

Ministerial Round Table 2

Regional dimensions of the implementation of the results of the International Conference on Financing for Development

Summary by the Co-Chairs

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Eighteen months after Monterrey, senior officials of governments, representatives of international organizations, members of the business sector and representatives of non-governmental organizations held a fruitful round table dialogue. As we reflected upon the regional dimensions of the implementation of the International Conference on Finance for Development we could not avoid touch upon its global dimensions as well. We reiterated our commitment to the Monterrey Consensus and stressed the importance of keeping it high on the international agenda. We also recognized the need to ensure that the commitments made at Monterrey were fully implemented and global efforts for the implementation of those commitments were sustained. A summary of our discussion is presented below.

Overall considerations

Many speakers voiced their concern about the nature of the ongoing process of globalization and its consequences. It was felt that, despite new initiatives and increased dialogue among development stakeholders, economic considerations still weighed heavily on the decision making process to the detriment of social progress and economic justice. Thus, there was need for a shift of the current paradigm towards a more equitable economic system in which the needs and aspirations of the disadvantaged and excluded could be met and their rights respected. In this regard, the specific situation of indigenous peoples required particular attention. Increased solidarity was also required. A reassessment of the value system under which the international economic community currently operates was called for.

Several speakers remarked that there have been considerable advances in the way bilateral and multilateral donors incorporate the Monterrey Consensus, including the fulfilling of the Millennium Development Goals and the eradication of poverty in their working processes. Nonetheless, it was felt that more needed to be done as inconsistencies remained. Certain programmes and conditionalities still produced negative outcomes as far as improved social conditions were concerned. Additionally, as

economic and social conditions deteriorated in certain countries, political instability emerged, further compromising development.

Participants expressed their concern at the limited attention the international community was paying to the employment problem and emphasized that the eradication of poverty was central to meeting the Millennium Development Goals (MDGs). Many argued that it was through employment creation that the battle against poverty could be won. Several participants stressed the importance of labour standards and the need to generate decent jobs. The importance of small businesses for job creation was highlighted and the contribution of venture capital to support such enterprises was emphasized.

Some speakers recognized the emergence of new trends that posed additional risks to the international economic system. For instance, there has been increasing interdependency between the sustainability of growth and security. While international

Official Development Assistance

It was emphasized that achieving the MDGs required great progress both in quantity and quality of ODA. While fulfilling the commitments made in Monterrey on increases in volume would represent a turnaround, it was clear that the scale of resources required was well beyond those committed. In this regard, new initiatives such as the International Finance Facility put forward by the UK were essential and should be supported. The terms of the assistance given were also critical and a much larger share should be in the form of grants, to avoid impacting negatively on the debt sustainability

Natural resources could bring important contributions to the development process of countries concerned. Nonetheless, in several natural resource rich countries there has been increased corruption, stagnation and a distorted economic system. In some cases, there has been widespread looting of natural resources, with the proceeds being exported abroad. It was also urgent to implement stronger procedures to facilitate the return of funds illegally exported to developed countries. Increased transparency in the international banking industry and improved global standards for export credit guarantee agencies were called for.