THE UNITED NATIONS FOLLOW-UP CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSSENSUS, DOHA QATAR, 29 NOVEMBER – 2 DECEMBER 2008

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Introduction

1. The UN Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus took place in Doha from 29 November to 2 December 2008. It was the last of a series of high level events which made development a strong priority in the 2008 international agenda (III High Level Forum on Aid Effectiveness, held in Accra; and the two UN High Level Events on the MDG and the Special Needs of Africa, New York). Doha can be considered a success:

- **A North-South clash was avoided** thanks to a reality-call by the heads of delegation on shared responsibility. In the run-up to Doha there had been a clear North-South tension due to the polarising nature agenda (i.e.: ODA commitments vs Governance commitments) which was further exacerbated by the cumulative impact of the food, climate change and financial crises on developing countries.

- The Doha Declaration was agreed by consensus with a **concrete action-oriented outcome**. The Declaration defines a **certain number of issues, principles and challenges** – current and new – relevant for implementing the Monterrey Consensus on financing for development and in a broad manner **what action is needed** agreement on the Doha Declaration, putting forward both further measures and providing examples of good practice or initiatives to facilitate implementation of the wide financing for development agenda.

- The **outcome is balanced** respecting the integrity of the Monterrey Consensus with an understanding of **shared responsibility** for future efforts to **make progress in global partnership** in the development agenda, including tackling new challenges like climate change, financial and economic crises, food security and energy.

- There was also a clear common understanding in Doha the shared responsibility **can only work if our global governance processes and structures are inclusive enough** and reflect our global partnership, with the voices and interests of the rich, emerging and the poorest all taken into account.

2. As far as the EU is concerned, it **played a key role** in the success of the Conference. Its comprehensive and unified position on Doha and its **constructive approach** to the negotiations on the
outcome document enabled the EU to act as a bridge between the different negotiation groups and to work towards achieving a consensual outcome.

**I. Main issues in Doha**

3. The main substantive priority for the EU in Doha was to ensure that donors did not shy away from their ODA pledges. This was achieved as the UN Member States reconfirmed their aid commitments, including 0.7% ODA/GNI, and the overall goal of increasing aid. This is a remarkable result in the middle of multiple crises. Furthermore, the Doha Declaration includes clear encouragement for establishing rolling timetables for scaling up aid to improve aid predictability and endorsement of the Paris and Accra principles for aid effectiveness, as well as further encouragement to scale up the implementation and further exploration of innovative sources of funding to supplement other sources.

4. A key aspect of Doha was to insert new challenges and emerging issues into the financing for development agenda. That was achieved: climate change adaptation and mitigation, financial and economic crises, price volatility of key commodities, food and energy and special needs of post-conflict countries are now a part of our common agenda. While Doha did not necessarily provide many concrete answers to these challenges, it did recognise their key importance and urged solutions to be found in the appropriate processes and fora, such as in the 2009 Copenhagen UNFCCC Conference.

5. As regards specifically the financial and economic crises, the Doha Conference decided to organise a UN conference to discuss the impact of these crises on development at the highest level. This conference will provide an important global contribution to the debate and process on the reform of the global financial and economic governance structures, constituting an important element to improve its inclusiveness.

6. Another important EU priority for Doha was taxation, where huge potential lies for further domestic resource mobilisation. In the Doha Declaration there are strong commitments to tax reform, the improvement of public financial management and combating tax evasion leading to more efficient tax collection and broadening of the tax base with an overall view to making tax systems more pro-poor. There were also strong messages from Doha on battling corruption and capital flight.

7. On trade the Doha Declaration sends a strong message, like the earlier G20 Washington meeting, to the trade negotiations in Geneva for a successful conclusion of the DDA, including a specific call for agreement on modalities by the end of the year. The importance of the DDA was highlighted in particular at the time of systemic impact of the financial crisis.

8. The Doha Declaration also deals with the food crisis and recognises the need for a substantial, sustainable expansion of food production in developing countries by enhancing investments and productivity in the agricultural sector. On gender, progress was made from the general principle of equal opportunities to promote a more concrete gender agenda in development and economy. The important role of foreign direct investment and the private sector was further underlined in Doha, but with obligations for improved transparency, accountability, corporate social responsibility and respect of anti-corruption laws, labour and environmental standards. The Extractive Industries Transparency Initiative was quoted in relation to natural resources and extractive industries.

9. On the negative side, overall the Doha Declaration is less action-oriented than what EU set out to achieve. Furthermore, the Declaration has no reference to sovereign wealth funds; the climate change part, while recognising the importance of the challenge for development, remained vague – mainly due to proximity and overlap with Poznan. The reference to the carbon market is in the text; not linked to
climate change, but in the context of innovative sources of financing for development. The outcome could also have gone further on taxation issues.

II. The way forward

10. The Doha Conference was a success, but it also presents us with a challenge to build on its results. We need to seize Doha's positive dynamism and carry it forward in the global partnership which was so importantly reaffirmed.

11. The EU will play its part and show the initiative needed to make good on the promise of Doha. The follow-up to Doha should be placed in a broader context, bridging with the two other major development events in 2008 (Accra, on aid effectiveness and the UN high-level events on Africa and MDGs). The following actions in particular require specific attention:

1. First and foremost, the EU and other donors needs to keep to their ODA pledges. The EU will reach its collective commitment of 0.56% ODA/GNI by 2010 and 0.7% ODA/GNI by 2015. The EU also requests a fairer burden sharing with other donors and expects others to respect and upgrade their pledges.

2. All actors need to fully implement the Accra Agenda for Action to make sure the scaled up aid is used as effectively as possible respecting the agreed aid effectiveness principles.

3. Donors need to be innovative with financing; financing development in all its forms, including adaptation for climate change particularly in the poorest developing countries. The Doha implementation and UNFCCC process have to move forward together. Copenhagen in 2009 will not succeed without a serious solution on adaptation.

4. All countries must strongly reject protectionism and need to work towards completing the trade talks in the Doha Development Round as soon as possible. All negotiating partners must approach the trade talks with the needed flexibility and political will.

5. All partners should take action to adequately address the food security problems and these actions need to be implemented effectively and in a timely manner, in light of the inclusive, global partnership for agriculture and food called for at Doha.

12. Finally, we must bridge the results of Doha with the process of reform of global governance structures to make them more inclusive. We require global governance structures that work, and if they are to work effectively, we need global ownership of those structures. The financial crisis provides an opportunity for meaningful reforms. A global response to the crisis requires the presence of all the regions of the world, representing the voice of the rich, the emerging and the poorest. The UN summit on financial and economic crises will be one important opportunity to voice global concerns about the impact of these crises on development and about the global governance structures needed. However, we need to bridge this approach also with the on-going G20 process and make it more inclusive. We need a "G20+" already at the London meeting in April. All regions of the world should be directly involved and participate at the London summit, through the African Union and other regional bodies. This would greatly enhance the inclusiveness of the process and the ownership of the results. In late November the EU and the African Union already agreed on the position that the African Union should be represented through its President as well as the President of the African Union Commission.