.1[a] and Corr.2[a]	Corrigenda
A/CONF.212/L.1/Rev.1[b]	Draft resolution submitted on the recommendation of the Main Committee, entitled “Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference to Review the Implementation of the Monterrey Consensus”
A/CONF.212/L.2	Draft report of the Conference
A/CONF.212/L.3	Draft resolution submitted by Antigua and Barbuda (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), entitled “Expression of thanks to the people and Government of Qatar”

Symbol	*Title or description*
A/CONF.212/INF/1	Information for participants
A/CONF.212/INF/2 and 2/Rev.1	List of delegations to the Conference

[a] Issued in English only.
[b] Incorporates, for information only, the text of documents A/CONF.212/L.1 and Corr.1 and Corr.2, as orally amended and adopted by the Conference.

Annex II

Opening statements

Statement by His Highness Sheikh Hamad Bin Khalifa Al-Thani, Amir of the State of Qatar and President of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

In the Name of God

The Most Compassionate, The Most Merciful

Your Excellencies and Highnesses,

Your Excellency President of the United Nations General Assembly, Your Excellency the Secretary-General of the United Nations, Honourable Audience,

It is my pleasure to welcome you in Doha and to wish your Conference success in attaining its goals. While we appreciate the General Assembly's decision to hold the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Qatar, we underline the vital role being played by the Conference in the economic, social and related fields to shape a wide-scale developmental vision.

History teaches us that man could only obtain the keys to progress when he began to develop his resources and capabilities. Politics teaches us that people only felt secure when they learned to develop their economy and culture.

Crises such as the violent financial crisis that is now afflicting the whole world teach us that the stability of individuals and societies is associated with the effectiveness of development rather than merely the accumulation of investments and profits.

In fact, if we look at the causes of recession which the developed world is about to enter, dragging along with it the rest of the peoples on our planet, we shall discover that when development is delayed, the social balance is at risk. And if we look at crises, especially the recent one, we shall discover that the lack of development and hesitation in addressing it has much to do with the causes of crisis.

The effects of the current world crisis confirm that there is no special privilege or exemption from crisis because we live in the same world. This is a lesson which all of us must learn and remember as a basis for discussing the issue of the comprehensive development of societies as a necessity, requirement and hope for all peoples of the world. Comprehensive development in its true sense means striving to improve the quality of life of individuals, communities and homelands in all spheres, from the economic, social, intellectual and pragmatic to the health, welfare, constitutional and legal spheres.

In short, the meaning of full-scale development, which has no single dimension but many dimensions associated with the movement and vitality of world communities and their potentials and resources.

Development has been considered by many from only one dimension, namely the financial dimension, but we have learned from the lessons of history, politics and crisis that development is a comprehensive whole that is not subject to division because it represents the wider arena of extensive human progress.

If in this Conference we are interested in, and work under the slogan of, “Financing for development”, then it should be evident at the same time that financing is merely a stimulus for all to take action to implement their due and legitimate rights. We know that several homelands and peoples do not lack hopes and aspirations but they do lack the means and tools to realize them, and financing is one of the most important of these tools, therefore when we pay attention to it, we do so hoping that it will be an incentive for progress and implementation. But we have to agree that financing is only one of many human incentives and we should always ensure that other key incentives are fully integrated into our efforts and regulated by all the necessary controls, the most important of these being integrity and transparency guarantees.

Here I want to refer to two points which I feel I must put forward with the utmost sincerity and impartiality.

First, sometimes we have the impression that there is an attempt to put the whole burden of development on the oil-producing countries, and in that attempt we see some prejudice and denial, and we believe when we talk about Qatar that our country has fulfilled its obligations in the past and continues to fulfil them in the present within the context of its responsibility and capacity. But frankly speaking, sometimes we feel that expectations are imposed on the oil-producing countries beyond their capabilities, even to the point of confusion.

Second, the developed countries have no right to tell other countries what to do, giving them advice and guidance while exempting themselves from their due contributions to the issue of development according to their capabilities. Some of the developed countries should recognize that development is a peace umbrella that protects all, and in many conditions of human progress it is more helpful to peacekeeping than merely piling up weapons.

Honourable Audience,

Development is a great responsibility in this global community and it is not only a just and decent request but also a path for stability, progress, peace and security for the community of States in all continents. We must turn the hardships facing us to our advantage by strengthening our determination and unifying our efforts to serve the advancement of human life in the whole world.

May God guide you to success and may the peace, mercy and blessings of God be upon you.

Statement by Miguel D'Escoto Brockmann, President of the General Assembly of the United Nations

Your Highness, Emir of Qatar,

Honourable Heads of State and Government,

Excellencies,

Mr. Secretary-General,

Representatives of Civil Society,

Dear Friends,

1. As President of the General Assembly, I am pleased and honoured to welcome you to this Conference, which has been facilitated with the generous and able support of the Amir of Qatar, Sheikh Hamad bin Khalifa Al-Thani. I wish to express my deep gratitude to His Highness for his kind generosity and hospitality in hosting this major Conference. I admire the way in which Qatar has chosen to play an ever more important role as a leader in the international community — trying to convince the haves of this world to pay more attention to the increasingly urgent demands of the have-nots.

2. All the splendour of beautiful Doha must not for a minute allow us to forget why we are here. We have gathered to reflect on the lives of the half of the world's people who know no splendour — only squalor, hunger and levels of poverty that contradict their inherent human dignity and rights.

3. But we are here to take action as well — actions proportionate with the immensity of the multiple, confluent crises that are causing so much suffering and death, particularly among the poor.

4. For our meeting to be meaningful, we must adopt the point of view of the victims of our faltering economic and financial system. We have a moral duty to do more than rearrange our faltering system: we must transform it as well. More than new regulations, the world needs new alternatives.

5. Every day, tens of thousands of our brothers and sisters die from hunger. Entire peoples watch as their cultures and ways of life disappear. As our environment deteriorates due to hyper-consumerism and exploitation by the wealthy nations, millions are forced to leave their homes, uncertain whether they will be accepted in other lands. This systemic war against the poor, I believe, is the most pervasive form of terrorism in today's world. We must put an end to this by moving from profit-centred development to people-centred development before it is too late.

6. With the trillions that are currently being spent on wars of terror, this whole process could be reversed. But this, obviously, requires a change of logic. The world desperately needs for us to move away from the logic of "I and mine", which is the logic of death and terror, towards the logic of "We and ours", which is the logic of solidarity, life and peace.

7. We have come together here as a perfect storm continues to gather force around us, a confluence of crises that overshadow our work and add ever-greater urgency to our central task. In spite of the news of sporadic violent outbursts around the world, we are experiencing, perhaps, the calm before the storm, one whose devastation could overwhelm us. We must take advantage of our gathering here in

Doha to prepare as calmly, but also as quickly as we can, to avert the human catastrophes that now threaten us all.

8. In 2002, with their economies staggering under the burden of neo-liberal economic policies, developing countries pressed for an International Conference on Financing for Development, which was held in Monterrey, Mexico, in 2002. Our meeting today is a follow-up to evaluate compliance with the Monterrey commitments to financing the development of the world's poorer countries.

9. The Monterrey meeting marked the first time that the Group of 77 had orchestrated a major United Nations conference. It was also the first time that systemic issues relating to the financial and economic system were dealt with in the United Nations and not just within the Bretton Woods institutions, as had always been the case.

10. Even now, six years after Monterrey and in the face of crisis, the G-8 has only reluctantly expanded its ranks to become the G-20, but some countries still want to keep systemic issues outside of the United Nations and its all-inclusive grouping — the G-192. Those who noisily advocate democracy in the world recoil from the idea of democratic governance of our international institutions, including the United Nations.

11. According to the Monterrey Consensus, free trade was to be the main force that would eradicate poverty. But the massive agricultural subsidies and protectionist policies of the European Union, Japan and the United States have made this impossible to achieve. Foreign direct investment has also failed to significantly reduce poverty.

12. The long-standing commitment to provide 0.7 per cent of gross domestic product (GDP) by the wealthy countries as development assistance for the developing world has also remained unrealized; and debt-servicing remains a staggering burden on many developing countries, crippling their capacity to provide adequate social services or meet the Millennium Development Goals.

13. There is no doubt that the international community has been dragging its feet with regard to compliance with the commitments assumed at Monterrey. Our purpose here in Doha is to expedite these promises and infuse the development process with a sense of urgency in the face of new global challenges. For this reason, it is imperative that the outcome document of this Conference be as strong and clear as possible.

14. As you know, delegations of United Nations Member States in New York have been working very hard over the last two years to make this Conference a reality and we should be proud of their work, particularly the many initiatives of developing countries.

15. As a result, I have the great honour to present and submit for your consideration the draft outcome document of the Conference as contained in document A/CONF.212/3. On behalf of all of us, I wish to pay special tribute to the two very able Facilitators who were appointed for this purpose, Maged Abdelaziz of Egypt and Johan Løvald of Norway. They have given generously of their time all throughout the process and I am personally deeply grateful to them. Now it is your job to complete this document and arrive at an early and balanced consensus that

reflects appropriately the needs and aspirations of all our nations during these troubled times.

Friends,

16. Without taking too much time, let me say a few words about some of the issues that we will be tackling at this Conference. There is ample recognition that these crises demand concerted global action and they offer us a tremendous opportunity to improve our way of doing things, of interacting with one another and with the environment.

17. We cannot revert to a status quo. Rather, profound changes must be made in the governance of the global financial system and in the values driving it. We must take advantage of the unique forum provided by the United Nations to work towards agreement on building such a system, including viable international financial, monetary and trading structures and institutions. The recent G-20 Summit in Washington, D.C., on the international financial crisis was an important first step, but it was only that, a first step towards raising inclusiveness in international economic decision-making.

18. As President of the General Assembly, I am deeply committed to the objective of the democratization and reform of the United Nations and its system of agencies, which includes of course the international financial and trade institutions as part of the architecture of the international economic order. I have appointed a Commission of Experts to advise me on these and other related matters, and I hope that the results of this Conference will give us new ground on which to build together.

19. New proposals and ideas on innovative sources of finance for development have been put forward, including for climate change and food security, and these should be explored further. This is also an opportunity for us to seriously consider supporting the proposal to create an ad hoc commission to identify innovative solutions on debt.

20. At the same time, developing countries need support to strengthen domestic resource mobilization. They need to improve their domestic governance, create standards for regulating the economy and institutionalize an equitable and democratic rule of law. These will help to attract healthy, non-speculative foreign direct investment, which when it complies with national laws and priorities and is embedded with social responsibility constitutes an important complement to public investment and official financial aid.

21. On trade, let us decide to restart negotiations on the Doha development round and hold all countries to their commitment to make international trade agreements give particular attention to the needs of poorer countries. Brothers and sisters, friends all.

22. The above measures and ideas should be seen, rather than expressions of charity, as a moral duty of social justice. I think this is what the Monterrey Consensus was all about, and we must keep, and build on, that spirit here in Doha.

23. It is hard to exaggerate the importance of this Conference. Some important players in the international arena didn’t attend this gathering because they honestly want the world to continue on the same course that has led us to where we are today. Others didn’t come because they honestly have lost hope in our capacity to come up with meaningful change. But the vast majority of the countries of the world are

represented here and want to see an open, inclusive process unfold in the months ahead.

24. Together, we must rise to the occasion and send a clear message of hope to our dispossessed brothers and sisters who are hungry not only for food but also for the good news that their voices are being heard. As people of profound ethical convictions, let us act according to our conscience. But as people of faith, let us also ask the most loving, merciful and compassionate God to strengthen our collective political will so that we may decide to do what is right and just and thus ensure a better and safer world for all present and future generations.

Thank you.

Statement by Ban Ki-moon, Secretary-General of the United Nations

Your Highness Sheikh Hamad bin Khalifa Al-Thani, Amir of the State of Qatar,

Heads of State and Government,

Mr. President of the General Assembly,

Excellencies,

Ladies and Gentlemen,

At the outset of this meeting, I would like to reaffirm our solidarity with the Government and people of India, as they mourn the victims of the outrageous terrorist acts in Mumbai. Leaders around the world unanimously condemn in the strongest terms the violence we have seen in Mumbai in the past three days. No cause or grievance can justify indiscriminate attacks against civilians and the perpetrators must be brought swiftly to justice.

Thank you, Your Highness, for your generosity and hospitality in hosting this Conference. We gather at a fateful moment. I am particularly grateful to the many Heads of State and Government who, in spite of their very busy programmes, have endeavoured to join us here today to show their Governments' strong commitment to the global partnership for development that is the foundation of the Monterrey Consensus. Without exaggeration, we can say that the well-being of our people and the health of our societies — even the future of our planet — depend on what we do today and in the weeks to come.

The global financial crisis has brought an abrupt end to a long era of global growth. It compounds other major threats: climate change, food insecurity and the terrible persistence of extreme poverty. No nation has been spared. But it is the poorest countries that will feel the blow most sharply. If not handled properly, today's financial crisis will become tomorrow's human crisis. Social unrest and political instability will grow, exacerbating all other problems Major economies have responded with fiscal and monetary rescue packages and stimulus plans.

The emergency G-20 summit in Washington showed that Governments are deeply concerned and trying to coordinate their actions. This is welcome. But we need to do more. Probably much more. Wherever possible, fiscal measures must be bold and decisive. And many studies show that they will be much more effective if they are strongly coordinated. To promote that coordination, we need to build **a bridge between the G-20 and the rest of the world — the entire community of**

nations. That is what I told our informal, high-level gathering yesterday. And today I repeat it to you, the full membership of the United Nations.

That bridge must stand on three pillars. **One pillar is cooperation**. Our stimulus programmes must be well coordinated among all nations. The old proverb puts it just right: we must hang together or else we shall most assuredly hang separately. And as we work together, we must protect the poorest and most vulnerable. Rescue and assistance packages should not stop at the borders of rich and powerful countries. The Millennium Development Goals are in jeopardy. Are we to "economize" on official development assistance (ODA), worth some hundred billion dollars, while trillions of dollars are mobilized in the rich countries to fight their financial problems?

Another pillar is sustainability. Through low carbon green growth, we can create jobs, conserve energy and combat climate change — in short, address several challenges at once. We must all think along these lines.

A third pillar is inclusive governance. We need a new multilateralism that recognizes the world of the twenty-first century. Virtually all growth in 2009 will come from emerging and developing economies. Without them, the global economy would sharply contract. The new multilateralism must acknowledge this role — not merely because this is fair and just but also as a matter of practical necessity.

Excellencies,

Ladies and Gentlemen,

The Monterrey Consensus was a major achievement. At the time, it was seen as opening a new era of cooperation, bridging the old North-South divide. The Monterrey vision could yet deliver all that, and more. Faithfully implemented, it is a path out of our current predicament.

Let me briefly discuss six aspects of development financing as I see them in our current context. **First, liquidity**. The wealthiest nations have moved to keep credit flowing at home. We must ensure that developing countries can do so as well. We therefore need additional emergency financing from the IMF, the World Bank and other sources. Without it, the credit crisis will spread to emerging economies. Growth will stall, hurting them and the world as a whole.

Second, the Millennium Development Goals. An increase in grants and long-term lending should be part of our response. Above all, we must hold to our pledges of assistance. I welcome the announcements by several Governments, the International Monetary Fund and the World Bank in this regard. Reducing aid to the poorest nations under current circumstances would have devastating consequences.

Third, climate change and green growth. We must rededicate ourselves to fighting climate change as part of the solution to the current economic downturn. Investments in green technologies will yield pay-offs in the long term for a safer environment and more sustainable growth. Already, the record shows that green investment can produce jobs and spur growth.

Fourth, debt relief. We must step up the debt relief programmes granted to the poorest nations so that a greater number can benefit. This burden will only weigh more heavily in the current climate, impeding investment and government spending that might otherwise contribute to growth and economic development.

Fifth, mobilizing local resources. In the new climate, financing for development will come increasingly from within. National Governments must develop new ways to raise revenues, while encouraging domestic firms to make productive investments. We need to help show the way. Specifically, we need more international cooperation to minimize harmful tax competition and to stem the loss of tax revenues, particularly in resource-rich nations.

Sixth, protectionism. Beggar-thy-neighbour trade policy responses benefit no one. Instead, we should renew our commitment to ensure a truly development outcome for the Doha round of multilateral trade negotiations. We need to see the Doha trade round revived and concluded successfully as soon as possible.

Excellencies,

Like wayfarers in a boat on troubled seas, we are all in this together.

I cannot stress enough that now, more than ever, we must be bold and summon the will to lead.

Thank you for your commitment and leadership in being here today.

Statement by Pascal Lamy, Director-General, World Trade Organization

Excellencies,

Ladies and Gentlemen,

The World Trade Organization (WTO) might be called the best advertising agency for the city of Doha and the State of Qatar; there’s no need to pay for expensive spots on Al Jazeera, CNN or the BBC. The new series of global trade negotiations that was launched in this city about seven years ago was called the Doha development round and since then, the names of Doha and WTO have been closely linked.

It is therefore no surprise that you, like many other WTO members, are doing your utmost to ensure that “Doha” means “success” — a success commensurate with the developing countries’ hope for a better life thanks to a more open and more equitable trading system.

The Doha round was launched out of a shared conviction that trade can be an engine for development and that a multilateral trading system based on more open, more transparent and more equitable rules and better able to address the problems of its poorest members is necessary in order to fulfil this potential.

WTO simply translated into its area of activity the hopes expressed in the Millennium Development Goals that were adopted by the United Nations in 2000. World leaders recognized their collective responsibility by laying the foundation for a more peaceful, more prosperous and more just world. They undertook to cooperate more closely in addressing global economic challenges, including those of trade.

Completion of the Doha development round will therefore promote achievement of the Millennium Development Goals.

While trade can serve as a catalyst, a new mindset has appeared during the past 10 years. If trade is to make its full contribution to sustainable development, growth and job creation, it must be accompanied by adequate financial resources to address infrastructure and supply constraints. Aid for Trade exists. But making trade possible is only one aspect of the question: we also need to make it happen.

As we all know, it was long thought, first that the solution was trade, not aid, and then the reverse — that it was aid, not trade. The United Nations Millennium Declaration established a new consensus: yes to a more open, more equitable world trade system, but also yes to development financing for the members of our global family that have limited resources. We've gotten as far as trade for development; now we need to get to aid for trade.

Since 2005, we have been working in close cooperation with our United Nations partners, the World Bank, the regional development banks, the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), the regional economic communities and governments to mobilize resources and political support for the global Aid for Trade programme in order to supplement the outcome of the Doha development round.

In 2007, we all met in Geneva for the First Global Aid for Trade Review. We gained a better understanding of national and regional priorities and launched a process aimed at implementing projects on the ground.

In 2008, there was considerable progress in the implementation of trade capacity-building projects. Major development partners such as the World Bank, the Inter-American Development Bank, the Islamic Development Bank and many others formulated Aid for Trade programmes and a network began to develop. The United Nations Development Programme (UNDP) and many United Nations agencies are helping the developing countries incorporate trade into their development strategy, and we are also trying to improve follow-up to and evaluation of these projects in order to measure the progress made and the multiplier effect of these projects on the ground.

All this work will feed into the Second Global Aid for Trade Review, which the World Trade Organization will host in June 2009.

But this will not be possible if resources are not mobilized, if financing does not flow, if promises are not kept. And this is why this Conference is a timely reminder that, despite the dire economic situation, we must keep our focus on our global solidarity endeavour.

But if Aid for Trade is important, the success of the Doha development round is a bigger prize.

The Doha development round will address the distortions in agricultural trade caused by unfair agriculture subsidies, an issue of vital importance for many developing countries. Let us not forget that more than two thirds of the world's poor live in rural areas. Let us not forget the African cotton producers for whom the World Trade Organization is their only chance of disciplining the subsidies given by the United States of America and the European Union to their producers.

The Doha development round will reduce tariffs and barriers in industry, clean technology and services and thus create new trade opportunities, in particular in sectors of interest to developing countries. It will deliver on the promise of duty-free and quota-free access for the exports of the world's poorest. It will facilitate trade by addressing the customs red tape that imposes a huge burden on small and medium-sized traders. It will for the first time discipline the fishery subsidies that are contributing to the depletion of our oceans. And I could continue the list.

After seven years of continuous negotiations, many of these elements are already on the table, but they will not materialize unless we conclude the whole package. In the meantime, the potential benefits of the Doha development round remain in limbo.

Any good negotiators would want to maximize the results. A 2 per cent increase here and a 5 per cent increase there. The question we have to ask ourselves today is: "Would this be worth it if we have to wait three, four or five years for it?" As the saying goes: "A bird in the hand is worth two in the bush".

In recent months, we have witnessed unprecedented fluctuations in oil and commodity prices. We have witnessed a severe food crisis. And as if all that was not enough, we are facing one of the worst financial crises since the 1930s. We are faced with policy challenges on a scale not seen since the end of the Second World War.

A major difference between the current economic crisis and previous ones is that the world is today more globalized. Today, we are all in the same boat — big countries and small, rich and poor, strong and weak. There is also a growing consensus that only multilateral solutions can address these challenges.

A few days ago, during a visit to Cambodia, I learned that the majority of their textiles and clothing companies that export to rich-country markets do not have contracts from buyers beyond February 2009. This is an industry that currently employs 300,000 people. Now imagine what the impact to the Cambodian economy will be if these people lose their jobs.

But there are also growing difficulties in servicing existing contracts for the lack of availability and affordability of trade finance. Roughly 90 per cent of international trade is financed with short-term credit, and therefore any drying up of this financing channel will have a serious impact on developing countries. The World Trade Organization recently hosted regional and financial institutions, together with export credit agencies, to address this problem. And we are starting to see responses, including the recent World Bank announcement of the tripling of the ceiling for its trade finance guarantees, action by the Organization for Economic Cooperation and Development and by export credit agencies. This issue needs to remain high on our list of priorities to cushion the impact of the current financial crisis on developing countries.

In the current economic conditions, there may be a tendency to embrace inward-looking policies that put domestic interests ahead of international cooperation. In tough times, it is too easy for politicians to blame the foreigner for the nation's ills, shutting foreign products out of the market and slashing foreign-aid budgets.

The community of the United Nations, meeting this weekend in Doha, can send a powerful message to the world:

- That we stand united to address global challenges.
- That we will strive to find multilateral solutions.
- That we will avoid unilateral, beggar-thy-neighbour responses.

- That we will maintain our commitment to help the poorest and weakest among us.

This weekend, Doha must send a signal of the urgency of delivering on trade and aid. There is no better place to reaffirm your commitment to ensuring that development is placed at the heart of the global trading system than here in Doha, where it all began.

Excellencies, ladies and gentlemen, please, keep the Doha promises alive.

Thank you for your attention.

Annex III

Summaries of plenary meetings and round-table discussions

Summary of plenary meetings

1. The follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus was held in Doha, Qatar, from 29 November to 2 December 2008. The Conference was chaired by the Emir of Qatar and included seven plenary meetings. Forty Heads of State or Government, 9 Deputy Heads of State or Government, 50 ministers and 17 vice-ministers for foreign affairs, finance, development cooperation and trade and other high-level officials from 133 Governments made statements to the plenary. The President of the General Assembly, the Secretary-General of the United Nations, the Director-General of the World Trade Organization and the Administrator of the United Nations Development Programme made statements at the opening. In addition, the deputy heads of the World Bank and the International Monetary Fund (IMF), as well as heads of other institutional stakeholders, also made statements. Spokespersons for the Global Forum of Civil Society, the International Business Forum and the Parliamentary Hearing, which preceded the Conference, also made a statement.

2. In their statements, Member States took stock of the progress made in the implementation of the Monterrey Consensus, identified obstacles and constraints encountered, and put forward ideas and proposals to overcome those difficulties. Many statements focused on the consequences of the global financial crisis for development and the need for bold and urgent measures to address them, including through strengthening the financial oversight and global regulatory frameworks and building a reliable financial system. Much attention was also devoted to the food and energy crises and to the untapped potential of innovative sources of finance. Among other new challenges and emerging issues, the financial implications of climate change adaptation and mitigation and the need to strengthen the financing for development follow-up process featured prominently on the agenda.

3. Many speakers emphasized that the Doha Conference was being held at a crucial moment. All aspects of sustainable development, including economic, social and environmental dimensions, were essential to ensure the well-being of all people and the health of every society. Failure to develop would lead to economic insecurity and social unrest. Although each State was responsible for its own development, joint efforts by all members of the international community were necessary to ensure sustained economic growth and development. Such efforts — a key expression of global solidarity — were important because development was an umbrella for peace. It was also argued that development was intended to improve the quality of life of individuals, communities and homelands in all spheres — intellectual, economic and social — and to pursue and institutionalize the equitable and democratic rule of law. Thus, apart from making profits as a driving force of economic activity, the role of the State should be strengthened, since current circumstances indicated the indispensability of a proactive State in key areas.

4. Until recently, global economic growth had been comparatively strong, but the current financial crisis, with its epicentre in the developed world, had reversed that trend. The crisis had also compounded food insecurity, the persistence of extreme poverty and the threats posed by climate change. In the long term, climate change

posed the most important challenge to mankind. The duration of the recession would be counted in months, while climate change policy decisions would define the shape of the world for decades. To confront those challenges, the following three pillars were deemed necessary: (a) enhanced international cooperation; (b) sustainability; and (c) inclusive governance. Strengthened cooperation was necessary because the sustainability of socio-economic achievements relied on a shared responsibility between developing and developed countries. Also, since all countries must be involved in the search and implementation of global solutions, the United Nations should play an important role in coping with those crises and threats. If not addressed properly, the multiple economic crises could lead to a human crisis. It was crucial to build a bridge between the whole international community, represented by the United Nations, and smaller groups, such as the Group of 20. In that sense, the Monterrey Consensus had been a beacon.

5. According to many speakers, financial speculation had brought the world close to catastrophe. The financial crisis was undermining the real economy. The international community should continue to strengthen macroeconomic policy coordination, expand financial information-sharing and deepen cooperation in financial oversight to curb the spread of the financial crisis. Measures should be bold and urgent and the role of public investment was crucial. The crisis reflected the fragility of weak regulatory systems and the need to build a reliable financial system. Indeed, the political opportunity for change generated by the crisis should not be wasted. Reform of the global financial system and institutions should enhance surveillance capacities. In addition, counter-cyclical finance was required to cushion the impact of the crisis and lead to recovery. Protectionist policies would only serve to compound the problem. Meeting the Monterrey pledges had become more imperative as a result of the crisis. Indeed, multilateral solutions were necessary to address the global economic challenge posed by the downturn. The United Nations system and the Bretton Woods institutions must be fully involved and contribute to solving the global financial crisis; in particular, the United Nations should lead efforts to alleviate the consequences of the current crisis. The reform of the global financial system, as stated at the recent Group of 20 summit held in Washington, D.C., was welcome. It was important to establish a monitoring mechanism that could inform and alert the international community about crucial events taking place, especially the potential for crises.

6. It was pointed out that multilateral responses were necessary to deal with both short-term and long-term economic problems. Efforts by developed countries to address the crisis would not be successful unless the views of developing countries were taken into account. The responses to the crisis to date had shown clearly that developing countries were a low-profile, marginal group in decision-making. Some countries still wanted to keep the consideration of systemic issues outside the United Nations. Yet, profound changes must be made in the governance of the global economic and financial system and in the values underpinning it. It was clear that the Group of 8 structure had become obsolete and was not adequate to face the crisis. The current global crisis could not be solved without the involvement of such countries as Brazil, China, India and South Africa. Also, as called for by the Monterrey Consensus, greater collaboration between the United Nations, the Bretton Woods institutions and the World Trade Organization was important for sustained economic growth and development. Financing for development would remain an

illusion if developed countries showed no political will to honour their commitments.

7. It was argued that the crisis had shown that the global financial architecture needed urgent reform. The new international financial architecture must be transparent and all-inclusive. The Bretton Woods institutions needed to be deeply reformed. Enhancing the voice and participation of developing countries in the World Bank was critical. There was a need for Member States to consider holding a major United Nations international conference to review the international financial architecture and global economic governance structures.

8. It was recalled that the World Trade Organization negotiations under the Doha round had stalled. Rapid conclusion of those negotiations was critical for maintaining and nurturing the Monterrey Consensus. Trade could be an engine for development. Negotiations must be resumed on the Doha Development Agenda in a spirit of solidarity. All countries should strengthen their commitment to the principle of special and differential treatment and to give particular attention to the needs of poorer countries. There was an urgent need to eliminate trade-distorting subsidies in rich countries. Key political decisions had to be taken in agriculture and cotton subsidies, which were very harmful to small farmers, particularly in Africa and the least developed countries. The gains accruing from the elimination of trade-distorting subsidies and other barriers would be far greater than those derived from financial assistance. Aid-for-Trade was also very important. Open markets and a rule-based trading system, built on the World Trade Organization, were crucial bulwarks against protectionism and beggar-thy-neighbour policies.

9. It was proposed that the Doha meeting provide a message of hope in that trying time by strengthening the global partnership for development within the framework of financing for development. While higher official development assistance (ODA) levels and enhanced aid effectiveness were important, issues of ODA funding and spending were about partnership for development. African development was an absolute priority. Indeed, a new “Marshall Plan” for Africa was necessary. The least developed countries, as the countries most vulnerable to crises, should be financially supported and granted duty-free and quota-free market access for all their exports. Grants were a very important source of development finance for the poorest countries. The Doha Conference should be followed by enhanced support to landlocked developing countries, especially in transport and related issues. North-South cooperation should adhere to the Paris Declaration on Aid Effectiveness and the Accra Accord. Aid should be more predictable and help developing countries to move onto a path of self-reliant development. Often, excessive conditionality became a barrier to achieving desired outcomes. It was thus important to streamline conditions in aid programmes. Each country was responsible for the design of national policy and aid should complement domestic efforts, in particular domestic resource mobilization.

10. It was critical that ODA commitments not be curtailed at a time when partners needed support more than ever. Developed countries should strive to achieve the ODA target of 0.7 per cent of gross national income (GNI). Developing countries must be assured that development financing would keep flowing and that the current crisis would not thus result in an aid crisis. The United Nations should play a leading role in monitoring aid flows, in cooperation with the Organization for Economic Cooperation and Development/Development Assistance Committee.

Additional emergency financing was needed from IMF, the World Bank and other sources. With respect to achieving the Millennium Development Goals, an increase in grants and long-term lending should be part of the response. The funds provided by the European Union accounted for 60 per cent of ODA worldwide. The European Union had pledged to deliver on the collective targets of 0.56 per cent of GNI by 2010 and 0.70 in 2015. While remittances should not become a substitute for ODA, it was important to explore how remittances could be utilized for development purposes. It was also important to reduce military spending and divert part of those resources to a substantial increase in development spending.

11. It was also essential to find new and additional sources of financing for development, particularly at a time of budget tightening. Expanding North-South initiatives, such as UNITAID and the Action against Hunger and Poverty initiative, was therefore critical. The Leading Group on Solidarity Levies to Fund Development had undertaken to identify new innovative sources of financing for the period 2009-2015. While global funds had increased development finance, the amounts made available were not enough. For that reason, it was important to seek for new instruments and mechanisms to expand innovative financing, as well as to enhance domestic efforts.

12. There was a general view that private sector development was important for a dynamic economy and sustained growth. At the same time, making social responsibility mandatory for business was essential to enhance the contribution of the private sector to development. An enabling environment was a critical element for both fostering the development of the domestic private sector and attracting foreign investment. A major challenge for Africa was to attract foreign direct investment beyond the extractive and oil sectors. Private investment flows would greatly expand development resources. Thus, foreign direct investment could be a vital tool for growth and development.

13. It was suggested that the current crisis was an opportunity to “green” the Earth’s economy. Efforts in the area of the environment should be integrated with efforts in the area of development. Fighting climate change must be part of the solution to the current economic downturn. Investment in “green” technologies would yield payoffs in the long term, leading to more sustainable growth. It was recognized that the amount of financial resources needed to combat climate change could be generated from the carbon market. Also, it was important to strengthen financial mechanisms to combat climate change. For the small island developing States, climate change was an imminent security problem. Thus, the Doha Conference should urgently address the financing needs of those countries. New proposals and ideas on innovative sources of finance for development had been put forward, including in the areas of climate change and food security, and they should be explored further.

14. Several speakers stated that resources released to date through debt relief had been inadequate to permit debt-distressed developing countries attain the internationally agreed development goals, including the Millennium Development Goals. There was a need for fair and effective international mechanisms for debt relief and to overcome illegitimate or odious debt, which imposed unfair claims on poor countries’ resources. Debt relief programmes must therefore be stepped up so that a greater number of poorer nations could benefit. Debt relief efforts should benefit all debt-distressed developing countries. It was important to apply the

Heavily Indebted Poor Countries (HIPC) Initiative to a wider range of countries. Also, it remained necessary to increase support for capacity-building in debt management, particularly in heavily indebted developing countries. Moreover, for developing countries in general, it was also crucial to consider independent debt arbitration mechanisms and an international convention on debt emergencies.

15. Several participants stressed that it was fundamental to invest in human capital, with a particular emphasis on education, delivery of social services and adequate social safety nets. Infrastructure and technology development were also key to economic transformation and diversification. Gender equality and the empowerment of women were essential for economic growth, poverty reduction, environmental sustainability and development effectiveness. It was important to mainstream gender into the design and implementation of development policies, including financing for development policies.

16. It was observed that developing countries had been severely impacted by the detrimental effects of illegal financial flows on their economy. Tax evasion, money-laundering and transfer of assets that had been obtained illegally adversely affected their development prospects. The fight against tax evasion and the transfer of illegal funds had to be a priority in development cooperation. Appropriate measures for the restitution of stolen or fraudulently acquired assets to their rightful owners should be undertaken by the international community. Also, the United Nations Committee of Experts on International Cooperation in Tax Matters should soon be upgraded into an intergovernmental body to enhance its impact and effectiveness.

17. There was a general agreement that the Monterrey Consensus was a far-reaching document that had set principles and policies and had identified actions in key domestic and international areas to foster worldwide development. An effective follow-up to the Monterrey and Doha outcomes was essential. The United Nations should adopt a more effective intergovernmental mechanism that would warrant a more substantive review process, while maintaining its inclusive and multi-stakeholder approach.

Round table 1

Mobilizing domestic financial resources for development

Summary of discussion

18. Round table 1 was co-chaired by Emomali Rahmon, President of Tajikistan, and John Michuki, Minister for Finance of Kenya. Justin Yifu Lin, Chief Economist and Senior Vice-President of the World Bank, moderated the panel. Presentations were made by the following panellists: Azizul Islam, Minister for Finance of Bangladesh; Assane Diop, Executive Director, Social Protection Section, International Labour Organization; Angel Gurría, Secretary-General of the Organization for Economic Cooperation and Development; Michael Keating, Director of the Africa Progress Panel; Her Royal Highness Princess Máxima of the Netherlands, member of the United Nations Advisers Group on Inclusive Financial Sectors; and Vito Tanzi, former State Under-Secretary for Economy and Finance of Italy.

19. Mr. Lin introduced the topics under discussion. In particular, he stressed the importance of deriving investment from domestic rather than external sources as a foundation for long-term growth. He argued that now would be a good time for many countries to invest in development in order to prepare themselves for high economic growth in the future. He also noted that, if financial resources were derived from domestic sources, it would help countries to minimize currency mismatches and withstand the impact of financial crises.

20. Mr. Islam noted the importance of synergy between domestic resource mobilization, debt, trade and private capital flows. With regard to direct taxation in developing countries, he pointed out the lack of sufficient databases and information technology in tax administration. Given that the value-added taxes introduced in many developing countries did not sufficiently cover the shortfall of tax revenue caused by trade liberalization, donor countries should support national efforts in the area of tax collection. Because of insufficient physical infrastructure in developing countries, there was an urgent need for the international community to assist the least developed countries in that respect. Transnational corporations should not seek tax incentives that lasted long periods of time. Lowering the transaction cost for remittances was also identified as a useful measure.

21. Mr. Diop referred to the impact of the current financial crisis on financing for development, which would negatively affect employment and poverty-reduction prospects. It was estimated that 20 million jobs could be lost by 2009, which could significantly increase poverty levels. A multilateral framework was necessary to minimize such effects. It would be necessary to protect the most vulnerable segment of the population by providing basic social services. The need for decent work for all was emphasized.

22. Mr. Gurría stressed the importance of taxation for effective State-building. Since there was a direct link between the quality of Government expenditure and the readiness of citizens to meet their tax obligations, the importance of improving the relationship between Governments and taxpayers was emphasized. A clear understanding was needed that tax revenues would be spent in a transparent and efficient manner. However, tax collection was not necessarily confined within national borders. Tax havens undermined the tax base of both developed and developing countries by offering secrecy and a no-tax environment to evaders. There was a need to develop a renewed focus on enhancing domestic revenues through broadly based taxation, thus enabling greater predictability of revenues. Necessary measures would include creating effective tax systems, tackling the scourge of corruption, addressing tax havens and tax evasion, and helping to create an investment-friendly environment.

23. Mr. Keating focused on the impact of the global economic slowdown on Africa. In the light of declining commodity prices, the levels of trade and remittances from overseas had been decreasing. Given the critical lack of productive capacity and relatively high cost of electricity in developing countries, further investment in infrastructure was essential.

24. Princess Máxima addressed the issue of inclusive finance for development. She noted that much of the population in developing countries had no access to formal financial services, such as banking and insurance. As a result, the poor faced high transaction costs and high risk in the informal financial sector for sending and

receiving remittances. In order to enhance domestic resource mobilization it was important to educate people how to save.

25. Mr. Tanzi referred to his 27 years of experience at the International Monetary Fund in providing advice to developing countries. He emphasized the need for effective tax policies that were fair, neutral, simple and broad-based. It was equally important that tax administration should be easy to comply with if sustainable development was to be achieved. Debt financing of budget deficits — the most common way to finance Government expenditure — was not sustainable in the long term. Lowering taxes usually resulted in higher tax revenue. In developing countries, however, owing to the existence of large informal sectors and the difficulty of enforcing tax collection, lowering tax rates did not guarantee increased tax revenues nor did providing tax incentives to transnational corporations.

26. The presentations by the panellists were followed by an interactive discussion among participants, including representatives of Governments, institutional stakeholders, civil society and the business sector.

27. The following key points were made in the presentations and discussions:

- Taxes represent the most important resource for investment, which in turn is essential for effective State-building. Effective tax policies that are fair, neutral, simple and broad-based, together with a tax administration that is easy to comply with, are essential for sustainable development. There is a need to avoid the politicization of tax compliance and collection.

- In order to support capacity-building in tax policy and administration in developing countries, it is essential to provide technical assistance in those fields, in particular to establish bilateral tax treaties and the exchange of information. Upgrading the technical skills of tax officers and the use of information technology in tax administration are prerequisites for enhancing tax revenue.

- Given that developing countries are not fully integrated into international forums on tax matters, the Committee of Experts on International Cooperation in Tax Matters could play an important role for such countries. To further promote such international cooperation, several participants supported the upgrading of the Committee to a Commission.

- Capital flight — derived mostly from illicit financing flows, tax evasion and avoidance, transfer-mispricing by transnational corporations and corruption — imposes large costs on development. It denies developing countries the precious financial resources essential for development. Capital flight is estimated at between $500 and $800 billion per year, an amount greater than total official development assistance to all developing countries. In order to prevent such capital flight, it is necessary to strengthen the exchange of information among tax authorities on a regular basis.

- Corruption is an issue for both developed and developing countries. In order to reduce corruption in the area of natural resources, the Extractive Industries Transparency Initiative should be recognized as an important instrument for preventing corruption. The United Nations Convention against Corruption and the Stolen Asset Recovery Initiative should be strengthened, extended and adopted by more countries.

- The taxation of natural resources and fees on public services could supplement existing tax revenues in developing countries. In the light of the high volatility of the prices of natural resources, the taxation of natural resources should be designed so that tax rates can be increased when the price is high and a price support mechanism can be triggered when the price is low. Commodity price fluctuations call for prudent management of fiscal revenues to ensure a source of permanent stable revenue for commodity-dependent developing countries. When public services are provided without any fee, consumers tend to overuse such services. Thus, imposing a modest fee on public services is an ideal way to support the efficient management of Government expenditure.

- It is estimated that approximately 20 per cent of the population in developing countries (2 billion people) do not have access to formal financial services, such as banking (savings and loans) and insurance. As a result, the poor face both high transaction costs and high risk in the informal financial sector for sending and receiving remittances.

- In order to enhance incentives for savings, it is necessary to ensure that real interest rates are positive rather than negative. Financial depression should be avoided.

- Taking into consideration the recent bankruptcy of some major financial institutions, there is an urgent need to establish a guideline or regulation for transparent loan terms and consumer-protection mechanisms for microcredit.

- Given the critical lack of productive capacity and relatively high cost of electricity in developing countries, further investment in infrastructure, including energy, agriculture and human development (especially education), is essential.

Round table 2

Mobilizing international resources for development: foreign direct investment and other private flows

Summary of discussion

28. Round table 2 was co-chaired by Denis Sassou Nguesso, President of the Congo, and Robert McMullan, Parliamentary Secretary for International Development Assistance of Australia. Supachai Panitchpakdi, Secretary-General of the United Nations Conference on Trade and Development, moderated the panel. Presentations were made by the following panellists: Hiroto Arakawa, Senior Special Adviser, Japan International Cooperation Agency; Trevor Manuel, Minister for Finance of South Africa, Special Envoy of the Secretary-General for the Conference; Joyce H. de Ginatta, President, Federación Interamericana Empresarial of Ecuador; Huguette Labelle, Chair of Transparency International; Avinash Persaud, Chairman of Intelligence Capital; and Kamalesh Sharma, Commonwealth Secretary-General.

29. Mr. Supachai referred to the positive developments in financing for development that had occurred since the Monterrey Conference, such as trade expansion, improvement in macroeconomic discipline, surpluses in current accounts

and the accumulation of foreign reserves in developing countries. In the light of the current financial crisis, that progress might come to an end. A new landscape would have implications for foreign direct investment (FDI) and for creating productive capacity for sustained economic growth. FDI trends since 2002 had been variable. Even though the total amount of FDI to developing countries had tripled, it had not been evenly distributed, with most funds to major emerging economies, such as Brazil, India and South Africa, while the least developed countries had received only 3 per cent of total global FDI flows. The direction of total net flows had shifted from North-South to South-South, with increased greenfield investment and a concentration in the extractive industries. FDI had consistently exceeded ODA. To prepare for difficult times, developing countries needed to set their own macroeconomic policies and mobilize funds from abroad for their own needs. FDI could sometimes have a negative effect on domestic business in terms of competition. Governments needed to be explicit in their policies and strategies in terms of where they wanted to direct FDI investments. It was important for financial relationships to be transparent.

30. Mr. Arakawa stressed that the current financial crisis would have an impact on private flows to developing countries. It was expected that real gross domestic product (GDP) growth would decrease from 8.0 per cent in 2007 to 6.6 per cent in 2008 and to 5.1 per cent in 2009, as a result of the slowdown of GDP growth rate in developed economies. The challenge ahead was to set strategies for sustained growth and inclusive development, which should include high levels of investment; macroeconomic stability; urbanization and rural investment; effective government; competition and structural change; export promotion and industrial policy; and infrastructure development. To promote FDI, there was a need for an enabling environment, created through policy reform and institutions, and for risk mitigation. In both cases, ODA could have a catalytic role in technical assistance.

31. Mr. Manuel noted that the current international financial crisis had exposed the failure of the existing crisis-prevention system. Regulatory systems in developed countries, aiming at better risk management and consumer protection, did not work and needed to be re-evaluated. A number of questions about underlying issues needed to be addressed, including the great volatility of capital markets and aspects of capital market innovations that were harmful to financial stability. The speaker also noted the need to address the spillover of the international credit crunch into a global recession, and underscored the impact of the crisis on risk appetite and the move of investment back to dollar-based securities and treasuries.

32. Mr. Manuel also referred to the interruption of good economic performance on the African continent and the setback to achievement of the Millennium Development Goals resulting from the crisis. He highlighted areas critical at the current juncture: coordinated global action in response to the crisis and its impact; the need to license, regulate and supervise all financial intermediaries; the need to overhaul and oversee custodial institutions, such as credit-rating agencies, that had not worked; and the need to revisit accounting standards. As for the implementation of Basel II, issues designated for internal risk management within financial institutions needed to be drawn out to be regulated by external institutions.

33. Ms. de Ginatta discussed dollarization and its impact on FDI. A solid currency allowed businesses — and not the Government — to have control over most of their decisions. In the case of Ecuador, the United States dollar had been adopted as the

national currency and the local currency had been eliminated in order to regain the trust of economic actors. Ecuador's macroeconomic plan was centred around the adoption of the United States dollar as its currency, which together with investment promotion policy had created a fiscal system that provided incentives; strengthened the country's competitiveness; and ultimately promoted exports, improved legal security and reduced corruption and speculation. Annual inflation had been reduced from 91 per cent in 2000 to 1.39 per cent in March 2005. The scenario after the dollarization process also favoured the growth of deposits in the economy, from just under $3 billion in 1999 to over $10.5 billion in 2008. Regarding exports, non-petroleum exports had increased from US$ 3 billion in 1999 to $4.6 billion in 2007, of which non-traditional exports had increased from $1.15 billion in 1999 to almost $3.0 billion in 2007. The activity of the real economy had been reflected in the growth of electric consumption by almost 40 per cent from 1999 to 2006. In conclusion, in Ecuador, the dollarization process had shielded the economy from political crisis, protected the banks and generated trust, which had in turn led to increased bank deposits. With those policy approaches, countries could achieve economic growth more easily as currency distortions were reduced.

34. Ms. Labelle emphasized that private capital flows needed to directly promote development in the recipient country; therefore, enterprises should not only focus on the short term. She noted that not all FDI was productive and there was a need to strike the right balance between the roles of the Government, the private sector and civil society in attracting and utilizing FDI. She suggested five ways to encourage productive and sustained FDI: (a) transparent reporting of revenues by corporations and payment of taxes and fees to the Government to ensure that there was no diversion to unwarranted personal gain and commitment to corporate social responsibility, with the Extractive Industry Treaty Initiative being an important mechanism; (b) ensuring that international corporations operated in a transparent way, with disclosure standards, to prevent conflict of interest; (c) supporting enforcement and monitoring mechanisms for regional and international commitments on transparency, such as the United Nations Convention against Corruption and the Organization for Economic Cooperation and Development Convention against Corruption; (d) ensuring, through source-country Governments, that companies acted with the same level of integrity abroad as they did within their national borders; and (e) enforcement of a transparent financial system and investment in infrastructure and human resources on the part of developing countries.

35. Mr. Persaud, in his presentation, debunked the myth that FDI was better than other forms of private capital flows. Over the long term, the outflow of dividends from profits related to FDI, when investors were nervous, could destabilize recipient country financial markets. Also, international corporations could use transfer-pricing to avoid taxation. Equity investment flows were not especially volatile; it was short-term loans which could not be rolled over in an adverse financial environment, such as during the Asian financial crisis, that could be destabilizing. The way to get the best financing arrangements for FDI was to encourage competition among investors. There was real opportunity in targeting the sovereign wealth funds and private pension funds of developed countries, which were obligated to diversify their portfolios. With regard to the reform of financial regulation, it was important to establish better regulation and not just more regulation.

36. Mr. Sharma noted the need for coherence in governance at the local, national and global levels. There also needed to be coherence in human development at those levels. Regional integration was also vital in order to attract private capital for development. There was a need to develop a solid foundation for entrepreneurship. With respect to the activities of international financial institutions, consideration also needed to be given to the type of funds made available for the development of small and medium-sized enterprises, with importance given to funds that promoted entrepreneurship by youth and women. There was also a need for more discussion on "aid for investment" in addition to "aid for trade".

37. After the panel presentations, a policy discussion was held among participants, including representatives of Governments, as well as institutional and non-institutional stakeholders. The following points were made:

- Transfer of profits abroad by companies should be discouraged. There is a need to improve the visibility, transparency and predictability of investments. A strong regulatory framework is also important in limiting the volatility of private capital flows.
- In order to strengthen international tax cooperation, the Committee of Experts on International Cooperation in Tax Matters should be upgraded to an international tax organization.
- There is a need to increase ODA in areas that would enhance the functioning of the business sector.
- It is important to enhance the provision of long-term debt to entrepreneurs.
- There is a need to strengthen parliamentary oversight over the reform of financial systems.
- Particular attention should be paid to policy implications arising from the current economic crisis.

Round table 3

International trade as an engine for development

Summary of discussion

38. Round table 3 was co-chaired by Olga Algayerova, State Secretary of the Ministry of Foreign Affairs of Slovakia, and Ana Vilma Albanéz de Escobar, Vice-President of El Salvador. Valentina Rugwabiza, Deputy Director-General of the World Trade Organization, moderated the panel. Presentations were made by the following panellists: Pedro Luiz Carneiro de Mendonça, Under-Secretary-General for Economic Affairs of Brazil; Debapriya Bhattacharya, Permanent Representative of Bangladesh to the United Nations and other international organizations in Geneva, and President of the Trade and Development Board of the United Nations Conference on Trade and Development; Miguel Hakim, Secretary for Iberoamerican Cooperation, Secretaria General Iberoamericana; Abdoulie Janneh, Executive Secretary of the Economic Commission for Africa; Sun Zhenyu, Ambassador of China to the World Trade Organization; and Paavo Väyrynen, Minister for Foreign Trade and Development of Finland.

39. Ms. Rugwabiza, introducing the subject, noted the importance of keeping international trade open in the face of the current financial crisis since it was intrinsically related to growth and development, and stressed the urgency of completing the Doha round of multilateral trade negotiations with a balanced outcome. The coordinated liberalization of trade under fair and equitable rules was vital for all countries; one of the key objectives of the World Trade Organization was to ensure a level playing-field for all its members and help countries neglected by globalization to integrate themselves. "Aid for trade" was critical in that respect since many poor countries lacked the supply capacity to take advantage of improved market access, and, developed countries therefore needed to renew their commitments.

40. Mr. de Mendonça stated that Brazil had benefited from trade liberalization in the 1990s thanks to the industrial base built under the import-substitution phase. Subsequently, an enabling international environment was critically important for development. However, that environment had been defined by United States and European policies; as an important exporter of agriculture and resources, the United States competed with developing countries and Europe, and its agricultural subsidies gave it a competitive advantage. Although some developing countries, such as those in East and South-East Asia, managed to achieve export-based development, many developing countries failed to benefit from international trade. A successful Doha round could rebalance the system. Still, the current crisis threatened that opportunity and it was crucial to coordinate crisis-fighting and resist protectionism. As President Lula had stated, the Doha round had become not just an opportunity but a necessity.

41. Mr. Bhattacharya noted that trade was just one of the engines for development and depended on the other engines, such as domestic policy space and foreign direct investment. The major instrument for facilitating the beneficial effects of trade for developing countries was special and preferential treatment. Complementarity and coherence were the key principles involved. However, international conditions were going to be extremely difficult in the near future owing to the current financial crisis, climate change and the volatility of food and commodity prices. Worldwide recession was not only an economic but also a political threat, as demonstrated by recent events in Afghanistan, Iraq and South Asia. Immediate challenges included sustaining the multilateral trading system and resisting hegemonic and protectionist tendencies; concluding the Doha round with a balanced outcome, including tariff-free and quota-free market access for all least developed countries and their goods; and resolving the commodities issue, the cotton issue being the prime example. Domestic policy and institutional reforms were also necessary to ensure that trade benefits resulted in poverty reduction.

42. Mr. Hakim assessed the implementation of five trade-related paragraphs of the Monterrey Consensus. Substantial progress had been made in expanding World Trade Organization accession; increasing financial resources derived from trade, although 2009 would see the first decline in exports since 1982 in the Latin American and Caribbean region; expanding bilateral and regional free-trade agreements; and redoubling aid for trade. However, the most important paragraph on the conclusion of the Doha round had not been achieved, although the "Lamy package" had come close to convergence. Therefore, the Doha Conference needed to provide at least a political impetus and a road map for further negotiations.

43. Mr. Janneh stressed that trade was indeed the most important engine for development for Africa in many ways, although the continent faced serious obstacles, such as limited supply capacity, limited trade-related infrastructure and credit availability, a lack of diversification and difficult geography, including 15 landlocked countries, so that the cost of trade could reach 50 per cent of goods value, as in the case of Chad. Therefore, well-targeted aid for trade for ports, telecommunications and customs capacity-building was effective, as the newly established trade policy centre in Addis Ababa had shown.

44. Mr. Zhenyu spoke of China's historical experience of 400 years of closed-door policies and their liberalization since the late 1970s. He stated that the 30 per cent annual increase in Chinese imports in recent years was helping other countries, especially in Asia. The financial crisis was already having an impact on trade, however, with export orders for Christmas falling by 30 per cent — and by up to 70 per cent for some goods. China needed over 100 million new jobs annually, which required at least 8 per cent annual growth. Therefore, worldwide stimulus, open trade and financial flows were needed to avoid the mistakes of the 1930s; the conclusion of the Doha round was vital in that sense. Agricultural subsidies needed to be eliminated and tariffs needed to be cut deeply with less than full reciprocity by developing countries, and vulnerable countries should enjoy special and preferential treatment. China's average bound and applied tariff was 15.2 per cent, compared with the 60 per cent world average bound rate and the average agricultural tariff rates of 42 per cent in Japan and 22 per cent in the United States of America and Europe, and China's tariff would be cut further to 12 per cent. He stressed that China's aid was strictly based on non-interference in the internal affairs of recipient countries, an approach that China had itself requested of its donors in the past.

45. Alluding to Finnish experience, Mr. Väyrynen emphasized that trade and poverty reduction were the right policies for developing countries. He was optimistic about the Doha negotiations following Mr. Lamy's plan to convene a new ministerial meeting before the end of 2008 and the planned European Union meeting on free trade agreements. The speaker also expressed hope that emerging market countries would follow the European Union lead in offering tariff-free and quota-free access to least developed countries, and complimented China's announcement of such treatment for 95 per cent of least developed countries' exports.

46. Following the presentations, an interactive debate was held. Some delegates expressed dissatisfaction with the level of progress in the Doha round, the current international trading system and restrictions on World Trade Organization accession, and called for reforms of the international trading system and institutions. Many delegates stressed the importance of keeping international trade unrestricted in the current difficult times and encouraging South-South cooperation. They noted the complementary nature of aid for trade to the Doha round, and called for it being additional to official development assistance and transparent.

Round table 4

Increasing international financial and technical cooperation for development

Summary of discussion

47. Round table 4 was co-chaired by Laurent Gbagbo, President of Côte d'Ivoire, and László Várkonyi, State Secretary of the Ministry of Foreign Affairs of Hungary. Olav Kjorven, Assistant Secretary-General and Director, Bureau for Development Policy, United Nations Development Programme, moderated the panel. Presentations were made by the following panellists: Bader Al-Dafa, Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA); Ahmad Mohamed Ali Al-Madani, President of the Islamic Development Bank; Eckhard Deutscher, Chair of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD); Gargee Ghosh, Senior Programme Officer for Development Finance and Policy, Bill and Melinda Gates Foundation; Jean Ping, Chairperson of the African Union Commission; Sam Worthington, President and Chief Executive Officer of InterAction.

48. In his introductory remarks, Mr. Kjorven stressed the importance of delivering on ODA commitments and making changes to make aid more effective. Those adjustments include further untying of aid, improving coordination and harmonization, and strengthening triangular and South-South cooperation. Discussions on those measures must be placed in the context of the negotiation of the draft Doha outcome document, which would set the stage for work in the coming years. Also, against the backdrop of the international food, energy and financial crises, development cooperation is all the more important. Counter-cyclical public investment is needed now in developing countries and ODA must be scaled up to help.

49. Mr. Al-Dafa reviewed the trends and patterns of ODA in the Western Asia region, where ODA is particularly important for infrastructure projects. Recent increases in ODA in the region were mainly attributable to debt relief and natural disaster assistance. The Arab States — mainly the oil exporters of the Gulf Cooperation Council — provided generous official assistance to a large number of developing countries. The amount of ODA in the ESCWA region had reached 25.5 per cent of FDI and 47 per cent of remittances received. The distribution of Arab development funds was comprised of 15 per cent to Africa, 27 per cent to Asia and 65 per cent to Arab States, based on a foundation of solidarity and cooperation. The top two institutions providing funding were the Islamic Development Bank and the Arab Fund for Economic and Social Development. Assistance went primarily to the services sector — transportation and communication, education, health and housing and energy. Technical assistance was provided in all areas and the Arab development funds supported "Aid for Trade" to increase competitiveness and research and development. Saudi Arabia provided about two thirds of total aid from Arab States, followed by Kuwait, United Arab Emirates and Qatar. Although those were still developing countries, aid disbursement from the region constituted 0.5 per cent of GNP, higher than the percentage among DAC countries. The aid, which was non-conditional, was mainly provided in the form of grants and long-term loans of

high concessionality. In recent years, the significant increase in aid had been due to assistance for the reconstruction of Iraq, Sudan and Palestine.

50. Mr. Al-Madani noted that all members of the Islamic Development Bank (IsDB) were developing countries; sub-Saharan African countries, where acute poverty was still a serious problem, made up 40 per cent of its membership. He stressed that the current crises would have a further negative impact on the poor. He discussed the IsDB lessons learned and best practices in the area of official assistance. Improvement of coordination and innovative mechanisms in scaling up aid through the Islamic Solidarity Fund for Development had resulted in substantial increase in aid to the poorest countries to facilitate reaching the Millennium Development Goals. Technical assistance had been developed to enhance absorptive capacity and lead to self-reliance of recipient countries. Partnership with non-official institutions in strategic areas had resulted in providing affordable access to health care and microfinance. Mr. Al-Madani put forward some concluding thoughts concerning how to make aid more effective: (a) the need to encourage more initiatives to share knowledge and innovation through development cooperation; (b) the need to help recipient countries to graduate from aid; and (c) the need to realize that helping the poor was a win-win situation.

51. Mr. Deutscher pointed out that failure to meet the goals set by the DAC donors would have a severe impact on the poor, particularly in the wake of food and financial crises. He also emphasized that economic and financial crisis should not affect the ODA budget of DAC donors. Referring to what had been agreed at the Accra High-Level Forum on Aid Effectiveness, a midterm review of the implementation of the Paris Declaration on Aid Effectiveness, which had been held in Accra in September 2008, he emphasized that further efforts were needed to strengthen country ownership during development cooperation; build more effective and inclusive partnership for development; increase productivity and concessionality of aid; and improve the management of aid by recipients. Recent evaluation showed that although there had been some improvement in those areas, the pace of progress was slow. He added that further reform and faster action were needed to meet the time frame of the Paris Declaration Commitment. Currently, 75 per cent of ODA from DAC donors to the least developed countries was untied. That amount had to be further increased to allow local and regional suppliers to benefit from procurement. With regard to technical cooperation, the speaker stressed that it must be country-led and country-owned and donors should facilitate coordination between themselves to avoid fragmentation. He highlighted that the bottom line was the need for action to implement commitments to address problems with all partners doing their part.

52. Ms. Ghosh discussed the activities of the Bill and Melinda Gates Foundation, which focused on working to help all people lead healthy and productive lives. There were two programmes geared to developing countries: the Global Development Programme aimed to increase opportunities for people in developing countries to overcome hunger and poverty, while the Global Health Programme ensured that advances in health care were created and shared with those who needed them most. She emphasized the need for political will and a results-oriented framework for ODA. Better data and evaluation mechanisms for better policymaking were required. The need for a new finance mechanism to supplement existing ODA was also noted.

53. Mr. Ping referred to the recent economic and financial crisis, which had driven down demand, export and price for commodities and consequently had a negative impact on the African economy. Based on past experience, ODA from developed countries was usually reduced after a crisis. In that environment, he emphasized the need for developed countries to lower agricultural subsidies and improve market access for developing countries. Finally, he called for increased aid to Africa from Islamic countries.

54. Mr. Worthington discussed the change in the aid architecture, especially regarding the NGO community. He pointed out that with rapid growth of private fund for development cooperation there was a need to acknowledge these funds; $54 billion of private funds had been disbursed through NGOs for development cooperation in 2006. From 2000 to 2006, there had been a tripling of private funds from individuals, foundations and corporations through NGOs to development programmes. NGOs worked with Governments and in partnership with community-based organizations, the United Nations, business and foundations. NGOs added value at the local level, helping in local capacity-building and strengthening the capacity of Governments. He emphasized that NGO programmes were participatory in design and implementation. Long-term programmes (10-15 years) were established in partnership with Governments to ensure a steady flow of aid. NGOs had launched a process to ensure the effective use of aid, based on Paris Declaration principles, to consider a platform of standards and norms. He stated that his organization would lobby the new United States administration to double ODA commitments and to seriously explore innovative financing mechanisms, including the Currency Transaction Tax (CTT).

55. After the panel presentations, a policy discussion was held among participants, including representatives of Governments and institutional and non-institutional stakeholders. The following points were made during the presentations and discussions:

- Innovative sources of financing should be additional and complementary to ODA, and new initiatives should be inclusive and participatory. The implementation of new initiatives, such as CTT, is welcome. Governments should be urged to pilot and take part in the Working Group on Solidarity Levies.
- Provision of aid through NGOs should be transparent and accountable.
- Some specific aid programmes may not be consistent with the development needs of recipient countries.
- What are the conditions that are conducive to aligning public wishes for ODA with the actual budgetary allocations for aid in developed countries?
- Aid for climate change should be additional to ODA commitments.
- The United States representative stated that his country would meet ODA commitments, including doubling ODA to Africa. ODA should be predominantly for leveraging other resources, such as private flows and trade. Therefore, the Doha round must be concluded. The Millennium Challenge Account was working on providing untied aid at the request of countries that had good governance and sound economic and social policies.

Round table 5

External debt

Summary of discussion

56. Round table 5 on external debt was co-chaired by Isatou Njie-Saidy, Vice-President of Gambia, and Mario Delgado Alfaro, Deputy Director-General for International Financial Affairs, Ministry of Economy and Finance of Spain. Murilo Portugal, Deputy Managing Director of the International Monetary Fund (IMF) moderated the panel. Presentations were made by the following panellists: Nancy Birdsall, President of the Center for Global Development; Carlos Braga, Director of the Economic Policy and Debt Department of the World Bank; Benoît Coeuré, Co-Chairman of the Paris Club; Robert Gray, Chairman of Debt Financing and Advisory, HSBC; and Mary Robinson, President of the Ethical Globalization Initiative.

57. Ms. Birdsall's presentation was in the context of the ongoing financial and economic crisis, including the crisis in employment, food and energy. She argued that the impact of those crises would undo the progress made since the Monterrey Conference unless rapid and creative changes were made in the international financial system. Debt relief under the HIPC Initiative, for all its success, had failed to reduce the vulnerability of poor countries. The main message of her presentation was that low-income countries faced two kinds of vulnerability: structural and episodic. Terms-of-trade volatility was the highest for low-income countries, almost two thirds higher than high-income countries and one third higher than middle-income countries. Terms-of-trade shock frequency was even higher than natural disaster frequency. Some of the possible responses to volatility and risk, such as pro-cyclical fiscal adjustment and export diversification, were outside the reach of many low-income countries. While the former could be tackled through aid, the latter was a more complex issue. Similarly, self-insurance through reserves was not a feasible option for many low-income countries, and market and market-like insurance was a missing option for that group of countries.

58. Ms. Birdsall suggested two policy solutions to mitigate the impact of structural and episodic vulnerability. For the former, the rule that determined access to International Development Association grants should be simplified instead of giving loans to countries with a per capita income of, say, $800 and subsidies to make IMF financing grants equivalent. To deal with episodic external shocks, a contingency facility should be created that was automatic and timely and delayed debt service or otherwise relieved debt in the event of an external shock and allowed more borrowing under the current debt sustainability framework. There was still hope if fixes to HIPC rules could lead the way to fixes to aid transfers overall and the Bretton Woods institutions should take charge in making those changes.

59. Mr. Braga affirmed that while most areas of the Monterrey Consensus had experienced very limited progress since its adoption, substantial improvement had been achieved in the area of external debt. He admitted that the financial crisis had the potential to undo some of that progress. He focused his presentation on low-income countries and the HIPC Initiative. In his opinion, the role of debt in promoting development raised many economic and philosophical questions. On the one hand, borrowing allowed countries to pursue economic objectives, such as

financing investment and smoothing consumption, but on the other hand, indebtedness could be harmful and on balance its effect depended on how the new resources were utilized. In response to Ms. Birdsall's view that structural and episodic vulnerability were the areas where solutions had to be found in the form of debt relief for low-income countries and the provision of grants and concessional loans, the speaker explained that structural and episodic vulnerability were not the objectives when the HIPC Initiative was formulated. When evaluating the HIPC Initiative, one needed to use the criteria established when the Initiative was launched, namely, to reduce debt overhang in developing countries, to increase transparency, to reduce debt payment rescheduling and to release resources for poverty alleviation. According to the speaker, substantial progress had been made in achieving all those objectives. Most developing countries had experienced growth during the last six years, their debt overhang had been reduced and the number of instances of debt payment rescheduling at the Paris Club had been reduced by 50 per cent. However, out of 23 countries which reached the point of completion, only 9 currently had low risk of debt distress. That analysis of risk did not factor in the effects of the financial crisis. The debt sustainability framework of IMF and the World Bank for low-income countries attempted to limit borrowing from other sources in order to keep debt sustainable. Prudent macroeconomic policies and debt management played a crucial role in debt maintaining debt sustainability.

60. Mr. Coeuré first presented the implementation of the Monterrey provisions on external debt. Significant progress had been made in the provision of debt relief under the HIPC Initiative/Multilateral Debt Relief Initiative, and Paris Club members have been major contributors under the HIPC Initiative. Debt burdens have been alleviated in the HIPC countries, enlarging the fiscal space for poverty eradication. Paris Club members had also been major contributors to debt relief outside the HIPC Initiative too. He also gave examples of debt treatments accorded to countries to deal with natural catastrophes, severe terms-of-trade shocks and conflict. Paris Club members supported the OECD principles and guidelines on sustainable export credit lending (2008) and used the Debt Sustainability Framework to make sure that new lending did not exceed a country's repayment capacity.

61. In the context of Doha and new challenges, Mr. Coeuré emphasized that we needed to make efforts to avert the current crisis. We had to build up on existing frameworks or arrive at new ones to deal with exogenous shocks and price and asset volatility. In the current Debt Sustainability Framework for low-income countries, no new lending was allowed for countries identified as being in debt distress. That had to be revisited. One option was to relax the Debt Sustainability Framework to finance infrastructure investments, etc. Looking towards the future, the new challenge was in working out the involvement of non-Paris Club creditors. Paris Club had already had two outreach meetings in 2008 with 11 non-Paris Club creditors. Another challenge was to determine ways of arriving at long-term debt sustainability. He also took up the issue of litigating creditors and called on all creditors to refrain from selling claims to non-cooperative litigating creditors. The Paris Club was ready to revisit its own principles and learn from others. It had recently taken steps to become more transparent through data-sharing. Paris Club debt data was now available on its website and an annual report of Paris Club activities was also in the offing.

62. Mr. Gray provided a private sector perspective on the ongoing challenge of creating a stable and durable environment for the management of external debt by developing countries. Some of the salient developments since the Monterrey Conference in 2002 were the improved working relationship between the private and official sectors in the area of crisis prevention and resolution, which had contributed to a better dialogue on debt sustainability; the increasing realization that regulations, including Basel II, had to be counter-cyclical in order to maintain debt sustainability; the increasing introduction of collective action clauses in bond issues; and the increased blurring between domestic and external debt, creating a new set of challenges.

63. Increased transparency, including complying with the IMF Special Data Dissemination Standards and early dialogue between debtors and creditors could, in his view, contribute to reducing misunderstandings by creditors about a country's measures to restore confidence. In addition, the IMF Code of Conduct for Emerging Markets endorsed by the Group of 20 in 2004 could contribute to stability of capital flows. The private sector was working with the Paris Club to provide relief under the HIPC Initiative in the areas of debt reconciliation and providing debt relief. Reconciliation of commercial debt posed challenges and there should be room to develop a template that addressed the issues of delays in reconciliation. On the issue of litigation, he was of the view that authorities should distinguish between the majority that provided relief and the minority that litigate. Even in the case of the latter, he was of the view that if the debtor was well organized and prepared to negotiate on mutually acceptable terms, a solution could be found. On the issue of new debt in HIPCs, Mr. Gray underscored the importance of debt management in the HIPCs. The speaker also pointed out the importance of longer-dated fixed rate Government bonds, as well as the role gross domestic product (GDP) and inflation-linked bonds played in keeping debt sustainable. He felt that IMF could play a role by purchasing the latter instruments and helping to define their market price.

64. Ms. Robinson addressed the issue of external debt from a human rights perspective, focusing on the need for responsibility and accountability on the part of developed countries. Developing countries were affected by food, fuel and financial crises as well as by climate change, but these were not inevitable. They were the result of the behaviour of developed countries. The current financial crisis, for example, had been caused by the irresponsible financial behaviour of developed countries, accompanied by too much deregulation and living beyond their means. She pointed to the asymmetry between the developed and developing countries in terms of policy space. Developed countries had a lot of policy space to deal with their problems, as exemplified in the response to the ongoing crisis in the form of bailouts and the steps taken to shore up the global financial system. Developing countries, on the other hand, did not have similar policy space and would get criticized for interventionist policies. Developed countries should also think in terms of policy space when dealing with the problems of developing countries and take measures to resolve the fallout of the crisis on developing countries.

65. An effect of the financial crisis was the expected worsening of the debt distress situation in developing countries. The review of HIPCs by the World Bank had shown that many post-completion point HIPCs were falling back into debt-crisis situations. Fourteen low-income HIPCs, which had reached the HIPC completion point by being rigorous and responsible, were now facing deep or moderate risk of debt distress. The actual situation of HIPCs was probably worse, since the financial

crisis had occurred after that analysis had been carried out by the World Bank. Ms. Robinson made an appeal to the international community not to let the poorest countries feel the heaviest burden. The financial crisis carried a moral responsibility and the burden must not fall unfairly on developing countries. The crisis, which had been created by the “first world”, created moral and ethical issues. She proposed to add a new dimension to the financing for development agenda to deal with responsibility and accountability.

66. After the panel presentations, a policy discussion was held among participants, including representatives of Governments and institutional and non-institutional stakeholders. The following points were made:

- The costs of climate change and the financial, food and energy crises will have to be borne by Africa and other developing countries although they are not responsible for causing them.
- Full delivery on the HIPC Initiative will require more efforts. Eighteen countries have not reached the decision point. The new assistance promised to developing countries is going ahead at slow pace. If the Gleneagles target is to be reached, a much faster rate of growth of those funds needs to be achieved.
- Debt relief puts blame on the debtor countries. The impact of debt relief is diluted by conditionality and worsened terms of trade. Financing for development’s failure in the area of debt relief includes the inability to promote debt cancellation and policy space. A deeper and broader debt cancellation is needed because the current debt relief mechanism has failed.
- There is a need to examine odious/illegitimate debt. The Paris Club has indicated that it is ready to discuss odious debt although it poses legal issues.
- The Debt Sustainability Framework, debt relief mechanisms and terms of treatment remain a challenge. Some of the features recommended for improvements are speed, comprehensiveness, realism, fairness and transparency.
- A weakness in debt relief initiatives is that they do not address how to deal with post-conflict countries. There is a need for a broader debt relief for those countries.
- The approach to the debt problem is flawed because it is considered only an economic problem when it has many dimensions (the human rights aspect is missing). The United Nations is the proper place to address the problem because it is a democratic institution where all have an equal voice.
- There is a need to enhance the debt management capacity of developing countries in a transparent legal framework and create a charter of principles that promote responsible lending and borrowing.
- Debt problems include unsustainable and unresolved debt. If debt problems remain unresolved then poverty remains unresolved too.
- There is a need for short-term loans to help developing countries deal with the consequences of the current financial crisis.
- IMF financing is needed to provide funds to budgets.

- How should the post-HIPC countries, which are in pre-crisis situation, be handled? The HIPC Initiative is not available to some low-income and middle-income countries.
- In 2008, about $30 to 35 billion is available to middle-income countries in response to their demand related to the crisis. Some of the loans will be budget support loans.
- Is a rules-based approach for middle-income debt needed? Maybe a moratorium on debt makes sense but a rules-based approach is better. Middle-income debt treatment should focus on unsustainable debt.
- Accountability of the international financial system is an issue. There are failures on the part of regulators, ratings agencies and investors themselves, and those failures have an impact on the debt situation of developing countries.

Round table 6

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading system in support of development

Summary of discussion

67. Round table 6 was co-chaired by Joon Oh, Deputy Minister for Foreign Affairs of the Republic of Korea, and Jorge Hidalgo Valero Briceño, Vice-Minister of Foreign Affairs for North America and Multilateral Affairs of the Bolivarian Republic of Venezuela. The Under-Secretary-General for Economic and Social Affairs of the United Nations Secretariat moderated the panel. Presentations were made by the following panellists: Hany Dimian, Deputy Chairman of the International Monetary and Financial Committee and Deputy Finance Minister of Egypt; John Eatwell, Professor, University of Cambridge; Adib Mayaleh, Chair of the Group of 24, Governor of the Central Bank of Syria; Louis Michel, European Commissioner for Development and Humanitarian Aid; Joakim Stymne, State Secretary, International Development Cooperation, Ministry of Foreign Affairs of Sweden; and Heidemarie Wieczorek-Zeul, Federal Minister for Economic Cooperation and Development of Germany, Special Envoy of the Secretary-General for the Conference.

68. Mr. Sha, introducing the subject, identified the two major issues of the systemic agenda: (a) specific policies to support the more effective functioning and coordination of the international financial architecture; and (b) strengthening the role of developing countries and transition economies in global economic governance. Recently, the international community attention had been focused largely on the challenge of crafting policy responses to the weaknesses in the financial system, exposed by the ongoing global financial turmoil. Those responses were spawning additional challenges in adapting the governance structures of the international institutions and other global decision-making bodies. The financial crisis had broadened the consensus on the urgency of a far-reaching reform of global economic governance and the international financial architecture. Mr. Sha noted that the President of the General Assembly had created a Commission of Experts on

Reform of the International Monetary and Financial System, tasked with a report on proposals to reconfigure the mechanisms and institutions of global economic governance, based on lessons learned from the financial crisis. The Doha Conference was another important step in that direction. Mr. Sha noted the call from the Conference to hold a United Nations conference at the highest level on the world financial and economic crisis and its impact on development.

69. Mr. Dimian shared the recent observation that at the current time markets were less concerned about the return on money and more on the return of the money — indicating that a crisis of confidence had engulfed the global financial system. In restoring confidence, global coordination was needed. While fiscal stimulus packages were an important measure to restore market confidence, the global community had to step up efforts for the prudent regulation of financial markets. The problem was not the existence of an early warning system but the lack of enforceability of such warnings on countries which accumulated financial fragility caused by the sale of financial assets by firms that later on turned out to "troubled".

70. Mr. Eatwell stated that while Governments were currently struggling with short-term responses to the international economic and financial crisis, in the medium term Governments had to agree on effective global regulatory reform. The current financial crisis represented a shock to both the theory and practice of financial development and regulation. While risks undertaken by individual private actors had a systemic effect, individual firms could not tackle a systemic crisis when it erupted. Financial regulation in the system had been heavily biased at the firm level and that had been evident in such initiatives as Basel II and the Capital Requirement Directive of the European Union. That would require a fundamental overhaul of the international financial architecture. A regulatory approach should focus less on the differentiation between types of financial institutions and more on the scale of leverage that institutions engaged in. There was an urgent need for an economic and political consensus on global multilateral financial reform and a Bretton Woods II system. The Commission established by the President of the General Assembly could respond to that need. The United Nations and the United Nations system had an important role to play in systemic issues since they were essentially of a political nature.

71. Mr. Michel stressed that the current financial crisis should not provide an occasion for donor countries to shirk their responsibility in terms of meeting their ODA commitments. He emphasized that the European Union would meet its targets of 0.56 per cent of gross domestic product (GDP) for ODA by 2010 and 0.70 per cent by 2015. The threat of a deep crisis was very real. Protectionist tendencies should be resisted. Climate change had been mostly caused by the actions of developed countries and therefore assistance on climate change grounds should be additional to aid already committed. The overall goals of the Monterrey Consensus should be realized, including effective and transparent taxation. The current crisis required countries to be less "egocentric" and to mobilize together the political will to resolve it.

72. Mr. Mayaleh emphasized the two key issues in the systemic chapter — financial architecture and the voice and participation of developing countries. Global finance should contribute to development, not undermine it. Since Monterrey, increasing global inequality had not been addressed. Surveillance mechanisms had been asymmetric. The Monterrey Consensus called for the

establishment of an orderly debt-restructuring mechanism and that objective needed to be reinvigorated. IMF needed to review the conditionalities associated with its instruments and should reconsider those that blocked their use by developing countries. It was an important moment to reform the governance of the international financial institutions in order to restore the legitimacy and effectiveness of those institutions. Deliberations on those reforms should include countries that were not members of the Group of 20. Many of those countries were members of the Group of 24.

73. Mr. Stymne stressed that a global crisis required global solutions. Regulations should be effective and not excessive. While one must be careful, in creating new institutions, to recognize the potential of existing institutions, it was important to strengthen the integrity and accountability of the international financial institutions. There was a need to establish a broader ownership of the Bretton Woods institutions, and the reform process itself should be inclusive, legitimate and transparent. Mr. Stymne pointed out that in the specific area of increasing the resources of the Bretton Woods institutions, Sweden could be an important contributor but it was not a member of the Group of 20 and thus it would be “counterproductive” to limit the discussion of resources to that Group. The United Nations had an important multilateral role in fostering governance and rule of law. There was also a need to successfully conclude the Doha round of trade negotiations.

74. Ms. Wieczorek-Zeul stated that the time had come for a new global deal. We must see the current crisis as an opportunity and seize it to fight the economic crisis and prevent it from becoming a humanitarian crisis in developing countries. We needed to rethink the relationship between markets and the role of States. The lack of a clear set of international principles for the management and resolution of financial crises was a major problem. The Group of 20 had recommended and decided on measures to manage the international financial system, but without inclusive international representation. The crisis also suggested that the current international financial institutions did not have the capacity to effectively address such situations. Better macroeconomic policy coordination was required.

75. Following the presentations, an interactive debate was held. Civil society participants emphasized the importance of protecting the participation of the sector as the source of new and critical ideas. The business sector representative stressed the capabilities that the business sector could contribute to government policy design and implementation in addressing systemic issues and their strong willingness to do so. Other participants proposed that IMF should focus more on overall systemic issues, including addressing the need for new forms of global regulation. IMF needed to strengthen its multilateral surveillance and pay more attention to the consistency of macroeconomic policies of developed countries and not be distracted by the public sector governance issues in developing countries from its true mandate. IMF should be active in promoting the reform of the international monetary system, including better management of external shocks, macroeconomic policy coordination, efficient multilateral liquidity provision and consideration of a debt workout mechanism.

Annex IV

Parallel and associated activities

A. Global Civil Society Forum

Ramada Plaza Doha Hotel, 26 and 27 November 2008

1. The Civil Society Forum considered the theme “Investing in people-centred development”. More than 250 civil society organizations and networks participated in the meeting, which featured plenary sessions, round tables and side events. The Forum adopted a civil society declaration, which was presented by Gemma Adaba, Representative of the International Trade Union Confederation (ITUC) to the United Nations, to the plenary session of the Conference on 29 November 2008. The declaration put forward a number of key recommendations, organized around the six thematic areas of the Monterrey Consensus.

2. On domestic resource mobilization, the declaration affirmed that in order to achieve the international development goals and overcome dependence on external sources, developing countries need to substantially increase revenue from national resources and channel them towards meeting the needs of the people living in poverty. With respect to foreign direct investment, the Declaration called for a holistic approach that would include, among others, social development aspects, sustainable technology transfer and the elimination of tax havens that deny poor countries much-needed financial resources for development.

3. Concerning trade, the declaration concluded that the impact of the global financial crisis on developing countries was exposing vulnerabilities resulting from too much emphasis on the liberalization of trade and a lack of mechanisms for ensuring that trade provided a stable source of development finance.

4. On the question of aid, civil society organizations called for binding timetables for donor countries to reach the 0.7 per cent ODA/GNI target by 2015 at the latest. Innovative sources of finance, such as a small currency transaction tax, could provide much-needed additional resources for development.

5. As to external debt, the declaration called for a new debt architecture that would be inclusive, participatory and democratically accountable to the peoples it aimed to serve. The United Nations should play a key role in its development and the institutions and mechanisms should be subject to international human rights norms and treaties.

6. With regard to systemic issues, the declaration called for a new mechanism within the United Nations that would ensure the implementation of the internationally agreed development goals and bring together all institutional stakeholders. The United Nations should hold a major international Summit-level conference in order to comprehensively review the international financial architecture and global economic governance structures.

B. International Business Forum

La Cigale Doha Hotel, 28 November 2008

7. The International Business Forum considered the theme "The impact of the financial crisis and proposed road maps: mobilizing private-sector resources for development". More than 200 business leaders, country delegations and international financial institutions participated in four plenary sessions and several round tables and side events. The outcome of the Forum was presented by Louise Kantrow, Permanent Representative of the International Chamber of Commerce to the United Nations, to the plenary session of the Conference on 29 November 2008.

8. Participants provided views on the impact of the global financial crisis on developing countries. Discussions centred on how to limit potential damage and promote actions to increase financial stability and aid effectiveness, such as closer cooperation between development finance institutions, the private sector and NGOs. Participants proposed to lower private-sector risk through development finance web portals that would facilitate the access of investors to information in developing countries.

9. Speakers also discussed how to promote globally balanced and ecologically sustainable economic growth. A proposal was made to mainstream ecosystem indicators and values in corporate management and annual reporting systems. Moreover, corporations should seize new biodiversity business opportunities, including biofriendly segments within established sectors, such as eco-agriculture, ecotourism and certified forestry, as well as new sectors, such as the biocarbon sector and biodiversity banking. Public-private partnerships could help make business capacities more relevant to conservation efforts.

10. Participants urged developing country Governments to work closely with the private sector and civil society to create a sustainable business-enabling environment focused on economic growth and job creation. This improved cooperation would increase the capacity of donors to align their activities in support of national and regional development and therefore enhance aid effectiveness.

11. Specific ideas for development agencies and Governments to more effectively mobilize private-sector resources for critical development needs included proposals to scale up risk mitigation and project development assistance, establish multi-donor funds on targeted deliverables, and implement performance benchmarks for multilateral development banks.

12. Finally, speakers called on Governments, development agencies and the private sector to cooperate in meeting emerging challenges, such as finance for small and medium-sized companies, financial services for the poor, and climate change and water supply.

C. Parliamentary Hearing

Sheraton Doha Resort and Convention Center, 28 November 2008

13. The Parliamentary Hearing provided an opportunity for Members of Parliament attending the Doha Conference to evaluate the implementation of the Monterrey Consensus, as well as to discuss new challenges and emerging issues.

The moderator, Theo-Ben Gurirab, President of the Inter-Parliamentary Union (IPU) and Speaker of the National Assembly of Namibia, presented the outcome of the hearings to the plenary session of the Conference on 29 November 2008.

14. The speaker underscored that parliaments represented society in all its diversity and offered a platform for public debate on national development policies to allow input from all stakeholders. Therefore, they should be at the centre of the collective effort to achieve the Millennium Development Goals. Moreover, parliaments, in approving national budgets, could examine the effectiveness of the delivery and use of aid.

15. Parliaments should take urgent action to address systemic issues underlying the financial crisis and mitigate its effects. Parliamentarians were hopeful that the Doha Conference would send a strong message about the need for much better balance between market forces and regulation. They also underscored that the crisis should not divert resources away from development goals and from the agreements contained in the Monterrey Consensus. Good governance should remain at the core of the implementation of the Consensus.

16. The speaker pointed out the importance of IPU assistance to many parliaments, particularly those in countries that emerged from conflict, to build their capacity and resources. He underlined that better parliaments and better decision-making required the effective participation of women in parliaments and the mainstreaming of gender issues. Important measures included the adoption of gender-sensitive budgets and the critical evaluation of budgets from gender perspectives.

17. Mr. Gurirab referred to the IPU parliamentary message to the Conference, which included many of those issues. Its key recommendation was to target the financing for development agenda more explicitly on the people and their present and future needs.

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