



UNITED NATIONS FOLLOW-UP CONFERENCE ON
FINANCING FOR DEVELOPMENT
DOHA, November 29 – December 2, 2008

**THE FINANCING FOR DEVELOPMENT DOHA BUSINESS
STATEMENT**
*SUGGESTIONS FOR THE OUTCOME DOCUMENT AND FFD
FOLLOW-UP*

PREPARED BY
THE BUSINESS SECTOR STEERING COMMITTEE

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Business is deeply committed to supporting the implementation of the Monterrey Consensus, given the critical importance of the breakthroughs achieved by the United Nations and its member countries. We believe the Monterrey Consensus is an historic United Nations achievement of huge proportions – provided we can act together to realize its objectives and set into motion the agreed upon action plans. By governments worldwide committing to specific actions, the United Nations and its member governments have brought the citizens of the world the promise of government commitment to specific actions for financing development, and provided a concrete foundation for advancing our shared goals of global prosperity and peace.

The collapse of credit markets since September presents a drastic change in the global economic outlook since the last discussion of the Monterrey Consensus goals at hearings held by the UN Financing Development Office on June 18. Clearly the first priority for policy focus and resources must be to restore confidence in financial markets and get capital flows moving again. Businesses large and small are starved of the financing they need for everyday operations. Meanwhile investment spending is grinding to a halt. The governments must find a way to ensure that the liquidity they have injected into the system restores lending and the availability of financing. Business applauds the actions taken by governments attending the G-20 summit in Washington to address the restoration of functioning capital markets, with hopes that governments will work in hand with the public and private sector experts in devising further actions on an urgent basis.

At the same time, it is vital that governments act to limit the impact of the credit collapse on the real economy. Governments need to work together to keep markets open to international trade and investment. There is real risk that some countries may resort to border measures to protect their domestic economies. Such policies failed during the Great Depression and are not likely to be any more effective today. In this regard, business calls on governments to make a renewed effort to conclude the Doha Development Round, building on the achievements made at the July Ministerial meeting toward establishing modalities for trade liberalization in the agriculture, industrial and services sectors.

Investment restrictions must also be avoided, particularly in the current market environment. Foreign investment has contributed enormously to the wealth and prosperity enjoyed by most of the world's population and it must not be restricted by attempts to use national security reviews of inward investment as some form of industrial policy where governments, not markets, pick the winners and losers and discriminate against foreign investment.

The G-20's reaffirmation of commitments to open markets and its pledge to refrain from new barriers to trade and investment is extremely important and must be honored by all governments.

The G-20 response to the drastic change in economic circumstances includes the priority to shore up the two most important pillars of financing for development: trade and investment. Trade, that is, export earnings, is by far the largest source of funding flowing to developing countries. Foreign investment (FDI) is the second largest source. Both sources are significantly more important for development than overseas development assistance (ODA). In rough comparison: ODA was \$107 billion for 2005; FDI to developing countries was \$376 billion for that year; and developing country exports were in the order of \$3 trillion for the same year.²

Trade, the most important source of development funding, is critically impacted by the credit collapse, as noted recently by the leaders of the World Trade Organization and the International Chamber of Commerce. About 90 percent of the \$13.6 trillion in world merchandise trade is funded by trade finance. As a result of the credit collapse, there is now greater difficulty in getting bank confirmations for letters of credit and export financing. Business believes this form of credit restriction represents a direct danger to the major element of development financing and that it was not directly addressed by the G-20.³ All governments and international financial bodies need to give more focus to providing additional liquidity and financing for merchandise trade.

Moving now to the third pillar of development financing, official development assistance, business remains deeply committed to implementation of the Monterrey Consensus on Financing for Development. The present economic situation presents many uncertainties. It is not clear how soon normal flows of capital can be restored or how deeply the credit collapse will impact the real economy worldwide. The policy and funding challenges to stabilize the global financial system and maintain open trade and investment also present challenges to fulfillment of the Monterrey funding goals. In this regard, the G-20's reaffirmation of commitment to the Monterrey development principles is very welcome and should be supported by all governments.

FfD Follow-Up

Now the challenge faces us of how best to set the framework and foundation for achieving the needed concrete results in development, job creation, and poverty reduction. While many developing countries have had strong economic growth, mobilizing savings and investments, this progress is vulnerable to global shocks and a worldwide economic downturn. The challenge of today's global economic, financial, and socio-political turmoil compels us to translate the political commitments of the Monterrey Consensus into concrete effective actions with meaningful widespread benefits for all developing countries.

More progress needs to be made in FfD Follow Up with governments reaffirming the Monterrey Consensus, and most importantly, advancing their commitments with specific accountabilities, initiatives, and performance targets that enable widespread development impact. This can be only achieved with the full, proactive participation of national governments, reinforced by development agencies, working in hand with civil society and the private sector.

² OECD Final ODA Data for 2005; UNCTAD World Investment Report for 2005; WTO Statistics for 2006, Tables I.5, I.6, and III.3. Our approximation subtracting OECD merchandise exports from total world merchandise exports.

³ See the ICC Press Release, "ICC Commission on Banking discusses trade finance problems at the WTO," November 17, 2008 and the report of the ICC Banking Commission, "Trade Finance in the Current Financial Crisis: Preliminary Assessment of Key Issues," at <http://www.iccwbo.org/>

For its part, the FfD Business Steering Committee has been developing over the last six years specific FfD Business Initiatives, “Financing for Development Tools” and proposals, aimed at further mobilizing the resources of the private sector to ensure greater, more widespread development impact across all developing countries (see appendices). Suggestions from UN Member Countries, development agencies, and civil society are invited on possible partnership approaches to scale up the FfD Business Initiatives for widespread economic growth, job creation, and poverty reduction.

PROPOSED PRIORITIES FOR FfD FOLLOW-UP

The Monterrey Consensus has not yet achieved the concrete results envisioned by the wide range of developing countries for private sector investment, economic growth, job creation, and poverty reduction.

To realize the objectives of mobilizing more private sector investment *across all developing countries*, FfD Follow-Up needs to further deepen the historic commitments of the Monterrey Consensus with a more concrete practical framework for effective public-private collaboration worldwide, enabling international, regional, and national officials sector organizations to be more effective in creating the conditions for private sector investment and development.

*FfD Follow-Up needs to reaffirm the historical recognition of the Monterrey Consensus that economic growth, job creation, and poverty reduction in developing countries is not possible without strengthening the private sector and mobilizing private sector resources and capital across the full range of developing countries.*⁴ Official sector assistance cannot accomplish development without the private sector. Notwithstanding the importance of Official Development Assistance, the huge potential for benefits of private sector flows is well-documented: From 2000 to 2006, net private sector flows to developing countries totaled US \$2.4 trillion, almost five times the amount of ODA (US \$551 billion) over the same time period.

Key focus areas that we believe can really make a difference under FfD are: targeted private sector development, including a healthy environment for the growth of entrepreneurs, Small and Medium sized Enterprises (SMEs); export growth; development of domestic capital markets; development of bankable infrastructure projects and use of risk mitigation products to access private sector capital; establishment of specific financing mechanisms to deliver clean energy technologies to developing countries and deal with adaptation; adoption of public-private consultation mechanisms to create business-enabling environments; and training of public sector officials (national, subsovereign, development agencies).

In essence, the Monterrey Consensus, reinforced by the Paris Declaration on Aid Effectiveness, presents us with the potential for a new international financial architecture with economic governance and accountabilities that results in widespread development benefits across all developing countries. Targeted implementation actions are critical to success:

⁴ MONTERREY CONSENSUS: *Private international capital flows, particularly foreign direct investment, along with international financial stability, are vital complements to national and international development efforts. (Para 20) We underscore the need to sustain sufficient and stable private financial flows to developing countries and countries with economies in transition. (Para 25) Create enabling environments, mobilize domestic resources; make more efficient use of international investment and assistance; consolidate policy and regulatory frameworks; improve early warning, crisis prevention, and debt management.... Attract investment flows to a much larger number of countries; achieve transparent, stable and predictable investment climates...that allow businesses...to operate efficiently and profitably...with maximum development impact....*

- Unlock private sector and increase aid effectiveness by improving the interface between the public and private sectors: Mobilizing the private sector is a critical component of strengthening the financing for development process, increasing aid effectiveness, and achieving the expected development results. To capture the benefits of increased private sector investment, governments and development agencies need to work much more effectively directly with the private sector in identifying investment impediments and remedies, enhancing government capacity to create business-enabling environments, facilitating the development of bankable infrastructure projects, developing small and medium-sized businesses, facilitating the flow of information on success stories and investment opportunities, and reducing political, regulatory, and currency risks with targeted official sector risk mitigation products.
- Commit to implementing the Monterrey Consensus with specific programs and tools: While the Monterrey Consensus was pioneering in establishing the foundation for mobilizing private sector resources for development, concrete implementation on all levels – global, regional, national, and subsovereign - is required to achieve results across developing countries. All countries and their development agencies need to reaffirm the commitments of the Monterrey Consensus, and most importantly, to a new post-Doha phase in which the Monterrey Consensus will be implemented with a new focus on results by harnessing private sector resources. Specific implementation programs to improve public-private sector collaboration need to be created and scaled up across developing countries with the support of development agencies. FfD Tools and Business Initiatives have been developed to enable cost-effective collaboration across the public and private sectors to create business-enabling environments, increase finance for infrastructure and SMEs; and improve investment enabling-information (see specific suggestions below and appendices).
- Define a practical “Framework for FfD Implementation,” including results-oriented multistakeholder forums, scaling up with “FfD Tools,” integrated “FfD donor funds,” accountabilities, and FfD Performance Reports: To be effective, there needs to be a practical framework for implementing the pioneering objectives of the Monterrey Consensus involving all stakeholders and providing a structure for the array of international initiatives related to financing for development. A specific FfD Framework is critical for insuring aid effectiveness in leveraging the limited official development assistance with private sector resources, including new emerging donors from the private sector and foundations. A central coordinating agency, such as the FfD Office, needs to have the capacity to facilitate ongoing coordination between governments, development agencies, and the private sector, supplemented by timely, objective, action-oriented multistakeholder forums and working groups; and detailed public performance reports on the mobilization of private sector resources, including candid evaluations from all stakeholders on issues, challenges, and failures; and success stories for replication (see sections 1,3, and 4).

In short, the Outcome Document needs to be focused and practical in defining specific actions to implement the Monterrey Consensus. It needs to reaffirm the Monterrey Consensus and progress by defining greater accountability, through an explicit structure, processes, tools, follow-up process, and performance reports on implementation, success stories for widespread replication and lessons learned. *Please reference the preliminary suggestions below on action steps that could be included in the Outcome Document to advance private sector resource mobilization across developing countries, advancing economic growth, job creation, and poverty reduction.*

SUGGESTED PRIORITIES: FfD IMPLEMENTATION

1. IMPROVE PUBLIC-PRIVATE INTERFACE TO IMPLEMENT FINANCING FOR DEVELOPMENT:

- **Strengthen Public-Private Collaboration Financing for Development:** Governments, with the support of development agencies, need to undertake more effective targeted actions to increase private sector investment and development. The interface needs to be strengthened with more effective public sector outreach to the private sector, domestic and international, on all levels of government: international, regional, national, and subsovereign.
- **Utilize Specific Consultation Mechanisms to Create Business-Enabling Environments:** The Outcome Document needs to reaffirm the Monterrey Consensus recognition of the importance of governments adopting tools to enhance their capacity to improve their business-enabling environments.⁵
- **Create an FfD Action Plan and Scale-Up Tools focused on unlocking private sector resources, with the following priorities:**
 - a) Create ongoing global, regional, and national multistakeholder venues that can focus on issues and create solutions (see section 4):** FfD cannot result in concrete benefits across developing countries without an institutionalized structure for multistakeholder participation in identifying issues and solutions and creating business-enabling environments
 - b) Provide support for developing country government and regional government organizations interested in using the FfD Tool, “Government-Investor Networks”:** A specific Financing for Development Tool, “Government-Investor Networks,” is available for all interested governments committed to implementing the Monterrey Consensus objective of “creating business-enabling environments.” Donors can partner with governments to enable implementation. *(Please see Appendix A for details on Tools developed by the Business Steering Committee Member Samuels Associates with the support of the Swiss government, Norwegian government, Ford Foundation, and UN Financing for Development Office.)*
 - c) Monitor and share success stories with Performance Reports (see sections 3, 4):** Performance reports need to be conducted and made public on a regular basis, with candid evaluations from governments, private sector companies, and recipients of services, disseminating success stories and lessons learned on how to achieve widespread development results.

2. IMPROVE INVESTMENT ENABLING-INFORMATION

- **Reaffirm the need for specific public-private initiatives related to improving information on developing country investment and financial markets:** The Outcome Document needs to underscore the Monterrey Consensus recognition of the importance of improving the ability of investors worldwide to access information on investment opportunities and risks in developing countries.⁶

⁵ MONTERREY CONSENSUS: *Those public/private initiatives could include the development of consultation mechanisms between international and regional financial organizations and national governments with the private sector in both source and recipient countries as a means of creating business-enabling environments.* (Para 24)

⁶ MONTERREY CONSENSUS: *We encourage public/private initiatives that enhance the ease of access, accuracy, timeliness and coverage of information on countries and financial markets, which strengthen capacities for risk assessment.* (Para 25) *To attract and enhance inflows of productive capital, countries need to continue their efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for*

- ***Implement: Development agencies need to coordinate more effectively with the private sector in supporting existing and new initiatives aimed at this objective.*** To accomplish this objective, there is the need to expand public-private initiatives on investment and finance; with effective prioritized support from development agencies targeted on critical areas for risk assessment, financial markets, opportunities, success stories, and lessons learned. Specifically:
 - a) More relevant data collection is needed on sustainable investment reinforced by government reporting requirements:*** A new focus on data collection is needed to develop reliable data/metrics enabling targeted effective policy-support. Key performance indicators include all dimensions of public-private partnership: economic, ecosystem/biodiversity, human rights/social justice (e.g., GRI guidelines are now mandatory to for all Swedish state-owned companies, by order of the government; see <http://www.globalreporting.org/AboutGRI/WhoWeAre/>).
 - b) Provide support for “The Development Finance Portal,” the Financing for Development Tool developed to implement the Monterrey Consensus commitment of advancing investment-enabling information:*** A specific Financing for Development Tool, “The Development Finance Portal,” has been established to implement the Monterrey Consensus objective of improving access to investment-enabling information. Donors can support this process with the development of needed information, such as success stories and investment guides, and funding for Portal research and technology development. *(Please see Appendix A for details on Tools developed by the Business Steering Committee Member Samuels Associates with the support of the Swiss government, Norwegian government, Ford Foundation, and UN Financing for Development Office.)*

3. IMPROVED ACCESS TO PRIVATE FINANCE THROUGH MORE EFFECTIVE INTERVENTION OF DEVELOPMENT AGENCIES

- ***Reaffirm the need for long-term finance, the critical role of development agencies in development and risk mitigation to open up markets:***⁷ The huge financing gap continues to impact large segments of the population of all developing countries, even the most developed, given insufficient access to affordable long-term capital for small and medium sized companies as well as critical infrastructure projects such as energy, water and sanitation, and transport critical to improving living standards.

property rights, embedded in sound macroeconomic policies and institutions that allow businesses, both domestic and international, to operate efficiently and profitably and with maximum development impact. (Para 21) Special efforts are required in such priority areas as economic policy and regulatory frameworks for promoting and protecting investments, including the areas of human resource development, avoidance of double taxation, corporate governance, accounting standards, and the promotion of a competitive environment. (Para 21)

⁷ MONTERREY CONSENSUS: *To this end, it is important to provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies. (Para 22) To complement national efforts, there is the need for the relevant international and regional institutions as well as appropriate institutions in source countries to increase their support for private foreign investment in infrastructure development and other priority areas, including projects to bridge the digital divide, in developing countries and countries with economies in transition. Additional source country measures should also be devised to encourage and facilitate investment flows to developing countries. (Para 22) We will support new public/private sector financing mechanisms, both debt and equity, for developing countries and countries with economies in transition, to benefit in particular small entrepreneurs and small and medium-size enterprises and infrastructure. (Para 24) In that spirit, we invite banks and other financial institutions, in developing countries as well as developed countries, to foster innovative developmental financing approaches. (Para 23) Multilateral financial institutions could provide further assistance for all those purposes. (Para 25)*

- Implement: Official sector support needs to be increased with greater focus to enable private sector development:*** From aid to commerce and entrepreneurship, government policies and instruments (including ODA) should reflect the complementary role of government. There needs to be a fundamental reorientation of official sector policies and resources, including greater finance (from full government funding to partial risk guarantees), targeted subsidies (including tariffs and critical goods and services), and much more capacity building directed at the in-country private sector, developing country government officials, and development agency officials. Specifically:

a. Focus more on local financial markets: Developing country governments need the support of development agencies to prioritize and develop "inclusive" local financial market development, such as banking, insurance, and pensions, including critical technology supports.

b. Focus on areas critical to increasing country competitiveness and job creation: Key areas of focus include: private sector development and increased exports; development of domestic capital markets; development of bankable infrastructure projects; adoption of public-private consultation mechanisms to create business-enabling environments; and training of public sector officials (national, subsovereign).

c. Support the Financing for Development Tool INFRADEV: A specific "Financing for Development Tool," INFRADEV, is available for all interested governments committed to implementing the Monterrey Consensus objective of mobilizing greater finance for infrastructure projects in developing countries. INFRADEV, to be launched in the fall 2008, will create a one-stop-shop of targeted risk mitigation products and financial structuring in risk mitigation., including project assistance services, enabling easy access on an intranet-based communication platform for government officials, project sponsors, bankers, and other infrastructure market participants. Development agencies and foundations are invited to partner with the Swiss government to enable effective use by developing countries and development agencies. *(Please see Appendix A for details on Tools developed by the Business Steering Committee Member Samuels Associates with the support of the Swiss government and UN Financing for Development Office.)*

d. Establish FfD Performance Reports that measure the mobilization of private sector capital by development agencies: FfD Performance Reports need to be developed and implemented, focusing on tracking the effectiveness of development agencies in leveraging limited official sector capital with private sector resources. The effectiveness of governments and development agencies can only be changed with performance tracking and the alignment of internal incentive structures (see suggestion in section 4 below).

e. Ensure more effective use of private sector experts by development agencies: Development agencies need to improve their effectiveness by increasing the level of financing and capacity-building in these activities, employing experienced private sector experts who can be effective in achieving results.

4. DEFINE A PRACTICAL FRAMEWORK FOR FFD IMPLEMENTATION: RESULTS-ORIENTED MULTISTAKEHOLDER FORUMS, SCALING UP WITH FFD TOOLS, INTEGRATED DONOR FUNDS, ACCOUNTABILITIES, AND PERFORMANCE REPORTS

a) OVERALL NEED TO DEFINE A PRACTICAL FRAMEWORK AND SUPPORT FOR FFD FOLLOW-UP: To be effective, there needs to be a practical framework for implementing the pioneering objectives of the Monterrey Consensus in involving all stakeholders and providing a structure for the array of international initiatives related to financing for development. A specific FfD framework is critical for insuring aid effectiveness in leveraging the limited official development assistance with private sector resources, including new emerging donors from the private sector and foundations.

- **FfD delivering as “One”:** As called for in the Monterrey Consensus, FfD is the single global venue authorized for coordinating multistakeholders, the Bretton Woods institutions and others, ensuring the consistency and coherence of the array of international agendas related to financing for development. FfD must have the capacity and commitment to reduce costly fragmentation and further the alignment of financing for development activities, insuring coherence and consistency, and noting in a timely and effective manner inconsistencies, and possible synergies. Coordination needs to include the Bretton Woods institutions, WTO, OECD Paris Declaration on Aid Effectiveness, and other initiatives (e.g., Poznan/Copenhagen,etc).
- **“FfD Donor Tables” could be created, enabling support from across the public and private sectors,** akin to the effective innovative funds that have been established (such as the Global Fund <http://www.theglobalfund.org/en/about/how/>).
- **Create “Sustainable Development Councils” in all interested countries:** Create a multi-stakeholder, “Sustainable Development Council” (SDC) in each country to coordinate integrated diagnostics and develop consistent and coherent government policies and regulations in close and structured cooperation with business and civil society. The focus needs to include development, climate, governance, and institution building.
- **Use the FfD Tools as cost-effective organizing frameworks that enable ongoing public-private collaboration on financing for development:** As noted in the prior section, the Government-Investor Networks and INFRADEV Network can allow for 24/7 public-private collaboration between the actual practitioners who need to advance financing for development in all interested developing countries. Investment can be facilitated by enabling-information from governments, development agencies, the private sector, and third-party entities on the Development Finance Portal (see Appendix A).

b) DEFINE ACCOUNTABLE FFD ENTITY: As the central unit responsible for ensuring the effective implementation of the Monterrey Consensus, the FfD Office needs to be accountable for gathering and providing the detailed information and regular performance reports required for success in deepening public-private coordination in mobilizing private sector capital and official aid effectiveness.

c) CREATE “FfD IMPLEMENTATION NETWORK” FOR SUCCESS: To be effective in insuring results and widespread development impact, the FfD Office needs to create a “FfD Implementation Network” and be responsible for the updating and dissemination of enabling-

information on the key official participants that need to collaborate in furthering private sector development and access to private sector capital, such as:

- Key developing country government officials (regional, national, subsovereign) responsible for infrastructure and related regulatory regimes; banking, financial regulation, and structure; development of domestic capital markets; investment regimes and investor after-care;
- Designated official sector officials at multilateral and bilateral agencies dedicated to providing assistance to private sector development, capital market development, improved country and regional business-enabling environments, infrastructure (regional, national, subsovereign), risk mitigation, SME finance, regional integration, etc;
- Foundations and NGOs interested in working with development agencies or the private sector in advancing financing for development; and
- Key private sector associations and investors interested in advancing financing for development, especially institutional investors, local developing country business and SME associations, and social responsibility investors.

This process can be is feasible by systematically coordinating with other UN Agencies (such as UNDP, Global Compact, UNCTAD, UNIDO, UNCDF); key official sector organizations (such as the World Bank, regional development banks, subregional development banks, bilateral aid agencies); key development agencies (Development Assistance Committee, OECD, BIS, etc); UN member country governments; and key private sector associations.

d) CONDUCT PERIODIC FfD MEETINGS: The FfD Office will need to organize FfD meetings with presentations of success stories, lessons learned, and proposals for advancing financing for development. Results will need to be disseminated to all stakeholders (recorded in item c above) to enable replication and widespread benefits.

e) MONITOR FfD PERFORMANCE & PUBLISH REPORTS: There needs to be systematic monitoring of FfD results reinforced with performance reports and targets (noted in above sections 1, 3, and 4). Examples include performance reports on official sector performance in using risk mitigation to mobilize private capital; and evaluations of development agency services provided by client countries and private sector companies.

EXAMPLE: Development Bank Reports on Mobilization of Private Sector Capital

The Development Assistance Committee (DAC) could require quarterly reporting of the amount of private sector capital mobilized by the multilateral development banks and bilateral aid agencies, as a concrete measure of aid effectiveness and leverage of limited official development assistance.

This would create a technical tool for implementing and measuring progress against the Monterrey Consensus objective of mobilizing private sector capital for development, just as the ODA reporting provides a concrete measure of performance. There could be separate categories for type of private finance mobilized, such as infrastructure finance, SME finance, etc.

In terms of feasibility, this concept has been analyzed by other governments and is reported as having support. This measurement tool would be immensely valuable, in that it would advance the Paris Declaration objectives of aid effectiveness and donor harmonization.

PROPOSED SUMMARY OF FfD FOLLOW-UP:

"To ensure effective FfD Follow-Up, a systemic process needs to be established that enables ongoing open exchange between multistakeholders on resolving the global financial crisis and financing for development issues, in alignment with the Accra Agenda for Agenda of strengthening country ownership, building effective and inclusive partnerships, and achieving development results.

The FfD Follow-Up process should include a results-oriented, operational technical exchanges on a decentralized level, involving experts from the public and private sectors, aimed at developing roadmaps, tools, and performance benchmarks.

Global, regional and country FfD Meetings can be organized by the FfD Office and other FfD multistakeholders, including the private sector. Pilot FfD Countries and region may be designated. A key focus needs to be the developing and scaling up of effective mechanisms, programs, policies, and tools that leverage limited official resources, including those in development agencies, by harnessing resources from private sector and foundations. The process would include identification and sharing of challenges and impediments, success stories and failures, possible solutions and tools for advancing aid effectiveness.

Regular performance reports and proposals will be made presented at periodic FfD UN meetings and disseminated by the FfD Office to UN member governments, donor agencies and their collective forums, and institutional stakeholders for their review, consideration, and implementation."

Summary of FfD Business Initiatives to Implement the Monterrey Consensus

The below Business Initiatives may be expanded and replicated in partnership with governments and development agencies. For information, please see the contact information for each initiative.

APPENDIX A: INITIATIVES LAUNCHED AT THE FINANCING FOR DEVELOPMENT BUSINESS FORUM (MONTERREY, MARCH 22, 2002):

GLOBAL CLEARINGHOUSE “FINANCING FOR DEVELOPMENT TOOLS” TO IMPLEMENT THE MONTERREY CONSENSUS

- 1) The Development Finance Portal
facilitating investor access to information on developing countries
<http://www.globalclearinghouse.info/Portal/index.cfm>
- 2) Global Government – Investor Network Service
facilitating creation of business-enabling environments
www.globalclearinghouse.org/gin
- 3) INFRADEV (The Infrastructure Experts Group)
Mobilizing private sector capital for developing country infrastructure with public-private risk-sharing
<http://www.infradev.org/>

APPENDIX B: POST-MONTERREY PRIVATE SECTOR INITIATIVES (in chronological order)

- 1) International Chamber of Commerce
- 2) World Economic Forum
- 3) World Business Council on Sustainable Development
- 4) eStandards Forum
- 5) BlueOrchard Finance
- 6) Revenue Watch

APPENDIX C: NEW PRIVATE SECTOR INITIATIVES

- 1) South Centre
- 2) Standards Forum

Appendix A
INITIATIVES LAUNCHED AT THE FINANCING FOR DEVELOPMENT BUSINESS FORUM:
GLOBAL CLEARINGHOUSE “FINANCING FOR DEVELOPMENT TOOLS”
(MONTERREY, MARCH 22, 2002)

Global Public Goods to Implement the Monterrey Consensus

The *Global Clearinghouse “Financing for Development Tools”* are Global Public Goods that have been developed over the last six years to implement the Monterrey Consensus objective of mobilizing private sector resources for development, advancing the capacity of developing country governments and aid effectiveness of development agencies. As detailed below, these tools are designed to use simple communication technologies to enable more effective collaboration and catalytic exchange between governments, the private sector, and development agencies needed to breakthrough long-standing impediments to achieve results across all developing countries.

The underlying concepts were presented at the Financing for Development Business Forum at the United Nations Conference (Monterrey, March 22, 2002); developed by FfD Business Steering Committee Member Samuels Associates with the support of the UN Financing for Development Office, the Ford Foundation, and the Norwegian government; and documented in the UN Global Clearinghouse Discussion Paper (<http://www.un.org/esa/esa02dp23.pdf>). Over the last five years, the Swiss government has supported the non-profit activities of Samuels Associates in implementing these “Financing for Development Tools” in national, regional, and global pilots. The objective has been to create replicable “Tools” that can serve as Global Public Goods for the use of interested governments and development agencies to implement the Monterrey Consensus, leveraging official development assistance and enabling aid effectiveness.

Now Available to All Developing Country Governments

These “Financing for Development Tools” are now available to all interested developing country governments to increase their capacity to mobilize investment for development. With the support of the Swiss Government and Samuels Associates, pilots are currently being implemented on different levels: national (Nicaragua January 2004 – present); regional (Central America January 2008 – present); and global (Infrastructure Experts Group 2004 – present; Development Finance Portal 2004 – present).

Open Invitation to Development Agencies

To enable replication and sustainability, development agencies are now being invited to partner with the Swiss government in ensuring these “Financing for Development Tools” can be used by developing country governments to enhance their capacity to mobilize private sector resources for development. The Tools advance the Paris Declaration on Aid Effectiveness by strengthening the ability of development agencies to collaborate effectively with the private sector, harmonize programs and policies with other donors; align with government development objectives; and identify the investment impediments and possible remedies identified by local and international investors.

Development agencies can support these “Financing for Development Tools” with the Swiss Government on a general programmatic level, or select a specific application on a

national, regional, or global level. Existing initiatives include: (1) National Government-Investor Networks (first national pilot with government of Nicaragua); (2) Global Network on Infrastructure (first global pilot with The Experts Group on Public-Private Risk-Sharing); and (3) Central America Government-Private Sector Tourism Network (first regional pilot with SITCA and FEDECATUR).

Below are summaries of the three “Financing for Development Tools.”

1. THE DEVELOPMENT FINANCE PORTAL

facilitating investor access to information on developing countries

<http://www.globalclearinghouse.org/gicp>

The Development Finance Portal implements the Monterrey Consensus objective of increasing access to information needed for greater investment across all developing countries by providing, in one central location, easy access to enabling-information on investment opportunities, risk assessment, and transaction services. As of June 2008, 160 developing countries are covered, with over 42,000 content items: developing country governments (13,884 items); official sector development agencies (14,840 items); third party services (8,617 items); and financial business entities (4,903 items).

As an independent information initiative, the Portal is the only existing free service that enables one-stop access to the full range of investment-enabling information on developing countries, including investment promotion materials from developing country government agencies and key assessments and services produced by development agencies, third-party entities, and the private sector. Examples of content on the Portal include:

1) **Direct Reports from Host Country Governments**: The Portal serves as a central platform for enhancing investor outreach of country investment promotion agencies, and important communications from central banks, ministries of finance, and other host government entities. Governments can with no cost broadcast to investors worldwide important country information, including success stories and economic, financial, and political developments of relevance to investor evaluations of opportunities and risks. In addition, government officials can easily email Portal pages to interested investors (such as information on country competitiveness, success stories, new regulations, investment climate developments, etc.).

2) **Direct Access to Official Sector Assessments and Data**: Enormous resources are spent by an array of multilateral and bilateral agencies in assessing country competitiveness, opportunities and risks, and evaluating compliance with Global Codes and Standards. The Portal is the only free one-stop-location for investors that organizes these assessments by user needs, enabling cost-effective access by topic.

3) **Direct Access to other Expert Country Assessments**: The evaluations of private sector companies and independent third-party services are critical to enhancing investor capacity to identify investment opportunities, conduct due diligence, and develop prudent risk management strategies. The Portal includes links to services used by both mainstream and Social Responsibility Investors.

4) **Easy Access to Investment-Enabling Services**: Investments can be facilitated through providing easy access to information on sources of capital, expertise, risk management services, and possible partners.

Partners are needed for enhancing Portal content and technology development. All interested parties please contact Dr. Barbara Samuels II at barbara@globalclearinghouse.org (USA+ 845-868-7639).

2. Global Government – Investor Network Service

facilitating creation of business-enabling environments

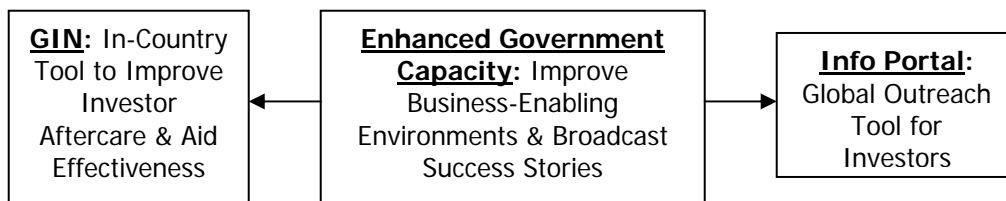
<http://www.globalclearinghouse.org/index.cfm?page=gin>

The Monterrey Consensus recognizes the need for developing country governments to create business-enabling environments.⁸ The direct results are new investments, more effective country promotion efforts, and improved country competitiveness. To implement the Monterrey Consensus, the Government-Investor Service (GIN) has been created as a free Financing for Development Tool available to developing country governments and regional governmental organizations that are committed to creating business-enabling environments.

As a secure Intranet communication platform, the GIN enhances the capacity of governments to openly collaborate with the private sector in improving the business-enabling environment, by enabling the open identification of critical investment impediments and possible solutions, improving intergovernmental coordination and catalyzing solutions. Uses of the GIN include the following:

- ***Enhance government capacity to identify investment impediments and possible solutions***, as well as success stories to advance investment promotion;
- ***Enhance cost-effectiveness of Investor After Care Function*** (usually conducted by the government’s Investment Promotion Agency);
- ***Enable cost-effective open government policy consultation with private sector*** on draft regulations, laws, programs, policies and other initiatives aimed at enhancing business-enabling environments; and
- ***Provide distribution channel for government communication with investors*** on country developments, policies, and opportunities, extending cost-effective government outreach and investment promotion, and reducing misunderstandings and financial contagion.

The GIN also includes Problem-Tracking System and Performance Reports that strengthen the government’s ability to solve issues across ministries and agencies and mobilize senior political support. Governments may also establish a “Donor Table” so donors have access to first-hand accounts of problems and possible solutions, and can harmonize their programs and funding, enabling greater aid effectiveness.⁹



⁸ MONTERREY CONSENSUS: “...public/private initiatives could include the development of policy consultation mechanisms between international and regional financial organizations and national governments with the private sector in both source and recipient countries as a means to create business-enabling environments.”

⁹ The GIN facilitates the *Paris Declaration’s* goal of greater donor responsiveness, cooperation, and aid effectiveness by creating an organizing framework for donors to participate openly in a network of government officials working with private sector investors on investment impediments and possible solutions. For Paris Resolution info, see <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

The first National GIN Pilot was launched in Nicaragua in 2004 with the support of the Presidency and the Investment Promotion Agency. More than 50 success stories have been reported, ranging from open government consultations with investors on regulations and laws to improve the business climate to enhanced intergovernmental coordination to improve infrastructure. Based on the Nicaraguan GIN success, a Regional Central American Network to advance regional tourism integration was approved in 2006 by the seven Tourism Ministers of the Central American Council of Tourism and the National Presidents of seven Tourism Chambers, and launched in January 2008.

Partners are invited to sponsor the existing above networks or provide the service to new governments committed to implementing the Monterrey Consensus. Over 20 developing country governments have expressed interest in using the service. All interested parties please contact Dr. Barbara Samuels II at barbara@globalclearinghouse.org (USA+ 845-868-7639).

3. INFRADEV (The Infrastructure Experts Group)

Mobilizing private sector capital for developing country infrastructure with public-private risk-sharing

<http://www.infradev.org/>

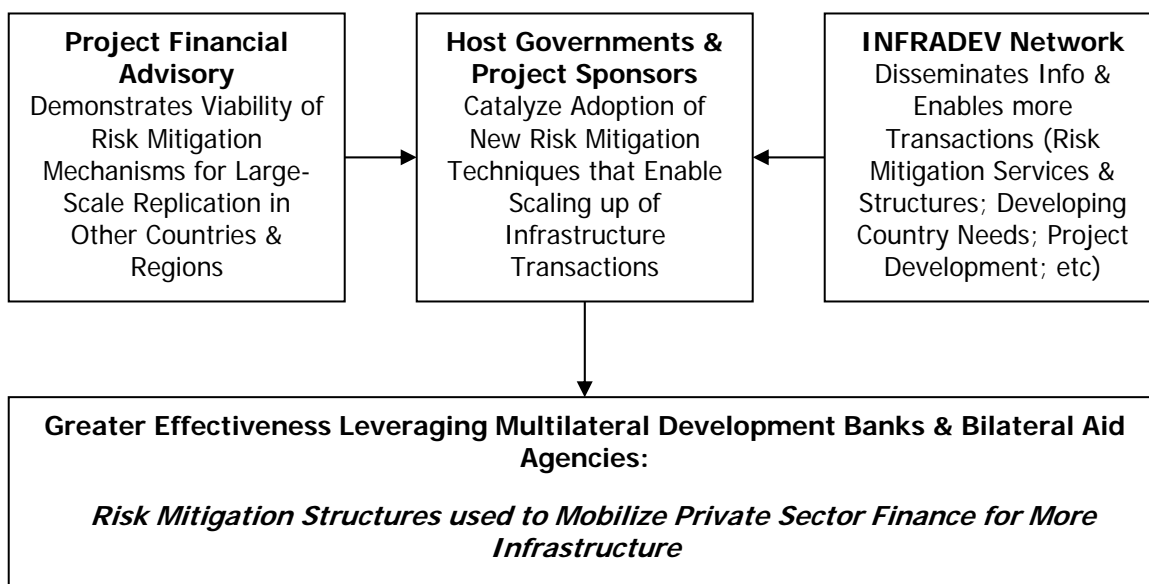
The Monterrey Consensus recognizes the urgent need for mobilizing private capital for infrastructure in developing countries.¹⁰ Developing countries need US\$ 650 billion a year to finance infrastructure projects for critical services such as energy, water, and transport, according to the World Bank, even before financing the improvements to meet the living standards of the Millennium Development Goals. As official sector funds available for infrastructure are a small fraction of the required funding and indebted governments are constrained in their ability to increase their debt levels, new approaches are needed to finance developing country infrastructure. To meet this challenge, development banks and governments can leverage their limited resources with risk mitigation instruments that enhance the ability to access private sector finance for developing country infrastructure.

The Infrastructure Finance Experts Group (INFRADEV) was launched to implement the Monterrey Consensus objective of enhancing public-private risk sharing as a means to access the private sector capital critical for infrastructure development in developing countries. INFRADEV brings together developing country government officials, providers of risk mitigation instruments, development bank experts, project sponsors, and risk specialists to develop innovative risk mitigation approaches that can be used to harness long-term, low cost capital for infrastructure projects in developing countries.¹¹

The Swiss government is supporting two work streams of INFRADEV activities to advance these objectives, project advisory for a demonstration infrastructure project in a non-investment grade country and the development of a global network of infrastructure experts and designated government officials.

¹⁰ MONTERREY CONSENSUS: "...there is the need for the relevant international and regional institutions as well as appropriate institutions in source countries to increase their support for private foreign investment in infrastructure development...."

¹¹ For more information on the importance of INFRADEV, see the World Economic Forum Report *Building on the Monterrey Consensus: The Untapped Potential of Development Finance Institutions to Catalyze Private Investment* <http://www.weforum.org/pdf/Financing/Monterrey.pdf>;



PROJECT FINANCIAL ADVISORY: *The first workstream is devoted to implementing 1-2 demonstration infrastructure projects in non-investment grade countries, illustrating first-hand how risk mitigation techniques can be used more effectively in non-investment grade countries to access long-term, less costly sources of finance.* The Project Advisory Team has successfully engaged the accountable parties at the World Bank, Inter-American Development Bank, Corporación Andina de Fomento and the Central American Bank for Economic Integration (CABEI), who have committed to demonstrate how their respective institutions can provide the needed risk mitigation support. Currently CABEI infrastructure projects are being reviewed for possible implementation.

INFRADEV NETWORK: The INFRADEV Network, now being developed, will bring together in one cost-effective Intranet-based communication platform critical practitioners such as host government officials and project sponsors with experts required to execute transactions such as providers of risk mitigation, bankers, and rating agencies. Members can cost-effectively obtain information on risk mitigation products and project development services and country infrastructure needs, and also exchange views on how to improve access to private finance and improve risk mitigation services. To reinforce these activities, INFRADEV conducts periodic conference calls on critical issues such as regulatory risk mitigation and sub-sovereign finance, highlighting specific projects and success stories. The INFRADEV Network will be launched in the fall of 2008.

The Swiss government has supported the Infrastructure Experts Group and is inviting other donors to partner with them. All interested parties please contact Dr. Barbara Samuels II at barbara@globalclearinghouse.org (USA+ 845-868-7639).

APPENDIX B
POST-MONTERREY PRIVATE SECTOR INITIATIVES
(in chronological order)

International Chamber of Commerce

In chapter 2 of the Monterrey Consensus, there is a focus on *mobilizing domestic financial resources for development*. Paragraph 10 speaks about an enabling domestic environment in order to encourage the mobilization of domestic and international capital flows and investment. Paragraph 20, specifically addresses the challenges to creating conditions for private capital flows, particularly FDI. One of the areas of systemic hindrances to capital formation and investment that needs to be dealt with is that of business environment impediments. These include for example, cumbersome and multiple steps required to obtain the necessary licenses to do business; complex and time-consuming procedures for customs clearance and the problems caused by corruption in business relationships. Some of the activities ICC is engaged in to address these problems are the Investment Advisory Council (IAC), the Investment Guides and the NEPAD Business Group (NBG).

THE INVESTMENT ADVISORY COUNCIL (IAC) – jointly with UNCTAD

The Investment Advisory Council (IAC) for Least Developed Countries (LDCs) is a framework for high-level consultations between business and government leaders. The objectives of IAC include: facilitating the interaction between government and corporate representatives; providing governments of LDCs with advice and recommendations that can help increase the level and quality of foreign direct investment. Since its establishment the IAC has met in Monterrey, Johannesburg, Tokyo, Sao Paulo and plans to meet in New York in September 2005 in conjunction with General Assembly "Summit" to review the implementation of the Millennium Declaration commitments

INVESTMENT GUIDES – in coordination with UNCTAD

The principal goals of this ongoing project are to assist LDCs in attracting investment by joint surveys and efforts to remove impediments and providing unbiased information to potential foreign investors. Such guides have been prepared for Uganda (including an up-dated edition), Bangladesh, Ethiopia (including an up-dated edition), Mozambique, Mali, Nepal, Cambodia and Mauritania, Guides for Kenya, Tanzania and East Africa (sub-regional) are in preparation. Sponsors include: China, Finland, France, Italy, India, Norway, Sweden, UNDP Cambodia, UNDP Eritrea, and Nestle SA. We look for further support to continue this project since several additional countries have requested guides.

The NEPAD Business Group (NBG)

ICC put together a number of business organizations around the world to support the NEPAD process by strengthening local business and stimulating business-friendly measures. The NBG encourages African governments to set up business advisory councils for consultations with the private sector. The aim is to: (1) work closely with government to be a real partner prior to introducing legislation, in the implementation of a business-friendly environment and to measure success; (2) encourage that in each country peer reviews of business are set up to complement peer review by government; (3) work on the concrete actions needed to make regional markets actually happen.

APPENDIX B CONTINUED

World Economic Forum

(from web site)

Further to the Monterrey Consensus, the World Economic Forum in partnership with the UN Department of Economic and Social Affairs (UNDESA) and the Swiss Agency for Development and Cooperation (SDC), organized a series of multistakeholder expert consultations. The focus was to take a closer look at two dimensions:

- 1) Harnessing public private partnerships (PPPs) as vehicles to extend the reach and effectiveness of development assistance
- 2) Adapting multilateral development banks (MDBs) and bilateral aid agencies to the challenge of catalysing greater domestic and foreign private investment in developing countries

The multilateral development banks (MDBs) segment of this project looked at the untapped potential of development finance institutions to catalyse private investment. It addressed the role of development finance institutions such as the multilateral development banks (MDBs) and bilateral aid agencies to unlock the potential for development-oriented investments by expanding regulatory and contractual risk mitigation activity and supporting development of domestic capital markets including securitization products.

The public-private partnerships (PPPs) segment of this project looked at how PPPs have contributed to poverty reduction and what the key success factors and obstacles for PPPs are with a special focus on water, health and education. Recommendations involved questions of improving the climate for private investment in poor countries and expanding and improving development assistance.

The public-private partnerships (PPPs) segment released its report in September 2005 on the occasion of the United Nations 2005 World Summit in New York. For documents, please go to: <http://www.weforum.org/en/initiatives/developmentfinance/index.htm>

Workstreams

Public-Private Partnerships (PPPs)

- Thoroughly analyse existing public-private partnerships in developing countries.
- Create a database for efficient data management.
- Organize a series of 6 structured workshops in three areas (health, education and water) within one year inviting experts from official and private sectors as well as academia and civil society.
- Publish and launch a report detailing guidance and public-private success factors that will be of practical use to governments, businesses, NGO's and philanthropic foundations.

Risk Mitigation Assess and enhance the adequacy and efficacy of multilateral development banks and aid agencies to cofinance, guarantee, and provide trade financing or other risk mitigation tools to improve the climate for private investments in poor countries and to bring financial capacity building to scale.

Appendix B continued
World Business Council on Sustainable Development

1. WBCSD-SNV Alliance for Inclusive Business, Memorandum of Understanding with the Inter-American Development Bank (IDB) to increase market-based solutions for the poor in Latin America.

This agreement outlines a partnership between the private sector, a development agency and a multilateral development bank aimed at leveraging complementary competencies and funds flow. See press release under:

<http://www.wbcd.org/plugins/docsearch/details.asp?txtDocText=snv&DocTypeId=33&CharValList=33:&ObjectId=MjYyMzI&URLBack=result%2Easp%3FtxtDocText%3Dsnv%26DocTypeId%3D33%26CharValList%3D33%3B%26SortOrder%3D%26CurPage%3D1>

2. Financing low-carbon technology in developing countries: Facilitating private sector input into UNFCCC process.

The WBCSD is organizing yearly a Business Day at the UNFCCC Conferences of the Parties (COP), in collaboration with the ICC. This Business Day helps coordinating the private sector input into the negotiation processes, with a focus on enabling more investment into low-carbon technologies for developing countries.

See information on Bali Business Day (COP 13 in December 2007):

<http://www.wbcd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=MTUzMQ&dOpen=1&ClickMenu=LeftMenu>

See also Issue Brief on "Investing in a low-carbon energy future in the developing world" (December 2007): It explores how governments and business can work together to solve these challenges by aligning policies, mechanisms and tools with the commercial conditions under which a business typically invests, in order to scale up private investment.

3. The WBCSD Measuring Impact Framework

The FFD document talks about the need for the more performance measurement from the donor community. The members of the WBCSD also believe it is important that business looks more closely at the development impacts arising from its activities. This belief has now been translated into a Measuring Impact Framework that helps companies assess their contribution to economic and broader development goals in the societies where they operate. The companies can then use this information to inform their operational and long-term investment decisions and have better-informed conversations with stakeholders. The methodology is co-branded with the IFC.

For more information: <http://www.wbcd.org/web/measuringimpact.htm>

Appendix B Continued
eStandards Forum
(from web site)

Market-driven growth led by responsible private investment provides the most promising avenue through which poverty can be alleviated and economic development and prosperity can be sustained-if supported by effective institutions and policies. Public sector resources are neither adequate nor appropriate to achieve the requisite level of global development.

The mission of eStandardsForum is to monitor and report a country's economic, financial, and political conditions in a transparent manner. Only information that is public and authoritative is used. The resulting country profiles provide investors, policy maker, donors and other stakeholders with a perspective on the material factors affecting country risk, such as the degree of a country's conformity with best practice standards. It is hoped that these assessments will encourage countries to adopt and implement policies which attract significant levels of domestic and foreign private investment.

The Financial Standards Foundation (FSF) was established as a not-for-profit foundation by George and Susan Vojta in 2001. The mission of the Foundation is to support activities which facilitate the creation and maintenance of a global economic and financial system, based on private sector-led market economies, responsible private investment, and a liberal foreign trade regime. The Foundation believes that a global system based on these principles will generate wealth, income, and employment sufficient to alleviate global poverty, establish general prosperity, and distribute these benefits equitably. The Foundation believes that the role of government and international institutions is to support and facilitate, compliment but not dominate, the emergence of a private sector-led global economy. The Foundation strongly believes that private enterprise is the principal agent necessary to create the global economy but holds that private firms must conduct their affairs to assure that all stakeholders (shareholders/owners, employees, clients, suppliers, competitors, government and the community, and the environment) benefit positively from their activities. The Foundation believes and seeks to demonstrate that private firms which operate to the benefit of all stakeholders become successful competitors in the market place, i.e. positive stakeholder outcomes cause superior business performance.

Principal Activities

- eStandards Forum - FSF owns eStandards Forum and its unique website and supports its mission to promote complete transparency in the conduct of political and economic affairs
- Publications - FSF produces and publishes weekly, monthly, and bi-monthly updates and policy briefs; articles and monographs, and an annual globalization report, which surveys and evaluates the globalization experience
- Research and Academic Courses - FSF supports courses and research at leading universities and think tanks
- Internships - FSF provides fellowships and exchanges to students, faculty, and various other individuals
- A Global Network - FSF is part of a global network of institutions, including leading universities, think tanks, international organizations, and NGO's which act to promote globalization

APPENDIX B CONTINUED
BlueOrchard Finance
(from web site)

A bridge between microfinance and the capital markets

BlueOrchard Finance is a Swiss company specialising in the management of microfinance investment products. We assist banks and financial intermediaries who wish to invest in the microfinance industry by offering a comprehensive package of services designed to invest efficiently in this promising sector. This includes initial identification of, and due diligence on, microfinance institutions, as well as continuous monitoring and reporting on their activities and portfolios. BlueOrchard Finance manages the relationship with all the parties involved and strictly adheres to the investment policies and guidelines of its clients.

A leading and preferred investment provider to microfinance institutions

BlueOrchard Finance seeks to develop long-term relationships with microfinance clients and partners by sharing information, knowledge and risks, and by investing jointly in the development of microfinance. BlueOrchard's most important asset is its ability to create value through solid relationships with leading microfinance institutions all over the world. By building trust, listening actively and constantly interacting with institutions in the field, BlueOrchard is able to tailor products and services to fit its clients' needs.

A promoter of microfinance to the commercial investment community

BlueOrchard Finance follows a strict selection mechanism in line with the criteria set out in the investment policies of the microfinance investment products that it manages. This rigorous approach ensures that the portfolios are made up of reliable and sustainable institutions: investment advice is always based on in-depth due diligence, supplemented by the opinions of selected field experts, specialised evaluations companies, rating agencies, networks and international organisations. BlueOrchard's proven track record has convinced an ever-growing number of investors to choose the quality and profitability of a win-win investment: they earn a stable and competitive financial return on their investments while delivering effective social impact in emerging markets by encouraging entrepreneurship at the micro level.

APPENDIX B CONTINUED

Revenue Watch

(from web site)

The mission of the Revenue Watch Institute is to promote responsible management of natural resource wealth for the public good. We believe that improved public oversight of these revenues, coupled with targeted assistance to governments on managing them, can help turn resource wealth from a hindrance into an asset.

Begun as the Revenue Watch Program of the Open Society Institute in 2002, and spun-off into an independent operating and grantmaking 501(c) 3 organization in May 2006, RWI works with civil society, media and policy-makers in resource-dependent countries to counter the effects of the so-called 'resource curse' and enhance public participation in these countries' economic governance. Through the Open Society Institute's network and partners around the world, the Revenue Watch Institute has helped create local coalitions advocating revenue and expenditure transparency, and has created public finance monitoring centers in several countries. It has created a body of research and reference tools to assist citizens in monitoring natural resource revenues and public expenditures, and facilitates a wide range of trainings for local actors to enhance their skills as public finance and extractive industry monitors and advocates. RWI helps policy-makers improve their capacity to transparently and efficiently manage their country's public finances, particularly extractive revenues. RWI also provides journalists with the reference tools and training necessary to cover extractive industries and public finances effectively. RWI helped initiate and works closely with the international Publish What You Pay campaign to encourage oil, gas and mining companies to publicly report payments to governments in resource dependent economies and to engage the IFIs in the resource revenue transparency campaign. The Revenue Watch Institute also actively supports the development and implementation of international protocols that promote transparency and anti-corruption such as the Extractive Industries Transparency Initiative (EITI).

ACTIVITIES

RWI activities address the complex and diverse challenges of resource-dependency according to four operating principles:

- * continuous independent civil society oversight/monitoring;
- * timely research on the country's extractive industry/public finance management to ensure that current/proposed policies are in the public's best interest;
- * well-informed advocacy promoting greater openness and accountability of government's management and distribution of extractive revenues and public finances more broadly; and
- * independent technical assistance to enable governments with a genuine interest in becoming more accountable and transparent with the knowledge and tools to do so.

While limited in scope to resource-rich countries, the Revenue Watch Institute is concerned with both revenue and expenditure transparency and our partners engage in increasingly diverse forms of public finance monitoring, including service delivery, participatory budgeting, and aid and expenditure tracking. RWI partners have now begun to share skills and strategies amongst themselves, forming the basis of an indigenous-led network of non-governmental organizations that has become a growing force for fighting corruption and guarding the public interest in resource-dependent countries around the world.

The Revenue Watch Institute brings a constructive multi-stakeholder approach to its work, based on a fundamental alliance with civil society. It identifies which scholars, citizens, and activists in

resource-dependent countries have an interest in working to promote transparent and accountable governance, and then works with them to create independent public watchdog organizations and movements with the research, analytic and advocacy skills to monitor and raise public awareness about the countries' extractive industries and public finances.

RWI also works with journalists to build their capacity to understand, analyze and report on their country's public finances and extractive industries. It works with companies to encourage and support an accountable and transparent presence in resource-rich countries and to highlight the shareholder risks that come along with investing in these nations where good governance is lacking. And finally, the Revenue Watch Institute works with policy-makers to manage natural resource revenues effectively and transparently, international financial institutions capable of influencing relevant international policy. It does so by acting as a clearinghouse by facilitating donor coordination and providing neutral and trusted expertise on highly contentious issues, such as stabilization agreements and petroleum fund development.

RWI's advocacy takes it regularly to producing countries to bolster its programs to speak to governments, companies, donor and multi-lateral lending institutions, together with local coalitions and allies. At the global level, RWI's partners identify issues of concern regarding the mismanagement of natural resource revenues and other abuses, and subsequently seek to educate the US government, European Union, International Financial Institutions, donor agencies and the private sector.

REGIONAL SCOPE

The Revenue Watch Institute presently supports partners and affiliates with operating programs in Azerbaijan, Georgia, Indonesia, Iraq, Kazakhstan, the Kyrgyz Republic, Mexico, Mongolia, Peru, Nigeria, Sao Tome and Principe and Yemen. Priority countries where projects are currently in the planning or development stages include Algeria, Angola, Bolivia, Cameroon, Chad, DRC, Ghana, Guinea, Libya, Mauritania, Sierra Leone, Sudan, Timor Leste and Venezuela.

APPENDIX C: NEW INITIATIVES
SOUTH BUSINESS FORUM
South Centre

BACKGROUND: One of the positive developments since Monterrey is the active role played by the private sector in the South in trade and capital flows. South-South merchandise trade tripled in the past decade. South-South foreign direct investment also tripled and is a particularly important source of capital for the least developed countries. Today, one out of every four transnational corporations worldwide is based in the South and seven of them are among the world's largest 100.

ISSUES: Although South-South trade and investment are surging, there is still need to diversify geographical distribution (beyond big markets and resource abundant economies); to diversify sectoral concentration (beyond extractive industries); and to enhance the development impact of existing flows (by building linkages with domestic suppliers and public institutions, and through sequential investments in infrastructure and social sectors, facilitated by public-private partnerships). There is thus a range of issues to engage governments and business in *joint* approaches, including triangular cooperation involving partners from the North.

OBJECTIVE: The South Business Forum will engage business and governments in dialogue and joint actions.

PARTNERS: The South Centre will partner with other organizations seeking to increase their focus on South-South. These include the UN organizations and agencies and the International Chamber of Commerce. At the national level, the South Business Forum will involve national chambers of commerce and industry, export-import banks and regional cooperation councils.

GOALS: The South Business Forum will carry out a select number of showcase activities, such as an annual Trade and Investment Fair, which was called for in the Havana Plan of Action of the 2000 South Summit and which would be hosted by the Government of Qatar. It is intended for investment commitments and partnership agreements to be announced at showcase events.

Financial Standards Foundation/eStandardsForum

The Financial Standards Foundation/eStandardsForum (FSF/ESF) are promoting and participating in several programs of direct relevance to the United Nations Financing for Development initiative: country compliance with international standards, codes, and other best practices; the state of the global capital markets, with a particular emphasis on restoring trust in financial institutions; financial regulation and supervision; and reform of the international financial institutions (IFIs). These programs have already been launched and are currently being operationalized. FSF/ESF invite and welcome like-minded institutions to participate should they feel their missions, mandates, and programs could benefit from such collaboration.

The Country Compliance program focuses on country compliance with best practice standards, with particular reference to international financial standards and codes. This program involves collecting publicly-available information and publishing publicly-accessible country profiles on the FSF/ESF website for the benefit of all interested parties—investors, donors, policymakers, and government officials. A network of country-level committees is being established to conduct on-going monitoring and updating of country conditions, which will complement current FSF/ESF country reporting. In addition to several universities, business schools, and think tanks, the International Chamber of Commerce (ICC), the Center for International Private Enterprise (CIPE), and the Financial Service Volunteer Corps (FSVC) are participating. The objectives are major improvements in transparency and country environments for investment and better anticipation of crises.

This program has two related projects. The first is the creation of an on-going process of monitoring and reporting on the effectiveness of private-sector aid and official development assistance (ODA). CARE, the Carter Center, and government aid agencies are participating. This effort will also contribute to reports important to the United Nations Financing for Development process, including development progress and aid effectiveness reports. The second related project is an effort to facilitate training and technical assistance to countries requesting help in building capacity. CIPE, IESC, FSVC, and the IFIs will participate. The program will be operational in 2009.

The FSF/ESF are also participating in and promoting programs on reforming the financial system in the aftermath of the current crisis. A Capital Markets program is being lead by the Millstein Center for Corporate Governance and Performance at Yale University and the Organization for Economic Cooperation and Development (OECD). This program promotes adoption of best practices for corporate governance, risk management, and, especially, the restoration of trust in financial markets and institutions.

A Financial Regulation and Supervision program is being lead by the Wharton Financial Institutions Center, the National Bureau of Economic Research, and the Brookings Institution. The Sloan Foundation is providing financial support. This program focuses on a critical review of current financial regulatory and supervisory structures and proposals for reform.

Finally, the IFI Reform program is lead by the Reinventing Bretton Woods Committee, working with G20 governments, IFIs, and the private sector. This program addresses appropriate reform of the International Monetary Fund, the World Bank, and the regional development banks. Several meetings hosted by G20 finance ministries and central banks have been held. Another round of meetings begins in November 2008. A report will be issued in the fall of 2009.