

Third International Conference on Financing for Development

Considerations on Scope and Timing

In resolution 68/204, the General Assembly decided “to convene, in 2015 or 2016, a third international conference on financing for development.” The first informal consultation on March 20th allowed delegations to provide preliminary views on all issues related to the conference, including the date, format, organization and scope. The exchanges have made clear that a better and early understanding on scope and timing could be helpful in the efforts to finalize the modalities for the conference. Following are some elements and questions for discussion.

1. Elements of scope

The 2002 Monterrey Consensus and the 2008 Doha Declaration on Financing for Development provide the conceptual framework, including in the context of the post-2015 development agenda, for the mobilization of resources from a variety of sources and the effective use of financing required for the achievement of sustainable development, based on the following six main chapters:

- (i) Mobilizing domestic financial resources for development
- (ii) Mobilizing international resources for development, foreign direct investment and other private flows
- (iii) International trade as an engine for development
- (iv) Increasing international financial and technical cooperation for development
- (v) External debt
- (vi) Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

Resolution A/RES/68/204 gives further guidance on the broad areas of focus of the 3rd international conference. As outlined in para 43, the scope includes:

- (1) assessing the progress made in the implementation of the Monterrey Consensus and the Doha Declaration and to identify obstacles and constraints encountered in the achievement of the goals and objectives agreed therein, as well as actions and initiatives to overcome these constraints;
- (2) addressing new and emerging issues, including in the context of the recent multilateral efforts to promote international development cooperation, taking into account
 - a. the current evolving development cooperation landscape
 - b. the interrelationship of all sources of development finance
 - c. the synergies between financing objectives across the three dimensions of sustainable development
 - d. as well as the need to support the United Nations development agenda beyond 2015;
- (3) reinvigorating and strengthening the financing for development follow-up process.

Building on the platform of Monterrey and Doha, the conference could provide a single, comprehensive, holistic, forward-looking approach addressing the three dimensions of sustainable development.

The assessment of the progress made in the implementation of the Monterrey Consensus and Doha Declaration could cover (though not necessarily be limited to) their six chapters.¹ There have also been significant changes to the development cooperation landscape since Monterrey. Taking these changes into consideration, there appears to be agreement that, as in the Monterrey Consensus, the scope of the upcoming conference should include all actors and all sources of financing -- public, private, domestic and international.

Paragraph 43 of the resolution also calls for taking into consideration the synergies between financing objectives across the three dimensions of sustainable development. In this context, there is a need to more systematically integrate sustainability into the Monterrey and Doha financing for development agenda, based on the understanding that all development should be sustainable. One challenge in this regard will be how to integrate all financing streams, including those related to climate, biodiversity and other important areas.

2. Considerations on the timing of the conference

The conference should contribute to the success of an ambitious post-2015 development agenda. The decision on the timing should be based on this objective. Two main views have emerged in this regard – holding the conference either before or after the 2015 Summit. Several issues have been raised for consideration.

Chicken and egg problem

Which comes first: the post-2015 development agenda or the financing framework? Agreeing to an ambitious post-2015 development agenda might be difficult without an updated and comprehensive financing framework in place. On the other hand, deciding on a financing framework without first knowing the agenda may be challenging.

Political momentum

The conference should be timed with a view to harnessing maximum political momentum. The 2015 and 2016 scenarios both have inherent risks and benefits. Strengthening and updating the Monterrey and Doha financing framework prior to the Summit on the post-2015 development agenda could generate positive political momentum and help foster commitments from Member States to an ambitious post-2015 development agenda, including the SDGs. The conference would thus serve as an inspirational milestone toward the Summit.

On the other hand, an insufficiently inclusive and ambitious outcome of the third international conference on financing for development could undermine momentum for an ambitious post-2015 development agenda and weaken the outcome of the Summit.

¹ See: Note by the Secretary-General: Coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda, E/2014/53

Synergies with other processes and duplication of work

Duplication of work is a risk in both scenarios, and should be avoided. A clear ‘division of labour’ between relevant processes is important. An important question is how to prevent a duplication of the financing for development discussion in the context of the post-2015 Summit and its preparatory process. Another question is whether and how the conference should be linked with the 21st Conference of the Parties on Climate Change in 2015.

Sufficient preparation vs. more time for implementation, and logistical considerations

There is also a concern that there be adequate time to prepare for a successful conference. An earlier conference leaves less time to forge a broad consensus through consultations with all relevant stakeholders. An early conference could pose capacity challenges for some Member States, particularly in light of the large number of other processes ongoing in 2015, including the negotiations of the post-2015 development agenda. However, the number of high-level events in 2016 is hard to predict at this point.

On the other hand, an early timing (2015) may help countries shape timely national and multilateral implementation strategies, which could allow for more immediate implementation of the post-2015 agenda.

Focus of the outcome of the conference

A conference before the 2015 Summit could provide a broad financing framework that would apply across the range of potential goals and facilitate a more productive discussion on the means of implementation in the context of the post-2015 development agenda. A 2016 conference might be more focused on the agreed post-2015 development agenda, including the SDGs. At the same time, one objective should be to avoid these discussions coming at the expense of developing a comprehensive framework.

Questions to be considered include:

- (1) How can the third international conference on financing for development best contribute to the success of the post-2015 development agenda?
- (2) How can we ensure that the conference and its preparation avoid duplication with other relevant processes?
- (3) How can the scope of the conference best integrate the economic, social and environmental dimensions of sustainable development?