Fifth High-Level Dialogue on Financing for Development
(New York, 7-8 December 2011)

Concluding Remarks by the Acting President of the General Assembly

Excellencies,
Distinguished Delegates,

We have concluded the fifth High-level Dialogue of the General Assembly on Financing for Development. I would like to express my appreciation to all delegations who have participated. Your constructive interventions have contributed to the successful outcome of this meeting.

I am also pleased with the active participation and contributions of the institutional stakeholders, civil society and the private sector, who engaged in a truly interactive dialogue, in the spirit of the Monterrey Consensus and Doha Declaration on Financing for Development.

I am grateful to the Deputy Secretarychallenges requiring renewed and adequate policy response, especially in support of the Least Developed Countries (LDCs), as called for in the Istanbul Programme of Action. Several speakers mentioned the danger of spill over effects form the euro zone debt crisis on developing countries as an additional source of risk to their economies.

Despite the bleak global economic outlook and fiscal pressures in many donor countries, many speakers called for the full implementation of the commitments and agreements contained in the Monterrey Consensus and the Doha Declaration on Financing for the need to hold a follow-up conference by 2013 as a way to strengthen the FfD follow-up mechanism and as an opportunity to adapt the FfD process to new challenges and emerging issues. A proposal to create a UN Commission on Financing for Development was also recalled in this context.

Round table 1 focused on ***"The reform of the international monetary and financial system and its implications for development"***.

Many speakers underscored the importance of reforming the international monetary and financial system in support of development. A key area has been strengthening financial regulation. In that process, concerns of developing countries should be adequately taken into account.

It is also necessary to further enhance surveillance of the financial sector and systemically important economies, including their impact on other countries. IMF surveillance needs to gain traction and better integrate bilateral and multilateral surveillance.

Many speakers emphasized the need to strengthen economic policy coordination. The importance of making the roles of the United Nations, IMF, G-20 and other multilateral stakeholders mutually complementary was stressed. It is crucial to strengthen institutions of global economic governance to ensure they are inclusive and responsive. There were also calls to strengthen institutional arrangements for international tax cooperation.

It was noted that the issue of managing volatile and potentially destabilizing capital flows needed to be addressed. It is necessary to develop international guidance on how to better manage such flows.

In view of sovereign debt and banking risks in the advanced economies, some speakers pointed out that the world needed an international mechanism for sovereign debt work-outs. Such mechanisms exist at the national level and are indispensable for debt resolution. Some speakers pointed to the risks of premature fiscal consolidation in response to high public debt.

According to a number of speakers, the global financial safety net should be further enhanced. Recent improvements in the IMF lending framework were recognized. Some speakers advocated for stronger regional financial cooperation, for example in Africa.

Several speakers underscored the importance of reforming the international monetary system. In this regard, it was suggested that the role of Special Drawing Rights (SDRs) should be increased in a longer-term process. Persisting exchange rate volatilities between major currencies also pose serious challenges.

A number of participants stressed that the recent measures on governance reform of the Bretton Woods institutions were an important step forward. There were calls for further improvements in their governance structures to enhance the voice and participation of developing countries.

Additional sources of revenue can be raised through innovative financing mechanisms such as market mechanisms, guarantees, taxes on global transactions, voluntary contributions, and debt management. Innovative financing flows can be additional to ODA commitments and transparency is important to assure additionality. It was argued t that the most promising and well-studied option was financial transactions tax (FTT), including the currency exchange tax, which can be implemented by a selected group of like-minded countries in Europe.

In addition, taxing arms trade and wealth, micro and inclusive finance, ODA and PPP use for risk mitigation in developing countries were proposed as alternative sources of development financing. The Financing for Development Office was requested to arrange more frequent interaction with practitioners of innovative financing.

ODA and innovative approaches can be used to promote regional integration among oil exporting and oil importing Arab countries or the countries of the Eurasian region, which would result in higher rate of return than investments in international capital markets for investors, with additional benefits of poverty reduction and capital formation in recipient countries.

Informal interactive dialogue had the theme: ***"The link between financing for development and achieving the internationally agreed development goals, including the Millennium Development Goals"***.

Several speakers referred to a mixed track record on the achievement of the MDGs thus far and reaffirmed their commitments to meet the MDGs by 2015. Some underscored that, frequently, economic growth and greater per capita income have failed to deliver similar improvements in social indicators.

Many participants underscored the political and substantive links between the Financing for Development process and the MDGs, especially Goal 8. There were calls for urgent action on all Monterrey and Doha provisions, including a sustained increase in ODA, the conclusion of the Doha Round of multilateral trade negotiations, efforts towards debt sustainability, effective domestic resource mobilization and more stable private flows in support of development.

Several participants welcomed the fourth High-Level Forum on Aid Effectiveness, which adopted the "Busan Partnership for Effective Development Cooperation". However, some delegates stressed that the Busan outcome is not a United Nations document and must not distract from the implementation of existing ODA commitments. In this connection, it was important to note the difference between the nature of South-South cooperation and traditional North-South cooperation.

Some speakers highlighted new challenges that have emerged since Monterrey, such as the world financial and economic crisis, food and energy crises and climate change. These global challenges require more inclusive, transparent and effective multilateral approaches to managing global responses.

The were calls for reform of the international financial system, including through policy measures for more transparent and regulated derivatives trading, the separation of traditional banking from investment banking, the revision of Basel regulations to allow for strict supervision of banking activities by governments and the introduction of a financial transactions tax.

Some speakers welcomed the recent decision by the General Assembly to initiate informal consultations on the need for a follow-up conference on FfD by 2013. There were calls for a strengthened and more effective intergovernmental FfD follow-up mechanism.

Excellencies,
Distinguished Delegates,

I think our discussions have been very instructive and should inspire us as we refocus our efforts, which is imperative, particularly at a time of economic crisis. In your interventions, I heard genuine concern about the uncertainty of development prospects of the