

THE FINANCING FOR DEVELOPMENT (FFD) CONFERENCE: IMPLEMENTING THE AGENDA

WHAT IS THE FFD?

The International Conference on Financing for Development, often referred to as the “Monterrey Conference,” was held from March 18-22, 2002 in Monterrey, Mexico, and focused on key financial and development issues. Over 50 Heads of State or Government, 200 ministers, and leaders from the private sector, civil society and all the major intergovernmental financial, trade, economic, and monetary organizations attended.

This UN conference was innovative in four major ways. First, under UN auspices all major institutions that impact development policy convened for a dialogue: World Bank, the International Monetary Fund, the World Trade Organization, UNCTAD, and UNDP. Second, the conference addressed the full range of sources of finance in an integrated and holistic way: mobilization of domestic resources, mobilization of international private resources, trade, debt, and public overseas development assistance. Third, by dealing with “systemic issues” the conference, for the first time, expanded official public debate beyond the content of the policies to assess power and governance arrangements that influence the design of those policies. Finally, the follow up process set up an innovative framework for periodic and continued dialogue among the participating organizations, governments and non-governmental actors in order to evaluate progress in implementation and discuss new issues related to the overarching agenda of the conference.

The culmination of a four-year preparatory process, the Conference adopted the Monterrey Consensus, in which heads of state from developed, developing and transition economy countries pledged to undertake important actions in domestic, international and systemic policy matters. In December of 2002, the UN General Assembly set in motion a detailed follow-up intergovernmental process, as called for in the Consensus, to monitor implementation and carry forward the international discussion of policies for financing development. The Assembly also called on the Secretary-General to establish a standing secretariat to support the process. The Financing for Development Office was then created in the Department of Economic and Social Affairs (DESA). <http://www.un.org/esa/ffd/>

WHAT ARE THE “MULTI-STAKEHOLDER CONSULTATIONS” ON FINANCING FOR DEVELOPMENT, 2004-2005?

A resolution of the United Nations General Assembly (A/RES/230) called on the Financing for Development Office (FFD) to continue:

- (a) To organize workshops and multi-stakeholder consultations, including experts from the official and private sectors, as well as academia and civil society, to examine issues related to the mobilization of resources for financing development and poverty eradication;

- (b) To convene activities involving various stakeholders, including the private sector and civil society, as appropriate, to promote best practices and exchange information on the implementation of the commitments made and agreements reached at the International Conference for Financing for Development.

**THE NEW RULES FOR GLOBAL FINANCE COALITION AND THE
FOREIGN MINISTRY OF SWEDEN COLLABORATE WITH THE UN'S
FFD OFFICE TO IMPLEMENT THE AGENDA FOR THE MULTI-
STAKEHOLDER CONSULTATION ON SYSTEMIC ISSUES**

WHAT CONSULTATIONS ARE PLANNED?

There are three sets of Consultations:

- 1) Dialogues managed by the UN FFD Office:
 - Building an inclusive financial sector for development
 - Sovereign debt for sustained development
- 2) Dialogues managed by the World Economic Forum (WEF):
 - Public-private partnerships for improving the effectiveness of development assistance
 - Improving the climate for private investment
- 3) Dialogues managed by the New Rules for Global Finance Coalition:
 - Systemic Issues

WHO IS THE NEW RULES COALITION?

The New Rules for Global Finance is a coalition of individual scholars and organizations with interests in development, human rights, labor and the environment. The Coalition is dedicated to the reform of rules and institutions governing finance in order to stabilize the world economy, reduce poverty and inequality, uphold fundamental rights, and protect the environment.

WHY CONSULTATIONS ON SYSTEMIC ISSUES?

“Systemic Issues” refers to paragraph F 52-53 of the Monterrey Consensus (A/CONF.198/11). These multi-stakeholder consultations will examine issues, exchange information and promote best practices related to advancing rules for global finance to meet the Millennium Declaration development goals (MDGs) of sustained economic growth, poverty eradication and sustainable development.

The consultations will explore the structure and policy-making processes of existing global rule-making institutions such as the World Bank (WB), the International Monetary Fund (IMF), the Bank for International Settlements (BIS) and the Financial Stability Forum (FSF). The debate will examine who participates in decision-making processes, and how indirect policies shape institutional arrangements. Some of the overriding problems to be addressed are: capital drought,

boom-bust cycles of international capital flows, continued debt accumulation and exposure to foreign exchange, and interest rate and commodity price risks.

Participants will be invited to make recommendations for improving policies and governance of the international financial institutions and to propose complementary and alternative policies to enhance stability of the global financial system and its ability to support sustained growth and poverty alleviation. The consultations will serve as a contribution to the United Nations 2005 High-level dialogue on Financing for Development.

WHAT IS THE AGENDA FOR THE SYSTEMIC ISSUES CONSULTATION?

- ❑ Evaluation of the Official Reform Agenda for the International Financial Architecture (IFA)
- ❑ Mechanisms for Crisis Prevention
- ❑ Provisions of Credit in Times of Crisis
- ❑ Management of Capital Flows and Risk Exposure
- ❑ Institutional Matters: Are The Right Issues on the Agenda?

HOW ARE THE CONSULTATIONS STRUCTURED?

Throughout the series of two-day meetings, the full agenda (see above) will be considered. Several topics will be discussed in more than one meeting. This arrangement will contribute to identifying points of agreement and disagreement on policy recommendations that will be presented as a product of these consultative meetings.

WHO WILL ATTEND THE CONSULTATIONS?

Experts from the private sector, government, academia, civil society organizations, international financial and standard-setting institutions (IMF, WB, BIS, FSF)

WHEN AND WHERE WILL THE MEETINGS TAKE PLACE?

These activities are programmed for the second half of 2004 and 2005. Meetings will be hosted in Washington, DC; Lima, Peru; Nairobi, Kenya; and New York, NY. Please check the New Rules website <http://www.new-rules.org/ffdconsultation.htm> for dates and locations as they are finalized.

HOW IS THE AGENDA STRUCTURED?

Obviously the agenda does not cover everything; it is deliberately narrowed to highlight proposals that are well researched and ripe for action.

HOW CAN THE PUBLIC PARTICIPATE?

- ❑ All papers and materials will be posted on the web. Feedback is welcome.
- ❑ Public events are planned for each consultation.
- ❑ Proposals, queries and comments from interested individuals are welcome. Please send to jbaker@new-rules.org.

WHAT WILL COME OUT OF THE CONSULTATION?

- ❑ A rapporteur's report will be completed after each event and will be available on the web.
- ❑ A joint summary of all the consultations will be prepared for the UN Secretary General in June 2005.
- ❑ A compilation of background papers, rapporteurs reports and recommendations will be published in fall 2005

CO-SPONSORS

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