

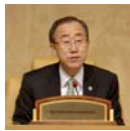


The Road to

DOHA

A newsletter for civil society in the lead up to the 2008 FfD conference

Key Official Comments



At the opening of the Conference, the UN Secretary-General Ban Ki-moon, recalling that the Monterrey Consensus marked "a new era of cooperation, bridging the old North-South divide", stated that "the Monterrey vision could yet deliver all that, and more. Faithfully implemented, it is a path out of our current predicament." [\[Full statement\]](#)



As the Conference President, in his opening remarks, Sheikh Hamad Bin Khalifa al-Thani, Emir of Qatar, emphasized the role of the Conference in forming a broad vision for development. "Development is an umbrella of peace that protects everyone," he said. [\[Full statement\]](#)



Welcoming "the remarkable" Doha Declaration, General Assembly President Miguel d'Escoto Brockmann said it "highlighted a new sense of solidarity and goodwill among nations at a time when we can be tempted to withdraw into our narrowly defined self-interests". [\[Full statement\]](#)



On behalf of the UN Secretary-General, Sha Zukang, Under-Secretary-General for Economic and Social Affairs, who steered UN substantive support to the Conference, called the Declaration "an important milestone in the struggle for development" that adds significant value to what was achieved in Monterrey in 2002. [\[Full statement\]](#)



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Doha Declaration on Financing for Development adopted as outcome document of the Follow-up International Conference 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 was held in Doha, Qatar, on 29 November - 2 December 2008. The Conference was chaired by the Emir of Qatar and included seven plenary meetings and six multi-stakeholder round tables on the major thematic areas of the Monterrey Consensus. Some 40 Heads of State or Government, 9 Deputy Heads of State or Government, 50 ministers and 17 vice-ministers of foreign affairs, finance, development cooperation and trade, and other high-level officials from 170 States, as well as representatives of all relevant stakeholders, participated in the Conference.

Doha Declaration

Following intense intergovernmental negotiations, culminating in its Main Committee, the Conference adopted the [Doha Declaration on Financing for Development](#). The three key messages of the document are: (i) strong commitment by developed countries to maintain their ODA targets irrespective of the current financial crisis; (ii) recognition that the United Nations has a vital role to play in addressing new challenges and emerging issues in financing for development; and (iii) decision to hold a UN Conference at the highest level on the impact of the current financial and economic crisis on development.

Other highlights of the Declaration are:

- *Domestic resource mobilization*: the importance of national ownership of development strategies and of an inclusive financial sector, as well as the need for strong policies on good governance, accountability, gender equality and human development, with

a provision for adequate policy space in developing countries.

- *Mobilizing international resources for development*: the need to improve the enabling environment and to expand the reach of private flows to a greater number of developing countries and to the areas of investment such as human resources, transport, energy, communications, information technology, etc.
- *International trade as an engine for development*: the importance of concluding the Doha round of multilateral trade negotiations as soon as possible, with a strong development content, taking into account special needs of the Least Developed Countries.
- *Increasing international financial and technical cooperation for development*: the importance of fully maintaining ODA commitments by donors while addressing special needs of low- and middle-income countries, and the call for a close monitoring of ODA flows, as well as further exploring innovative sources of finance.
- *External debt*: the need to strengthen crisis prevention mechanisms and to consider enhanced approaches for debt restructuring mechanisms.
- *Addressing systemic issues*: the need to review existing global economic governance arrangements, with a view to comprehensive reforms of the international financial system and institutions; and the call for a UN conference to discuss the world financial and economic crisis and its impact on development, the modalities of which are to be decided by the end of March 2009.
(continued on p. 2)

- *Other new and emerging issues:* recognition of the development finance challenges posed by the climate change and the fluctuations in the prices of primary commodities, including food and energy; and the need to strengthen international cooperation in tax matters.
- *Staying engaged:* the call for strengthening the follow-up mechanism of the Monterrey and Doha Conferences, while maintaining its inclusive, multi-stakeholder character.

Plenary meetings

The Emir of Qatar, the President of the General Assembly, the Secretary-General of the United Nations, the Director-General of WTO, the Secretary-General of UNCTAD and the Administrator of UNDP spoke at the opening. In addition, deputy heads of the World Bank and IMF, as well as heads of other institutional stakeholders, also made statements. Oral reports on the Civil Society and Business Forums and on the Parliamentary Hearing, which preceded the Conference, were also delivered.

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 these 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 of 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, financial implications of the climate change adaptation and mitigation and the need to strengthen the financing for development follow-up process featured prominently on the agenda.



Many speakers emphasized that the Doha Conference was taking place at a fateful moment. All aspects of sustainable development, including economic, social and environmental dimensions, were essential to ensure the well-being of all people in every society. The role of the State should be strengthened, as present circumstances indicated the indispensable role of a pro-active State. Although each country was responsible for its own development, joint efforts by all members of the international community were necessary to ensure sustained economic growth and development.

The current financial crisis compounded food insecurity, the persistence of extreme poverty and the threats posed by climate change. To address the

current crisis, the international community should continue to strengthen macroeconomic policy coordination, expand financial information sharing and deepen cooperation in financial oversight. The United Nations should lead efforts to alleviate the consequences of the current and future crises. There was a need to consider holding a major United Nations international conference to review the international financial architecture and global economic governance structures.

It was recalled that the WTO negotiations under the Doha round had stalled. Rapid conclusion of these negotiations was critical to maintaining and nurturing the Monterrey Consensus. All countries should strengthen their commitment to the principle of special and differential treatment of poorer countries. In particular, LDCs should be granted

duty-free and quota-free market access for all their exports. There was an urgent need to eliminate trade-distorting subsidies. “Aid for Trade” was also very important.

It was proposed that the Doha meeting should send a strong message in these trying times by strengthening the global partnership for development, including in the context of ODA. Aid delivered with more predictability and less conditionality would help developing countries to move onto a path of self-reliant development by complementing their domestic efforts.

Moreover, the Doha Conference should encourage grants and long-term financing to the poorest and most vulnerable countries. African development was an absolute priority and required a new “Marshall Plan”. It was also critical to increase support to LLDCs, especially in transport and related issues. North-South cooperation should adhere to Paris Declaration and Accra Accord on Aid Effectiveness.

It was critical that ODA commitments were met at a time when developing countries needed support more than ever. Developed countries should strive to achieve the ODA target of 0.7 per cent of GNI. The United Nations should play a leading role in monitoring aid flows, in cooperation with OECD-DAC. Additional emergency financing was needed from IMF, the World Bank and other sources. It was also important to explore new and innovative sources of financing for development.

There was a general view that private sector development was important for a dynamic economy. 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 in fostering both the development of the domestic private sector and for attracting foreign investment, especially to Africa.

It was suggested that the current crisis was an opportunity to “green” the Earth’s economy. Investment in “green” technologies would yield pay-offs in the long term. It was recognized that financial resources needed to combat climate change could be generated from the carbon market. It was also important to strengthen financial mechanisms for climate change mitigation and adaptation, especially in SIDS.

Several speakers stated that resources released so far through debt relief had been inadequate to permit debt-distressed developing countries attain the IADGs, including the MDGs. There was a need for fair and effective international mechanisms for debt relief and to overcome illegitimate or odious debt. Debt relief programs therefore must be stepped up so that a greater number of poorer nations could benefit.

Several participants stressed that it was fundamental to invest in human capital, with a particular emphasis on education and social services. 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.

It was observed that developing countries had been severely impacted by the detrimental effects of illegal financial flows on their economy. The fight against tax evasion, money laundering and transfer of illegal funds had to be a priority in development cooperation. Also, the UN Committee of Experts on International Cooperation in Tax Matters should soon be upgraded into an intergovernmental body to enhance its impact and effectiveness.

There was a general agreement that the Monterrey Consensus was a far-reaching document 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



[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, ILO; Angel Gurría, Secretary-General of OECD; Michael Keating, Director of the Africa Progress Panel; Princess Máxima of the Netherlands, member of the UN Advisers Group on Inclusive Financial Sectors; and Vito Tanzi, former State Under-Secretary for Economy and Finance of Italy.

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.
- 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.

- Given that developing countries are not fully integrated into international forums on tax matters, the UN 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 of Experts to an intergovernmental Commission.
- Capital flight (estimated at \$500 – \$800 billion per year), derived mostly from illicit financing flows, tax evasion and avoidance, transfer-mispricing by TNCs and corruption, imposes large costs on development. 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. The UN Convention against Corruption and the Stolen Asset Recovery Initiative should be strengthened, extended and adopted by more countries.
- The increased taxation of natural resources when the price is high as well as fees on public services could supplement existing tax revenues in developing countries.
- 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 con-

sumer-protection mechanisms for microcredit.

- Given the critical lack of productive capacity and relatively high cost of electricity in many 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



[Round table 2](#) was co-chaired by Denis Sassou Nguesso, President of the Congo, and Bob McMullan, Parliamentary Secretary for International Development Assistance of Australia. Supachai Panitchpakdi, Secretary-General of UNCTAD, 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 and Special Envoy of the Secretary-General for the Conference; Joyce H. de Ginatta, President, Federación Interamericana Empresarial de Ecuador; Huguette Labelle, Chair of Transparency International; Avinash Persaud, Chairman of Intelligence Capital; and Kamallesh Sharma, Commonwealth Secretary-General.

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

- To promote FDI, especially in light of the current financial crisis, there is 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.
- The current crisis has exposed the failure of the existing crisis-prevention system, including the

regulatory systems in developed countries. In light of this failure, there is a need to license, regulate and supervise all financial intermediaries, to overhaul and oversee custodial institutions, such as credit-rating agencies, and to revisit accounting standards.

- The following ways to encourage productive and sustained FDI were suggested: (a) transparent reporting of revenues by corporations and payment of taxes and fees to the Government; (b) ensuring that international corporations comply with disclosure standards; (c) supporting enforcement and monitoring mechanisms for regional and international commitments on transparency, such as the UN Convention against Corruption and the OECD Convention against Corruption; (d) ensuring, through source-country Governments, that companies act with the same level of integrity abroad as they do 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.
- There is a need to develop a solid foundation for entrepreneurship by increasing ODA in areas that would enhance the functioning of the business sector and the provision of long-term debt to entrepreneurs.
- With respect to the activities of international financial institutions, special attention should be paid to the development of small and medium-sized enterprises, particularly those that promote entrepreneurship by youth and women.
- FDI is not necessarily better than other forms of private capital flows. Over the long term, the outflow of dividends could destabilize recipient country financial markets. Also, TNCs could use transfer-pricing to avoid taxation. Equity investment flows, with the exception of the short-term loans, which could be destabilizing in adverse financial environment, might have more stabilizing effect on economy. A strong regulatory framework is important in limiting the volatility of private capital flows.

Round table 3: International trade as an engine for development



[Round table 3](#) was co-Chaired by Olga Algayerova, State Secretary of the Ministry of Foreign Affairs of Slovakia, and Ana Vilma de Escobar, Vice-President of El Salvador. Valentina Rugwabiza, Deputy Director-General of WTO, 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 UN Office in Geneva and President of the Trade and Development Board of UNCTAD; Miguel Hakim, Secretary for Iberoamerican Cooperation, Secretaria General Iberoamericana; Abdoulieh Janneh, Executive Secretary of ECA; Sun Zhenyu, Ambassador of China to WTO; and Paavo Väyrynen, Minister for Foreign Trade and Development of Finland.

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

- In assessing the implementation of five trade-related paragraphs of the Monterrey Consensus, substantial progress was made in: (i) expanding WTO accession; (ii) increasing financial resources derived from trade; (iii) expanding bilateral and regional free-trade agreements; and (iv) re-doubling aid for trade. However, the conclusion of the Doha round of multilateral trade negotiations was not achieved. Therefore, the Doha Conference needs to provide at least a political impetus and a road map for further negotiations.
- In light of the current financial crisis, it is especially important to keep the international trade open since it is intrinsically related to growth and development, and to urgently complete

the Doha round with a balanced outcome. One of the key objectives of WTO is to ensure a level playing field for all its members and to help countries neglected by globalization to integrate themselves into the world economy. “Aid for Trade” is critical in that respect and should be transparent and additional to ODA.

- Many developing countries have failed to benefit from international trade. A successful Doha round could rebalance the system and bring more benefit to a greater number of countries. The current crisis threatens this opportunity and it is crucial to coordinate crisis-fighting and resist protectionism.
- The major instrument for facilitating the beneficial effects of trade for developing countries is their special and preferential treatment. It is hoped that emerging market countries would follow the European Union lead in offering tariff-free and quota-free access to LDCs.
- Trade is the most important engine for development of Africa in many ways. Given serious obstacles faced by the continent, a priority should be given to well-targeted “aid-for-trade” for ports, telecommunications and customs capacity-building.
- In light of the current crisis, immediate challenges include: (i) sustaining the multilateral trading system and resisting hegemonic and protectionist tendencies; (ii) concluding the Doha round with a balanced outcome, including tariff-free and quota-free market access for all LDCs and their goods; and (iii) resolving the commodities issue, the cotton issue being the prime example. Domestic policy and institutional reforms are also necessary to ensure that trade benefits result in poverty reduction.

Round table 4: Increasing international financial and technical cooperation for development

[Round table 4](#) was co-chaired by Laurent Gbagbo, President of Côte d'Ivoire, and Laszlo Varkonyi, State Secretary of the Ministry of Foreign

Affairs of Hungary. Olav Kjørven, Assistant Secretary-General and Director, Bureau for Development Policy, UNDP, moderated the panel. Presentations were made by the following panelists: Bader Al-Dafa, Executive Secretary, ESCWA; Ahmad Mohamed Ali Al-Madani, President, Islamic Development Bank; Eckhard Deutscher, Chair, Development Assistance Committee, OECD; Gargee Ghosh, Senior Program Officer for Development Finance & Policy, Bill and Melinda Gates Foundation; Jean Ping, Chairperson, African Union Commission; and Sam Worthington, President and Chief Executive Officer, InterAction.



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

- In addition to delivering on ODA commitments, it is important to make aid more effective. The required adjustments include further untying of aid, improving coordination and harmonization and strengthening triangular and South-South cooperation.
- The following additional ways to make aid more effective were put forward: (i) encouraging more initiatives to share knowledge and innovation through development cooperation; (ii) helping recipient countries to graduate from aid; and (iii) realizing that helping the poor is a “win-win” situation.
- ODA has usually been reduced after a crisis. 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. To mitigate this, developed countries should lower agricultural subsidies and improve market access for developing countries.
- Further efforts are needed in strengthening country ownership of

development cooperation, building more effective and inclusive partnership for development, increasing productivity and concessionality of aid and improving management of aid by recipients. Currently, 75 per cent of ODA from DAC donors to LDCs is untied. This amount must be further increased.

- Technical cooperation must be country-led and country-owned and donors should facilitate coordination between themselves to avoid fragmentation.
- There is a need for greater political will and result-oriented framework for ODA. In this connection, better data and evaluation mechanisms for better policy making are required. The need for new finance mechanisms was also pointed out, which should supplement existing ODA.
- There have been some significant changes in the aid architecture, especially regarding the involvement of the NGO community. In 2006, \$54 billion of private funds for development cooperation were disbursed through NGOs. NGOs work with Governments and partner with community-based organizations, local businesses and foundations, usually in the framework of long-term programmes. NGOs add value at the local level, helping in local capacity-building. They also partner with the United Nations.
- Innovative sources of financing should be additional and complementary to ODA and new initiatives should be inclusive and participatory. Implementation of new initiatives, such as the CTT, is welcome and more Governments should join the Leading Group on Solidarity Levies to Fund Development. Aid for climate change should also be additional to ODA commitments.

Round table 5: External debt

[Round table 5](#) 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, Spain. Murilo Portugal, Dep-

uty Managing Director, IMF, moderated the panel. Presentations were made by the following panelists: Nancy Bird-sall, President, Center for Global Development; Carlos Braga, Director, Economic Policy and Debt Department, World Bank; Benoît Coeuré, Co-Chairman, Paris Club; Robert Gray, Chairman, Debt Financing and Advisory, HSBC; and Mary Robinson, President, Ethical Globalization Initiative.



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

- Substantial progress has been achieved in the implementation of the external debt chapter of the Monterrey Consensus. However, the current financial crisis has the potential to undo some of this progress. The debt distress situation in several developing countries is worsening. Many post completion point HIPC countries are falling back into debt crisis situations: 14 out of 23 such countries are now facing deep or moderate risk of debt distress.
- Full delivery on the HIPC Initiative would require more efforts. 18 countries didn't reach decision point. If Gleneagles commitments are to be reached, there should be much faster rate of growth of assistance to these countries. The question also remains about ways of dealing with the post-HIPC countries, which are in pre-crisis situation, as well as some low and middle-income countries, to which HIPC was not available.
- There is a need for short-term loans to help developing countries deal with the consequences of the current financial crisis.
- HIPC debt relief has failed to reduce the vulnerability of poor countries that face two kinds of vulnerability – structural and episodic. To deal with

the structural vulnerability, it was suggested to simplify the rule that determined access to IDA grants. To address the episodic vulnerability, it was proposed to create a automatic and timely contingency that would delay debt service or otherwise relieve debt in the event of an external shock and allow more borrowing under the current debt sustainability framework.

- The role of debt in promoting development raises many economic and philosophical questions. On one hand, borrowing allows countries to pursue economic objectives, but on the other hand, indebtedness could be harmful and on balance its effect depends on how the new resources are utilized.
- Debt Sustainability Framework and debt relief mechanisms and terms of treatment remain a challenge. Some of the features recommended for improvements were speed, comprehensiveness, realism, fairness and transparency.
- Since 2002, the working relationship between the private and official sectors in the area of crisis prevention and resolution has improved, contributing to a better dialogue on debt sustainability. Other developments include: (i) the increasing realization that regulations have to be counter-cyclical, in order to maintain debt sustainability; (ii) the increasing introduction of collective action clauses in bond issues; and (iii) the increased blurring between domestic and external debt, creating a new set of challenges.
- Increased transparency, including in complying with the IMF's SDDS and early dialogue between debtors and creditors, could contribute to reducing misunderstandings by creditors about debtor measures to restore confidence. Also, IIF's Code of Conduct for Emerging Markets, endorsed by the G20 in 2004, could contribute to stability of capital flows.
- Developing countries are affected by food, fuel and financial crises, as well as by climate change, resulting from developed countries policies.

The current financial crisis, for example, is caused by irresponsible financial behavior of some developed countries accompanied by too much deregulation and living beyond their means. This creates moral and ethical issues, which should be addressed within the FfD agenda.

Round table 6: Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

[Round table 6](#) was co-chaired by Joon Oh, Deputy Minister for Foreign Affairs, Republic of Korea, and Jorge Valero, Vice-Minister for North America and Multilateral Affairs, Venezuela. Sha Zukang, Under-Secretary-General for Economic and Social Affairs, United Nations, moderated the panel. Presentations were made by the following panelists: Hany Dimian, Deputy Chairman, IMFC and Deputy Finance Minister, Egypt; John Eatwell, Professor, University of Cambridge, United Kingdom; Adib Mayaleh, Chair of the G24 and Governor, Central Bank of Syria; Louis Michel, European Commissioner for Development and Humanitarian Aid; Joakim Stymne, State Secretary, International Development Cooperation, Ministry of Foreign Affairs, Sweden; and Heidemarie Wiczorek-Zeul, Federal Minister for Economic Cooperation and Development, Germany and Special Envoy of the Secretary-General for the Doha Review Conference.



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

- Two major issues on the systemic agenda are: (i) specific policies to support a more effective functioning and coordination of the international financial architecture; and (ii)

strengthening the role of developing countries and transition economies in global economic governance.

- The current financial crisis has broadened the consensus on the urgency of a far-reaching reform of global economic governance and the international financial architecture. Lack of an effective mechanism for management and resolution of financial crises is a major problem.
- The global financial system is facing a crisis of confidence. In restoring confidence, global coordination is needed. While fiscal stimulus packages are important to restore market confidence, the global community has to step up efforts for prudent regulation of financial markets.
- While looking for global solutions, it is important to strengthen the integrity and accountability of the international financial institutions. There is an urgent need for an economic and political consensus on global multilateral financial reform and a Bretton Woods II system. The reform process itself should be inclusive, legitimate and transparent.
- While Governments are currently struggling with short-term responses to the international economic and financial crises, in the medium term they have to agree on effective global regulatory reform. Financial regulation of the system has been heavily biased towards firms. Adjustment measures would require a fundamental overhaul of the international financial architecture. Regulatory approach should focus less on the differentiation between types of financial institutions and more on the scale of leverage that institutions engage in.
- IMF should focus more on overall systemic issues, including on addressing the need for new forms of global regulation. The Fund needs 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. It should be active in promoting the reform of the interna-

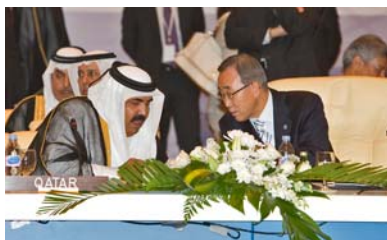
tional monetary system, including better management of external shocks, macroeconomic policy coordination, efficient multilateral liquidity provision and consideration of a debt workout mechanism.

- Civil society and business sector could provide new ideas and contribute to government policy design and implementation in addressing systemic issues.

Pre-conference events

The Conference was preceded by the following important events:

- High-level retreat on the global financial crisis, hosted on 28 November at the Four Seasons Doha Hotel by the Secretary-General of the United Nations and the Emir of Qatar and followed by the press-conference by the Secretary-General. The retreat was attended by some 30 Heads of State or Government and ministers from both developed and developing countries, as well as high-level representatives of the major institutional stakeholders. The retreat was meant to serve as a “bridge” between the discussions on the financial crisis that had taken place among smaller groups of countries and the wider membership of the United Nations. All participants indicated that the retreat discussions provided valuable inputs to the Conference.



- [Global Forum of Civil Society](#), held on 26-27 November at the Ramada Plaza Doha Hotel, under the theme “Investing in people-centered development”. The Forum attracted participation of more than 250 civil society organizations and networks. The Forum adopted a Civil Society Declaration, including a number of recommendations.

- [International Business Forum](#), held on 28 November at the La Cigale Doha Hotel under the theme: “The Impact of the Financial Crisis and Proposed Roadmaps: Mobilizing Private Sector Resources for Development”. The Forum was attended by more than 200 participants from the private sector representing all regions of the world and a full range of business sectors.
- [Parliamentary Hearing](#) on Financing for Development held on 28 November at the Conference site.

The key messages from those events, aimed at strengthening the global partnership for development, were delivered to the Conference.

Flag raising ceremony



A symbolic ceremony to raise the flags of the United Nations and of the State of Qatar, held on 27 November at the Conference site, included an exchange of welcoming remarks between high-level representatives of the world body and of the host country – Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs, and H.E. Mr. Mohammed Al-Rumaihi, Assistant Minister for Foreign Affairs. In delivering the message of the UN Secretary-General, Mr. Sha welcomed the world to the Doha Conference taking place at a time of great turmoil in global finance markets and the world economy. The UN vital work to eradicate poverty and promote development has been threatened not only by an international credit crunch, but also by higher prices for food, energy and basic commodities, accelerating climate change and a stalemate in global trade negotiations. A severe economic slowdown could have a chilling effect on trade, aid, investment flows and efforts to achieve the MDGs.

At such times, he continued, “it is right and necessary that the international community gather under the auspices of the United Nations”. Since these were global problems, affecting all people, they demanded global solutions, arrived at with the involvement of all people.

That effort had become more urgent and complex as a result of multiple global crises. Participants in the Doha Conference were called on to think big and find practical solutions that would work for all the world’s people, especially the poor who bear the fullest brunt of the consequences. They should show leadership and goodwill throughout their deliberations while keeping the global good foremost in mind.

Side events

More than 50 [side events](#) took place at the Conference site. In the spirit of Monterrey, the mix of organizers included Governments, inter-governmental and non-governmental organizations and the business sector. The issues of inclusive and innovative financing for development featured prominently in several side events. High-level speakers included: HRH Princess Maxima of the Netherlands,



the President of Tanzania and Chair of the African Union, a number of ministers from different regions, as well as heads of inter-governmental organizations.

The Secretary-General of the United Nations participated in four side events, including those on “the role of microfinance” organized by UNCDF; on the “economics of gender” organized by Norway; on “innovative financing” organized by the S-G’s Special Adviser on Innovative Financing, Mr. Philippe Douste-Blazy, former Foreign Minister of France, in cooperation with GAVI and UNITAID; and on the “food crisis” organized by the US. The side events brought additional dynamism and broader perspectives to the proceeding of the Conference.

Global Civil Society Forum

(*Ramada Plaza Doha Hotel, 26-27 November 2008*)



The [Civil Society Forum](#) was held under the overall theme “Investing in people-centered 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 Ms. Gemma Adaba, Representative of the International Trade Union Confederation (ITUC) to the United Nations at the plenary session of the Doha Conference on 29 November 2008. The declaration put forward a number of key recommendations, organized around the six thematic areas of the Monterrey Consensus.

On domestic resource mobilization, the Declaration affirms 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 calls for a holistic approach that includes, among others, the social development aspects, sustainable technology transfer and elimination of tax havens that deny poor countries much needed financial resources for development.

Concerning trade, it concludes that the impact of the global financial crisis in developing countries is exposing vulnerabilities that stem from too much emphasis on the liberalization of trade, without looking at mechanisms for ensuring that trade provides a stable source of development finance.

On the question of aid, civil society organizations called for binding timeta-

bles for donor countries to reach the 0.7% ODA/GNI target by 2015 at the latest. Innovative sources of finance, such as a small currency transaction tax, can provide much needed additional resources for development.

As for external debt, the Declaration calls for a new debt architecture that is inclusive, participatory and democratically accountable to the peoples it aims 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.

With regard to systemic issues, the Declaration calls for a new mechanism within the UN, which ensures implementation of the internationally agreed development goals and brings together all institutional stakeholders. The UN should hold a major international Summit-level conference in order to comprehensively review the international financial architecture and global economic governance structures.

International Business Forum

(*La Cigale Doha Hotel, 28 November 2008*)

The second [International Business Forum on Financing for Development](#) was held under the theme “The Impact of the Financial Crisis and Proposed Roadmaps: Mobilizing Private Sector Resources for Development”. Over 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 Ms. Louise Kantrow, Permanent Representative of the International Chamber of Commerce to the United Nations, at the plenary session of the Conference on 29 November 2008.

Participants provided views on the impact of the global financial crisis on developing countries. Discussions centered 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 facilitate investor access to information in developing countries.

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 bio-friendly segments within established sectors, such as eco-agriculture, eco-tourism, certified forestry, as well as new sectors like biocarbon and biodiversity banking. Public-private partnerships could help make business capacities more relevant to conservation efforts.



Participants urged developing country governments to work closely with the private sector and civil society to create a sustainable business-enabling environment that centered 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.

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.

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

Parliamentary Hearing

(Sheraton Doha Resort and Convention Center, 28 November 2008)

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 discuss new challenges and emerging issues. The moderator, Mr. 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.

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 MDGs. Moreover, parliaments, in approving national budgets, could examine the effectiveness of the delivery and use of aid.

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 on 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.

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 effective participation of women in parliaments and mainstreaming of gender issues. Important measures included the adoption of gender sensitive budgets and the critical evaluation of budgets from gender perspectives.

Mr. Theo-Ben Gurirab referred to the IPU parliamentary message to the Doha Conference, which included many of these issues. Its key recommendation was to target the FFD agenda more explicitly to the people and their present and future needs.

For more information, visit the Conference website (www.un.org/esa/ffd/doha/) and FfD website (www.un.org/esa/ffd/).

Next NGLS *GoBetween* will focus on Doha Outcome

The next issue of NGLS' quarterly newsletter, the *GoBetween*, will be released at the end of January 2009 and will carry a heavy focus on the Doha Review Conference. In addition to various analytical pieces, the newsletter will feature several interviews including: Ambassador Byron Blake, lead negotiator for the G-77 and China; Ambassador Johan Løvald, one of the two Co-Facilitators for the FfD process; Mr. Heiner Flassbeck, Chief Macroeconomist at UNCTAD; and, reflections by several key civil society actors.

If you don't already receive the *GoBetween*, you can subscribe on the [NGLS homepage](#).

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