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Draft outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, submitted by the President of the General Assembly in accordance with General Assembly resolution 62/187: Doha outcome document on reviewing the implementation of the Monterrey Consensus

Introduction

Reaffirming the goals and commitments of the Monterrey Consensus

1. We the heads of State and Government and representatives of Member States of the United Nations ~~[G77: “and representatives of Member States of the United Nations”]~~ gathered here in Doha from 29 November to 2 December 2008, almost seven years after the landmark International Conference on Financing for Development,¹ held in Monterrey, Mexico, reiterate our resolve to ~~[G77: insert “take concrete action in order to”]~~ ~~[LICH: insert “implement the Monterrey Consensus and”]~~ address the challenges of financing for development in the spirit of global partnership and solidarity. We once again commit ourselves ~~[CANZ: Insert “to make best efforts to achieve the goal set out in the Monterrey Consensus,”]~~ to eradicate poverty, ~~[NOR: Insert “achieve gender equality and”]~~ achieve sustained economic growth and promote sustainable development ~~[G77: insert “in developing countries”]~~ as we advance to a fully inclusive and equitable global economic system.

2. We reaffirm the Monterrey Consensus² in its entirety and in its integrity ~~[EU: insert “as well as its principles and objectives”]~~, and ~~[CANZ: Insert “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 ~~[EU: insert “all”]~~ those resources are ~~[G77: “and the effective use of those resources are”]~~ ~~[G77: insert “is”]~~ central to a ~~[G77: “a” and insert “the”]~~ global partnership for development ~~[G77: insert “including”]~~ in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals. ~~[EU: insert “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”.]~~ ~~[LICH: “We reaffirm the Monterrey Consensus³ in its entirety and in its integrity, and recognize that mobilizing financial resources for development and the effective use of those resources are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals”.]~~ ~~Insert: “We reaffirm the Monterrey Consensus⁴ in its entirety and in its integrity, and stress its central importance for a global partnership for development in support of the achievement of the internationally agreed development goals (IADGs), including the Millennium Development Goals (MDGs)”.]~~ ~~[SWZ: Insert “Upholding the charter of the United Nations and building upon the values of the Millennium Declaration, we commit ourselves to promoting national and global economic systems based on principles of justice, equity, democracy, participation, transparency, accountability and inclusion”.]~~

¹ *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7).

² *Ibid.*, chap. I, resolution 1, annex.

³ *Ibid.*, chap. I, resolution 1, annex.

⁴ *Ibid.*, chap. I, resolution 1, annex.

[SWZ: Propose 2bis “We reaffirm that each country has primary responsibility for its own economic and social development, and the role of national policies and development strategies cannot be overemphasized. At the same time, domestic economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. National development efforts need to be supported by an enabling international economic environment. We encourage and support development frameworks initiated at the regional level, such as the New Partnership for Africa’s Development and similar efforts in other regions”]

[NOR: Propose 2bis “We recognize that the relationships of gender and economics must be addressed in a more comprehensive way than hitherto. Women’s economic and social roles inter alia as food producers and for social cohesion must be facilitated and promoted and sufficient resources mobilised for women’s rights and gender equality.”]

3. We recognize that the international economic [EU: “**economic**”] context has changed in profound ways since we met in Monterrey [G77 insert:“**which is severely impacting the development of the developing countries. We express our deep concern that the international community is now challenged by multiple inter-related and mutually exacerbating crises, such as global food, energy, climate change and financial crises, as well as a crisis of confidence in some international institutions and international economic system. We see the Doha Review Conference as a timely opportunity for the international community to work on a vigorous, coordinated and comprehensive global response to ensure that the development efforts of developing countries are not negatively affected or compromised. While assessing progress made, sharing best practices and lessons learned, we have noted very limited progress since 2002 and identified significant obstacles and constraints encountered. We are determined to take immediate and intense actions and initiatives to overcome these obstacles and challenges and devise important measures for full, effective and timely implementation of the Monterrey Consensus as well as to undertake urgent actions to address the global food, energy, climate and financial crises.**”]. [EU insert “**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.**”] [SWZ: insert “**Some of these changes, including the rising food and energy prices, the financial crisis as well as the consequences of climate change may offset the progress achieved over the last years**”] While assessing progress made and sharing best practices and lessons learned, we have identified obstacles and constraints encountered [EU: insert “**such as a rise in inequality and insufficient progress in gender equality.**”]. We [EU: insert “**have worked towards identifying responses and**”] are determined to take actions and initiatives to overcome these obstacles and devise important measures for further implementation [EU: insert “**and to renew our global partnership for sustainable development**”]. [G77:“~~While assessing progress made and 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~~”] [US: “~~We recognize that the international economic context has changed in profound ways since we met in Monterrey. While assessing progress made and 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.~~” Insert “**We welcome the substantial increase in public and private flows since 2002, which has contributed to high and sustained levels of economic growth in most developing countries and a substantial reduction in global poverty rates**”]

[G77 proposed 3bis (former 62): “We recognize the need for gender mainstreaming in the formulation and implementation of policies on financing for development. In this respect, it is also necessary that, when designing and implementing such policies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic, social and related fields.”]

Mobilizing domestic financial resources for development

4. [EU: insert “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 the Monterrey Conference, a number of [G77: ~~“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 [G77: insert “in some cases”]. We will continue to build upon this progress [EU: insert “toward the goal of sustainable development in all its three dimensions, to eradicate poverty and create inclusive growth.”] and endeavour to strengthen an [US: insert “open”] investment climate that promotes entrepreneurship and facilitates establishing and doing business. Increased [CANZ: ~~“Increased”~~. Replace with “Continued”] efforts are also needed [CANZ: ~~“are also needed”~~] on the part of the international community to support such an environment [CANZ: Insert ~~“and would contribute positively to furthering this objective.”~~]. [G77: ~~“endeavour to strengthen an investment climate that promotes entrepreneurship and facilitates establishing and doing business. Increased efforts are also needed on the part of the international community to support such an environment”~~] and insert “continue to ensure the necessary enabling environment for mobilizing public and private savings and augmenting levels of productive investments. Greater efforts are required to support the creation and sustaining of such an environment through appropriate national and international actions. We reaffirm the importance of national ownership and leadership of development strategies”.] [EU: ~~“endeavour to strengthen an investment climate that promotes entrepreneurship and facilitates establishing and doing business. Increased efforts are also needed on the part of the international community to support such an environment.”~~] [US: ~~“Increased efforts are also needed on the part of the international community to support such an environment”~~]. Insert “The international community, national governments, and regional economic groups should continue to support these efforts”.]

[EU: Propose 4bis “A strong private sector is an important instrument for generating economic growth and reducing poverty. We endeavour 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 the international community to such an environment is important.”]

5. We will strive to ensure the necessary internal conditions for mobilizing public and private savings [EU: ~~“savings”~~] and insert “resources”] and sustaining adequate levels of productive investment [EU insert: ~~“,keeping in mind countries’ different characteristics and specificities and that national ownership is critical”~~]. [G77: ~~“We will strive to ensure the necessary internal conditions for mobilizing public and private savings and sustaining adequate levels of productive investment”~~]. [EU: insert “The quality of investments plays an important role in enhancing their development impact”][G77: insert “We recognize that”] Good governance [EU: insert “in all its dimensions, inter alia democracy, human rights, rule of law, transparency, inclusiveness, economic governance”] is essential for effectively mobilizing domestic financial resources [LICH: insert “and for attracting foreign direct investments”]. [EU: insert “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 [G77: insert “further”] enhance our efforts to overcome obstacles to strengthen good governance [EU: insert “in all its dimensions and”] at all levels, while [G77: insert “taking into account”] keeping in mind the [G77: ~~“keeping in mind the”~~] different characteristics and [G77: ~~“and”~~] specificities [G77: insert “needs and priorities”] of [G77: insert “each”] countries [G77: ~~“countries”~~]. Insert “country”] and that national ownership is critical. [G77: ~~“and that national ownership is critical”~~] [EU: ~~“while keeping in mind the different characteristics and specificities of countries and that national ownership is critical”~~] [US: ~~“We will enhance our efforts to overcome obstacles to strengthen good governance at all levels, while keeping in mind the different characteristics and specificities of countries”~~]

~~and that national ownership is critical.”~~ Insert “We will enhance our efforts to strengthen good governance at all levels while keeping in mind that national ownership is critical”]

[G77: Propose 5 bis. “We stress the vital importance of good governance at the international level, in particular within the global financial, economic and trading regimes which is essential for the creation of a conducive environment within developing countries to enhance the mobilization of domestic resources”.]

6. [EU: insert “The main objective of economic growth remains human development. For this purpose, ~~H~~human...] Human resources are the most precious and valuable asset that countries possess. The realization of decent work for all, including [CANZ: Insert “inter alia”] [NOR: Insert “the full participation of women,”] investment in human capital through better designed and better funded [Mex: “~~better designed and better funded~~”. Insert “through more efficient and responsible employment,”] health and education policies, coupled with better social protection [EU: insert “and access to services in the fields of health, education, finance and credit”] and active [LICH: insert “and inclusive”] labour market policies, [CANZ: Insert “such as the integration of traditionally marginalized populations, including women] is essential. [JPN: Insert “Fostering diverse local and supporting industries creates employment and strengthens communities”] Such policies have begun to show results, but increased efforts are needed [EU: insert “to achieve inclusive and pro-poor growth”]. [G77: “~~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 active labour market policies, is essential. Such policies have begun to show results, but increased efforts are needed~~” and insert “full and productive employment and decent work for all is essential particularly through fostering and enable national and international environment. We recognize the importance to continue to invest in human capital through inclusive social policies inter alia on health, education, social protection and worker training, including, where appropriate, programmes such as conditional cash transfers targeted to the poor and school feeding programmes. Such policies have begun to show results but increase efforts are needed, supported by the international community.”] [US: “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 active labour market policies, is essential.” Insert: “The realization of decent work for all is essential, including by investing in human capital through well designed and adequately funded health and education policies, coupled with social policies targeting the needs of the poor and active labour market policies.”]

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 [CANZ: “~~policy space and~~”] and domestic measures that enhance resilience, in particular in the macroeconomic and financial areas [EU: Insert “and promote opportunities for decent work”]. We will seek to enhance counter-cyclical macroeconomic policies to strengthen the domestic financial sector. [US: “~~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. 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 [NOR: “~~seeking to support~~”. Insert “supporting and prioritising”] employment policies. [Mex: “~~while seeking to support employment policies~~”] [US: “~~Monetary policies should aim for low and stable inflation targets, while seeking to support employment policies~~”]

[G77 propose 7alt: To take advantage of the benefits of globalization while minimizing its costs, integration of developing countries into to the global economy must be appropriately sequenced and accompanied by the necessary policy space and domestic measures that enhance resilience in particular in the macroeconomic and financial areas. It must also be in the context of a supportive international

environment. We will seek to enhance, where appropriate, counter-cyclical macroeconomic policies to inter alia, strengthen the domestic financial sector and stimulate sustained growth and employment.]

[G77 propose 7altbis: We recognize that an economic environment of low and stable inflation is generally conducive to furthering growth and employment. Public investment, consistent with medium and long term fiscal sustainability, may have a proactive role and encourage a virtuous cycle of investment.]

[SWZ propose 7alt: It is crucial to enhance the efficacy, coherence and consistency of macro-economic policies. To take advantage of the benefits of globalisation, we will pursue sound macroeconomic policies aimed at sustaining high rates of economic growth, full employment, poverty eradication, price stability and sustainable fiscal and external balances to ensure that the benefits of growth reach all people, especially the poor. Along with prudent fiscal and monetary policies, an appropriate exchange rate regime is required. We will pursue appropriate policy and regulatory frameworks at our respective national levels and in a manner consistent with national laws to encourage public and private initiatives, including at the local level, and foster a dynamic and well functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment. We recognise that the appropriate level of government in market-oriented economies will vary from country to country.

8. [G77: Insert “We will continue to undertake ~~F~~fiscal”] Fiscal reform [G77: Insert “which”] is key to enhancing macroeconomic policies and mobilizing domestic public resources. We will strive to modernize [G77: “~~strive to modernize~~” Insert “also continue to improve”][LICH: “~~to modernize~~”. Insert “for accountable”] budgetary processes and enhance transparency of [G77: “~~of~~” Insert “in”] public finance management, including [NOR: “~~including~~”. Insert “by strengthening”] gender responsive public financial management [G77: “~~including gender responsive public financial management~~”][LICH: “~~and enhance transparency of public finance management, including gender responsive public financial management~~”]. [US: Insert: “We will strengthen efforts to achieve 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. Countries can benefit from international cooperation in tax matters and broaden participation in the development of international tax norm.”] The development of a sound and wide-ranging financial sector [G77: seeks clarification of “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 [G77: “~~in particular~~”] in [G77: Insert “both”] the [G77: Insert “public and”] private sector[G77: “~~sector~~”Insert “sectors”]. We will aim to increase the domestic supply of long-term capital and promote the development of domestic capital markets, including through multilateral, regional, subregional and national development banks.[US: “~~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, subregional and national development banks.~~”]

[EU proposed 8 :“Fiscal reform and accountability is key to enhancing macroeconomic policies and mobilizing domestic public resources. We will strive to modernize budgetary processes and enhance transparency and accountability of public finance management including adequate budgetary allocations to support gender equality.”]

[EU proposed 8bis: “We will aim to increase the domestic supply of long-term capital and promote the development of domestic capital markets as an important component of national development strategies, including through microfinance initiatives, domestic bonds markets, and multilateral, regional, sub-regional and national development banks. We will strive for a diversified financial system, accessible to all, promoting savings and insurance along with other financial services, channelling financing to sound businesses, big or small, and addressing the household finance needs of the population at large. This sector needs to be appropriately regulated, thereby protecting consumers without hampering access to finance. Effective, affordable and secure payment systems that extend to populations not reached thus far are key. Policies aiming at enhancing transparency and strengthening competition will assure a more efficient sector.”]

[CANZ propose 8 bis: 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.”]

[US propose 8bis: “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, subregional and national development banks. Monetary policies should aim for low and stable inflation targets, while seeking to support employment policies.”]

9. [G77: Insert “We recognize the importance of fostering a dynamic, inclusive and socially responsible private sector through inter alia facilitating entrepreneurship and “doing business”.] To achieve equitable [EU: Insert “and sustainable”] development and foster a vibrant, inclusive private sector [G77: “~~and foster a vibrant, inclusive private sector~~”], it is vital to have a financial infrastructure that provides access through a variety of products and services to small and medium businesses that target women, rural areas and the poor, including microfinance [EU: Insert “micro-insurance”] [CANZ: “~~microfinance~~”. Insert “microcredit”] and the financing of small and medium-size enterprises. [US: “~~To achieve equitable development and foster a vibrant, inclusive private sector, it is vital to have a financial infrastructure that provides access through a variety of products and services to small and medium businesses that target women, rural areas and the poor, including microfinance and the financing of small and medium-size enterprises.~~” Insert “To achieve equitable development and foster a vibrant, inclusive private sector, a financial infrastructure that provides access through a variety of sustainable, market-oriented products and services to micro, small, and medium-sized businesses, targeting women, rural areas, and the poor is vital.”] [EU: Insert “Moreover social security systems protecting the vulnerable are vital.”][JPN: Insert “By empowering individuals and communities, we will ensure that the benefits of growth reach all people, especially the poor”.] To achieve gender equality, consideration [NOR: “~~consideration~~”. Insert “inclusion”] of [CANZ: “~~consideration of~~”. Insert “in the area of financial services”] gender issues [US: “~~consideration of gender issues~~”. Insert “governments should consider gender issues”] within [CANZ: “~~issues within~~”. Insert “analysis should be undertaken and disseminated in”] areas such as [EU: Insert “budgeting,”][CANZ: “~~such as~~”. Insert “including”] macro- and micro-economic policies and labour policies should be undertaken [G77: “~~To achieve gender equality, consideration of gender issues within areas such as macro and micro economic policies and labour policies should be undertaken.~~”] [CANZ: “~~should be undertaken~~”] [US: “~~should be undertaken~~”]. We will endeavour to [EU: “~~endeavour to~~”] [NOR: “~~endeavour to~~”] address and remove gender biases [CANZ: “~~to address and remove gender biases~~”. Insert “to eliminate gender-based discrimination”] in labour and financial markets as well as, inter alia, in the ownership of assets and property rights [NOR: “~~as well as, inter alia, in the ownership of assets and property rights.~~”] [G77: Insert “Consideration of gender

issues within areas such as macro and micro-economic policies and labour policies should be undertaken.”] [NOR: Insert “We will undertake legislative and administrative reforms to give women full and equal access to economic resources, including the right to inheritance and to ownership of land and other property, credit, natural resources and appropriate technologies”].

[G77 propose 9bis: We recognize that microcredit programmes have proven to be effective in generating productive self-employment which can contribute to the achievement of the internationally agreed development goals including the MDGs. Despite some progress, globally large additional demand remains. We underline the need to appropriately support, in a coordinated manner, the efforts of developing countries, including in capacity-building for their microcredit institutions.

10. We will [G77: Insert “continue to”] strengthen efforts to increase [LICH: “increase”. Insert “secure”] tax revenues through more effective tax collection and modernization of tax legislation, including through simplification [LICH: Insert “and enhanced accountability”] of the [G77: “simplification of the”. Insert “an equitable and efficient”] tax system, [EU: “;”. Insert “and”] broadening [EU: Insert “and increasing”] of the tax base and [EU: “and”. Insert “;”] strongly [LICH: “strongly”. Insert “effectively”] combating tax evasion [LICH: Insert “on the basis of a universal level playing field”]. [EU: “;”. Insert “; international support for individual countries’ efforts as mentioned above including in the form of technical assistance and exchange of information in tax matters; enhancing international cooperation in tax matters, inter alia also to prevent tax evasion, and broadening participation in the development of international tax norms and rules”] [G77: Insert “While every country is ultimately responsible for enforcing the collection of its tax revenue, it is important”] To [G77 “To”. Insert “to”] support individual country [G77: “country”. Insert “countries”] efforts in these areas [G77: Insert “by enhancing international cooperation and participation in addressing international tax matters”] it will be important to enhance international cooperation in tax matters [LICH: Insert “including in the area of the elimination of double taxation and in combating tax evasion”] and broaden participation in the development of international tax norms and rules. [G77: “it will be important to enhance international cooperation in tax matters and broaden participation in the development of international tax norms and rules.”] [EU: “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.”] We will consider [G77: “will consider”. Insert “support”] strengthening the Committee of Experts on International Cooperation in Tax Matters by upgrading it to an [G77: “an” Insert “a United Nations”] intergovernmental body [G77: Insert “and ensure its adequate funding”]. [CANZ: “We will consider strengthening the Committee of Experts on International Cooperation in Tax Matters by upgrading it to an intergovernmental body”] [LICH: “by upgrading it to an intergovernmental body”] [SWZ: “We will consider strengthening the Committee of Experts on International Cooperation in Tax Matters by upgrading it to an intergovernmental body”] [US: “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. We will consider strengthening the Committee of Experts on International Cooperation in Tax Matters by upgrading it to an intergovernmental body.”]

11. Capital flight [LICH: Insert “has various root causes and”] is [US: “is”. Insert “can be”] a major hindrance to the mobilization of domestic resources for development, and efforts should be strengthened to address the various factors that contribute to it. [EU: “;” Insert “;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 resource industries, e.g. by support for the Extractive Industries Initiative (EITI), the Kimberley process, the Forest Law Enforcement, Governance and Trade (FLEGT); additional measures 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.”] [US: ~~“and efforts should be strengthened to address the various factors that contribute to it”~~. Insert **“particularly in situations of poor governance or political instability, and governments and international organizations should strengthen efforts to address the various factors that contribute to this”**] It is vital to address the problem of illicit [SWZ: **“illicit”**. Insert **“illegal”**] 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. [EU: ~~“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”~~. Insert **“We recognize that it is vital to address the problems of illicit financial flows”**]

[G77 proposed 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 it.”**]

[G77 proposed 11bis: **“It is vital to address the problem of illicit financial flows especially money laundering. Additional measures should be sought to prevent the transfer abroad of stolen assets, including to safe havens, and to assist in their recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention Against Corruption, as well as to prevent capital flows that have criminal intent. In this regard, we urge as a matter of priority all States that have not yet done so to consider becoming parties to the International Convention for the Suppression of the Financing of Terrorism, and call for increased cooperation with the same objective.”**]

12. Corruption is a phenomenon that can affect [CANZ: ~~“is a phenomenon that can affect”~~. Insert **“affects both”**] [Mex: ~~“can affect”~~. Insert **“affects”**] developed and developing countries, and [CANZ. Insert **“both”**] the public and private sectors, alike [CANZ: **“alike”**]. [US: ~~“Corruption is a phenomenon that can affect developed and developing countries, and the public and private sectors, alike.”~~] The Monterrey Consensus underlined that fighting [EU: ~~“The Monterrey Consensus underlined that fighting”~~. Insert **“Fighting”**] corruption at all levels is a priority [EU: Insert **“and promote good governance in its dimensions”**][CANZ: ~~“at all levels is a priority”~~. Insert **“is a priority at all levels”**]. [US: Insert **“Progress among developing countries has been mixed since 2002, with many showing little or no improvement in levels of corruption”**] We are thus determined [LICH: Insert **“to prevent and to continue ”**] [US: Insert **“to take urgent and decisive steps”**] to [G77: Insert **“continue to”**] combat corruption in all of its manifestations [US: Insert **“in order to reduce obstacles to effective resource mobilization and allocation, and avoid the diversion of resources away from activities that are vital for poverty eradication and economic and sustainable development”**]. This requires strong institutions at all levels, including [LICH: **“including”**. Insert **“in particular”**] the strengthening of the legal and judicial systems [EU: Insert **“and enhanced transparency and reporting standards”**]. We welcome the increased commitment of Member States that have already ratified or acceded to the United Nations Convention against Corruption,⁵ and, in this regard, [CANZ: Insert **“we strongly”**] urge all Member States that have not yet done so to consider ratifying or acceding [CANZ: ~~“consider ratifying or acceding”~~. Insert **“ratify or accede”**] to the Convention [LICH: Insert **“as a matter of priority”**]. We call upon all States parties to fully implement the Convention as soon as possible [LICH: ~~“as soon as possible”~~. Insert **“without delay”**] [Mex: Insert **“and to work jointly in the establishment of a Mechanism for Follow-up on Implementation of the Convention of Merida”**].

13. While the pursuit of economic resilience is important for all countries, it requires constant and more strenuous [G77: **“strenuous”**. Inserted **“concerted”**] efforts in [EU: Insert **“Africa,”**] small and vulnerable economies. These national efforts need to be reinforced by international support for capacity-building, including through [G77: Insert **“financial and”**] [EU: Insert **“demand driven”**] technical assistance and United Nations operational activities for development. In development cooperation policies we will pay special attention to the efforts and [JPN: Insert **“specific”**] needs of [EU: Insert **“Africa”**] [CANZ: Insert **“Africa”**] the least

⁵ United Nations, *Treaty Series*, vol. 2347, No. 42146.

developed countries, landlocked developing countries and [G77: “and”] small island developing States [G77: Insert “and Africa”]. Similarly, special attention is needed to support post-conflict countries in their rebuilding efforts [JPN: insert “to prevent them from relapsing into conflicts”].

[Mex propose 13 bis. “To advance in the implementation of the Monterrey Consensus, the Millennium Development Goals and other internationally agreed development goals, development strategies should aim at reducing inequalities within and among countries. To do so, domestic policies should focus on capacity building, social protection, and promoting coordination among the relevant stakeholders, with social priorities palced at the core of economic policy design.”]

[Mex propose 13 Ter. “In order to promote capacity building and social protection among the poor, countries must allocate the appropriate level of investment in order to provide universal access to basic economic and social infrastructure and social services, such as education, health, nutrition, shelter, and social security programs. Additionally, policies that link economic and social considerations are required to guarantee that the poor benefit from economic growth and development. Such policies include those aimed at integrating the poor in to productive activities, investing in the development of their labour skills and allowing their insertion into the labour market”.]

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

14. [EU: Insert “Recognizing the potential value of foreign direct investment for development, ~~We~~.”] We [G77: insert: recognize that private international capital flows, particularly foreign direct investment, can be a vital complement to national and international development efforts.”] welcome the rise in private international capital flows to [EU: Insert “and between”] developing countries since the Monterrey Conference [US: Insert “and the improvements in business climates that have helped achieve this objective”][G77: “~~welcome the rise in private international capital flows to developing countries since the Monterrey Conference~~”]. At the same time,[G77: “~~At the same time,~~”. Insert “We need to ensure that international capital flows genuinely assist development efforts and in this regard encourage flows like foreign direct investment rather than volatile short term capital flows”] we will try to [G77: “~~we will try to~~”. Insert “We will”][SWZ: “~~At the same time, we will try to~~”. Insert “~~While working to~~”] substantially broaden the number of countries and sectors receiving such flows [G77 insert “,as well as take measures to ensure international financial stability”] [SWZ: Insert “we will uphold mutually agreed environmental and social standards”]. Special efforts should be undertaken at the national, bilateral and multilateral [CANZ: “bilateral and multilateral”. Insert “regional and global”] levels to [EU: Insert “facilitate and attract”] increase [EU: ~~increase~~] private capital flows [G77 insert “to developing countries”], particularly foreign direct investment to Africa[G77 “Africa” Insert “African countries”], the [G77: “the”] least developed countries, landlocked developing countries and small island developing States[G77 insert “including through the provision of technical, financial and other forms of assistance, promotion of and strengthening of partnerships and cooperation arrangements at all levels. We also consider that it is necessary to reverse the net outflow of financial resources from developing countries. We emphasize the importance of orderly and well sequenced measures in regulating capital flows. We also underline the importance of addressing the constraints of low income developing countries in attracting these private flows.”]. [US: “~~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 increase private capital flows, particularly foreign direct investment to Africa, the least developed countries, landlocked developing countries and small island developing States.~~” Insert: “Efforts should continue at the national, bilateral and multilateral levels to support private foreign direct investment and other private flows, particularly to Africa, LDCs, LLDCs, and SIDS”.]

[G77 proposed 14 ter “We also appreciate the growing importance of South-South capital flows and their role in increasing investment in developing countries. We support measures to further strengthen these flows, while recognizing their distinct and complementary nature to North-South capital flows.]

[G77 proposed 14bis (new). “We also recognize the need for undertaking special efforts to increase private capital flows, particularly FDI to low and middle income developing countries to address their social, economic and development needs.”]

15. [G77: insert “ The support by the international community in promoting resources mobilization is critical.”]Developing countries and countries with economies in transition [G77: ~~“Developing countries and countries with economies in transition”~~. Insert “We”] should enhance efforts to [Rus: Insert “to promote real sector investments as well as”] mobilize investment in [Rus: Insert “Information and Communications Technology”] transport, [G77: insert “energy,”] communications and other physical [SWZ: Insert “environmental”] and social [G77: ~~“physical and social”~~] [JPN:”social”Insert “institutional”] infrastructure [EU: Insert “and human resources”] that serve to strengthen their [G77: ~~“their”~~. Insert “the”] business [EU: Insert “and trade] environment[G77: Insert “and competitiveness in developing countries and countries in transition.”]. [G77: Insert “We also recognize the importance of sharing best practices in promoting and attracting private investment in infrastructure.”] 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 official development assistance (ODA) [EU: Insert “and other public mechanisms such as guarantees and participations (inter alia PPP)”] can play a catalytic role in the mobilization of private flows [CANZ: ~~“and to devise ways by which official development assistance (ODA) can play a catalytic role in the mobilization of private flows”~~.] [G77: ~~“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 official development assistance (ODA) can play a catalytic role in the mobilization of private flows”~~ – last part of sentence modified and moved to para 16] [JPN: Insert “We will also strive to support development of local currency bond markets and promote South-South investment.”] We will also strive to enhance the stability of private capital flows through encouraging the implementation of counter-cyclical policies [SWZ: Insert “sound macroeconomic policies”] and making [SWZ:”making”] efforts to promote South-South investment. [G77: ~~“We will also strive to enhance the stability of private capital flows through encouraging the implementation of counter-cyclical policies and making efforts to promote South-South investment.”~~] [JPN: “We will also strive to enhance the stability of private capital flows through encouraging the implementation of counter-cyclical policies and making efforts to promote South-South investment.”] [US: “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 official development assistance (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 making efforts to promote South-South investment.” Insert “While governments are responsible for creating an enabling environment for investment, multilateral and bilateral donors can provide technical assistance to governments on a range of issues, including risk mitigation.”]

16. Experience of recent years [G77: ~~“of recent years”~~] [EU: ~~“of recent years”~~] has shown that providing an enabling business [G77: ~~“business”~~. Insert “domestic and international”] environment [CANZ: Insert “based on good governance and the rule of law”] is fundamental to fostering domestic and foreign [G77: ~~“domestic and foreign”~~] private investment. We will continue [US: ~~“We will continue”~~. Insert “Developing countries can benefit by continuing to strengthen efforts”] to [EU: Insert “further improve our efforts to”] put in place transparent, [G77:”~~”~~”. Insert “and”] [EU: Insert “socially and environmentally responsible”] appropriate [EU: Insert “,gender sensitive”] and enforceable [G77: ~~“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 [SWZ: ~~“and”~~. Insert “,”] facilitate public-private consultative mechanisms[SWZ: Insert ~~“and promote corporate social responsibility”~~]. [G77: ~~“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.”~~ Insert ~~“at the national and international levels.”~~] [JPN: Insert ~~“Bilateral investment treaties can promote private flows by providing legal stability and predictability to investors.”~~] Developed countries can also encourage private flows to developing countries through bilateral investment treaties, tax treaties [LICH: Insert ~~“addressing, inter alia, double taxation”~~] and other tax measures [EU: Insert ~~“taking into account regional and multilateral cooperation (concertation) as to avoid detrimental tax practices”~~]. [JPN:~~“Developed countries can also encourage private flows to developing countries through bilateral investment treaties, tax treaties and other tax measures.”~~] [MEX: Insert ~~“We acknowledge the importance of supporting capacity building in developing countries aimed at improving their abilities to negotiate bilateral investment treaties. We are aware of the issues deriving from the differences among the multiplicity of investment treaties and, therefore, we call for a better coordination and convergence in the negotiation of these international instruments”~~] [US: ~~“Developed countries can also encourage private flows to developing countries through bilateral investment treaties, tax treaties and other tax measures.”~~ Insert ~~“Bilateral investment treaties can also encourage private flows to developing countries”~~] 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. [G77: ~~“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.”~~ Insert ~~“We agree that developed countries should provide concrete incentives to companies investing in developing countries in order to encourage private flows to these countries, where appropriate. In this regard, increased official development assistance (ODA) can play a catalytic role in the mobilization of private flows.”~~]

[EU proposed 16 bis: ~~“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 principles and practices for sovereign wealth funds, should be supported”~~]

17. The quality of foreign direct investment plays [US: ~~“The quality of foreign direct investment plays”~~ Insert ~~“Sustainable infrastructure, applied technology, and job creation play”~~] an important role in enhancing the development impact of these [US: ~~“these”~~ Insert ~~“foreign direct”~~] investments. [JPN: Insert ~~“Given the increasing importance of sovereign wealth funds and their potential to support development, good practices of these funds which are conducive to development should be collected and emulated.”~~] We will strengthen efforts to maximize linkages with domestic production activities, the transfer of technology and the training of the local labour force [EU: Insert ~~“, including women and young people”~~]. [US: ~~“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 [G77: ~~“stronger”~~. Insert ~~“greater”~~] efforts to promote [US: ~~“make stronger efforts to promote”~~. Insert ~~“support”~~] corporate social responsibility and good corporate governance, and seek [EU:~~“seek”~~] [Mex: ~~“and seek”~~. Insert ~~“seeking”~~] to [G77: ~~“seek to”~~] ensure that adequate [G77: ~~“adequate”~~. Insert ~~“appropriate”~~] [NOR: ~~“adequate”~~ Insert ~~“human rights,”~~] labour and environmental protection standards [G77: ~~“and environmental protection standards”~~. Insert ~~“,environmental, anti-corruption laws and regulations”~~] are upheld everywhere. We encourage [US: Insert ~~“the use of market-based incentives and business standards and support”~~] the work undertaken in [G77: ~~“in”~~, ~~“by”~~] the United Nations, including [G77: Insert ~~“through”~~] the Global Compact, in this regard. [EU:

Insert “We welcome the promotion of internationally agreed corporate social responsibility standards such as the ILO Tripartite Declaration and the OECD Guidelines for Multinational Enterprises. We call for ratification of international social and environmental standards and agreements, social and environmental clauses in public procurement and development of socially responsible investment funds”] Measures should be devised to avoid over-exploitation of natural resources, while enhancing [~~LICH: “enhancing”~~. Insert “ensuring”] transparency and accountability of revenues from extractive industries, both national and foreign-owned, [EU: Insert “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 [EU: Insert “, in particular, we encourage joint international initiatives such as the Kimberley process, the EITI and FLEGT action plan. In addition, efforts to improve good financial governance along the value chains in the extractive sector should also be pursued vigorously”] [CANZ: Insert “including the extractive industries transparency initiative”]. [SWZ: Insert “We will promote measures to enhance transparency and accountability of all transnational companies and their subsidiaries”] [~~G77: “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.”~~] [US: “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.”] [Libya: “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.” Or add industries additional to extractive industries]

[US proposed 17 bis: “Market-based incentives that reflect social as well as financial costs and benefits in the extraction and use of natural resources should be applied where needed to avoid over-exploitation, 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.”]

18. We recognize that [EU: Insert “foreign direct investment is one of the factors through which”] technology transfer [CANZ: Insert “on mutually agreed terms”] is one of the key factors through which foreign direct investment can impact development [~~EU: “is one of the key factors through which foreign direct investment can impact development.”~~ Insert “takes place”] [JPN: Insert “Adequate protection of intellectual property rights can foster such transfer.”] Such transfer can also be facilitated by the proactive innovation and transfer policies of the host country [EU: Insert “as well as effective property rights and their enforcement.”] [NOR: “including to secure that women get equal access to new technology”]. [G77: “~~Such transfer can also be facilitated by the proactive innovation and transfer policies of the host country~~”. Insert “Such transfers require proactive policies by developed countries to facilitate the transfer of technology to developing countries, including through appropriate incentives to companies owning such technologies.”] [EU: Insert “Inclusive Ppublic-private...”] 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. [~~G77: “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.”~~ Insert “We acknowledge the role that public-private partnerships can play in this regard.”]

19. International financial institutions, particularly multilateral development banks, should continue to enhance their efforts to provide [US: “provide”. Insert “help countries put in place the appropriate”] 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. [G77: Insert **"In this regard, the information provided by credit rating agencies should be based on broadly accepted, strict, objective and transparent parameters. We emphasize the importance of establishing regulatory frameworks to oversee the activities of credit rating agencies, including their accountability."**] The provision of objective, high quality information is vital for informed decisions by potential foreign investors. [G77: ~~"The provision of objective, high quality information is vital for informed decisions by potential foreign investors."~~] We will continue to strengthen modalities, including through [EU: Insert **"the country itself and"**] efforts of multilateral agencies [G77: ~~"including through efforts of multilateral agencies"~~]. Insert **"including through the United Nations system"**], to enhance and improve [G77: Insert **"technical"**] information regarding a country's economic situation and outlook. The information provided by credit rating agencies, which is also useful for public sector policymakers, should thus be based on broadly accepted, objective and transparent criteria [RUS and IMF: consider in the context of paragraph 55]. [G77: ~~"The information provided by credit rating agencies, which is also useful for public sector policymakers, should thus be based on broadly accepted, objective and transparent criteria"~~]

21. [CANZ: Insert **"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"**] [Mex: Insert **" We recognize the positive effects on development and economic growth of international migration, as well as the important challenges we face in dealing with this phenomenon, and the need for concerted action in the bilateral, regional and multilateral level, as appropriate, for ensuring that the potential benefits of international migration for development can be fully attained. We fully recognize that migrant workers' remittances are private flows, a product of the hard labor of migrant workers, who are their exclusive truthful owners, and that being so, remittances are of a totally different nature than ODA and thus cannot be, in any fashion, compared, assimilated or accounted as such. In that context we"**] We will [EU: Insert **"strengthen existing and"**] continue to explore measures [G77: ~~"continue to explore measures"~~] to [CANZ: Insert **"create enabling environments and"**] lower the [G77: Insert **"transaction"**] [CANZ: Insert **"transition"**] cost of workers' [G77: ~~"workers"~~] [CANZ: ~~"workers"~~] **"remittances [EU: Insert **"enhance 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 satisfy not only families' consumption needs, but also to foster broader access to financial services and savings and [Mex: Insert **"to"**] promote development goals [CANZ: Insert **"including education, housing, and small business start-ups and expansion"**] [LICH: Insert **"through microfinance"**] [Mex: Insert **"including through mechanisms that provide incentives for the owners of remittances to invest in projects that have an impact in the sustainable development of recipient communities"**]. We also need to be mindful that these are private flows over which Governments do not have direct control. [G77: ~~" We will explore avenues for taking fuller advantage of the opportunities provided by remittances to satisfy not only 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."~~] [Mex: ~~"We also need to be mindful that these are private flows over which Governments do not have direct control."~~] [IMF suggestion, paragraph should refer to **"the conditions needed to foster greater competition between the firms offering transfer services"**]**

International trade as an engine for development⁶

[G77 proposed opening paragraph: “At the Monterrey conference, we committed ourselves to promoting international trade in a manner that promotes economic growth, employment and development for all. Unfortunately, this has not been translated into reality. The multilateral trade regime remains significantly unbalanced, excluding a considerable number of developing countries, particularly many LDCs from the full benefits of trade. The systemic impact of the international financial crisis is likely to impact international trade and aggravate the situation further. In this regard, we recognize that the continuing impasse of the Doha Round of WTO trade negotiations also takes away the possibility of trade playing its due role as the engine of growth and development and call for an urgent stock taking of the situation in the present global context and call for even greater urgency in fulfilling the development dimensions of the Doha development agenda and to work towards its early completion.”]

22. We recognize [G77: “~~recognize~~” Insert “reaffirm our commitment to”] that international trade is inextricably linked to economic growth and development [JPN: “~~is inextricably linked to~~” Insert “is a major driving force toward the achievement of sustained economic growth and development”] and that [G77: “~~international trade is inextricably linked to economic growth and development and that~~”] a universal, rule-based [US: “~~rule-based~~” Insert “rules-based”], open, non-discriminatory and equitable multilateral trading system as well as meaningful [EU: Insert “and well-designed”] trade liberalization can substantially stimulate development worldwide [G77: “benefiting countries at all stages of development”] [EU: Insert “benefiting countries at all levels of development”]. We are encouraged to see that international trade, especially the trade of developing countries and countries with economies in transition, has expanded at a fast pace in the current decade. Trade among developing countries has now become one of the most dynamic elements in world trade [EU: Insert “and has considerable potential to expand further”]. However, a considerable number of [EU: “~~a considerable number of~~” Insert “many”] developing countries, including many [EU: “~~including many~~” Insert “in particular”] least developed countries, have remained at the margins of these developments [EU: Insert “and need to exploit more effectively the potential of trade to support their development”]. [G77: “~~We are encouraged to see that international trade, especially the trade of developing countries and countries with economies in transition, has expanded at a fast pace in the current decade. Trade among developing countries has now become one of the most dynamic elements in world trade. However, a considerable number of developing countries, including many least developed countries, have remained at the margins of these developments.~~” Insert “In that regard, we also reaffirm our commitment to trade liberalization and to ensure that trade plays its part in promoting economic growth, employment and development for all. We recall our strong commitment in the Monterrey Consensus to the decisions of the WTO to place the needs and interests of developing countries at the heart of its work programme and our commitment to implement the expected recommendations. We emphasize that maximizing the benefits and minimizing the costs of international trade liberalization calls for development oriented and coherent policies at all levels.”]

[G77 proposed 22bis: “We are concerned that the multilateral trade regime remains significantly unbalanced, excluding a considerable number of developing countries, particularly many LDCs, from the full benefits of trade. In that regard, we emphasize the importance of open, transparent, inclusive, democratic and orderly processes and procedures for the effective functioning of the multilateral trading system, including the decision-making process to enable developing countries to have their vital interests duly reflected in the outcome of the trade negotiations.”]

23. A major challenge persists. [EU: Insert “Despite significant efforts and considerable progress, ~~the~~.”] The Doha Round of multilateral trade negotiations has not [EU: Insert “yet”] been concluded,

⁶ This section will be reviewed in the light of ongoing negotiations.

jeopardizing [EU: ~~“jeopardizing”~~ Insert **“This may jeopardize”**] a continued dynamic expansion in the exports of developing and transition economy countries, and adding to the risk of a slowdown in the global economy [CANZ: ~~“and adding to the risk of a slowdown in the global economy”~~]. We will [EU: Insert **“continue to”**] strive for a successful, [US: ~~“;”~~ Insert **“and”**] early and truly development-oriented [US: ~~“and truly development-oriented”~~] conclusion of the Doha Round that ensures fair, [EU: ~~“ensures fair,”~~ Insert **“will ensure comprehensive, ambitious and”**] balanced and equitable market-opening commitments [EU: ~~“;and equitable market-opening commitments”~~ Insert **“results providing increased opportunities for all countries to use trade as a tool to support development.”**]. [G77: ~~“A major challenge persists. The Doha Round of multilateral trade negotiations has not been concluded, jeopardizing a continued dynamic expansion in the exports of developing and transition economy countries, and adding to the risk of a slowdown in the global economy. We will strive for a successful, early and truly development-oriented conclusion of the Doha Round that ensures fair, balanced and equitable market-opening commitments.”~~] [US: Insert **“To generate the kind of economic growth, development and poverty alleviation that we committed to when we launched the Doha Round in 2001, and reaffirmed in the Monterrey Consensus in 2002, major trading nations, both developed and developing, must contribute on a level commensurate with their role and participation in the global economy and make commitments that result in new trade flows, not new trade barriers.”**]

[G77 proposed 23alt: **“We are seriously concerned over the failure in July of the talks of the WTO Doha Round that will preclude finishing negotiations this year and consider it a serious setback for the Doha Round and call upon the developed countries to demonstrate the flexibility and the political will necessary for breaking the current impasse in the negotiations, and we reaffirm the need to strictly adhere to the development mandate of the Doha Ministerial Declaration, the decision of the General Council of the World Trade Organization of 1 August 2004 and the Hong Kong Ministerial Declaration, which places development at the heart of the multilateral trading system.”**]

[MEX proposed 23 bis: **“We express deep concern on the recent failure to reach agreement in the WTO Doha Development Trade negotiations, in particular at a time when the global economy is in much needed injection of confidence to come out from the current crisis, and call all WTO members to show in the necessary political will and flexibility to re-engage to bring the negotiations to a successful outcome.”** (Source: Windhoek Ministerial Declaration on Development Cooperation with MIC’s).]

24. We recognize the need to make progress in key areas of the Doha Development Agenda [CANZ: Insert **“including those”**] that are of [EU: ~~“are of”~~ Insert **“respond to the needs and”**] interest to [EU: ~~“interest to”~~ Insert **“interests of”**] [CANZ: ~~“are of interest to”~~ Insert **“support”**] developing countries [EU: Insert **“,and in particular LDCs”**] [CANZ: Insert **“access to developed as well as developing country markets”**] [US: ~~“are of interest to developing countries”~~ Insert **“can promote sustained development”**], including, inter alia, increased market access for manufactures [CANZ: ~~“manufactures”~~ Insert **“manufactured”**] and agricultural products [EU: ~~“manufactures and agricultural products”~~ Insert **“agricultural and non-agricultural goods and services, improved trade rules and disciplines including a”**], substantial [JPN: ~~“substantial”~~ Insert **“overall”**] reduction [JPN: Insert **“of trade-distorting domestic support”**] and elimination of [EU: Insert **“trade-distorting”**] [JPN: Insert **“all forms of export”**] subsidies, facilitating technology transfer [EU: ~~“facilitating technology transfer”~~ Insert **“and the incorporation of precise”**] [CANZ: ~~“facilitating technology transfer”~~], effective [EU: Insert **“and operational”**] provisions for special and preferential [EU: ~~“preferential”~~ Insert **“differential”**] [JPN: ~~“preferential”~~ Insert **“differential”**] [SWZ: ~~“preferential”~~ Insert **“differential”**] treatment [US: ~~“facilitating technology transfer, effective provisions for special and preferential treatment”~~ Insert **“and”**]. [CANZ: Insert **“and”**] opening of markets to services from developing countries, and affording sufficient policy space [G77: ~~“to make progress in key areas of the Doha Development Agenda that are of interest to developing countries, including, inter alia, increased market access for manufactures and agricultural products, substantial reduction and elimination of subsidies, facilitating technology transfer, effective provisions for special and preferential~~

~~treatment, opening of markets to services from developing countries, and affording sufficient policy space.”~~
Insert “to urgently restart the negotiations in a climate of solidarity and transparency with a view to concluding the Doha development agenda as soon as possible. In this regard, we must make progress in the Doha development agenda especially in the areas we agreed to in paragraph 28 of the Monterrey consensus and affording the necessary policy space for developing countries in particular the LDCs.” [EU: ~~“opening of markets to services from developing countries, and affording sufficient policy space”~~] [CANZ: ~~“and affording sufficient policy space”~~] Insert “.We recognize, as well, that developing countries can also gain by opening their own markets through lower import costs, greater consumer choice, and more efficient participation in international trade.” [JPN: ~~“and affording sufficient policy space”~~] [US: ~~“from developing countries, and affording sufficient policy space”~~]

[G77 proposed 24bis: “We emphasize that protection and enforcement of IPRs should contribute to the promotion of technological innovation in and to the transfer and dissemination of technology to developing countries, which is vital for development.”]

25. [G77: Insert “We acknowledge that the economic, financial and trade system requires a profound restructuring that must take place immediately in order to be able to address the current crises. In this regard, ~~W~~we.”] [US: Insert “We recognize that trade liberalization, combined with pro-market development domestic reforms, enhances the growth potential of developing countries”] We acknowledge that the optimum pace and sequence of [EU: Insert “trade”] liberalization [G77: Insert “by developing countries”] depends on the specific circumstances of each country, and that its [US: ~~“its”~~ each country will make this decision based on its own evaluation of the”] costs and benefits must be weighed carefully in each case [US: ~~“must be weighed carefully in each case”~~]. It must [US: ~~“It must”~~ Insert “Liberalization can”] be complemented by [G77: Insert “support for”] [EU: Insert “appropriate action and strategies at the national level for the”] expansion of productive capacities, the development of human resources and basic infrastructure, access to [EU: ~~“access to”~~ Insert “absorption of”] [US: ~~“access to”~~ Insert “application of appropriate”] technology and [EU: Insert “implementation of”] adequate [SWZ: Insert “social”] safety nets. A positive impact of liberalization on development also depends to a large extent on appropriate actions [G77: Insert “by developed countries”] [EU: ~~“appropriate actions”~~ Insert “an enabling international trade environment for both North-South and South-South trade”], including predictable access to markets, eliminating abuse of anti-dumping measures, reduction of tariffs and non-tariff barriers, and avoidance of [SWZ: Insert “other”] measures [G77: Insert ~~“and avoidance of measures”~~ Insert “and measures”] that distort [EU: ~~“distort”~~ Insert “restrict”] [IMF feels ‘distort’ may be a more appropriate word than ‘restrict’] trade [G77: Insert “and, in particular subsidies”]. [US: ~~“A positive impact of liberalization on development also depends to a large extent on appropriate actions, including predictable access to markets, eliminating abuse of anti-dumping measures, reduction of tariffs and non-tariff barriers, and avoidance of measures that distort trade.”~~]

26. We recognize that least developed countries will [EU: ~~“will”~~] require special measures and international support to allow for a more gradual and effective [EU: Insert “integration into and”] adjustment to an open and competitive global economy. International financial [EU: Insert “and development”] institutions, including regional development banks, should provide them with all possible assistance in this regard. [EU: Insert “We welcome the decision reached by WTO Members in December 2005 on improved market access for LDCs and the actions taken by individual countries since Monterrey to implement the objective of duty-free and quota-free access to all products from LDCs.”] We renew the call to developed countries and other countries in a position to do so [EU: ~~“and other countries in a position to do so”~~] to provide duty-free and quota-free [JPN: Insert “market”] access to all [JPN: ~~“to all”~~ Insert “for”] products [JPN: Insert “originating”] from least developed countries [EU: ~~“duty-free and quota-free access to all products from least developed countries”~~] Insert “all LDCs with duty-free and quota-free access if they have not yet done so and encourage developing countries and countries with economies in transition in a position to do so also to contribute to

this objective in a meaningful way.”] [JPN:Insert “,as agreed at the WTO Hong Kong Ministerial Conference”]. We will also redouble [EU: “redouble” Insert “reinforce”] efforts [JPN: “redouble efforts” Insert “continue to”] to provide technical assistance [EU: Insert “and other aid for trade”] to low-income developing [EU: “low-income-developing” Insert “least developed”] [CANZ:“low-income-developing” Insert “least developed”]countries that request it, in order to enable them to participate [EU: “more”] effectively in the multilateral trade [EU: “trade” Insert “trading”] system, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and by providing support to allow least developed countries to participate effectively in international trade negotiations. [G77: ~~“We recognize that least developed countries will require special measures and international support to allow for a more gradual and effective adjustment to an open and competitive global economy. International financial institutions, including regional development banks, should provide them with all possible assistance in this regard. We renew the call to developed countries and other countries in a position to do so to provide duty-free and quota-free access to all products from least developed countries. We will also redouble efforts to provide technical assistance to low-income developing countries that request it, in order to enable them to participate effectively in the multilateral trade system, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and by providing support to allow least developed countries to participate effectively in international trade negotiations.”~~][US: “We recognize that least developed countries will require special measures and international support to allow for a more gradual and effective adjustment to an open and competitive global economy. International financial institutions, including regional development banks, should provide them with all possible assistance in this regard. We renew the call to developed countries and other countries in a position to do so to provide duty-free and quota-free access to all products from least developed countries. We will also redouble efforts to provide technical assistance to low-income developing countries that request it, in order to enable them to participate effectively in the multilateral trade system, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and by providing support to allow least developed countries to participate effectively in international trade negotiations.”]

[G77 proposed 26alt: “We recognize the challenges faced by LDCs in integrating beneficially into the multilateral trading system. LDCs will require special measures and international support to benefit from world trade. Enhanced market access and adequate assistance to build up supply-side capacity are essential for their increased participation in world trade. In this regard, we renew the call to developed countries and developing countries declaring themselves in a position to do so to implement their commitment to provide duty-free and quota-free market access to all products from all LDCs along with simplified and transparent rules of origin so as to facilitate exports from LDCs. We reaffirm our commitment to implement the LDC modalities on services and give priority to the sectors and modes of supply of export interest to LDCs, particularly with regard to movement of services providers under Mode 4. We also recognize that LDCs will require special measures and international support to enable them to benefit from a rule-based multilateral trading system. Developed countries, UN system organizations, international financial institutions, including regional development banks, should provide them with all possible assistance in this regard.”]

[G77 proposed 26altbis: “We will redouble our efforts to enhance effective trade-related technical assistance to and capacity building of LDCs to overcome their limited human, institutional and supply-side capacity. In this regard, the Enhanced Integrated Framework (EIF) should be operationalized as soon as possible so that the LDCs could benefit from the enhanced resources that are made available under the EIF to strengthen their trade capacity.”]

[G77 proposed 26bis:“We also recognize the special challenges faced by low income developing countries, as well as small and vulnerable economies, including market access and supply side constraints, in fully

benefiting from the multilateral trading system and call for special measures and international support to low income developing countries for a faster expansion of their trade and productive capacities.”]

[G77 proposed 26ter: “We also recognize that middle-income countries continue to face substantial development challenges and that they need equitable measures and additional support to allow their effective participation in the global economy.”]

27. Aid for Trade is a vital [US: ~~“a vital”~~ Insert **“an important”**] component of the [US: ~~“the”~~] measures required for [EU: Insert **“a larger number of”**] [US: ~~“required for”~~ Insert **“that can help”**] developing countries to effectively [EU: ~~“effectively”~~] benefit from [EU: Insert **“from expanded opportunities for trade, including as a result of”**] the Doha Round [EU: Insert **“, regional trade agreements and preferential agreements, including those undertaken on a South-South basis”**] [US ~~“to effectively benefit from the Doha Round”~~ Insert **“to take advantage of the opportunities offered by the international trading system”**]. [CANZ:~~“Aid for Trade is a vital component of the measures required for developing countries to effectively benefit from the Doha Round. Aid for Trade is not a substitute for a successful outcome of the Doha Development Agenda.”~~ Insert **“Aid for trade is vital if developing countries are to effectively benefit fully from opportunities provided by globalization and trade liberalization, including through the Doha Round.”**] Aid for Trade is [EU: Insert **“a complement and”**] [CANZ:Insert **“recognized as including support for: trade policy and regulations; trade development; trade-related infrastructure; building productive capacity and trade-related adjustment. However, Aid for Trade is”**] not a substitute for a successful outcome of the Doha Development Agenda [EU: Insert **“or any other trade negotiation”**] [CANZ: ~~“of the Doha Development Agenda”~~ Insert **“from the Doha Round”**]. [US: Insert **“Aid for Trade is a shared effort between donor and recipient countries. Success will require recipient countries to prioritize trade in their development programs.”**] We will strive to substantially enhance [CANZ: ~~“substantially enhance”~~ Insert **“make”**] Aid for Trade to support efforts of recipient countries to take advantage of new trade opportunities and assist them in addressing trade liberalization adjustment measures. A critical aim of Aid for Trade should be to enhance [EU:Insert **“trade capacity and international”**] competitiveness and [EU: ~~“and”~~Insert **“while ensuring”**] ownership while aligning it [EU: ~~“while aligning it”~~ Insert **“and”**] with the respective [EU: ~~“the respective”~~] national development strategy [EU: ~~“strategy”~~ Insert **“strategies of individual developing countries”**] [CANZ: ~~“to support efforts of recipient countries to take advantage of new trade opportunities and assist them in addressing trade liberalization adjustment measures. A critical aim of Aid for Trade should be to enhance competitiveness and ownership while aligning it with the respective national development strategy”~~ Insert **“better harmonized with national development strategies and more developmentally effective to support the efforts of recipient countries to take advantage of new trade opportunities in the global trading system and assist them in benefiting more fully from trade liberalization”**] [JPN:Insert **“,especially in the areas of supply-side capacity building, trade-related infrastructure, and establishment of market channels for the products”**]. The commitments by individual donors relating to Aid for Trade should be fully implemented [EU: Insert **“,while recipient countries should ensure that their Aid for Trade needs and priorities are fully integrated into their national development strategies and effectively communicated to donors”**]. [US: ~~“We will strive to substantially enhance Aid for Trade to support efforts of recipient countries to take advantage of new trade opportunities and assist them in addressing trade liberalization adjustment measures. A critical aim of Aid for Trade should be to enhance competitiveness and ownership while aligning it with the respective national development strategy. The commitments by individual donors relating to Aid for Trade should be fully implemented.”~~] [G77: ~~“Aid for Trade is a vital component of the measures required for developing countries to effectively benefit from the Doha Round. Aid for Trade is not a substitute for a successful outcome of the Doha Development Agenda. We will strive to substantially enhance Aid for Trade to support efforts of recipient countries to take advantage of new trade opportunities and assist them in addressing trade liberalization adjustment measures. A critical aim of Aid for Trade should be to enhance competitiveness and ownership while~~

~~aligning it with the respective national development strategy. The commitments by individual donors relating to Aid for Trade should be fully implemented.”]~~

[G77 proposed 27alt: “Aid for trade is an important component of the measures required for developing countries to effectively benefit from the Doha Round. Aid for Trade is not a substitute for the development benefits that will result from a successful conclusion of the DDA, but a complement to it. We call upon developed countries to substantially enhance aid for trade to support efforts of developing countries, particularly LDC's, to develop their productive capacities for value added products, trade related infrastructure and institutional capacities, in accordance with their needs and national priorities, in order to take advantage of trade opportunities . The commitments by individual donors relating to Aid for Trade should be fully implemented in a timely manner.”]

28. [EU: Insert “We welcome the increasingly ~~Bbroader...~~”] Broader and effective participation of [EU: “developing”] countries in the international trade regime [EU: “international trade regime” Insert “multilateral trading system and in the WTO DDA negotiations”] is a key objective of the Monterrey Consensus[EU: “~~is a key objective of the Monterrey Consensus~~”]. [US:Insert “We welcome progress in this area since Monterrey, as evidenced by the countries that have acceded to the WTO, the countries that have newly engaged in WTO accession and the countries that have made progress toward WTO accession over the past six years.”] We will endeavour [EU:“~~endeavour~~”Insert “continue to work”] to facilitate the accession [EU: Insert “to WTO”] of developing countries [EU: Insert “, in particular LDCs,”] and countries with economies in transition that apply for membership in the World Trade Organization [EU: “~~that apply for membership in the World Trade Organization.~~”] [RUS: Insert “and to remove all the impediments beyond the WTO commitments for the countries acceding to the WTO”]. [US: “We will endeavour to facilitate the accession of developing countries and countries with economies in transition that apply for membership in the World Trade Organization.”] [G77: “~~Broader and effective participation of countries in the international trade regime is a key objective of the Monterrey Consensus. We will endeavour to facilitate the accession of developing countries and countries with economies in transition that apply for membership in the World Trade Organization.~~”]

[G77 proposed 28alt: “Broader and effective participation of countries in the international trade regime and developing the multilateral trade rules will help to achieve the objectives of the Monterrey Consensus. We will ensure the accession of all developing countries, in particular the LDCs, that apply for membership in the World Trade Organization (WTO), without political impediments, in an expeditious and transparent manner and with full observance of the principles of special and differential treatment for developing countries.”]

29. We recognize that regional integration as well as [G77: “~~integration as well as~~” Insert “and”] bilateral [EU: “~~as well as bilateral~~” Insert “and regional”] trade agreements can be [EU: “~~can be~~” Insert “are also”] important instruments to expand trade [EU: Insert “and investment and”] [JPN: Insert “and investment”]. We should ensure that these [ROK: Insert “regional integration and trade”] agreements [G77: Insert “are people-centered,”][EU: “~~We should ensure that these agreements~~”] promote long-term [EU: Insert“sustainable”] development and become [EU: “~~and become~~” Insert “.To this end, regional trade agreements should become”]“building blocks” [US: “~~become building blocks~~” Insert “advance the goals of the WTO”] [SWZ: “~~building blocks~~” Insert “complementary elements”] in the multilateral trading system[EU:Insert “consistent with relevant WTO rules”]. International support [G77: Insert “through triangular cooperation”] to [ROK: “~~International support to~~” Insert “Expanding”] South-South [US:Insert “and North-South”] cooperation in trade and other [G77: “~~and other~~” Insert “related”] [EU: “~~other~~” Insert “trade-related”] areas can be catalytic in strengthening and consolidating regional and subregional

integration [G77: “ **integration**” Insert “trading arrangements”]. We will seek to [ROK: Insert “further”] enhance that support [ROK: “~~that support~~” Insert “such cooperation”], including through triangular cooperation. [G77: “~~We will seek to enhance that support, including through triangular cooperation.~~”] [SWZ: “~~International support to South-South cooperation in trade and other areas can be catalytic in strengthening and consolidating regional and subregional integration. We will seek to enhance that support, including through triangular cooperation.~~” Insert “International support can helpfully complement efforts of developing states to strengthen and consolidate South-South trade and regional and sub-regional integration. We will seek to enhance South-South trade.”]

[G77 proposed 29bis: “We stress the importance of increased support to South-South cooperation initiatives in trade related areas, including through triangular cooperation.”]

[MEX proposed 29 bis: “The new opportunities for trade, investment and economic cooperation among developing countries need to be fully exploited, and this tendency should be encouraged and benefits extended to all regions. It should complement North–South trade and economic cooperation for development. There is considerable potential for trade and investment among countries with economies in transition and developing countries.” (Source: UNCTAD XII P52)]

30. We welcome [CANZ: “~~welcome~~” Insert “note”] the outcome of the twelfth session of the United Nations Conference on Trade and Development (UNCTAD), held in Accra from 20 to 25 April 2008. UNCTAD has an important role to play as an institution with universal membership and a mandate to serve [JPN: “~~as an institution with universal membership and a mandate to serve~~”] as the focal point of the United Nations [RUS: Insert “and as the consensus building platform”] for the integrated treatment of trade and development and the interrelated issues of finance, investment, technology and sustainable development [EU: “~~and the interrelated issues of finance, investment, technology and sustainable development~~”]. [US: “~~We welcome the outcome of the twelfth session of the United Nations Conference on Trade and Development (UNCTAD), held in Accra from 20 to 25 April 2008. UNCTAD has an important role to play as an institution with universal membership and a mandate to serve as the focal point of the United Nations for the integrated treatment of trade and development and the interrelated issues of finance, investment, technology and sustainable development.~~”]

[G77 proposed 30 bis: “At the same time, those UN specialized agencies that have the mandate should also strive to help developing countries building their trade-related productive capacities”]

Increasing international financial and technical cooperation for development

31. We reaffirm the crucial [EU: “~~erucial~~”] [US: “~~erueial~~”. Insert “catalytic”] role of [US: “~~of~~”. Insert “that”] ODA [EU: Insert “as a complement to and a leverage for other sources of financing for development”] [CANZ: Insert “as a complement to other sources of financing for development”] [US: Insert “can play”] in supporting [NOR: Insert “sustainable”] development and facilitating the achievement of the [CANZ: “~~the~~”] internationally agreed development goals, including the Millennium Development Goals. [G77: Insert “Aid can play a catalytic role in removing constraints to growth such as enhancing social and physical infrastructure, technological innovation, empowering women and combating poverty.”] ODA is [US: “~~is~~”. Insert: “can be a”] particularly important for the countries of Africa, the least developed countries, landlocked developing countries and small island developing States, and it also often constitutes a critical element in peacebuilding efforts. [G77: “ODA is particularly important for the countries of Africa, the least developed countries, landlocked developing countries and small island developing States, and it also often constitutes a critical element in peacebuilding efforts”. Insert “For many countries in Africa, least

developed countries, small island developing States, landlocked developing countries and those emerging from conflicts, ODA is still the largest source of external financing and is critical to the achievement of the development goals and targets of the Millennium Declaration and other internationally agreed development targets.” [JPN: ~~“and it also often constitutes a critical element in peacebuilding efforts”~~. Insert “We also reiterate the importance of providing seamless assistance to peacebuilding efforts, with a view to severing the vicious cycle of poverty and conflict.”] We are encouraged by good practices carried out to strengthen the partnership between developing and developed countries [JPN: ~~“between developing and developed countries”~~] on the basis of the principle of national ownership and leadership. [G77: Insert ~~“We are encouraged by good practices carried out to strengthen the partnership between developing and developed countries on the basis of the principle of national ownership and leadership.”~~] [EU: Insert “Developed and developing countries have agreed that strengthening national leadership and ownership of development processes and outcomes is a major priority. We are encouraged that some progress has already been made towards this goal and that strong commitment to redoubling this effort was expressed at the recent Accra High Level Forum on Aid effectiveness.”][US: Insert “Without a national leadership’s strong commitment to reform and development results, ODA alone cannot be expected to catalyze growth, private sector development or job creation.”]

32. We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms doubled between 2001 and 2007 [EU: Insert ~~“,and a significant part of this doubling of aid comprised growing debt relief”~~]. [G77: ~~“We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms doubled between 2001 and 2007.”~~] However, we note with concern the overall decline in ODA in 2006 and 2007 and that a significant part of this doubling of aid in the previous period comprised growing debt relief [G77: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~. Insert “and that a significant part of aid flows after 2002 comprised debt relief and humanitarian assistance.”] [EU: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~]. [CANZ: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~] [NOR: Insert “and to some extent also an increase in humanitarian assistance”] The aid absorptive capacity of [CANZ: Insert “some”] developing countries [NOR: ~~“aid absorptive capacity of developing countries”~~ Insert “capacity of developing countries to absorb long term development aid”] has increased [EU: ~~“increased”~~ Insert “began to increase”] significantly as a result of their improved domestic policies. We are encouraged that some donor countries have already made [CANZ: ~~“made”~~. Insert “met their”] ODA commitments [G77: ~~“already made ODA commitments”~~ Insert “established timetables for fulfilling their long-standing ODA commitments”], such as the European Union for [G77: ~~“for”~~ Insert “to reach”] 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets [EU: ~~“targets”~~. Insert “commitments”] [US: ~~“targets”~~. Insert “commitments on ODA”] by the G-8 countries in Hokkaido, Japan, to increase their [US: ~~“their”~~. Insert “together with other donors”] ODA to \$130 [US: ~~“to \$130”~~. Insert “by \$25”] billion by 2010 [EU: ~~“to increase their ODA to \$130 billion by 2010.”~~ Insert “to working to fulfil their commitments on ODA made at Gleneagles. The OECD/DAC estimated the global increase of ODA by 2010 at around US\$ 50 billion a year.”]. [G77: ~~“We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010.”~~ Insert “We are also encouraged by the fact that some of these countries have met or surpassed the 0.7% target of GNI for ODA”] [JPN: ~~“We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010.”~~ Insert “We also welcome the declaration of the G-8 countries adopted in Hokkaido, Japan, that they are firmly committed to working to fulfill their commitments on ODA, including increasing, compared to 2004, with other donors, ODA to Africa by US\$ 25 billion a year by 2010.”] The full implementation of these targets [G77: Insert “,however,”] [EU: ~~“targets”~~. Insert “commitments”] [JPN: ~~“targets”~~. Insert “commitments”] is vital to [US: ~~“is vital to”~~. Insert “will”] substantially boost the resources available to push forward the international development agenda. [G77: Insert “We emphasize that the ongoing financial crisis

should not dilute commitment of developed countries for meeting their aid commitments. We also note with concern that there continues to be a net outflow of resources from developing to developed countries, in many cases far surpassing the inflow of ODA”] [~~CANZ: “such as the European Union for 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010. The full implementation of these targets is vital to substantially boost the resources available to push forward the international development agenda”.~~] [RUS: When drafting paragraph, consider language contained in G-8 communique from Hokkaido]

[Possible technical update. 32. We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms increased by 40 per cent between 2001 and 2007. However, we note with concern the overall decline in ODA in 2006 and 2007 and that a significant part of the increase in the previous period comprised growing debt relief. The aid absorptive capacity of developing countries has increased significantly as a result of their improved domestic policies. We are encouraged that some donor countries have already made ODA commitments, such as the European Union for 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to significantly increase their ODA, including a \$25 billion estimated total increase to Africa by 2010. The full implementation of these targets is vital to substantially boost the resources available to push forward the international development agenda.]

33. We recognize that major efforts are still needed for the achievement of the internationally agreed development goals, including the Millennium Development Goals. Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed [~~LICH: “developed”. Insert “donor”~~] countries should [EU: ~~“To reach their agreed timetables, developed countries should”~~ Insert “and”] take urgent [US: ~~“urgent”. Insert “all necessary and appropriate”~~] measures to raise the rate of increase of aid disbursements [G77: ~~“We recognize that major efforts are still needed for the achievement of the internationally agreed development goals, including the Millennium Development Goals. Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements.”~~] [EU: Insert “to meet their existing commitments”]. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so. [JPN: ~~“To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so.”~~] [US: ~~“It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so.”~~] We once more [G77: ~~“once more”~~] urge all developed [~~LICH: “developed”. Insert “donor”~~] countries that have not yet done so to make definite [JPN: ~~“definite”~~] efforts [G77: ~~“to make definite efforts”~~] to [G77: Insert “take urgent measures”] achieve the [US: ~~“make definite efforts to achieve the”~~] target of [US: ~~“of”~~] 0.7 per cent of GNI as ODA to developing countries [US: ~~“to developing countries”~~], including the [US: ~~“the” “a”~~] specific target of 0.15 per cent to 0.20 per cent of GNI for least developed countries, [EU: ~~“,”~~] by 2010. [G77: Insert “We stress the importance of mobilizing greater domestic support in developed countries towards the fulfilment of their commitments, including through raising public awareness. Further Addressing...”] Addressing the current high [G77: ~~“high”~~] food and energy prices [G77: ~~“prices”~~]. Insert “crises”] and implementing actions related to climate change carries a deep developmental connection and makes it ever [G77: ~~“ever”~~]. Insert “even”] more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources [G77: ~~“This will require considerable additional resources”~~]. Insert “,and provide the considerable additional resources that these new challenges

demand.”] [EU: “resources”. Insert “financial flows”]. [CANZ: ~~“Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so. We once more urge all developed countries that have not yet done so to make definite efforts to achieve the target of 0.7 per cent of GNI as ODA to developing countries, including the specific target of 0.15 per cent to 0.20 per cent of GNI for least developed countries, by 2010. Addressing the current high food and energy prices and implementing actions related to climate change carries a deep developmental connection and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources.”~~ Insert “Developing countries should continue to make concrete efforts to increase, and make more effective, their aid disbursements. We call for the fulfilment of all official development assistance commitments, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance to developing countries by 2015 and to reach the level of at least 0.5 per cent of gross national income for official development assistance by 2010, as well as the target of 0.15 to 0.20 per cent of gross national income for least developed countries, and urges those developed countries that have not yet done so to make concrete efforts in this regard in accordance with their commitments. Climate change considerations should be integrated within ODA in order to maximize effectiveness. The challenge of addressing mitigation and adaptation to climate change – combined with the current high food and energy prices – entails significant additional costs that will likely exceed available public sector resources, necessitating innovative efforts to engage the private sector.”] [JPN: ~~“Addressing the current high food and energy prices and implementing actions related to climate change carries a deep developmental connection and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources.”~~] [US: ~~“and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources”~~. Insert “for net food and energy importers and climate-vulnerable economies. Increased resources to combat these challenges can be generated through policy reforms, such as ending subsidies not specifically targeted to the poor, and by overall economic growth”.]

34. We also welcome increasing efforts by recipient and donor countries to make ODA more effective [NOR: ~~“make ODA more effective.”~~ Insert “improve the quality of ODA and to increase its impact.”]. [CANZ: Insert “These include ¶the..”] The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness [CANZ: Insert “, the Principles for Good International Engagement in Fragile States and Situations,”] and the 2008 Accra Agenda for Action, [CANZ: “;”] Insert “.They”][SWZ: ~~“The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action,”~~ Insert “The High Level Forum on Aid Effectiveness, which produced the 2005 Paris Declaration, the Development Cooperation Forum DCF and this year’s Accra Agenda for Action,”] are critical steps forward in this regard by stressing the fundamental roles [EU: ~~“roles”~~. Insert “principles”] of [CANZ: Insert “contextualization”] [SWZ: Insert “broad national”] ownership, alignment, harmonization, managing for results and mutual accountability. [EU: Insert “We call for the Full.”] Full implementation of these principles should [EU: ~~“of these principles should”~~ Insert “by all development actors of their commitments at Paris and Accra in order to”] contribute to more effective and efficient aid delivery and greatly improved outcomes. [NOR: ~~“The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, are critical steps forward in this regard by stressing the fundamental roles of ownership, alignment, harmonization, managing for results and mutual accountability. Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes”~~. Insert: “We endorse the 2005 Paris Declaration on Aid Effectiveness spelling out the fundamental principles of ownership, alignment, harmonization, managing for results and mutual accountability where we reconfirmed that national ownership is the key and acknowledged the critical role of parliaments and local authorities in preparing, implementing and monitoring national development policies and plans consistent with agreed international

commitments on gender equality, human rights, and environmental sustainability. We resolve to take concrete, effective and timely action in implementing all agreed commitments on aid effectiveness.”] We will similarly enhance overall efforts [CANZ: ~~“will similarly enhance overall efforts”~~. Insert “also encourage donors”] to improve the quality of aid [EU: ~~“We will similarly enhance overall efforts to improve the quality of aid”~~] including [EU: Insert “- as donors-”] by untying aid, [EU: Insert “at the maximum extent, increasing programme-based approaches, using country system as the first option for aid programmes in support for activities managed by the public sector, changing the nature of conditionality to support ownership, improving mutual accountability and transparency”][SWZ: Insert “increasing demand orientation in capacity development, using country systems to deliver aid”] increasing budget support [CANZ: ~~“increasing budget support”~~. Insert “by increasing use of country systems”], streamlining conditions [EU: ~~“increasing budget support, streamlining conditions”~~] [SWZ: Insert “and basing them on developing countries own development objectives”] and [CANZ ~~“and”~~ Insert “,”] making aid more predictable [EU Insert : “by providing developing countries with regular and timely information on their rolling 3- to 5-years forward expenditure and/or implementation plans, and - as developing countries - by strengthening national institutions, systems and capacity to ensure the best results of aid, by strengthening leadership of their own development and by engaging with their parliaments and citizens in shaping those policies.”] [CANZ: Insert “and deepening our engagement with civil society organizations”] [SWZ: Insert “by inter alia providing 3-5 year advance information on planned aid to partner countries”.] [JPN: ~~“Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes. We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~ Insert “In this regard, capacity development assistance in the field of statistics and policy evaluation should be pursued. We should also bear in mind that there is no one-size-fits-all formula that will guarantee effective assistance. Specific situation of each country needs to be fully considered.”] [US: ~~“We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~] [G77: ~~“We also welcome increasing efforts by recipient and donor countries to make ODA more effective. The High level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Acera Agenda for Action, are critical steps forward in this regard by stressing the fundamental roles of ownership, alignment, harmonization, managing for results and mutual accountability. Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes. We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~]

[G77 proposed 34alt. “We recognize that the quality of aid is as crucial as its quantity. We will enhance overall efforts to improve the quality of aid, including by untying aid, providing direct budget support, and making aid more predictable. And in this regard, we call upon the OECD-DAC countries to fully implement their 2001 decision on untying aid, in particular to the LDCs. We recognize recent efforts and initiatives to enhance the quality of aid and to increase its impact, including the High Level Forums on Aid Effectiveness.”]

[MEX proposed 34. bis: “The contributions of all development actors are more effective when developing countries are in a position to manage and co-ordinate them. We welcome the role of new contributors and will improve the way all development actors work together, including those engaged in South-South co-operation. We acknowledge the contributions made by all development actors, and in particular the role of middle-income countries as both providers and recipients of aid. We recognise the importance and particularities of South-South cooperation and acknowledge that we can learn from the experience of developing countries. South-South co-operation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development co-operation

and is a valuable complement to North-South co-operation. We encourage further development of triangular co-operation”.]

35. We note that the aid architecture has significantly changed in the current decade. New official and non-official donors [G77: ~~“donors”~~. Insert **“aid providers”**] and novel partnership approaches, which transcend the traditional donor-recipient modality, have emerged [G77: ~~“have emerged”~~. Insert **“and have their own importance and particularities, and have enhanced The...”**]The flow of resources involved [G77: Insert **“.”**] continues to increase significantly [G77: ~~“continues to increase significantly”~~]. [G77: Insert **“We encourage new aid providers to mobilize, manage and evaluate their international cooperation initiatives. We will strengthen the Development Cooperation Forum of the Economic and Social Council of the UN as a focal point for examining international development cooperation holistically”**] This underscores the need for [NOR:Insert **“reducing the costly fragmentation of aid by improving the complementarity of donor efforts and division of labour among donors within sectors, within countries and across countries, while paying due attention to the fundamental principles of ownership”**]alignment, harmonization, coordination and ownership [CANZ: Insert **“amongst all development actors – bilateral and multilateral donors, global funds, civil society organizations, and the private sector.”**][NOR: ~~“alignment, harmonization, coordination and ownership”~~ Insert **“alignment and harmonization”**]. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as, in particular, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance [JPN: Insert **“dialogue and”**] cooperation among this growing [JPN: ~~“growing”~~. Insert **“increasingly diverse”**] community of partners. [EU: Insert **“In particular, new development actors should be encouraged to work in close cooperation with the international community to ensure that the above-mentioned principles are enforced in a coherent way, including in particular through adopting, using and implementing the principles of the Paris Declaration and the Accra Agenda for Action.”**] [NOR:Insert **“If so desired by recipient countries, Wwe..”**] We shall also strive to provide technical assistance [EU: ~~“technical assistance”~~. Insert **“demand-driven capacity development”**]for [CANZ: ~~“to provide technical assistance for”~~. Insert **“through capacity building development strategies to facilitate”**] the incorporation [NOR:~~“the incorporation”~~. Insert **“development and strengthening”**] of good aid policies by recipient countries in [NOR:~~“by recipient countries in”~~. Insert **“in support of”**] their [CANZ: ~~“by recipient countries in their”~~. Insert **“into the”**] national development strategies [EU: Insert **“and to improve allocation of resources within sectors, within countries and across countries, paying special attention to countries in fragile situation. All resources should be used in accordance with the aim of sustainable development”**] [CANZ: ~~“of recipient countries”~~ – move this sentence to a more appropriate OP]. [G77: ~~“This underscores the need for alignment, harmonization, coordination and ownership. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as, in particular, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance cooperation among this growing community of partners. We shall also strive to provide technical assistance for the incorporation of good aid policies by recipient countries in their national development strategies.”~~] [US: Move entire paragraph to **“Other new challenges and emerging issues section”**]

36. This increasing complexity of aid flows and the large number of new [EU: Insert **“and emerging”**] donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal [CANZ: ~~“concrete and universal”~~. Insert **“systematic and comparable”**] ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing [SWZ: ~~“consider developing”~~] Insert **“develop”**]a joint proposal in this regard [SWZ: Insert **“and to submit it to the DCF”**]. [G77: ~~“This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in~~

~~this regard.”] [EU: “We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”] [JPN: “This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”] [RUS: “We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard”] [US: “This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”]~~

[G77 proposed 36 alt: “We recognize that there is a growing need for more concrete and universal ways to keep track aid quantity, quality and effectiveness. In this regard, we underline the importance of the Development Cooperation Forum and request the SG to submit a report that keeps track of ODA commitments aid quantity, quality and effectiveness, at each session.”]

37. Aid can play a catalytic role in removing [NOR:“~~removing~~”. Insert “assisting developing countries to remove”] constraints to [JPN: Insert “sustained and inclusive”] growth such as enhancing social [JPN: “~~social~~”. Insert “institutional”] and physical infrastructure, [JPN: Insert “promote foreign direct investment and trade and”] technological innovation, [CANZ: Insert “promoting gender equality,”][NOR:Insert “domestic incomes and revenues”] empowering [JPN: Insert “vulnerable individuals including”] women [EU:Insert “preserving environment”] and combating pockets of poverty. Aid can also be an important factor in triangular cooperation schemes that [US: “~~schemes that~~”. Insert “to”] reinforce South-South cooperation [US: Insert “that promotes development”]. [EU: Insert “The importance of South-South and triangular cooperation is increasing. Cooperation between developing countries provides much needed additional resources to the implementation of development programmes. Therefore, the convergence of South-South and North-South cooperation is a priority. In South-South cooperation, the principles and criteria concerning, e.g. quality and effectiveness, that have been internally accepted, should be applied”][US: Insert” In line with the Accra Agenda for Action, ~~We..~~”]We will explore new and [US: “~~explore new and~~”] more effective[US: “effective”. Insert “effectively, inclusively, and transparently implement] assistance modalities [US: “~~modalities~~”] to enhance the catalytic role of aid, in particular for least developed countries. [EU: Insert “We will take determined steps to increase resources for gender equality”] We will also seek innovative ways of better targeting middle-income [US:“~~targeting middle income~~”. Insert “assisting post-conflict”] countries. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors [US: “~~inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors~~”]. [G77: “Aid can play a catalytic role in removing constraints to growth such as enhancing social and physical infrastructure, technological innovation, empowering women and combating pockets of poverty. Aid can also be an important factor in triangular cooperation schemes that reinforce South-South cooperation. We will explore new and more effective assistance modalities to enhance the catalytic role of aid, in particular for least developed countries. We will also seek innovative ways of better targeting middle income countries. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors.”]

[G77 proposed 37 alt “We support South-South cooperation, as well as triangular cooperation, in mobilizing supplementary resources for development. We also recognize south – south regional cooperation as initiatives based on solidarity that can also be an effective modality for mobilizing resources for

development. In this regard, we stress that South-South cooperation should be seen neither as ODA nor as a substitute to North-South cooperation, rather as an expression of solidarity and cooperation between developing countries, based on their shared experiences and objectives. It is a development agenda that addresses the particular needs and expectations of developing countries, based on premises, conditions and objectives specific to their historic and political context.”]

38. We welcome [G77: ~~“welcome”~~. Insert **“recognize”**] the considerable progress made since the Monterrey Conference in the area of [US: ~~“the area of”~~] innovative sources [G77: ~~“sources”~~. Insert **“mechanisms”**] of finance. Due to [G77: ~~“Due to”~~ Insert **“ We further acknowledge that a number of”**] the initiatives of the [G77: Insert **“ Technical gGroup..”**]group [G77: Insert **“created by the Global”**] Action against Hunger and Poverty [G77: Insert **”**]and the [G77: Insert **“]Leading Group on Solidarity Levies [G77: Insert **”**] to Fund Development, a number of new [US: ~~“Due to the initiatives of the group Action against Hunger and Poverty and the Leading Group on Solidarity Levies to Fund Development, a number of new”~~ Insert **“New, voluntary”**] innovative financing sources [G77: ~~“to Fund Development, a number of new innovative financing sources”~~] have become a reality, or are in an advanced stage towards implementation, such as, [G77: ~~“such as,”~~] inter alia, the International Financing [EU: ~~“Financing”~~. Insert **“Finance”**] Facility for Immunization, [G77: Insert **“the”**] [EU: Insert **“pilot”**] advance market commitments [EU: Capitalise **“Advance Mmarket Ceommitments”**]and the airline ticket [G77: ~~“airline ticket”~~] solidarity levy[G77: ~~“levy”~~. Insert **“levies”**], which finances [G77: Insert **“health programmes in several developing countries, including”**] the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria [EU insert **“and schemes that use proceeds from emission trading to finance development. Recently, a high level Declaration against hunger and poverty and a task force on innovative finance for health systems strengthening were launched at the UN High Level Event on MDGs. We invite the UN to take special attention to the issue of innovative mechanisms with a view to producing a progress report by the next UN General Assembly, taking into account all existing initiatives. We encourage the scaling up of the implementation of innovative sources of finance.”**] We acknowledge [G77: ~~“acknowledge”~~. Insert **“stress”**] that these funds should be [US: ~~“such as, inter alia, the International Financing Facility for Immunization, advance market commitments and the airline ticket solidarity levy, which finances the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria. We acknowledge that these funds should be”~~. Insert **“These funds are voluntary”**] additional to, and not a substitute for, official development assistance [ROK: ~~“be additional to, and not a substitute for, official development assistance”~~. Insert **“increase and supplement traditional sources of finance”**] [LICH: ~~“official development assistance”~~. Insert **“ODA”**] and that they should not unduly burden developing countries [EU: ~~“be additional to, and not a substitute for, official development assistance and they should not unduly burden developing countries”~~. Insert **“increase, supplement and not be a substitute for traditional sources of finance and should be disbursed in accordance with developing countries priorities”**] [CANZ: ~~“We acknowledge that these funds should be additional to, and not a substitute for, official development assistance and that they should not unduly burden developing countries.”~~] [US:~~“assistance and that they should not unduly burden developing countries”~~] [NOR:Insert **“or weaken their ownership”**]. We recognize the value of continuing consensus-building [LICH:Insert **“,including with the private sector,”**] on [G77: ~~“ We recognize the value of continuing consensus-building on”~~ Insert **“ We urge the international community to strengthen..”**] [US:~~“consensus-building on”~~] current [LICH:Insert **“and proposed”**] initiatives [G77: Insert **“and explore new”**] while further exploring [US: Insert **“modifications”**] and evaluating the validity of other proposed [G77: ~~“while further exploring and evaluating the validity of other proposed”~~] innovative sources of finance by Governments, non-governmental organizations and civil society[G77: Insert **“while recognizing their voluntary and complementary nature”**].**

[G77 proposed: 38bis **“We reiterate our resolve to operationalize the World Solidarity Fund established by the General Assembly and invite those countries in a position to do so to make voluntary contributions to the Fund.”**]

[G77 proposed: 38 ter “We welcome the establishment of the Global Digital Solidarity Fund and encourage voluntary contributions to its financing, through the new innovative financing mechanism of the “1%digital solidarity principle.”]

[G77 proposed: 38quat “We underscore the importance of fostering and strengthening technical cooperation which constitutes an important avenue for developing countries to attain their development objectives. We emphasize the importance of human resource development including training, exchange of expertise and knowledge transfer. Technical assistance for capacity-building which includes strengthening institutional capacity, project management and programme planning is also critical.”]

39. We underline the importance of the role of the United Nations system [US: ~~“importance of the role of the United Nations system”~~ Insert **“important role of an effective, well-managed United Nations system”**] through its operational activities in delivering effective [US: **“effective”**] capacity-building support for development with long-term sustainability. This is particularly important for least developed countries. Given that the level of core funding inevitably affects the ability of the United Nations system to fulfil this mandate, we urge donor countries and other countries in a position to do so to substantially increase [CANZ: ~~“substantially increase”~~. Insert **“consider increasing”**] their voluntary contributions to the core/regular budgets of the United Nations development system[JPN: Insert **“,while non-core resources represent an important supplement to the regular resource base of the United Nations development system to support operational activities for development, thus contributing to an increase in total resources.”**]. [EU: Insert **“We welcome the efforts to improve efficiency, coherence and effectiveness of the UN development system, including through Delivering as One approach.”**]

40. The multilateral development banks, including the World Bank, regional and subregional development banks and other financial institutions [IMF: **IMF should not be included under “other financial institutions”**], have proven that they constitute a key source of financing for development. They provide strategic resources [EU: Insert **“, including”**] in the form of technical assistance for areas such as institution-building and the promotion of good governance practices, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. We will endeavour to strengthen these institutions and increase their funding [EU:~~“and increase their funding”~~] [US:~~“and increase their funding”~~] as part of the measures for further implementation of the Monterrey Consensus. [EU: Insert **“At the same time, these institutions should continue to explore innovative ways to use their capital to leverage additional finance to accelerate progress towards the MDGs, while preserving their capital and ensuring their activity is profitable.”**][CANZ: ~~“We will endeavour to strengthen these institutions and increase their funding as part of the measures for further implementation of the Monterrey Consensus”~~.] [G77: ~~“The multilateral development banks, including the World Bank, regional and subregional development banks and other financial institutions, have proven that they constitute a key source of financing for development. They provide strategic resources in the form of technical assistance for areas such as institution-building and the promotion of good governance practices, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. We will endeavour to strengthen these institutions and increase their funding as part of the measures for further implementation of the Monterrey Consensus.”~~]

[G77 proposed: 40 alt **“The multilateral, regional and subregional development banks can be a relevant source of financing for development. They can also provide an important contribution in the form of technical assistance and forum for interchange of information on best practices between developing countries. However, these institutions have not been able to fully deliver on their potential. The net outflow of resources from many of these institutions has become negative. We therefore invite these institutions to**

enhance their financing to developing countries. We will support steps towards this end, including through increased funding for these institutions, as appropriate.”]

[G77 proposed: 40 bis “We note with concern that a large proportion of the world's poor who live with less than 2 a day are from Middle Income Countries and that ODA for MICs has declined significantly in recent years. We recognize that middle-income developing countries still face significant challenges in the area of poverty eradication and that efforts to address those challenges should be supported in order to ensure that achievements made to date are sustained, including through support to the effective development of comprehensive cooperation policies, as well as increased, targeted and substantial technical assistance, and the promotion of new partnerships and cooperation arrangements. We also acknowledge that ODA is still vital for the support of the implementation of national development strategies by these countries.”]

[G77 proposed: 40 ter “We also call for enhanced efforts for the development efforts of low income developing countries in addressing their social, economic and development needs including through the provision of technical, financial and other form of assistance, promotion of and strengthening of partnerships and cooperation arrangements at all levels.”]

[G77 proposed: 40 quat “We call upon the international community to move expeditiously to put in place new instruments as well as to expand and strengthen existing instruments to support developing countries to prevent or deal with existing economic crises including volatile food and energy prices. We strongly urge that this stepped up assistance should be additional to ODA.”]

External debt

41. We welcome the progress that debt indicators of developing countries as a whole have shown since the adoption of the Monterrey Consensus. Debt relief under the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative and the Evian treatment in the Paris Club, together with debtor countries’ efforts and ongoing initiatives, such as the World Bank/International Monetary Fund (IMF) Debt Sustainability Framework, have contributed to achieving such progress. [JPN: Insert “The HIPC initiative is expected to provide a total of US\$71 billion to 41 eligible countries, while the MDRI is expected to provide an additional US\$33 billion.”] Borrowing countries have also enhanced their debt management programmes and many have built reserves, thus reducing vulnerabilities.[G77: “~~We welcome the progress that debt indicators of developing countries as a whole have shown since the adoption of the Monterrey Consensus. Debt relief under the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative and the Evian treatment in the Paris Club, together with debtor countries’ efforts and ongoing initiatives, such as the World Bank/International Monetary Fund (IMF) Debt Sustainability Framework, have contributed to achieving such progress. Borrowing countries have also enhanced their debt management programmes and many have built reserves, thus reducing vulnerabilities.~~”] [EU: Insert “Debt relief initiatives have also helped beneficiary countries to mobilize much needed resources for poverty eradication. However, we underline that eligible countries will not be able to tap full benefits of debt relief unless all creditors contribute their full share according to the comparability of treatment principle. We therefore strongly reiterate the need for a full and effective participation of all low-income countries’ creditors in debt relief mechanisms, in particular the HIPC initiative.”] [CANZ: Insert “Debt relief initiatives also helped beneficiary countries mobilize much needed resources for poverty reduction, as part of wider efforts to mobilize financial resources for development. However we underline that eligible countries will not be able to enjoy the full benefits of debt relief unless all creditors contribute their full share in accordance with the comparability of treatment principle. We therefore strongly reiterate the need for full and effective participation of all low-income countries’ creditors in debt relief mechanisms, in particular the HIPC initiative.”] [JPN: Insert “These achievements have enabled heavily indebted countries to increase their expenditures on poverty reduction and other measures aimed at the achievement of the MDGs.”] [US: Insert “Debt relief initiatives also helped beneficiary countries mobilize much needed resources for poverty reduction, as part of wider efforts to mobilize financial resources for development. However, we underline that eligible countries will not be able to

enjoy the full benefits of debt relief unless all creditors contribute their full share in accordance with the comparability of treatment principle. We therefore strongly reiterate the need for full and effective participation of all low-income countries' creditors in debt relief mechanisms, in particular the HIPC initiative.”]

[G77 proposed 41: “We note with concern that the total external debt of developing and transition economies continues to increase, while noting that some developing countries have made some progress in their external debt situations since the adoption of the Monterrey Consensus. Furthermore, we recognize that the current economic crisis in the developed world could reverse the current positive trend experienced by some developing countries.”]

[G77 proposed 41bis: “Debt relief under the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative and other ongoing initiatives, have contributed to reducing official external debts of some countries; however, data on the face value of debt relief gives a misleading impression on the actual change in the value of the external debt of developing countries. We stress the importance of continued flexibility with regard to the eligibility criteria for debt relief under HIPC and MDRI. We note with deep concern that debt relief continues to be financed from ODA despite the commitment in Monterrey that debt relief will be financed from additional resources. While borrowing countries have also enhanced their debt management programmes, and have built reserves, this has not led to reducing their vulnerabilities.”]

[G77 proposed 41ter: “We therefore, reiterate the urgent need for the international community to adopt an effective, equitable, durable and development oriented solution to the debt problems of the developing countries, particularly LDCs, including through total debt cancellation without any discrimination or conditionalities, and support them with increased concessional financial flows.”]

42. We recognize that important challenges remain. Debt service [CANZ: Insert “accounts for a significant portion of the national budgets”] [US: Insert “accounts for a significant portion of the fiscal budget”] in a considerable number of low and middle-income countries is still too [EU: “too”] high [CANZ: “is still too high”]. [SWZ: “~~Debt service in a considerable number of low and middle-income countries is still too high.~~” Insert “Debt levels in some low and middle-income countries remain unsustainable and debt service accounts for a significant portion of their fiscal budget”] [JPN: Insert “All creditors, including emerging donors and private creditors, should become involved in the existing international debt resolution mechanisms to ensure the debt sustainability of low income countries”][EU: Insert “We note the efforts made by ~~the.~~”][US: “is still too high”] The existing international debt resolution mechanisms, including the Paris Club, cannot [EU: “cannot” Insert “in order to”] guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering [EU: “hindering”. Insert “and”] the establishment of predictable debt resolution procedures [SWZ: “~~cannot guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering the establishment of predictable debt resolution procedures~~” Insert “are still not inclusive”]. [CANZ: “~~The existing international debt resolution mechanisms, including the Paris Club, cannot guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering the establishment of predictable debt resolution procedures.~~”] [JPN: “~~The existing international debt resolution mechanisms, including the Paris Club, cannot guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering the establishment of predictable debt resolution procedures.~~”] [US: “~~The existing international debt resolution mechanisms, including the Paris Club, cannot guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering the establishment of predictable debt resolution procedures.~~”] There is [CANZ: “There is” Insert “A number of low and middle income countries still face large debt service obligations and there continues to be a”] concern [EU: “~~There is concern~~” Insert “We are deeply concerned”] about increasing vulture fund litigation. [EU: Insert “In this respect, we welcome recent steps taken to prevent aggressive litigation against HIPC eligible countries, including through the enhancement of debt buy back mechanisms and the provision of legal support, by the BWIs and the MDBs. Creditors should not sell claims on HIPC to creditors that do not participate adequately to the debt relief efforts.”] [CANZ: Insert “In this respect, we

welcome recent steps taken to prevent aggressive litigation against HIPC eligible countries, including through the enhancement of debt buy-back mechanisms by the Bretton Woods Institutions and the Paris Club, and strengthened assistance by the multilateral development banks. We call on sovereign creditors to not sell claims on HIPCs to creditors that might not be willing to implement the HIPC initiative”] [US: Insert “In this respect, we welcome recent steps taken to prevent aggressive litigation against HIPC eligible countries, including through the enhancement of debt buy back mechanisms by the Bretton Woods Institutions and strengthened assistance by the Multilateral Development Banks. We are clear that sovereign creditors should not sell claims on HIPCs to creditors that might not be willing to implement the HIPC initiative.”] [SWZ: Insert “In this respect, we welcome the recent steps taken to prevent aggressive litigation against HIPC eligible countries, including through the enhancement of debt buy back mechanisms by the Bretton Woods Institutions and strengthened assistance by the Multilateral Development Banks. Sovereign creditors should not sell claims on HIPCs to creditors that might not be willing to implement the HIPC initiative.”] In addressing these situations, we need to enhance the [SWZ: Insert “existing”] international financial mechanisms for debt crisis prevention and resolution by finding internationally agreed solutions [CANZ: ~~“enhance the international financial mechanisms for debt crisis prevention and resolution by finding internationally agreed solutions”~~]. Insert “continue to work to prevent debt crises and to use established mechanisms to provide assistance to countries that do face unsustainable debts”] [US: ~~“enhance the international financial mechanisms for debt crisis prevention and resolution by finding internationally agreed solutions”~~]. Insert “continue to work to prevent debt crises and to use established mechanisms to provide assistance to countries that do face unsustainable debts”] [SWZ: Insert “in close cooperation with the private sector”]. These mechanisms need to be underpinned by principles that have served us well in dealing effectively with many debt problems. These include the need to ensure that debt resolution is a joint responsibility of all debtors and creditors [EU: Insert “both state and commercial”]; to recognize that furthering development [CANZ: ~~“furthering development”~~ Insert “restoring debt sustainability”] [US: ~~“furthering development”~~ Insert “restoring debt sustainability”] is the ultimate [CANZ: “ultimate” Insert “main”] [US: “ultimate” Insert “main”] objective of debt resolution and that debt relief should not detract from ODA [EU: ~~“and that debt relief should not detract from ODA”~~] [CANZ: ~~“and that debt relief should not detract from ODA”~~] [US: ~~“and that debt relief should not detract from ODA”~~]; to strengthen transparency and accountability among all parties; to promote responsible [EU: Insert “borrowing and”] [SWZ: Insert “borrowing and”] lending [CANZ: Insert “and borrowing”] [US: Insert “and borrowing”] practices, [EU: Insert “by inter alia adhering to international guidelines such as the Debt Sustainability Framework, of the BWIs and respecting the minimal concessionality requirements established in the debt sustainability analysis and reflected in the Guidelines agreed by the OECD Export Credit Group “Principles and Guidelines to promote Sustainable Lending practices in the provision of Official Export Credits to low income countries,”] [NOR: Insert “including learning from the past by looking at the legitimacy of existing claims based on how the loans were given and in which gender perspectives are taken into account”] improved [NOR: “improved” Insert “;to improve”] debt management and national ownership of policies; and to facilitate equivalent treatment of all creditors [SWZ: ~~“and to facilitate equivalent treatment of all creditors”~~ Insert “and to uphold the comparability of treatment principle in dealing with creditors.”]. [G77: ~~“We recognize that important challenges remain. Debt service in a considerable number of low and middle-income countries is still too high. The existing international debt resolution mechanisms, including the Paris Club, cannot guarantee equivalent treatment of all creditors and just treatment of creditors and debtors, hindering the establishment of predictable debt resolution procedures. There is concern about increasing vulture fund litigation. In addressing these situations, we need to enhance the international financial mechanisms for debt crisis prevention and resolution by finding internationally agreed solutions. These mechanisms need to be underpinned by principles that have served us well in dealing effectively with many debt problems. These include the need to ensure that debt resolution is a joint responsibility of all debtors and creditors; to recognize that furthering development is the ultimate objective of debt resolution and that debt relief should not detract from ODA; to strengthen transparency and accountability among all parties; to promote responsible lending practices, improved debt management and national ownership of policies; and to facilitate equivalent treatment of all creditors.”~~]

[G77 proposed 42: “We recognize that important challenges remain. Debt service in a considerable number of low and middle-income countries is still too high. The existing international debt resolution mechanisms, including the Paris Club, remain donor driven and do not have predictable debt resolution procedures. Further, these mechanisms suffer from conflict of interest between creditors and arbitrators. There is also concern about increasing vulture fund litigation. In addressing these situations, we need to enhance the international financial mechanisms for debt crisis prevention and resolution by finding internationally agreed solutions. These mechanisms need to ensure that debt resolution is a joint responsibility of all debtors and creditors; to recognize that furthering development is the ultimate objective of debt resolution and that debt relief should not detract from ODA; to strengthen transparency and accountability among all parties; to promote responsible lending practices, improved debt management and national ownership of policies; and to facilitate equivalent treatment of all creditors.”]

43. [CANZ: Insert “We recognize that a shift has occurred from official to commercial borrowing and from external to domestic public debt, and that this is creating new vulnerabilities as well as opportunities. We note the need to improve data collection and analysis to better understand, address and/or harness the opportunities generated by these changes.”] [US: Insert “We recognize that a shift has occurred from official to commercial borrowing and from external to domestic public debt and this is creating new vulnerabilities as well as opportunities. We note the need to engage with these changes, including through improved data collection and analysis.”] The number of [US: Insert “official and private”] creditors to developing countries and countries with economies in transition has grown, in the light of an increase in new official and private creditors [CANZ: Insert “,creating new opportunities for growth and development.”] [US: ~~“in the light of an increase in new official and private creditors”~~]. [G77: ~~“The number of creditors to developing countries and countries with economies in transition has grown, in the light of an increase in new official and private creditors.”~~] We will seek to enlarge [CANZ: “enlarge” Insert “enhance”] [US: “enlarge” Insert “enhance”] [SWZ: “enlarge” Insert “enhance”] creditor coordination to reduce risks of debt overhang in borrowing countries and to improve interaction among all relevant actors during debt renegotiations. In those renegotiations, we agree that [JPN: ~~“we agree that”~~] all relevant actors will pay special attention [G77: ~~“We will seek to enlarge creditor coordination to reduce risks of debt overhang in borrowing countries and to improve interaction among all relevant actors during debt renegotiations. In those renegotiations, we agree that all relevant actors will pay special attention”~~] Insert “We emphasize that during debt renegotiations, there should be full involvement of debtors and that special attention will be paid”] to the need to respect debtors’ [EU: Insert “national policies and strategies.”] policy space, in particular the room [JPN: ~~“to respect debtors’ policy space, in particular the room”~~] Insert “of debtors”] for investments in infrastructure, and [CANZ: ~~“all relevant actors will pay special attention to the need to respect debtors’ policy space, in particular the room for investments in infrastructure, and”~~] Insert “official creditors should support”] [US: ~~“all relevant actors will pay special attention to the need to respect debtors’ policy space, in particular the room for investments in infrastructure, and”~~] Insert “official creditors should support”] measures linked to attaining the internationally agreed development goals, including the Millennium Development Goals [EU: ~~“policy space, in particular the room for investments in infrastructure, and measures linked to attaining the internationally agreed development goals, including the Millennium Development Goals.”~~]. [G77: Insert “We are convinced that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in developing countries.”] [JPN: Insert “At the same time, all creditors should follow the framework made in OECD or Paris Club regarding responsible and cooperative lending, and debt treatment respectively.”] [NOR: Insert “and other projects targeted at development including the advancement of women.”]

44. Technical assistance to address [EU: “address” Insert “manage”] debt problems can be crucial for many countries, in particular those facing acute structural problems, those seriously affected by climate change and those emerging from conflict. In spite of existing debt relief initiatives, many developing countries still [CANZ: “still”] [US: “still”] continue to face obstacles to achieving [SWZ: Insert “and maintaining”] debt sustainability and may require special assistance [CANZ: “and may require special assistance”] [JPN “special

assistance” Insert “further collaboration with donor countries” [US: “~~and may require special assistance~~”]. [EU: Insert “Preserving long-term debt sustainability is a shared objective of lenders and borrowers. We welcome the IMF and World Bank Debt sustainability framework as a major landmark for assessing and monitoring debt sustainability and encourage its widespread use by all creditors.”] [CANZ: Insert “Preserving long-term debt sustainability is a shared responsibility of lenders and borrowers. We welcome the IMF and World Bank Debt sustainability framework as a major landmark for assessing and monitoring debt sustainability and encourage its widespread use by all creditors.”] [US: Insert “Preserving long-term debt sustainability is a shared responsibility of lenders and borrowers. We welcome the IMF and World Bank Debt Sustainability Framework as a major landmark for assessing and monitoring debt sustainability and encourage its widespread use by all creditors.”] We underline that [EU: “~~We underline that~~” Insert “Borrowers should strive to implement”] [CANZ: “~~We underline that~~” Insert “Borrowers should strive to implement”] [US: “~~We underline that~~” Insert “Borrowers should strive to implement”] sound macroeconomic policies and public resource management [CANZ: Insert “which”] are key elements in reducing national vulnerabilities. We will redouble efforts [CANZ: “~~redouble efforts~~” Insert “continue”] [US: “~~redouble efforts~~” Insert “continue”] to provide them [CANZ: “~~them~~” Insert “developing countries”] [US: “~~them~~” Insert “developing countries”] with the needed [CANZ: “~~needed~~” Insert “necessary”] [US: “~~needed~~” Insert “necessary”] technical help, including specific legal training to help countries faced with external debt litigation [CANZ: “~~including specific legal training to help countries faced with external debt litigation~~” Insert “to manage sovereign debts effectively”] [US: “~~including specific legal training to help countries faced with external debt litigation~~” Insert “to manage sovereign debts effectively”]. The Bretton Woods institutions and UNCTAD [CANZ: “~~UNCTAD~~” Insert “others”] [JPN: “~~UNCTAD~~” Insert “and other relevant organizations”] [US: “~~UNCTAD~~” Insert “others”] should continue to play a major and increasing [JPN: “~~and increasing~~”] [SWZ: “~~a major and increasing~~” Insert “an important”] role in this field [IMF: Insert “as appropriate in their respective mandates”]. Particular attention should be paid to keeping the debt sustainability frameworks under review to enhance the effectiveness of monitoring and analysing debt sustainability. Increased transparency and information-sharing are needed in the choice of debt service scenarios and construction of debt indicators, including sufficient consideration of the domestic public and private debt situation and achieving development goals. [EU: Insert “In this regard, we call on all creditor and debtor countries to provide reliable and up-to-date information on debt stocks and new loans to low income countries.”] [CANZ: Insert “In this regard, we call on all creditor and debtor countries to provide transparent, reliable and up-to-date information on debt stocks and on new loans to low income countries, building on existing practices and standards.”] [US: Insert “In this regard, we call on all creditor and debtor countries to provide transparent, reliable and up-to-date information on debt stocks and on new loans to low income countries, building on existing practices and standards, such as those of the Paris Club.”] Also, for these countries, bilateral donors and multilateral financial institutions should seek to increasingly provide grants and concessional loans as the preferred instruments to ensure debt sustainability. [G77: “~~Technical assistance to address debt problems can be crucial for many countries, in particular those facing acute structural problems, those seriously affected by climate change and those emerging from conflict. In spite of existing debt relief initiatives, many developing countries still continue to face obstacles to achieving debt sustainability and may require special assistance. We underline that sound macroeconomic policies and public resource management are key elements in reducing national vulnerabilities. We will redouble efforts to provide them with the needed technical help, including specific legal training to help countries faced with external debt litigation. The Bretton Woods institutions and UNCTAD should continue to play a major and increasing role in this field. Particular attention should be paid to keeping the debt sustainability frameworks under review to enhance the effectiveness of monitoring and analysing debt sustainability. Increased transparency and information-sharing are needed in the choice of debt service scenarios and construction of debt indicators, including sufficient consideration of the domestic public and private debt situation and achieving development goals. Also, for these countries, bilateral donors and multilateral financial institutions should seek to increasingly provide grants and concessional loans as the preferred instruments to ensure debt sustainability.~~”]

[G77 proposed 44: “We stress that existing debt relief initiatives should be revised, expanded and broadened, in order to encompass all developing countries that still continue to face obstacles to achieving debt sustainability. We will support new debt relief initiatives, that take into account the specific circumstances of developing countries, without conditionalities. We stress the need to utilize transparent and objective criteria to construct debt indicators, taking into account the development needs of the debtor country. Debt sustainability frameworks must also give greater weightage to the benefits from expenditures and investment that have long term social and economic returns, like infrastructure development, social sector spending, etc. Particular attention should be paid to keeping the debt sustainability frameworks under review to enhance the effectiveness of monitoring and analyzing debt sustainability. We also stress the importance of national ownership of debt management strategies. Also, for countries under debt relief programs, bilateral donors and multilateral financial institutions should seek to increasingly provide grants and concessional loans as the preferred instruments to ensure debt sustainability.”]

[G77 proposed 44bis: “We reaffirm the importance of adequate capacities of debtor countries during debt negotiations, debt re-negotiations, and for debt management. In this regard, we agree to enhance technical assistance to developing countries upon request, including specialized legal training in cases of external debt litigation.”]

[G77 proposed 44ter: “We recognize that current debt initiatives do not adequately address the needs of Middle Income Countries and emphasize the importance of continued efforts towards durable solutions to the external debt problem of MICs by enhancing sustainability, debt relief, including debt swap mechanisms, and sustainable debt management of MICs. We urge the international financial institutions to continue to provide technical assistance and support for MICs in working towards building national capacities for debt management.”]

[G77 proposed 44quat: “We welcome the efforts of and calls upon the international community to provide flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;”]

[G77 proposed 44quint: “We recognize that the current economic crises carry the serious possibility of undoing years of hard work and economic gains made by the low income developing countries. The situation clearly demands bolder and more encompassing initiatives to solve the external debt problems of the low income developing countries in an effective, equitable and development oriented manner. We need to particularly focus on considering debt scenarios in the face of exogenous shocks.”]

45. We recognize that a shift has occurred [JPN: “~~has occurred~~”] from official to commercial borrowing and from external to domestic public debt, and [SWZ: “~~and~~” Insert “.”] that this [SWZ: “~~that this~~” Insert “This”] is [JPN: “~~and that this is~~” Insert “,as well as increased lending by new official creditors, are”] creating new vulnerabilities [EU: Insert “and challenges for debt management”] [SWZ:Insert “and opportunities”] [IMF: suggested refining language to reflect that, for most low-income countries, external finance is still largely official][Tanzania: agrees with preceding comment by IMF]. We note the need to address this situation, including by improved data collection and analysis. [CANZ: “~~We recognize that a shift has occurred from official to commercial borrowing and from external to domestic public debt, and that this is creating new vulnerabilities. We note the need to address this situation, including by improved data collection and analysis.~~”]

46. We acknowledge the need to address all relevant issues regarding external debt problems, including through [G77: insert “a”] new ad hoc forums [G77: “~~ad hoc forums~~” Insert “forum under the United Nations”] [SWZ: “~~including through new ad hoc forums~~”]with technical support from the Bretton Woods

institutions and the United Nations [G77: ~~“and the United Nations”~~], to consider, inter alia, a [SWZ: ~~“a”~~ Insert ~~“an enhanced”~~] sovereign debt work-out mechanism, [NOR: Insert ~~“including assessing the legitimacy of debt,”~~] enhancing the transparency and accountability of procedures of existing mechanisms [SWZ: ~~“enhancing the transparency and accountability of procedures of existing mechanisms”~~ Insert ~~“based on existing frameworks”~~], and the possibility of crafting more [SWZ: ~~“more”~~] permanent debt mediation or arbitration mechanisms. [EU: ~~“We acknowledge the need to address all relevant issues regarding external debt problems, including through new ad hoc forums with technical support from the Bretton Woods institutions and the United Nations, to consider, inter alia, a sovereign debt work-out mechanism, enhancing the transparency and accountability of procedures of existing mechanisms, and the possibility of crafting more permanent debt mediation or arbitration mechanisms.”~~] [CANZ: ~~“We acknowledge the need to address all relevant issues regarding external debt problems, including through new ad hoc forums with technical support from the Bretton Woods institutions and the United Nations, to consider, inter alia, a sovereign debt work-out mechanism, enhancing the transparency and accountability of procedures of existing mechanisms, and the possibility of crafting more permanent debt mediation or arbitration mechanisms.”~~] [JPN: ~~“We acknowledge the need to address all relevant issues regarding external debt problems, including through new ad hoc forums with technical support from the Bretton Woods institutions and the United Nations, to consider, inter alia, a sovereign debt work-out mechanism, enhancing the transparency and accountability of procedures of existing mechanisms, and the possibility of crafting more permanent debt mediation or arbitration mechanisms.”~~] [US: ~~“We acknowledge the need to address all relevant issues regarding external debt problems, including through new ad hoc forums with technical support from the Bretton Woods institutions and the United Nations, to consider, inter alia, a sovereign debt work-out mechanism, enhancing the transparency and accountability of procedures of existing mechanisms, and the possibility of crafting more permanent debt mediation or arbitration mechanisms.”~~] [IMF: ~~“We acknowledge the need to address all relevant issues regarding external debt problems, including through new ad hoc forums with technical support from the Bretton Woods institutions and the United Nations, to consider, inter alia, a sovereign debt work-out mechanism, enhancing the transparency and accountability of procedures of existing mechanisms, and the possibility of crafting more permanent debt mediation or arbitration mechanisms.”~~]

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

47. Despite several efforts, progress in addressing systemic issues since the Monterrey Conference has been limited [EU: ~~“Despite several efforts, progress in addressing systemic issues since the Monterrey Conference has been limited.”~~ Insert ~~“Some results have been achieved since Monterrey in addressing systemic issues. But much progress is needed in this regard.”~~] [CANZ: ~~“Despite several efforts, progress in addressing systemic issues since the Monterrey Conference has been limited.”~~ Insert ~~“Since Monterrey, there has been some incremental progress in addressing systemic issues”~~] [US: ~~“Despite several efforts, progress in addressing systemic issues since the Monterrey Conference has been limited”~~] We resolve [US: Insert ~~“will continue”~~] to undertake more decisive [US: ~~“more decisive”~~ Insert ~~“appropriate”~~] and timely steps to [CANZ: ~~“undertake more decisive and timely steps to”~~ Insert ~~“further”~~] improve the functioning of the international economic system to promote global growth and to better support development efforts. This is crucial for an integrated implementation of the Monterrey Consensus and to help achieve [JPN: Insert ~~“sustained and inclusive economic growth, poverty reduction, and”~~] the internationally agreed development goals, including the Millennium Development Goals.

[G77 proposed 47alt: ~~“Progress in addressing systemic issues since Monterrey has been minimal. We had recognized the urgent need to enhance coherence governance and consistency of international monetary, financial and trading systems. We had charged the Multilateral Financial Institutions, in particular the IMF, to inter alia, strengthen the surveillance of all economies, give high priority to the identification and prevention of potential crises and to strengthening the underpinnings of international financial stability; to~~

reform the international financial architecture to provide greater transparency and effective participation of developing countries and countries with economies in transition ; and to broaden and strengthen the participation of developing countries with economies in transition in international decision-making and norm-setting. They failed. This partly explains the current deep and broadening financial crisis as well as the continued weaknesses in the international financial system.”]

[G77 proposed 47bis: “We resolve to urgently undertake decisive and concrete steps to address the current financial crisis and to ensure an inclusive, equitable, fair and transparent international economic system, including through addressing its structural aspects in the shortest possible time, inter alia, to promote global growth and to better support development efforts. We reaffirm our commitment to strengthen the leadership role of the United Nations in these efforts. Such an approach is critical for an integrated implementation of the Monterrey Consensus and to help achieve the internationally agreed development goals, including the Millennium Development Goals.”]

[G77 proposed 47ter: “We reaffirm that the enhancement of voice and participation of developing countries in international financial institutions, including the Bretton Woods Institutions, is vital to enhance the legitimacy and effectiveness of these institutions. The agreement regarding the recent quota review in the IMF is a modest step in the right direction, yet greater efforts are urgently needed to substantially increase the share of votes held by developing countries. A comprehensive examination of the role of BWIs is also required. We acknowledge that there is little justification for weighted voting in norm-setting and regulatory institutions. We also emphasize the need to review special drawing rights allocation.”]

[G77 proposed 47quat: “Reform efforts should also be extended to other non-representative bodies like the Financial Stability Forum and the Basel Committee. Most efforts in the formulation of standards and codes have taken place outside the multilateral system. We decide to ensure an effective and equitable representation of developing countries in standards and norms-setting bodies. We recognize that the implementation of standards and codes in developing countries with less advanced financial systems should be flexible.”]

[G77 proposed 47quint: “We reiterate our resolve to work on the basis of sound, nationally owned parts of reform paying due regard to the special needs and capacities of developing countries and to invigorate the UN system and to strengthen its relationship and coordination with multilateral financial, trade and development institutions.”]

48. The globalization process [US: ~~“The globalization process”~~ Insert **“Globalization”**] has continued to accelerate, bringing [US: ~~“accelerate, bringing”~~ Insert **“bring”**] closer economic links coupled with significant economic benefits to many countries and peoples. However, this process is leaving behind [EU: ~~“this process is leaving behind”~~] a considerable number of countries [LICH: Insert **“,communities”**] as well as individuals [EU: Insert **“are still left behind”**]. [CANZ: ~~“However, this process is leaving behind a considerable number of countries as well as individuals”~~ Insert **“However, an increased effort is necessary to ensure that other countries, including regions and localities within countries, as well as groups, and individuals, particularly women and other marginalized people, are not left behind in this process.”**] This implies new [EU: **“new”** Insert **“remaining”**] challenges and demands on the [EU: ~~“the”~~ Insert **“national”**] global economic institutions and their coherence and governance systems [JPN: ~~“demands on the global economic institutions and their coherence and governance systems”~~ Insert **“opportunities on which we should work together”**]. [G77: ~~“The globalization process has continued to accelerate, bringing closer economic links coupled with significant economic benefits to many countries and peoples. However, this process is leaving behind a considerable number of countries as well as individuals. This implies new challenges and demands on the global economic institutions and their coherence and governance systems.”~~][NOR: Insert **“An important dimension in meeting these challenges is promoting gender equality and the empowerment of women.”**][RUS: ~~“The globalization process has continued to accelerate, bringing closer economic links coupled with significant economic benefits to many countries and peoples. However, this process is leaving~~

~~behind a considerable number of countries as well as individuals. This implies new challenges and demands on the global economic institutions and their coherence and governance systems.”]~~

49. Countries should continue to enhance [US: ~~“continue to enhance”~~ Insert “pursue sound”] macroeconomic [US: Insert “and microeconomic”] policies and [US: Insert “structural reform, while also”] strengthen [US: ~~“strengthen”~~ Insert “strengthening”] their financial system [US: ~~“system”~~ Insert: “systems and economic institutions”] . [G77: ~~“Countries should continue to enhance macroeconomic policies and strengthen their financial system.”~~][CANZ: Insert “Improved coordination among the relevant ministries and institutions in both developed and developing countries can assist in the formulation and effective implementation of policies at all levels”] It is equally important that [EU:Insert “regional”] international development institutions and developed countries [ROK: ~~“developed countries”~~ Insert “major economies”] tailor their international economic policies more to [EU: ~~“tailor their international economic policies more to”~~ Insert “sufficiently consider”] [CANZ: ~~“tailor their international economic policies more to”~~ Insert “make best efforts to remain sensitive to”] the needs of both low-income and middle-income countries[EU: Insert “for sustainable development, when formulating their international economic policies”]. [US: ~~“It is equally important that international development institutions and developed countries tailor their international economic policies more to the needs of both low-income and middle-income countries.”~~] Improved coordination [US: ~~“coordination”~~ Insert “cooperation”] [IMF: consider keeping the word “coordination”] among the relevant ministries and institutions in [ROK: ~~“the relevant ministries and institutions in”~~]both developed and developing countries remains necessary for a coherent formulation and effective implementation of policies at all levels.[G77:~~“Improved coordination among the relevant ministries and institutions in both developed and developing countries remains necessary for a coherent formulation and effective implementation of policies at all levels.”~~] [EU: Insert “We call on all countries whose policies have an impact on developing countries as well as developing countries themselves to increase their efforts to formulate policies consistent with the objectives of poverty eradication and sustainable development”] [CANZ: ~~“Improved coordination among the relevant ministries and institutions in both developed and developing countries remains necessary for a coherent formulation and effective implementation of policies at all levels.”~~- moved, with editions, to become second sentence in the paragraph]

50. [EU: Insert “International financial and economic stability is a global public good.”] The foundations of stable international financial markets rest on sound macroeconomic and [JPN: ~~“and”~~] financial [JPN: insert “and monetary”] policies. Solid financial institutions at the country level are an essential pillar of a well-functioning international financial architecture. It is crucial, in particular, that [US: ~~“crucial, in particular, that”~~ Insert “important for all”] countries [US: Insert “and those”] with large [US: ~~“large”~~ Insert “systemically important”] economies [US: Insert “in particular, to”] manage them in ways that contribute to global stability and economic growth. [G77: ~~“The foundations of stable international financial markets rest on sound macroeconomic and financial policies. Solid financial institutions at the country level are an essential pillar of a well-functioning international financial architecture. It is crucial, in particular, that countries with large economies manage them in ways that contribute to global stability and economic growth.”~~]

51. [EU: Insert “We must strengthen the resilience of the international financial system. An improved oversight and regulatory framework to shape the financial sector is thus required.”] Enhanced financial information and transparency in the financial operations of public and private financial institutions, particularly banks, are key elements for a well-functioning international financial system. [CANZ: ~~“Enhanced financial information and transparency in the financial operations of public and private financial institutions, particularly banks, are key elements for a well-functioning international financial system.”~~ Insert “We recognize that reforms to the regulatory and institutional regimes for the world’s financial sectors are needed to remedy deficiencies exposed by the current financial crisis.”] National regulators should enhance financial information and transparency at the domestic level. [CANZ: Insert “The central bank, or other appropriate agency, in each country should have responsibility for financial system stability”]We will further endeavour to strengthen cooperation among national regulators to adopt adequate common [CANZ: ~~“common”~~] standards, as financial resources flow increasingly across borders. [EU: “That includes timely and adequate risks disclosure in order to improve the foundation of decisions of investors.”] [G77: ~~“Enhanced~~

~~financial information and transparency in the financial operations of public and private financial institutions, particularly banks, are key elements for a well-functioning international financial system. National regulators should enhance financial information and transparency at the domestic level. We will further endeavour to strengthen cooperation among national regulators to adopt adequate common standards, as financial resources flow increasingly across borders.”]~~

[G77 proposed 51alt: “Deep rooted weaknesses in regulatory and supervisory frameworks, as well as the absence of agreed standards have facilitated an increased prominence and wide spread use of highly complex globalized financial instruments, and increased the risks to the integrity of the world economy. It is important to undertake fundamental reform of the regulatory and supervisory frameworks as well as to develop better accounting standards, in order to address factors that might trigger systemic crises, in particular with regards to these new and innovative financial instruments. We will further endeavor to increase cooperation among national regulators to develop adequate common standards with equitable and universal representation, taking into account the particular circumstances of developing countries.”]

[US proposed 51: “We will further endeavour to strengthen cooperation among national regulators to strengthen international financial standards, as financial resources flow increasingly across borders. We welcome the Financial Stability Forum’s recommendation to strengthen financial systems, and the work by international standard setting bodies and by domestic bodies to implement these recommendations. We note in particular the need for enhanced transparency by financial institutions.”]

52. The emergence of new and highly globalized financial instruments is changing the nature of risks in the world economy[EU: Insert “, thus calling for better regulation of the markets”]. [CANZ: ~~“The emergence of new and highly globalized financial instruments is changing the nature of risks in the world economy”~~] It is [CANZ: Insert “also”] important that [CANZ: Insert “national”] regulatory [CANZ: Insert “and policy”] agencies, in cooperation with IMF, the Financial Stability Forum and other agencies, both public and private, examine [EU: Insert “in a concerted way”] the factors that might increase systemic risks and trigger systemic crises, in particular [SWZ: ~~“in particular”~~ Insert “including”] the various unregulated activities in international financial markets, [CANZ: ~~“in particular the various unregulated activities in international financial markets,”~~] with a view to assessing whether [EU: ~~“whether”~~ Insert “the modalities of”] further regulation at the national [EU: Insert “regional”] and international levels is necessary[EU: ~~“is necessary”~~] [CANZ: ~~“assessing whether further regulation at the national and international levels is necessary”~~ Insert “bolstering oversight and stability”]. [G77: ~~“The emergence of new and highly globalized financial instruments is changing the nature of risks in the world economy. It is important that regulatory agencies, in cooperation with IMF, the Financial Stability Forum and other agencies, both public and private, examine the factors that might increase systemic risks and trigger systemic crises, in particular the various unregulated activities in international financial markets, with a view to assessing whether further regulation at the national and international levels is necessary.”~~][EU: Insert “Regulators and banking supervisors shall work towards improving rating and disclosure practices. The IFIs, in accordance with their mandates, should enhance their capacity to assist developing countries concerning financial markets’ questions, such as stability, transparency, oversight, as well as providing assistance in situations of scarce liquidity.”] [CANZ: Insert “These discussions must involve both developed and developing countries to ensure these reforms meet emerging challenges.”] [MEX: Insert “We encourage all relevant national authorities to seriously consider the implementation of the recommendations regarding best practices in financial supervision and other key policy issues developed by the FSF.”]

[G77 proposed 52alt: “Enhanced financial information, transparency and regulatory control in the operation of the multilateral financial institutions is also key to a well functioning international financial system. A strengthened international financial architecture should have the capacity to anticipate and deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation. We reaffirm the need for enhanced mechanism to assess the need for further regulation at the national and international levels. We support the need to have international institutions with the requisite technical capacities, credit facilities and financial resources necessary to assist countries

in preventing financial crises and helping them to deal with the adverse effects of large fluctuations in the price of key commodities.”]

[CANZ proposes merging 51 and 52]

[NOR proposed 52 bis: “A reduction in tax evasion and illicit capital flight can make significant additional funds available for development. We therefore resolve to strengthen multilateral efforts to combat tax evasion and illicit capital flight.”]

53. We reaffirm that the Bretton Woods institutions [RUS: Insert “as part of the United Nations System,”] should be the key pillars of a strengthened international financial architecture [EU: Insert “each according to its mandate”]. They should have the capacity to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation. [EU: Insert “The IMF authority should be strengthened.”] [JPN: Insert “Especially the IMF has a critical mandate to foster the multilateral cooperation needed to restore and safeguard international monetary and financial stability and should stand ready to quickly make available substantial resources to help countries cover financing needs. The World Bank can also play a role to mitigate the difficulties countries face.”] We will undertake measures [EU: “~~undertake measures~~” Insert “make efforts”] to ensure that the Bretton Woods institutions have the technical capacities, credit facilities and financial resources necessary to assist countries in preventing financial crises and helping them to deal with [CANZ: “~~deal with~~” Insert “manage”]the adverse effects of large fluctuations in the price of key commodities[EU: “for example through the reformed IMF Exogenous Shocks Facility”]. The need for special drawing rights allocation should be kept under review. [G77: “~~We reaffirm that the Bretton Woods institutions should be the key pillars of a strengthened international financial architecture. They should have the capacity to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation. We will undertake measures to ensure that the Bretton Woods institutions have the technical capacities, credit facilities and financial resources necessary to assist countries in preventing financial crises and helping them to deal with the adverse effects of large fluctuations in the price of key commodities. The need for special drawing rights allocation should be kept under review.~~”] [MEX: “The need for special drawing rights allocation should be kept under review.”][EU: Insert “We need to ensure that the BWIs, within their mandates, are responsive and effective in helping developing countries tackle both short-term crises and long-term development needs”] [IMF: “The need for special drawing rights allocation should be kept under review.”]

[US proposal for revised, combined 52 and 53: “We reaffirm that the Bretton Woods Institutions should be the key pillars of the international financial architecture. They should have the capacity to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation. The emergence of new and highly globalized financial instruments is changing the nature of risks in the world economy, and it is important that regulatory agencies in cooperation with the IMF, the Financial Stability Forum and other agencies, both public and private, examine the factors that might increase systemic risks and trigger systemic crises.”]

54. Regional development banks are key actors [G77: “~~are key actors~~” Insert “can play a strong role”] in supporting development and furthering [G77: “~~furthering~~” Insert “assisting”] regional integration efforts. They play a vital role in the respective regional governance structure [US: “~~regional governance structure~~” Insert “region’s economic development”]. [G77: “~~They play a vital role in the respective regional governance structure.~~”] We must [G77: “~~must~~” Insert “will”] ensure [G77: Insert “where necessary”] that they have the necessary [G77: “~~necessary~~”] resources [G77: Insert “required”] to accomplish their tasks. [US: “~~We must ensure that they have the necessary resources to accomplish their tasks.~~”] [CANZ: “~~We must ensure that they have the necessary resources to accomplish their tasks.~~”] Other regional cooperation frameworks such as financial and monetary arrangements that complement the international financial system can be instrumental in fostering development and financial stability among its members [EU: Insert “if they are in accordance with

the existing multilateral framework”. We encourage [CANZ: ~~“We encourage”~~ Insert ~~“Those..”~~] those arrangements [EU: Insert ~~“in close coordination with the IFIs,”~~] as they [CANZ: ~~“as they”~~ Insert ~~“may also”~~] facilitate financial flows, lower transaction costs, serve as mechanisms that assist in the prevention of financial crises and render parties of such arrangements more resilient.

55. Credit rating agencies [G77: Insert ~~“also”~~] play a significant role in the provision of information, including assessment of corporate and sovereign [G77: ~~“and sovereign”~~] risk. [G77: Insert ~~“The ongoing financial crisis has clearly demonstrated the systemic failure in the way credit rating agencies currently operate. In view of Tthe..”~~]The systemic [G77: ~~“systematic”~~] role of the major bond [G77: ~~“major bond”~~] rating agencies in the lead-up to the latest financial crisis has stimulated an international discussion about the need for more transparency and [G77: ~~“lead-up to the latest financial crisis has stimulated an international discussion about the need for more transparency and”~~ Insert ~~“present financial crisis, we call for increased transparency and”~~] reduced conflict of interest in operations. We recognize the need [G77: ~~“We recognize the need”~~ Insert ~~“We agree”~~] to establish an appropriate, inclusive process to [CANZ: ~~“establish an appropriate, inclusive process to”~~] consider measures aimed at improving agency oversight and increasing their accountability and transparency [G77: ~~“consider measures aimed at improving agency oversight and increasing their accountability and transparency”~~ Insert ~~“enhance regulatory oversight of these agencies including their accountability”~~][CANZ: Insert ~~“including measures to encourage credit rating agencies to continue strengthening their risk assessment frameworks to better inform their customers of the risks inherent in their various financial products.”~~]. [US: ~~“Credit rating agencies play a significant role in the provision of information, including assessment of corporate and sovereign risk. The systemic role of the major bond rating agencies in the lead-up to the latest financial crisis has stimulated an international discussion about the need for more transparency and reduced conflict of interest in operations. We recognize the need to establish an appropriate, inclusive process to consider measures aimed at improving agency oversight and increasing their accountability and transparency.”~~]

[IMF proposed 55 bis: “The latest financial crisis has revealed weaknesses in accounting standards applicable to financial institutions; these standards should therefore be reviewed to ensure that the financial statements of such institutions accurately reflect their financial condition and form a proper basis for assessments of their capital adequacy”]

56. Most efforts in the formulation of standards and codes have taken place outside the multilateral system [SWZ: ~~“outside the multilateral system”~~ Insert ~~“firstly at national level”~~][IMF: consider rephrasing ~~“multilateral system”~~ since relevant bodies in this area may be considered multilateral]. [ROK: ~~“Most efforts in the formulation of standards and codes have taken place outside the multilateral system”~~] It is crucial to ensure an effective and equitable [US: ~~“Most efforts in the formulation of standards and codes have taken place outside the multilateral system. It is crucial to ensure an effective and equitable”~~ Insert ~~“As efforts to strengthen standards and codes continue, we welcome the participation and”~~] representation of developing countries in standard and norm-setting bodies [NOR: ~~“which should also promote gender equality and the empowerment of women”~~]. [ROK: ~~“It is crucial to ensure an effective and equitable representation of developing countries in standard and norm-setting bodies”~~ – sentence to be edited and moved to paragraph 58, as shown below] [US: Insert ~~“We encourage further broadening the participation of emerging economies in the work of such bodies.”~~] While these bodies have increased consultation with some countries, more should be done to broaden the participation [CANZ: ~~“where appropriate”~~]. We recognize that the implementation of standards and codes in developing countries with less advanced financial systems should be flexible [EU: ~~“be flexible”~~ Insert ~~“take into account their specific capabilities”~~]. [G77: ~~“Most efforts in the formulation of standards and codes have taken place outside the multilateral system. It is crucial to ensure an effective and equitable representation of developing countries in standard and norm-setting bodies. While these bodies have increased consultation with some countries, more should be done to broaden the participation. We recognize that the implementation of standards and codes in developing countries with less advanced financial systems should be flexible.”~~][CANZ: ~~“We recognize that the~~

~~implementation of standards and codes in developing countries with less advanced financial systems should be flexible.”] [US: “While these bodies have increased consultation with some countries, more should be done to broaden the participation. We recognize that the implementation of standards and codes in developing countries with less advanced financial systems should be flexible.” Insert “We appreciate the work by standard-setting bodies to develop high-level standards that can accommodate differences in implementation methodologies across countries to reflect diverse financial systems.”]~~

57. We recognize that [~~CANZ: “that” Insert “the importance of”~~] changes in the governance regime of the global economic and financial institutions are needed [~~CANZ: “are needed” Insert “being adopted”~~]. The [~~IMF: insert “recent”~~] agreement regarding the recent [~~IMF: “recent”~~] quota review [~~CANZ: “review” Insert “and voice reforms”~~] [~~IMF: “review” Insert “and voice reform”~~] in IMF is a step in the right direction; [~~IMF: “;” Insert “and the World Bank has also recently taken similar steps. yYet..”~~] yet, greater efforts need to be exerted to increase the voice and participation of developing countries on the IMF Executive Board [~~CANZ: “is a step in the right direction; yet, greater efforts need to be exerted to increase the voice and participation of developing countries on the IMF Executive Board” Insert “is a positive step in increasing the participation of developing countries on the board”~~] [~~JPN: “to increase the voice and participation of developing countries on the IMF Executive Board” Insert “to ensure that voice and participation in these institutions reflect members’ relative positions in the world economy”~~] [~~IMF: “IMF Executive Board” Insert “Executive Boards of both institutions”~~]. [~~CANZ: Insert “We welcome the recent agreement to improve the representation of low-income countries at the World Bank.”~~] It is also important to examine conditions by which only a few members can at times block key decisions. [~~JPN: “It is also important to examine conditions by which only a few members can at times block key decisions.”~~] The World Bank and [~~IMF: “It is also important to examine conditions by which only a few members can at times block key decisions. The World Bank and”~~] other [~~IMF: “other” Insert “Other”~~] entities such as the Financial Stability Forum and the Basel Committee on Banking Supervision should [~~IMF: Insert “also”~~] consider taking similar [~~IMF: “similar”~~] steps to achieve a more equitable participation of all members of the international community; the same applies to other bodies engaged in international economic decision-making. [~~G77: “We recognize that changes in the governance regime of the global economic and financial institutions are needed. The agreement regarding the recent quota review in IMF is a step in the right direction; yet, greater efforts need to be exerted to increase the voice and participation of developing countries on the IMF Executive Board. It is also important to examine conditions by which only a few members can at times block key decisions. The World Bank and other entities such as the Financial Stability Forum and the Basel Committee on Banking Supervision should consider taking similar steps to achieve a more equitable participation of all members of the international community; the same applies to other bodies engaged in international economic decision-making.”~~][~~CANZ: “It is also important to examine conditions by which only a few members can at times block key decisions. The World Bank and other entities such as the Financial Stability Forum and the Basel Committee on Banking Supervision should consider taking similar steps to achieve a more equitable participation of all members of the international community; the same applies to other bodies engaged in international economic decision-making.”~~]

[EU: keep paragraph 57 open in brackets]

[SWZ: keep paragraph 57 open in brackets]

[US proposed paragraph 57 (delete original paragraph except revised first sentence): “We recognize that changes in the governance regime of the global economic and financial institutions are needed and ongoing. We welcome efforts by the Bretton Woods Institutions and other international institutions to enhance their roles in support of sustainable economic growth, development and financial stability. Specifically, we recognize the measures taken by the Board of Governors of the International Monetary Fund (IMF) on April 28, 2008, to reform the IMF’s governance structure, providing greater representation and voice to emerging market and developing countries and creating a more flexible system that will support further changes over time as the relative positions of countries in the world economy evolve. We support the related efforts being made to enhance the voice and participation of the poorest countries in the World

Bank Group, especially the creation of an additional chair in the executive board for Sub-Saharan African countries. We look forward to engaging with all our partners in taking a new look over the next few years at the basic formula for shareholding at the Bank”]

58. Taking note of recent proposals, we acknowledge the need to convene a major international conference to review the international financial and monetary architecture and global economic governance structures [G77: **Insert “,and request the United Nations in cooperation with the BWIs to urgently commence preparations for the same. Such a conference should be at the Summit level in order to permit a full examination of the structural issues that underpin international economic and financial governance.”**][JPN: ~~“we acknowledge the need to convene a major international conference to review the international financial and monetary architecture and global economic governance structures”~~ **Insert “we continue to encourage the IMF to review the international financial and monetary architecture and global governance structures”**]. We thus invite the International Monetary and Financial Committee to include this subject in the agenda of its forthcoming meetings, and to make appropriate recommendations to the IMF Board of Governors and the international community. [G77: ~~“We thus invite the International Monetary and Financial Committee to include this subject in the agenda of its forthcoming meetings, and to make appropriate recommendations to the IMF Board of Governors and the international community.”~~] [ROK: ~~“We thus invite the International Monetary and Financial Committee to include this subject in the agenda of its forthcoming meetings, and to make appropriate recommendations to the IMF Board of Governors and the international community.”~~] **Insert “It will be crucial to ensure an effective and equitable representation of all countries concerned in this review and possibly standard and norm setting process.”**] [US: ~~“Taking note of recent proposals, we acknowledge the need to convene a major international conference to review the international financial and monetary architecture and global economic governance structures. We thus invite the International Monetary and Financial Committee to include this subject in the agenda of its forthcoming meetings, and to make appropriate recommendations to the IMF Board of Governors and the international community.”~~]

[CANZ proposed 58 alt: **Welcoming the ongoing international discussions on global economic governance structures, we acknowledge the need to ensure all countries, including low-income countries, are able to effectively participate in this process. We invite the International Monetary and Financial Committee and the Development Committee to take the appropriate actions to ensure full and equitable participation in the reform discussions.”**]

[EU: keep paragraph 58 open in brackets]

[MEX: keep paragraph 58 open in brackets]

[NOR: keep paragraph 58 open in brackets]

[SWZ: keep paragraph 58 open in brackets]

Other new challenges and emerging issues

[CANZ proposed new opening paragraph for the section: **“We are deeply concerned by the potential impact of the current financial crisis on the ability of developing countries to access the necessary financing for their development objectives. Developing and transition countries risk very serious setbacks to their efforts to improve the lives of their populations from any prolonged tightening of credit or sustained global slowdown. In this regard, we urge all donor countries to follow through on their official development assistance pledges, and call on the international community, including the World Bank and IMF, to draw on the full range of their resources and policy advice to help developing and transition countries strengthen their economies, maintain growth, and protect the most vulnerable groups against the impact of the current**

crisis. To maximize effectiveness, assistance should use existing instruments where possible, encourage country ownership, take into account issues of debt sustainability, leverage broader international support, and catalyze private sector activity. It will also be crucial for all countries to maintain appropriate macroeconomic policy frameworks that are tailored to national conditions and help support poverty reduction efforts.”]

59. We recognize that [EU: Insert “while new opportunities have been created,”] multiple challenges [JPN: Insert “including issues related to climate change and food prices”] have emerged in [EU: “in” Insert “that impacts the achievement of equitable and sustainable development, including”] eradicating poverty, achieving sustained economic growth and promoting sustainable development [EU: “promoting sustainable development” Insert “environment sustainability”]. Some of these key challenges that the world community faces today include [EU: Insert “financial instability”] substantial and persistent global imbalances; volatile capital flows and unstable [SWZ: “unstable”] exchange rate markets; large and abrupt price fluctuations [SWZ: “fluctuations” Insert “movements”] in international markets of key commodities, slowing global economic growth; and increased costs from [EU: “costs from”] damage to the Earth’s environment and climate change [EU: Insert “loss of biodiversity, deforestation, desertification and scarcity of water resources”]. [G77: insert “the world economy could be on the brink of a recession.”] [JPN: “Some of these key challenges that the world community faces today include substantial and persistent global imbalances; volatile capital flows and unstable exchange rate markets; large and abrupt price fluctuations in international markets of key commodities, slowing global economic growth; and increased costs from damage to the Earth’s environment and climate change”] We reaffirm our resolve to take concerted global action to address all [JPN: “all”] these areas [JPN: “areas” Insert “challenges”] [G77: “areas” insert “challenges and to ensure that we avoid any such recession”], while consistently furthering economic and human development for all. [US: “We recognize that multiple challenges have emerged in eradicating poverty, achieving sustained economic growth and promoting sustainable development. Some of these key challenges that the world community faces today include substantial and persistent global imbalances; volatile capital flows and unstable exchange rate markets; large and abrupt price fluctuations in international markets of key commodities, slowing global economic growth; and increased costs from damage to the Earth’s environment and climate change. We reaffirm our resolve to take concerted global action to address all these areas, while consistently furthering economic and human development for all.”] [RUS: “Some of these key challenges that the world community faces today include substantial and persistent global imbalances; volatile capital flows and unstable exchange rate markets; large and abrupt price fluctuations in international markets of key commodities, slowing global economic growth; and increased costs from damage to the Earth’s environment and climate change. We reaffirm our resolve to take concerted global action to address all these areas, while consistently furthering economic and human development for all.”]

[G77 proposed 59 bis: “We recognize that the current multiple crises, particularly the financial crisis have produced a severe shock and is pushing the global economy into recession and adversely impacting on the development efforts of developing countries. We underscore the need for the international community to remain fully engaged in reinvigorating the global partnership for development to effectively address these complex and daunting development challenges. We recognize that the UN should play a leading role in this regard”]

[G77 proposed 59ter: “The escalating financial crisis, which has also revealed the fundamental structural weakness of the international financial system, can reverse the development achievements of developing countries and the achievement of the internationally agreed development goals including the MDGs.” We must adopt comprehensive, decisive and urgent action to address the current financial crisis with a view to ensuring that the sustained growth of the world economy and development efforts of the developing countries is not affected. In addition to immediate rehabilitation, it is also essential to address the deep-rooted weaknesses in risk management and regulation in the financial sector of the major economies.”]

[US proposed 59 alt (paragraph 35 moved to this section) “We note that the aid architecture has significantly changed in the current decade. New official and non-official donors and novel partnership approaches, which transcend the traditional donor-recipient modality, have emerged. The flow of resources involved continues to increase significantly. This underscores the need for alignment, harmonization, coordination and ownership. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as, in particular, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance cooperation among this growing community of partners. We shall also strive to provide technical assistance for the incorporation of good aid policies by recipient countries in their national development strategies.”]

[US suggestion to place MEX proposed 34. bis here: “The contributions of all development actors are more effective when developing countries are in a position to manage and co-ordinate them. We welcome the role of new contributors and will improve the way all development actors work together, including those engaged in South-South co-operation. We acknowledge the contributions made by all development actors, and in particular the role of middle-income countries as both providers and recipients of aid. We recognise the importance and particularities of South-South cooperation and acknowledge that we can learn from the experience of developing countries. South-South co-operation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development co-operation and is a valuable complement to North-South co-operation. We encourage further development of triangular co-operation”.]

[US proposed 59bis: “We acknowledge that South-South cooperation is positive and growing. As South-South cooperation initiatives come to represent a larger share of resource flows, they will present recipient countries with the same policy challenges inherent in large-scale debt and ODA flows, including issues of governance, effectiveness, debt sustainability and coordination. As South-South initiatives continue to grow, it will therefore be important for source and recipient countries to fully engage in development coordination at the national and international levels and minimize the transaction costs of scaling up by working toward adopting internationally agreed good practice in development assistance delivery, management and reporting.”]

60. The concern of the international community with climate change has increased markedly since the adoption of the Monterrey Consensus. Ongoing and potential responses to tackle this phenomenon have major development implications [EU: “**and will incur a substantial additional cost to developing countries**”]. We agree to [JPN: “**agree to**” Insert “**will**”] address such implications in a timely and decisive way [EU: “**paying special attention to the needs of most vulnerable countries, especially LDCs and SIDS**”]. We resolve, inter alia, [MEX: “**inter alia**”] to address the financing needs for mitigation of and adaptation to climate change in developing countries in the context of sustainable development, in particular [MEX: “**in the context of sustainable development, in particular**”] within the structure of [MEX: “**the structure of**”] the United Nations Framework Convention on Climate Change and the process leading to the fifteenth Conference of the Parties to the Convention on Climate Change, [MEX: “**and the process leading to the fifteenth Conference of the Parties to the Convention on Climate Change,**” Insert “**particularly through the current negotiations under the Bali Action Plan aimed at the adoption of a new climate change regime in the Conference of the Parties**”] scheduled for the end of 2009 in Copenhagen. [CANZ: Insert “**Efforts to address climate change should include promoting continued trade in environmental goods, as well as facilitating the deployment of low-carbon technology to support economic development**”] We commit [JPN: “**commit**” Insert “**strive**”] to respond to the additional [JPN: “**additional**”] financial requirements to meet these new challenges with appropriate, concrete international cooperation measures and policies [JPN: Insert “**including mobilizing resources from the private sector**”] [NOR: Insert “**including new and innovative mechanisms for such**”]

finance. The current financial crisis should not detract from our efforts to combat climate change.”] [EU: ~~“in particular within the structure of the United Nations Framework Convention on Climate Change and the process leading to the fifteenth Conference of the Parties to the Convention on Climate Change, scheduled for the end of 2009 in Copenhagen. We commit to respond to the additional financial requirements to meet these new challenges with appropriate, concrete international cooperation measures and policies.”~~ Insert “. We welcome in this respect the adoption of the Bali Action plan of December 2007 and the objective to complete negotiations on a new comprehensive global agreement on climate change in Copenhagen in December 2009. We welcome the launching of the Adaptation Fund within the UNFCCC structure. We recognize the need to develop in conformity with Bali Action plan an architecture to optimise and mobilise predictable, sustainable and new, additional and adequate investment and financial flows from various sources (including the private sector, the carbon market, public sector and innovative instruments) and to deliver financing efficiently, effectively and equitably, and stress that financing to support nationally appropriate mitigation actions by developing countries as well as these mitigating actions should also be measurable, reportable and verifiable. We call for international climate change finance to be inclusive, equitable and delivered in line with established principles and mechanisms of development assistance such as country ownership and alignment with national priorities and systems.”] [US: ~~“We resolve, inter alia, to address the financing needs for mitigation of and adaptation to climate change in developing countries in the context of sustainable development, in particular within the structure of the United Nations Framework Convention on Climate Change and the process leading to the fifteenth Conference of the Parties to the Convention on Climate Change, scheduled for the end of 2009 in Copenhagen. We commit to respond to the additional financial requirements to meet these new challenges with appropriate, concrete international cooperation measures and policies.”~~] Concerted efforts to address climate change should promote increased trade in environmental goods and not result in environmentally based [EU: ~~“environmentally based”~~] [RUS: ~~“environmentally based”~~] trade distortions [EU: Insert “that would be incompatible with WTO rules”] [NOR: ~~“and not result in environmentally based trade distortions”~~ Insert “, and at the same time ensure that trade and climate efforts are mutually supportive”]. We should facilitate [US: ~~“should facilitate”~~ Insert “welcome”] the transfer [NOR: ~~“transfer”~~ Insert “development and diffusion, as appropriate,”] of [EU insert: “safe and sustainable”] low-carbon technology [EU: Insert “technologyies”] to support economic development efforts. [CANZ: ~~“Concerted efforts to address climate change should promote increased trade in environmental goods and not result in environmentally based trade distortions. We should facilitate the transfer of low-carbon technology to support economic development efforts.”~~] [MEX: Insert “Moreover, we will make all efforts to develop technologies that reduce the environmental impact of energy production and consumption, and strive to find and implement innovative mechanisms to finance new and renewable sources of energy and energy efficiency.”]

[G77 proposed 60alt: “The concern of the international community with climate change has increased markedly since the adoption of the Monterrey Consensus. Addressing this phenomenon will entail significant financial implications for development efforts of developing countries. We agree to address such implications in a timely and decisive way, within the UNFCCC and its Kyoto Protocol, and in accordance with the principle of common but differentiated responsibilities, through improved access to adequate, predictable and sustainable resources and financial and technical support, and the provision of new and additional resources, including official and concessional funding. We resolve to support urgent implementation of adaptation actions in developing countries, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse impacts of climate change, especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods. We agree to facilitate the transfer of low-carbon technologies to developing countries, including through effective mechanisms and enhanced means for the removal of obstacles to, and provision of financial and other incentives for, scaling up of the development and transfer of technology to developing countries. We emphasize that the ongoing financial crisis should not undermine the implementation of commitments by

developed countries under the UNFCCC and its Kyoto Protocol or detract the focus from addressing climate change.”]

[SWZ proposed 60bis: “We recognize that biological diversity plays a crucial role in poverty eradication as well as for economic and social development, and we redouble our efforts to meet the target of achieving, by 2010, a significant reduction in the rate of loss of biodiversity in line with commitments made at the last World Summit on Sustainable Development in Johannesburg 2002 and the relevant decisions of the 9th Conference of Parties to the CBD.”]

61. We also underscore the special challenges emerging from international [G77: insert “volatility in”] “commodity markets, particularly [G77: insert “as manifested in”] the abrupt rise [EU: “~~abrupt rise~~” Insert “volatility”] in [G77: “~~abrupt rise in~~”] [JPN: “~~abrupt rise in~~” Insert “volatility of”] food [CANZ: Insert “prices”] and [CANZ: Insert “the volatility in”] energy prices [G77: “~~prices~~” insert “crises”] [CANZ: Insert “from their pre-2007 levels”]. We will mobilize additional [EU: “~~mobilize additional~~” Insert “make efforts to increase”] multilateral and bilateral resources to assist developing countries [JPN: Insert “as necessary”], particularly the least developed and those that are most affected by high food and energy prices, in coping with the consequences of these higher prices, while at the same time recognizing the necessity [G77: insert “inter alia”] of a substantial expansion in food production [G77: insert “scaling up investments in the agricultural sector and intensifying research. We also stress the necessity to eliminate trade distorting agricultural subsidies by developed countries. It is essential to allow new producers, especially in the developing world, to participate in the world food market”] [MEX: Insert “and energy coverage. We stress the importance of energy and food security for development, and that energy security should not be seen as a substitute to food security but rather as a complement in promoting sustainable development.”]. We reiterate that the global food crisis has multiple and complex causes and that its consequences require a comprehensive and coordinated response in the short, medium and long term by national Governments and the international community [G77: insert “including the continued engagement of the United Nations system with Member States”]. [MEX: Insert “A coordinated response should promote economic development, bearing in mind the common responsibility towards the protection of the environment.”] We also take note of [EU: “~~also take note of~~” Insert “encourage thus the development of a global partnership for agriculture and food. In this regard, we welcome”] the establishment by the Secretary-General of the High-level Task Force on the Global Food Crisis, and encourage its continued engagement with United Nations Member States [EU: Insert “, relevant organizations and all stakeholders, including private sector and especially farmers”]. [G77: “~~We also take note of the establishment by the Secretary-General of the High-level Task Force on the Global Food Crisis, and encourage its continued engagement with United Nations Member States.~~”]

[EU proposed 61bis “We will encourage all countries to develop energy systems that meet development needs and are consistent with the necessity to stabilize the global climate. This goal will not be met without major changes in energy supply and use worldwide. We call for substantially increasing the share of renewable energies and to promote energy efficiency, energy conservation and behavioural change. We reaffirm that access to basic energy services and to clean and sustainable energy is indispensable to eradicate extreme poverty and to achieve IADGs, including the MDGs.”]

[US proposed 61alt: “We also underscore the special challenges and opportunities emerging from international commodity markets, particularly the recent fluctuations in food and petroleum prices. We are concerned by evidence that many low and middle-income countries are vulnerable to substantial negative balance of payment and inflation effects from elevated food and fuel prices, with fuel contributing nearly four times as much as food to the balance of payment impact. We welcome the recent decrease in fuel prices, and call on all oil producing countries and organizations to avoid measures that would restrict the supply of fuel to international markets. Transparent, open energy markets are the best way to ensure supply and demand are adequately balanced. We note the proposals for new or reformed facilities by the IMF and World Bank targeting countries most severely affected by volatile food and fuel prices, and call

for continued close monitoring of the situation by these institutions. At the same time, we underscore the need for careful targeting of fuel subsidies to avoid squeezing out development spending, as well as prudent exchange rate policies to reduce the impact on the tradeable sector.”]

[US proposed 61bis: “We will mobilize additional multilateral and bilateral resources to assist developing countries, particularly the least developed and those that are most affected by food and energy insecurity while at the same time recognizing the need to substantially improve productivity in, and eliminate barriers to, food production, processing, and distribution over time. It will also be important for countries to maintain responsible fiscal and monetary policy, progressive liberalization of trade and careful targeting of safety nets in their responses to the food crisis. We reiterate that food insecurity has multiple and complex causes and that its consequences require a comprehensive and coordinated response in the short, medium and long term by national governments and the international community.”]

62.[EU: Insert “We recall that gender equality is a fundamental human right, a fundamental value and an issue of social justice; it is essential for economic growth, poverty reduction, environmental sustainability and aid effectiveness.”] We [NOR: Insert “recognize that our commitments towards women’s rights and gender equality has not been met and”] reiterate the need for [NOR: Insert “effective”] gender mainstreaming in [NOR: “in” Insert “with sufficient resources and institutional capacity into”] the formulation and implementation of development policies, including financing for development policies, by all stakeholders of the Monterrey Consensus. [EU: Insert “We commit to increase our efforts to fulfil our commitments regarding gender equality and empowerment of women through, inter alia, well targeted and resources measures to promote and reinforce national efforts in capacity building of state and non-state actors in gender responsive public management, including but not limited to gender budgeting; to generate and make full use of gender disaggregated data and gender analysis when designing, negotiating and implementing development policies, strategies and plans and to make gender impact assessments an integral part of our monitoring and evaluation systems at all levels and in all sectors; to promote women’s rights and economic empowerment and effectively mainstream gender in law reforms, business support services, economic programs and interventions.”] It is also necessary that, when designing and implementing development strategies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields [SWZ “It is also necessary that, when designing and implementing development strategies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields” Insert “We will step up efforts to provide all necessary financial and personal resources as well as institutional structures for the systematic and effective implementation of gender mainstreaming”]. [G77 : “We reiterate the need for gender mainstreaming in the formulation and implementation of development policies, including financing for development policies, by all stakeholders of the Monterrey Consensus. It is also necessary that, when designing and implementing development strategies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields.”] [US “We reiterate the need for gender mainstreaming in the formulation and implementation of development policies, including financing for development policies, by all stakeholders of the Monterrey Consensus. It is also necessary that, when designing and implementing development strategies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields.”] [RUS: “We reiterate the need for gender mainstreaming in the formulation and implementation of development policies, including financing for development policies, by all stakeholders of the Monterrey Consensus. It is also necessary that, when designing and implementing development strategies, due and full attention be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields.”]

[SWZ proposed 62bis: “When designing and implementing development strategies, due and full attention shall be paid to overall social development concerns and goals, including the social development aspects contained in the outcomes of major United Nations conferences and summits in the economic and social fields.”]

63. [G77: Insert “We recognized that in..”] In middle-income countries, substantial pockets of [G77: “pockets of”] poverty persist. We acknowledge the efforts to bring to light the particular development challenges faced by middle-income countries at the conferences held in Spain, El Salvador and Namibia on international development cooperation with middle-income countries. We encourage the [G77: “encourage the” Insert “call on the international community,”] United Nations system, [G77: Insert “the international financial institutions including the”] Bretton Woods institutions and all other stakeholders to enhance their role in addressing [G77: “to enhance their role in addressing” Insert “to provide greater support to middle income countries bearing in mind”] the special developmental needs of these countries. [US: “In middle-income countries, substantial pockets of poverty persist. We acknowledge the efforts to bring to light the particular development challenges faced by middle-income countries at the conferences held in Spain, El Salvador and Namibia on international development cooperation with middle-income countries. We encourage the United Nations system, Bretton Woods institutions and all other stakeholders to enhance their role in addressing the special developmental needs of these countries.”] [CANZ: Insert “We also note that new actors, some of which are middle-income countries, are playing an increasingly recognizable role in development and financial activities. As these new actors continue to expand their involvement in international financial systems, it is vital that the principles of aid effectiveness, responsibility, good governance, debt sustainability, and sound fiscal management be upheld”] [RUS: “In middle-income countries, substantial pockets of poverty persist. We acknowledge the efforts to bring to light the particular development challenges faced by middle-income countries at the conferences held in Spain, El Salvador and Namibia on international development cooperation with middle-income countries. We encourage the United Nations system, Bretton Woods institutions and all other stakeholders to enhance their role in addressing the special developmental needs of these countries.”]

[EU bracket existing paragraph and propose new 63: “We note that since the Monterrey Conference, despite economic growth, there has been a rise in inequalities, both nationally and internationally; these growing inequalities threaten social cohesion and are a potential source of conflict. We call on all countries to tackle inequalities to promote sustainable and inclusive growth.”]

[US proposed 63alt: “A consensus has emerged since Monterrey that fragile states are an important part of the UN’s agenda. Recent High-Level Events on Africa’s Development Needs and the Millennium Development Goals call for expedited access to financing for development as essential for strengthening peacebuilding, timely delivery of a peace dividend, and institution building for sustainable development. Many of the poorest continue to live in states where chronic conflict, failing infrastructure, and chronically low investment prevent the delivery of basic social services and limit the productive capacity of the economy. We will step up our efforts to assist countries in accessing financing for development in the post-conflict context, and we note the valuable work of the Peacebuilding Commission in providing coordination for the mobilization of this assistance.”]

[JPN proposed 63 bis: “We affirm the importance of providing seamless assistance to peacebuilding efforts, beginning with humanitarian assistance in a conflict situation, followed by rehabilitation and nation-building, and assistance for governance and improvement of social and economic infrastructure”]

Staying engaged

64. We recommit to staying fully engaged, nationally, regionally and internationally, to ensuring proper follow-up to the implementation of the Monterrey Consensus and the Doha outcome document, and to continuing to build bridges between all relevant stakeholders, both institutional and non-institutional, [G77: ~~“both institutional and non-institutional”~~] within the holistic agenda of the financing for development process. [US: Insert **“Since 2002, a number of stakeholders have reviewed the implementation of the Monterrey Consensus and there is a diverse array of organizations conducting research and publishing regular reports on financing for development topics at all levels.”**]

[EU: Keep paragraph 64 open in brackets]

65. [G77: Insert **“We reaffirm that Aa..”**] A robust and credible process of follow-up [G77: Insert **“to the implementation of the financing for development Conferences”**] is critical to continued progress in the financing for development process [G77: ~~“in the financing for development process”~~]. We acknowledge the need to consider and set up, as appropriate, [CANZ: ~~“and set up as appropriate”~~] a more effective intergovernmental [SWZ: ~~“intergovernmental”~~] structure [CANZ: ~~“structure”~~] Insert **“process”** to carry out this task with the support of the Financing for Development Office, taking into account [JPN: ~~“the need to consider and set up, as appropriate, a more effective intergovernmental structure to carry out this task with the support of the Financing for Development Office, taking into account”~~] various proposals that have been put forward in this regard [CANZ: ~~“with the support of the Financing for Development Office, taking into account various proposals that have been put forward in this regard”~~]. We request the Economic and Social Council to consider these proposals in depth at its 2009 spring high-level meeting with the international financial and trade institutions [JPN: ~~“at its 2009 spring high-level meeting with the international financial and trade institutions”~~], with a view to making appropriate and timely recommendations for final action by the General Assembly. [G77: ~~“We acknowledge the need to consider and set up, as appropriate, a more effective intergovernmental structure to carry out this task with the support of the Financing for Development Office, taking into account various proposals that have been put forward in this regard. We request the Economic and Social Council to consider these proposals in depth at its 2009 spring high-level meeting with the international financial and trade institutions, with a view to making appropriate and timely recommendations for final action by the General Assembly.”~~] Insert **“In this regard, we decide to set up an improved and strengthened mechanism for the follow-up which would review progress in the implementation of the commitments, identify obstacles, challenges and emerging issues, and propose concrete recommendations and actions and request the President of the General Assembly to convene, no later than March of 2009, open, transparent and inclusive intergovernmental negotiations for finalizing the modalities of this mechanism during the 63rd session of the GA.”**

[EU: Keep paragraph 65 open in brackets]

[US proposed 65 alt: We recognize that maintaining a robust, diverse and credible multi-stakeholder follow-up process is critical, based on the core responsibility of all participants in the financing for development process to exercise ownership of and implement their respective commitments. There is substantial room to enhance the sharing of best practices and technical assistance to the concrete benefit of developing countries. To support the follow-up process, we propose the following steps. First, to improve domestic policy coherence, countries should consider financing for development in an integrated fashion, including through the continued engagement of ministries of development, finance, trade and foreign affairs. Integrated treatment of financing for development issues in national development plans, including through medium-term expenditure frameworks, can enhance national ownership in managing financial flows. The international community should support these efforts. Second, we will reinvigorate dialogue with civil society, and in particular the private sector, on financing for development issues at the national, regional and global levels. Third, the international community should continue to draw upon the expertise, data and analysis available in multiple for a, while enhancing information sharing and dialogue between the various UN and non-UN bodies which monitor progress on financing for development issues. Fourth,

we will explore strengthening exchanges between senior officials, including on a regional basis, on topics of particular interest, with a view toward facilitating vigorous dialogue among experts in the most appropriate forum for each issue. Fifth, we should consider the use of technology to strengthen the global financing for development alliance by exploring the development of a virtual community of continuous, real-time information exchange, coordination, partnership and action between the full range of financing for development stakeholders. Sixth, the UN and other international organizations should keep the financing for development process on the agenda of their relevant intergovernmental bodies, as set out in the Monterrey Consensus. The Economic and Social Council should continue to take the lead in guiding the UN system in the follow-up and monitoring of UN activities related to financing for development.”]

66. We will consider the need [G77: ~~“will consider the need”~~ Insert “decide”] to hold a follow-up conference by 2013. [JPN: ~~“We will consider the need to hold a follow-up conference by 2013.”~~] [US: ~~“We will consider the need to hold a follow-up conference by 2013.”~~]

[EU: Keep paragraph 66 open in brackets]