



UNITED NATIONS FOLLOW-UP CONFERENCE ON FINANCING FOR DEVELOPMENT

OPENING PLENARY

November 29, 2008

3:00 – 6:00 pm

Doha, Qatar

BUSINESS SECTOR STEERING COMMITTEE STATEMENT

Mr. President, Excellencies, Ladies and Gentlemen, we join others in conveying our sympathy and support to the people of India during this difficult period. On behalf of the Business Sector Steering Committee it gives me great pleasure to address you this afternoon.

Our committee was established by the UN Financing for Development office to coordinate and provide on-going private sector inputs into the FfD Process. This has included participation at High Level Events of ECOSOC, Business Hearings and Review Sessions during the entire lead up to this Follow-up Conference on Financing for Development. It is clear that the FfD Office of the United Nations has embraced a multi-stakeholder approach and the private sector is a full partner.

Our delegation to the Conference numbers over 200 and has representatives from every region of the world and from the full range of business sectors. The Second International Business Forum on Financing for Development was held yesterday. The Forum had as its theme: "The Impact of the Financial Crisis and Proposed Roadmaps: Mobilizing Private Sector Resources for Development. It was attended by more than 200 participants from the private sector, country delegations, and international financial institutions.

The Forum set forth specific proposals and open discussion on the current financial crisis, the ongoing challenges facing developing country governments and private sector companies in accessing long term affordable finance, and next steps for improving

1

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economic growth, job creation, environmental stewardship and poverty reduction. Four issue sessions provided actionable proposals followed by discussion on implementation options and possible next steps, defining the “FfD Roadmap” that we must implement over the short and long term. Particular attention was paid to enhance national cooperation between government, business sector and civil society organizations, to address integrated solutions for the many challenges today, which require urgent action. In addition, three “Financing for Development Tools” were launched for the use of developing country governments and development agencies to increase their ability to collaborate effectively with the private sector. Entrepreneurship, notably in the SME high finance sector, and trade were recognized as core drivers for development. Also, “greening” the economy is offering new opportunities. The youth must become more involved as well.

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

However, the global financial crisis threatens the wellbeing of citizens worldwide. The collapse of credit markets since September presents a sudden and drastic change in the global economic outlook just since the last discussion of the Monterrey Consensus at hearings held by the UN FfD office in June in New York. There is a strong possibility of a decline of official development assistance (ODA) and the predictable rise of protectionism which impedes progress to increase trade and investment. A prolonged worldwide recession will inflict grave damage on economies of all developing countries, contribute toward the escalation of serious poverty and seriously impede the achievement of the range of development agendas set by the United Nations, especially the Millennium Development Goals (MDGs).

Given the enormity of the financial crisis facing political and business leaders, a successful Doha Outcome Document is critical. We need to forge the political consensus and partnership for dealing with the crisis, and set the framework for long-term FfD Follow-Up. As we face uncharted waters and adversity, we need to show the world and its citizens that its political leaders can work together in addressing the most challenging₂

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financial crisis of our time. We need the United Nations to be strong and effective, setting a framework with FfD Follow Up that can help us to turn our political commitments into concrete actions with effective development results across the full range of developing countries.

To deal effectively with the financial crisis, a systemic process needs to be established that enables immediate open exchange between public and private sector experts on how to ensure a stable global financial system. There needs to be a defined long term FfD Follow-Up process with results-oriented, operational technical exchanges on a decentralized level, involving experts from the public and private sectors, aimed at developing roadmaps, tools, and performance benchmarks. The FfD Follow-Up process needs to be in alignment with the Accra Agenda for Action on Aid Effectiveness of strengthening country ownership, building effective and inclusive partnerships, and achieving development results.

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

International cooperation on a global scale is essential to build a consensus on what needs to be done to reduce the potential depth and duration of a global slowdown and to ensure coherence among national policy responses. A vital element in that consensus will be for countries to resist any temptation to isolate themselves from the global crisis through protectionist measures.

The G-20 response to the drastic change in economic circumstances includes the priority to shore up the two most important pillars of financing for development: trade and investment. Trade, that is, export earnings, is by far the largest source of funding flowing to developing countries. Foreign direct investment (FDI) is the second largest source. Both sources are significantly more important for development than overseas development assistance (ODA). We join others in strongly advocating an urgent return to the Doha Round of trade negotiations.

At Monterrey commitments were made. Since 2002 it could be said that we have not done enough to reach its goals and imperatives. However what we saw at yesterday's

International Business Forum on Financing for Development was the outstanding potential of what we can achieve. Private sector representatives made a clear re-affirmation of staying engaged. As called for in the Monterrey Consensus, Financing for Development must deliver as “one” and it is important to recognize the United Nations as the global venue to coordinate multi-stakeholders, the Bretton Woods institutions, WTO and others to ensure the consistency and coherence of the array of international agendas related to financing for development.

Even under this uncertain economic outlook, the business sector is committed to adhering to their core values, increasing investment, creating employment and expanding industries in developing countries. The business sector, we firmly believe, remains a critical partner to restore confidence in the world economy and promote the rigorous implementation of the Monterrey Consensus with concrete and practical instruments, ideas and resources. The Business Sector Steering Committee for FfD is offering its continued active participation in the Follow-up of Doha.