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TEXTUAL CHANGES FOR DRAFT DOHA OUTCOME DOCUMENT

Submitted by: Canada, Australia, and New Zealand (CANZ)

Introduction: reaffirming goals and commitments of the Monterrey Consensus

1. We the heads of State and Government, and representatives of member states of the United Nations gathered here in Doha, Qatar, from November 29 to December 2 of 2008, almost seven years after the landmark conference held in Monterrey, reiterate our resolve to address the challenges of financing for development in the spirit of global partnership and solidarity. We once again commit ourselves **[ADD: TO MAKE BEST EFFORTS TO ACHIEVE THE GOAL SET OUT IN THE MONTERREY CONSENSUS]** to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system.
2. We reaffirm the Monterrey Consensus in its entirety and in its integrity and **[ADD: REITERATE THAT A HOLISTIC APPROACH TO THE INTERCONNECTED NATIONAL, INTERNATIONAL, AND SYSTEMIC CHALLENGES, OF FINANCING FOR DEVELOPMENT – SUSTAINABLE, GENDER-SENSITIVE AND PEOPLE CENTERED DEVELOPMENT – IN ALL PARTS OF THE GLOBE IS ESSENTIAL. WE]** recognize that mobilizing financial resources for development and the effective use of those resources are central for a global partnership for development in support of the achievement of the internationally agreed development goals (IADGs), including the Millennium Development Goals (MDGs).
3. We recognize that the international economic context has changed in profound ways since we met in Monterrey. While assessing progress made, sharing best practices and lessons learned, we have identified obstacles and constraints encountered. We are determined to take actions and initiatives to overcome these obstacles and devise important measures for further implementation.

Mobilizing domestic financial resources for development

4. In the years following Monterrey, a number of developing countries have made significant progress in the implementation of development policies in key areas of their economic frameworks, contributing to increased mobilization of domestic resources and higher levels of economic growth. We will continue to build upon this progress and endeavour to strengthen an investment climate that promotes

entrepreneurship and facilitates establishing and doing business. **[DELETE: More] [ADD: CONTINUED] efforts [DELETE: are also needed] by the international community to support such an environment [ADD: AND WOULD CONTRIBUTE POSITIVELY TO FURTHERING THIS OBJECTIVE].**

5. We will strive to ensure the necessary internal conditions for mobilizing public and private savings and sustaining adequate levels of productive investment. Good governance is essential for effectively mobilizing domestic financial resources. We will enhance our efforts to overcome obstacles to strengthen good governance at all levels while keeping in mind countries' different characteristics and specificities and that national ownership is critical.
6. Human resources are the most precious and valuable asset that countries possess. The realization of decent work for all, including **[ADD: INTER ALIA]**, investment in human capital through better designed and better funded health and education policies, coupled with better social protection and active labor market policies, **[ADD: SUCH AS THE INTEGRATION OF TRADITIONALLY MARGINALIZED POPULATIONS, INCLUDING WOMEN]** is essential. Such policies have begun to show results, but increased efforts are needed.
7. To take advantage of the benefits of globalization while minimizing its costs, opening the economy must also be accompanied by sufficient **(DELETE: policy space and)** domestic measures that enhance resilience, in particular in the macroeconomic and financial areas. We will seek to enhance counter-cyclical macroeconomic policies to strengthen the domestic financial sector. Monetary policies should aim for low and stable inflation targets, while seeking to support employment policies.
8. Fiscal reform is key to enhancing macroeconomic policies and mobilising domestic public resources. We will strive to modernize budgetary processes and enhance transparency of public finance management including gender responsive public financial management. The development of a sound and wide-ranging financial sector is central to the mobilization of domestic financial resources and should be an important component of national development strategies.

NEW PARAGRAPH

OP8bis: We will strive for diversified, well regulated, inclusive financial systems that promote savings and channel them to sound projects and initiatives, including in particular in the private sector. We will aim to increase the domestic supply of long-term capital and promote the development of domestic capital markets, including through multilateral, regional, sub-regional and national development banks.

9. To achieve equitable development and foster a vibrant, inclusive private sector, a financial infrastructure that provides access through a variety of products and services to small and medium businesses, targeting women, rural areas and the poor is vital, including **[DELETE: microfinance]** **[ADD: MICROCREDIT]** and the financing of small and medium-size enterprises. To achieve gender equality **[DELETE: consideration of]** **[ADD: IN THE AREA OF FINANCIAL SERVICES]**, gender **[ADD: ANALYSIS SHOULD BE UNDERTAKEN AND DISSEMINATED]** **[DELETE: issues within]** **[ADD: IN]** areas **[DELETE: such as]** **[ADD: INCLUDING]** macro/micro economic policies and labour policies **[DELETE: should be undertaken]**. We will endeavour **[DELETE: to address and remove gender bias]** **[ADD: TO ELIMINATE GENDER-BASED DISCRIMINATION]** in labour and financial markets as well as, inter alia, in the ownership of assets and property rights.
10. We will strengthen efforts to increase tax revenues through more effective tax collection and modernization of tax legislation including through simplification of the tax system, broadening of the tax base, and strongly combating tax evasion. To support individual country efforts in these areas, it will be important to enhance international cooperation in tax matters and broaden participation in the development of international tax norms and rules. **[DELETE: We will consider strengthening the United Nations Committee of Experts on International Cooperation on Tax Matters by upgrading it to an intergovernmental body.]**
11. Capital flight is a major hindrance to the mobilization of domestic resources for development and efforts should be strengthened to address the various factors that contribute to this. It is vital to address the problem of illicit financial flows. Additional measures should be sought to prevent the transfer abroad of stolen assets and to assist in their recovery, as well as to prevent capital flows that have criminal intent, such as the financing of terrorism.
12. Corruption **[DELETE: is a phenomenon that can affect]** **[ADD: AFFECTS BOTH]** developed and developing countries, and **[ADD: BOTH]** the public and private sectors **[DELETE: alike]**. The Monterrey Consensus underlined that fighting corruption **[ADD: IS A PRIORITY]** at all levels **[DELETE: is a priority]**. We are thus determined to combat corruption in all of its manifestations. This requires strong institutions at all levels, including the strengthening of the legal and judicial systems. We welcome the increased commitment of Member States that have already ratified or acceded to the United Nations Convention against Corruption, and in this regard **[ADD: WE STRONGLY]** urge all Member States that have not yet done so to **[DELETE: consider ratifying or acceding to]** **[ADD: RATIFY OR ACCEDE]** to the Convention. We call upon all States parties to fully implement the Convention as soon as possible.
13. While pursuit of economic resilience is important for all countries, it requires constant and more strenuous efforts in small and vulnerable economies. These

national efforts need to be reinforced by international support for capacity building including through technical assistance and through United Nations operational activities for development. In development cooperation policies we will pay special attention to the efforts and needs of **[ADD: AFRICA]** LDCs, LLDCs, and SIDS.

Mobilizing international resources for development: foreign direct investment and other private flows

14. We welcome the rise in private international capital flows to developing countries since the Monterrey Conference. At the same time, we will try to substantially broaden the number of countries and sectors receiving such flows. Special efforts should be undertaken at the national **[DELETE: bilateral and multilateral]** **[ADD: REGIONAL, AND GLOBAL]** levels to increase private capital flows, particularly foreign direct investment to Africa, LDCs, LLDCS, and SIDS.
15. Developing countries and countries with economies in transition should enhance efforts to mobilize investment in transport, communications and other physical and social infrastructure that serve to strengthen their business environment. The support of bilateral and multilateral partners in this task is critical. There is also a need to enhance the tools used by multilateral and bilateral donors to mitigate the risks faced by business investors in critical sectors in developing and transition economies. **[DELETE: and to devise ways by which ODA can play a catalytic role in the mobilization of private flows]**. We will also strive to enhance the stability of private capital flows, through encouraging the implementation of counter-cyclical policies, and also through making efforts to promote South-South investment.
16. Experience of recent years has shown that providing an enabling business environment, **[ADD: BASED ON GOOD GOVERNANCE AND THE RULE OF LAW]**, is fundamental to fostering domestic and foreign private investment. We will continue to put in place transparent, appropriate and enforceable regulations and laws for doing business, improve the availability of finance for enterprise, upgrade the skills and technical capabilities of human resources and facilitate public/private consultative mechanism. Developed countries can also encourage private flows to developing countries through bilateral investment treaties, tax treaties and other tax measures. We call on bilateral and multilateral agencies to continue assisting interested countries to formulate policies and measures to attract international private capital flows, including through public/private partnerships.
17. The quality of foreign direct investment plays an important role in enhancing the development impact of these investments. We will strengthen efforts to maximize

linkages with domestic production activities, the transfer of technology and the training of the local labour force. We will make stronger efforts to promote corporate social responsibility and good corporate governance and seek to ensure that adequate labour and environmental protection standards are upheld everywhere. We encourage the work undertaken in the United Nations, including the Global Compact, in this regard. Measures should be devised to avoid over-exploitation of natural resources, while enhancing transparency and accountability of revenues from extractive industries, both national and foreign-owned, taking into account, where appropriate, the implementation of relevant initiatives on extractive industries, **[ADD: INCLUDING THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE]**.

18. We recognize that technology transfer **[ADD: ON MUTUALLY AGREED TERMS]** is one of the key factors through which foreign direct investment can impact development. Such transfer can also be facilitated by the host country's pro-active innovation and transfer policies. Public-private partnerships can play a crucial role in implementing those policies, as well as in fostering a dynamic small and medium-size enterprise sector. Many lessons have been learned on how these elements should be carefully taken into consideration in the formulation of national development strategies.
19. International financial institutions, particularly multilateral development banks, should continue to enhance their efforts to provide incentives for private flows to developing countries and transition-economy countries. At the same time, these institutions should continue to explore innovative modalities to facilitate additional private flows to such countries.
20. We are cognizant of the fact that the perception of a country's current economic conditions and prospects determine to a large extent the international private flows that it attracts. The provision of objective, high quality information is vital for informed decisions by potential foreign investors. We will continue to strengthen modalities, including through multilateral agencies' efforts, to enhance and improve information regarding a country's economic situation and outlook. The information provided by credit rating agencies, which is also useful for public sector policy makers, should thus be based on broadly accepted, objective and transparent criteria.
21. **[ADD: WE RECOGNIZE THAT CAPTURING THE FULL POTENTIAL OF REMITTANCES REMAINS A CHALLENGE, THOUGH THE FLOW OF REMITTANCES ACROSS INTERNATIONAL BORDERS, PARTICULARLY TO DEVELOPING COUNTRIES, IS GROWING RAPIDLY. INCREASINGLY, REMITTANCES PLAY AN INCREASING ROLE IN THE FINANCING OF DEVELOPMENT IN THE IMMIGRANT WORKERS' HOME COUNTRIES.]** We will continue to explore measures to **[ADD: CREATE ENABLING ENVIRONMENTS AND]** lower the **[ADD: TRANSACTION]** cost of **[DELETE: workers']** remittances through increased

cooperation between the originating and receiving countries. We will explore avenues for taking fuller advantage of the opportunities provided by remittances to not only satisfy families' consumption needs but also foster broader access to financial services and savings and promote development goals [**ADD: INCLUDING EDUCATION, HOUSING, AND SMALL BUSINESS START-UPS AND EXPANSION**]. We also need to be mindful that these are private flows over which governments do not have direct control.