

Talks on development finance start today in UN General Assembly

Doha outcome will review and update the 2002 Monterrey Consensus

(UNITED NATIONS NEW YORK, 8 September) The first draft of an inter-governmental action plan on ways and means to finance development is being taken up at an informal meeting of the UN General Assembly today, following opening speeches by the Presidents of the GA and the UN Economic and Social Council, the Deputy Foreign Minister of Qatar and two special envoys of the UN Secretary-General.

Negotiations for the review of the Monterrey Consensus – the North-South development accord agreed in Mexico in 2002 – take place in a year of global financial turmoil and record-level global imbalances. The Follow-up International Conference on Financing for Development (29 November – 2 December, Doha, Qatar) also culminates 2008 high-level meetings on trade and development, aid effectiveness, food crisis, Africa's development needs and the Millennium Development Goals. Expectations have been raised that Doha will build upon these discussions to advance the UN development agenda.

The initial negotiating text, prepared under the direction of the President of the UN General Assembly by two co-Facilitators (Egypt and Norway), with the support of the Financing for Development Office of the Secretariat, in New York over the summer, finds notable expansion in trade, aid and finance flows and in reducing debt burdens since the 2002 Monterrey Conference. But unevenness in the reach of private flows, shortcomings in hitting aid targets and ongoing difficulties of vulnerable economies (least developed, landlocked and small island nations especially) are cited among the areas of concern, along with gaps in international financial structures and mechanisms.

Among the proposals that are under consideration:

- » More robust support for regional development banks and for the Bretton Woods institutions as “the key pillars of a strengthened international financial architecture”, and the convening a conference to “review the international financial and monetary architecture and global economic governance structures”. The IMF Board of Governors would be invited to place this discussion on the agenda of its next meeting.
- » Attention to strengthening the tax base of developing countries and combating tax evasion and illicit capital flight, including by upgrading the UN Committee of Experts on International Cooperation in Tax Matters to the status of an intergovernmental body.
- » While opening-up of domestic economies is essential to take advantage of opportunities provided by globalization, sufficient policy space should be allowed to enhance resilience to its risks; thus, governments should be able to control pace and sequencing of liberalization.
- » Efforts should continue to pursue the other Doha agenda – the round of development-oriented multilateral trade talks initiated in Doha in 2001.
- » Advocating new and more effective ways to leverage the catalytic role of development assistance, including through regional cooperation, and continuing to roll out new and alternative sources of development funding.
- » Special financial mechanisms to meet the challenges of climate change and high food and energy prices.

Before diplomats begin three days of talks (Monday-Wednesday, 8-10 September), the meeting will be opened on Monday morning by the General Assembly President, H.E. Dr. Srgjan Kerim (former Yugoslav Republic of Macedonia). In turn, addresses will be made by the President of the Economic and Social Council, H.E. Mr. Léo Mérorès (Haiti); Qatari Deputy Foreign Minister, H.E. Mr. Mohamed Abdulla M. Al-Rumaihi; South African Finance Minister Mr. Trevor Manuel, a Special Envoy of the UN Secretary-General for the Doha Conference on financing for development; and Director-General, Ms. Ingrid Hoven, speaking on behalf of another Special Envoy, Ms. Heidemarie Wieczorek-Zeul, German Minister for Development Cooperation.