

DRAFT EU

**DOHA OUTCOME DOCUMENT
on Reviewing the Implementation of the Monterrey Consensus**

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 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 **as well as all its principles and objectives** and recognize that mobilizing financial resources for development and the effective use of **all** 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). **We reaffirm the importance of freedom, peace and security, respect for all human rights, including the right to development, the rule of law, gender equality and an overall commitment to just and democratic societies for development, as spelled out in the Monterrey Consensus”.**
3. We recognize that the international (~~DELETE – economic~~) context has changed in profound ways since we met in Monterrey. **New opportunities as well as new challenges and emerging issues such as climate change, the rise in food and energy prices, and financial instability, have the potential to impact on our ability to achieve the internationally agreed development goals, including the Millennium Goals, especially in poorer countries.** While assessing progress made, sharing best practices and lessons learned, we have identified obstacles and constraints encountered **such as a rise in inequality and insufficient progress in gender equality. We have worked towards identifying responses and are determined to take actions and initiatives to overcome these obstacles and devise important measures for further implementation and to renew our global partnership for sustainable development.**

Comment: this paragraph should remain open to take into account the current international context, and reflect our work on the other chapters.

Mobilizing domestic financial resources for development

4. **Each country has primary responsibility for its own economic and social development, and the role of national policies, domestic resources and development strategies cannot be overemphasized.** 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 toward the goal of sustainable development in all its three dimensions, to eradicate poverty and create inclusive growth. (SEPARATE PARAGRAPH - and endeavor to strengthen an investment climate that promotes entrepreneurship and facilitates establishing and doing business. More efforts are also needed by the international community to support such an environment).

- 4 bis **A strong private sector is an important instrument for generating economic growth and reducing poverty. We endeavor to strengthen the private sector development, including through an investment climate that promotes entrepreneurship and facilitates establishing and doing business, taking into account the need to address gender specific challenges. The support of (DELETE More efforts are also needed by) the international community to (DELETE support) such an environment is important.**
5. We will strive to ensure the necessary internal conditions for mobilizing public and private (DELETE – savings) resources and sustaining adequate levels of productive investment, keeping in mind countries' different characteristic and specificities and that national ownership is critical. The quality of investments plays an important role in enhancing their development impact. Good governance in all its dimensions, inter alia democracy, human rights, rule of law, transparency, inclusiveness, economic governance is essential for effectively mobilizing domestic financial resources. It is also a prerequisite for the creation of a stable and encouraging environment for a gender balanced and broad private sector development. We will enhance our efforts to overcome obstacles to strengthen good governance in all its dimensions and at all levels (DELETE while keeping in mind countries' different characteristics and specificities and that national ownership is critical).
6. **The main objective of the economic growth remains human development. For this purpose, human resources are the most precious and valuable asset that countries possess. The realization of decent work for all, including investment in human capital through better designed and better funded health and education policies, coupled with better social protection and access to services in the fields of health, education, finance and credit and active labor market policies, is essential. Such policies have begun to show results, but increased efforts are needed to achieve inclusive and pro-poor growth.**
7. To take advantage of the benefits of globalization while minimizing its costs, opening the economy must also be accompanied by sufficient (policy space) and domestic measures that enhance resilience, in particular in the macroeconomic and financial areas and promote opportunities for decent work. 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 mobilizing 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. 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.

EU will come back with wording on this important paragraph.

9. To achieve equitable **and sustainable** 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 microfinance, **micro-insurance**, and the financing of **micro, small and medium-size enterprises. Moreover, sound social security systems protecting the vulnerable are vital.** To achieve gender equality, consideration of gender issues within areas such as **budgeting**, macro/micro economic policies and labour policies should be undertaken. We will **(DELETE – endeavor)** address and remove gender biases 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 **and broadening and increasing** of the tax base,
- strongly combating tax evasion,
- **International support for individual countries' efforts as mentioned above including in the form of technical assistance and exchange of information in tax matters,**
- **enhancing (DELETE To support individual country efforts in these areas, it will be important to enhance)** international cooperation in tax matters, **inter alia also to prevent tax evasion,**
- **broadening participation in the development of international tax norms and rules.**
more effective tax collection and modernization of tax legislation including through international cooperation in tax matters and broaden participation in the development of international tax norms and rules.

We will consider strengthening the United Nations Committee of Experts on International Cooperation on Tax Matters by upgrading it to an intergovernmental body

EU to come back on the last part of the paragraph.

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, **inter alia through :**
- **increased international cooperation to establish more transparency, including a strengthened exchange of information on cross-border financial flows between tax administrations, partnership between UN and OECD and with the private sector**
 - **broaden certification of origin and monitoring financial flows in natural resources industries, e.g. by support for the Extractive industries Initiative (EITI), the Kimberly process, the Forest law enforcement governance and trade (FLEGT).**
 - **Additional measures (DELETE - should be sought) to prevent the transfer abroad of stolen assets and to assist in their recovery, such as support for the Stolen Assets Recovery Initiative (StAR), as well as to prevent capital flows that have criminal intent, such as the financing of terrorism.**

We recognize that it is vital to address the problem of illicit financial flows

12. Corruption is a phenomenon that can affect developed and developing countries, and the public and private sectors, alike. **(DELETE - The Monterrey Consensus underlined that f) Fighting corruption at all levels is a priority and promote good governance in all its dimensions.** 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 **and enhanced transparency of reporting standards.** 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 urge all Member States that have not yet done so to consider ratifying or acceding to the Convention. We call upon all States parties to fully implement the Convention as soon as possible.
13. While the pursuit of economic resilience is important for all countries, it requires constant and more strenuous efforts in **Africa**, small and vulnerable economies. These national efforts need to be reinforced by international support for capacity building including through **demand-driven** 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 **Africa**, LDCs, LLDCs and SIDS. Similarly, special attention is needed to support post-conflict countries in their rebuilding efforts.

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

14. **Recognizing the potential value of foreign direct investment for development,** we welcome the rise in private international capital flows to **and between** 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, bilateral and multilateral levels to **facilitate and attract (DELETE - 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 **and human resources** that serve to strengthen their business **and trade** 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 and to devise ways by which ODA **and other public mechanisms such as guaranties and participations (inter alia PPP)**, 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 **(DELETE - of recent years)** has shown that providing an enabling business environment is fundamental to fostering domestic and foreign private investment. We will continue to **further improve our efforts to put in place transparent, socially and environmentally responsible, appropriate, gender sensitive 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 mechanisms. Developed countries can also encourage private flows to developing countries through bilateral investment treaties, tax treaties and other tax measures **taking into account regional and multilateral concertation as to avoid detrimental tax practices**. 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.

Sovereign wealth funds play a positive role for the States which own them and for the long term financing of the global economy and development. International efforts aiming at defining good practices on governance, transparency and responsibility of sovereign wealth funds should be encouraged. In this regard, the work undertaken by the OECD on developing guidelines for recipient countries' policies towards sovereign wealth funds and the IMF generally agreed principals and practices for sovereign wealth fund, should be supported.

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, **including women and young people**. We will make stronger efforts to promote corporate social responsibility and good corporate governance and **(DELETE – 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. **We welcome the promotion of internationally agreed corporate social responsibility standards such as the ILO Tripartite declaration and the OCDE Guidelines for multinational enterprises. We call for ratification of international social and environmental standards and agreements, social and environmental clauses in public procurement, development of socially responsible investments funds.** 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, as well as assuring optimal use of the proceeds of natural resources for sustainable development. We favour taking into account, where appropriate, the implementation of relevant initiatives on extractive industries, in particular, we encourage joint international initiatives such as the Kimberly process, the EITI and the FLEGT action plan. In addition, efforts to improve good financial governance along the value chains in the extractive sector should also be pursued vigorously.

18. We recognize that foreign direct investment is one of the factor through which technology transfer takes place (~~DELETE - 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, as well as effective property rights and their enforcement. Inclusive 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 financial 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 the country itself and 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. We will strengthen existing and continue to explore measures to lower the cost of workers' remittances, enhanced transparency and improve the data collection in the transfer system 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 to foster broader access to financial services and savings and promote development goals. We also need to be mindful that these are private flows over which governments do not have direct control.