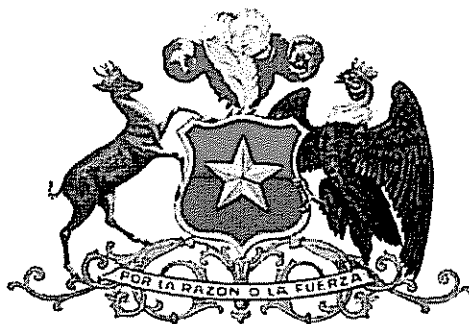




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CHILE
COORDINATOR OF THE WORKING GROUP ON
FINANCING FOR DEVELOPMENT



STATEMENT BY AMBASSADOR ALFREDO LABBE
DEPUTY PERMANENT REPRESENTATIVE

SECOND CONSULTATION SESSION OF THE GENERAL ASSEMBLY ON THE CONTENTS OF THE
OUTCOME FOR THE FOLLOW-UP INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT

NEW YORK, 16 JUNE 2008

**Proposal of the Rio Group concerning chapter III of the Monterrey Consensus:
"Staying Engaged"**

The member countries of the Rio Group reiterate that the International Conference on Financing for Development, held in Monterrey (Mexico) from 18 to 22 March 2002, helped significantly to refocus the international political and economic agenda on the issues of international cooperation for development, equity in international economic and financial relations and the profoundly human approach to development.

The Rio Group recognizes that each country has primary responsibility for its own economic and social development, while an international context favorable to development is essential. This requires a series of measures in various forums and at all levels, in order to promote policies, formulate strategies and implement development plans aimed at the mobilization of national and international financial resources for sustainable development.

With this aim, the Heads of State and Government made the commitment in Monterrey to build a global alliance for development and to make unremitting efforts nationally, regionally and internationally to ensure proper follow-up to the implementation of the agreements and commitments reached at the Monterrey Conference.

The spirit of Monterrey, reflected in the construction of the Consensus, the flexibility of the participants and an innovative approach to the issue, undoubtedly made it possible to achieve unprecedented agreements on financing for development and created great expectations for their implementation and application.

Six years after the 2002 Conference, the Rio Group believes that the follow-up mechanism agreed by the Heads of State and Government is one of the basic pillars of the Consensus and that it is undoubtedly necessary to give serious consideration to options that will fully meet the expectations of all stakeholders and particularly of the developing world.

The Rio Group is convinced that, despite the high quality of the debates held at the ECOSOC spring sessions with the Bretton Woods institutions, WTO and UNCTAD, and the biennial high-level dialogues on financing for development, created as the Monterrey follow-up mechanism, there is considerable scope for enhancing their visibility, the level of participation and, above all, their political impact.

Accordingly, the Rio Group proposes that "Draft Zero", which will be circulated at the end of July on the Doha Conference document, should contain a proposal on negotiations to strengthen and enhance the existing follow-up mechanism for the Monterrey Consensus and any agreements to be reached in Doha.

In this regard, the Rio Group puts forward the following proposal:

General characteristics of the follow-up mechanism:

The Rio Group deems essential that the arrangement to be adopted to improve the efficiency of the follow-up mechanism on financing for development must be:

Comprehensive: It should encompass analysis of all elements connected with financing for development, identifying challenges and principal obstacles in each of the areas and new and emerging issues, in an interconnected and systemic manner, since they are all interrelated and mutually reinforcing.

Ongoing: There should be at least an annual follow-up of commitments regarding financing for development.

Multisectoral: All actors concerned with financing for development should be involved: States, through the various ministries and national public agencies dealing with the issue, international organizations, civil society and the private sector.

Dynamic and interactive: Sessions of the follow-up mechanism should encourage interactive debate among all stakeholders in order to achieve action-oriented results.

Making rational use of resources: Full use should be made of existing forums and resources and duplication of efforts should be avoided, so that all relevant actors can provide inputs into the process.

Democratic: The mechanism must ensure suitable representation of all players, especially States, in order to ensure the legitimacy of its actions and results.

Balanced: The mechanism must consist of representatives reflecting the different visions of financing for development, maintaining a correct balance as regards the number of these views and the number of their representatives.

Proposal of the Rio Group:

As a preliminary contribution to the discussion, the Rio Group presents the following proposal that seeks to strengthen the current follow-up mechanism of the Monterrey Consensus (ECOSOC spring session with the Bretton Woods institutions, WTO and UNCTAD, biennial high-level dialogues of the General Assembly on financing for development):

1. **Follow-up Forum of the International Conference on Financing for Development** (FFICFD)
2. **Debate on Financing for Development (FFD) in the General Assembly**

1. Follow-up Forum of the International Conference on Financing for Development” (FFICFD):

The Forum would review the status of implementation of commitments and identify obstacles, challenges and emerging issues, focusing its discussions on the proposal of recommendations and actions that will provide input for the draft resolution to be adopted in plenary by the General Assembly.

Structure:

The Forum would have a broad and inclusive membership, encouraging dynamic and interactive debate by all stakeholders in financing for development. It would be comprised by a group of Member States, representatives of the major international organizations, regional development banks, civil society and the private sector.

Suggested Membership:

- **52** member States, elected by the General Assembly on a rotation basis for a period to be determined and taking into consideration the equitable participation of the different regional groups.
- **5** Executive Directors of the Board of Governors of the World Bank
- **1** Representative from each of the four Regional Development Banks
- **5** IMF Executive Directors

1 The Chairman (or representative) of the WTO General Council

1 The Chairman (or representative) of the UNCTAD Trade and Development Board

2 Representatives of other intergovernmental organizations involved in development issues

1 Representative from each of the five regional economic commissions

1 Representative of civil society

1 Representative of the private sector

Total membership: 77

Observers

All Member States of the United Nations may be observers and participate in the discussions.

Nongovernmental organizations with consultative status in the United Nations framework may participate.

Format and Schedule:

One annual period of sessions held prior to the spring meetings of the Bretton Woods international financial organizations. The annual meeting will be divided into segments:

- High-level segment
- Segment of thematic round tables

Outcome:

The outcome of the discussions will be three documents:

- i. **Co-Presidents' summary of discussions:** This will be a document similar to the one already produced as the outcome of the existing mechanisms and it should emphasize the recommendations and actions proposed in the various segments of the annual meeting. The document should also be considered within the framework of discussions of the General Assembly. In addition, it should be transmitted to ECOSOC Development Cooperation Forum for consideration in the framework of its mandate on the issue of financing for development.
- ii. **Co-Presidents' communiqué:** This would be a short document focusing on the main issues analyzed. It would be transmitted as a message to participating institutions.
- iii. **Annual monitoring of the commitments made in Monterrey and Doha.** This document would provide an annual evaluation of progress of the commitments made.

Presidency:

The FFICFFD would be presided jointly by high-level representatives from a developing country, a developed country, and a Representative of the Bretton Woods institutions, WTO, UNCTAD and/or other international agencies; the last on the basis of rotation.

Secretariat:

Secretariat services for FFICFFD would be provided by the United Nations Financing for Development Office.

2. Debate on FFD in the framework of the General Assembly (discussion and intergovernmental negotiation)

- a. The FFICFD outcome should be formally submitted within the framework of the General Assembly, while maintaining the Secretary-General's report on FFD.
- b. The General Assembly discussion on issues relating to the content of the Monterrey chapters (macroeconomic issues, trade, debt, etc.) could be reorganized to provide a broad discussion of each of them, taking into account the FFICFD and Development Cooperation Forum outcomes, as appropriate, including reference to the status of implementation of the commitments made within the framework of the Doha Conference.
- c. The outcome of the discussion should be **a substantive resolution on FFD of the plenary General Assembly** (avoid procedural resolutions as those adopted in recent years), also referring to accomplishments, challenges and recommendations for progress in implementation of the commitments assumed in Monterrey, in accordance with the outcome and any commitments adopted at the Doha Conference.

Implementation of the mechanism:

The first session of FFICFD should be held in spring 2009.