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For further Information

Please refer to the Financing for De- velopment Web site at www.un.org/ esa/ d/hld/HLD2011/index.htm.

Overview

In accordance with General Assembly resolution 65/314 of 12-Septem ber 2011 (A/RES/65/314), the fth High-level Dialogue on Financing for Development will be held on Wednesday, 7, and ursday, 8 December 2011, at United Nations Headquarters. e overall theme of the Dialogue will be " e Monterrey Consensus and Doha Declaration on Financing for Development: Status of implementation and tasks ahead".

Plenary meetings

e Dialogue will include four plenary meetings. ree plenary meetings will be held on Wednesday, 7 December 2011, from 10 a.m. to 1 p.m. and from 3 to 6 p.m., and on ursday, 8 December 2011, from 10 a.m. to 1 p.m., in the General Assembly Hall. A short closing plenary meetin will be held on ursday, 8 December, at 5.45 p.m. in Con 8 Dst16-10(e)

tables will be held in parallel from 10 a.m. to 1 p.m. on the follow- ing themes:

Round table 1: e reform of the international monetary and nancial system and its implications for development (Conference Room 2 (NLB));

Round table 2: e impact of the world nancial and economic crisis on foreign direct investment and other private ows, external deb and international trade (ECOSOC Chamber (NLB)); and

Round table 3: e role of nancial and technical development coop- eration, including innovative sources of development nance, in leverag- ing the mobilization of domestic and international nancial resources fo development (Conference Room 4 (NLB)).

t Report of the Secretary-General on “Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development” (

Plenary meetings

“ e Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead”

e 2002 Monterrey Consensus and 2008 Doha Declaration on Financing for Devel3(dJ /Span<<920)-17-esa/ d

Debt problems often occur due to natural disasters, international nancial volatility and other exogenous shocks, despite good policies and debt management. Structural vulnerabilities to external shocks can therefore be as important as policy and institutional quality. Further technical work at the inter-agency level could play a useful role in enhancing the analysis and e ectiveness of existing debt sustainability frameworks.

 e international community has continued its e orts to reform the international monetary and nancial system. Key areas include nancial regulation and supervision, multilateral surveillance and macroeconomic policy coordination, sovereign debt, global nancial safety nets and the international reserve system. Further steps have also been taken by the Bretton Woods institutions to improve their governance structures through shifts in voting power to developing and transition countries. In addition, it is critical that macroeconomic policy coordination be sustained, strengthened and institutionalized on the multilateral agenda. ere is a need for stronger institutional linkages between informal limited-membership bodies like the G-20 and universal international organizations, such as the United Nations. Clearer procedures, greater coordination and more coherent policies would help ensure complementarity of e orts between the G-20, the United Nations, the Bretton Woods institutions and other multilateral organizations.

Proposed questions:

- What are the challenges and constraints to domestic resource mobilization in developing countries? What can be done to expand and support employment creation and infrastructure investment as part of national development strategies in times of crisis?

- What types of macroeconomic policies in developed and developing countries promote foreign direct investment and other private capital ows for development? What are the bene ts and concerns related to capital in ows to developing countries?

- What scope is there in the renewed e ort to conclude the Doha Round for advancing a development agenda in world trade? How can progress in multilateral trade negotiations and in setting multilateral rules and regulations be reconciled with the need for su cient space for national policies in support of structural change and growth in developing countries?

- What measures are needed to ensure the achievement of United Nations aid targets despite scal consolidation and fragile economic recovery in donor countries? What role can the United Nations play in strengthening international cooperation in this area?

- How can the debt crisis in the euro area be contained and its impact on emerging economy and developing countries be minimized? What can be done to help middle-income developing countries reduce their debt burden, including by providing additional relief and restructuring?

- How can the United Nations, the Bretton Woods institutions and the World Trade Organization more e ectively coordinate their actions so as to increase the coherence and consistency of the international monetary, nancial and trading systems in support of development?

Round table 1: “ e reform of the international monetary and nancial system and its implications for development”

e international community has taken measures to address systemic impediments to nancing for development. Despite these reform e orts, some de ciencies of the international monetary and nancial system continue to give rise to global instabilities and hamper resource mobilization and crisis resilience in developing countries. ere is a need to further reform and strengthen the international monetary and nancial system in support of development.

Key reform areas are nancial regulation and supervision, multilateral surveillance and macroeconomic policy coordination, sovereign debt, global and regional nancial safety nets and the international reserve system. Moreover, international nancial institutions have taken steps to redress imbalances in terms of voice and representation of developing countries.

A major step in the process of reforming nancial regulation is the introduction of the Basel III framework for bank capital and liquidity regulation. e new

Round table 2: "The impact of the world financial and economic crisis on foreign direct investment and other private flows, external debt and international trade"

The severe impact of the world financial and economic crisis on developing countries took place through a sharp contraction in private capital flows and trade. Its effect was compounded by a resulting deterioration in external debt indicators. While the past couple of years have seen an improvement in these conditions, the legacy of the crisis continues to impact on private capital flows, trade and external debt and may pose serious consequences for development.

Net private capital flows to developing and emerging countries increased to about $575 billion in 2011, up by about $90 billion from 2010 levels. The recovery in capital inflows from their precipitous decline during the global financial crisis continued until the middle of 2011 but suffered a strong setback with the sharp deteriora-

Round table 3: "The role of financial and technical development cooperation, including innovative sources of development finance, in leveraging the mobilization of domestic and international financial resources for development"

Aid remains an important source for financing development as a large number of developing countries cannot access other sources of finance. In 2010, the delivery of official development assistance (ODA) reached a record level of $128.7 billion or 0.32 per cent of OECD/DAC members' combined gross national income (GNI). However, global aid delivery remains far below the United Nations target of 0.7 per cent measured as net ODA/GNI ratio, with only five donor countries (Denmark, Luxembourg, the Netherlands, Norway and Sweden) meeting that target.

Moreover, ODA falls $19 billion short of donor commitments pledged for 2010 at the 2005 Gleneagles G8 Summit. The shortfall in aid to Africa is even larger in percentage terms. Africa has so far received an additional $11 billion, compared to the $25 billion promised at Gleneagles. ODA to the least developed countries (LDCs) reached $37 billion or 0.10 per cent of donors' aggregate GNI. Again, this is still well below the United Nations target of 0.15-0.20 per cent.

Recognizing these critical shortfalls in ODA-delivery, the September 2010 MDG Summit reiterated the importance of fulfilling all ODA commitments and encouraged donors to establish specific timetables. Likewise, the May 2011 Istanbul Programme of Action for LDCs called upon donor countries to implement at least their minimum ODA targets for LDCs by 2015. The 2011 DAC Recommendation on Good Pledging Practice, advised its members to ensure clarity by specifying all parameters relevant to the assessment of their pledges. Nevertheless, most donors plan to increase aid over the coming three years at a sharply reduced pace, given the fragile recovery in developed countries and the possibility of double-dip recession in Europe. The ongoing fiscal crises in Greece, Italy, Ireland and Spain have already translated into significant drops in their ODA. Aid to Africa is likely to decline in per capita terms, since the projected increase in ODA (1 per cent per year in real terms) is lagging behind the population growth.

In 2009, the top ten ODA recipients received one fourths of all aid, as was the case in 2000. This trend suggests that aid concentration persists despite the fac that favoured aid recipients change over time. There is a case to be made for more equitable and needs based allocation of aid. The sectoral distribution of ODA has also been highly unbalanced. Over the past decade, the shar of sector-allocable ODA from DAC donors devoted to social infrastructure and services has grown from 50 to 60 per cent, while the share directed towards economic infrastructure and services has gone down from 26 to 20 per cent. The agricultural sector received just 5.3 per cent of sector-allocable aid in 2009, although it is likely to increase in coming years. While aid is not the only source of funding productive investment, the contribution of aid-financed, productivity-enhancing public investment in developing countries continues to be essential, especially in LDCs.

Despite progress since Monterrey, the contribution of innovative financing mechanisms is still modest. Based on OECD classification, innovative financing mechanisms contributed $ 5.5 billion during the period 2002-2010 to development finance for the health sector and $31 billion for climate change and environment, the latter mostly from carbon emissions trading. Innovative financing should supplement and not be a substitute for traditional sources of financing. However, of the $5.5 billion raised for the health sector $5.3 billion were accounted as ODA and only $0.2 billion were attributed to non-government contributions. Yet, even these non-ODA resources may be eventually reporte as ODA when they are disbursed by DAC multilateral donors. These resources are pooled with other resources and delivered through three public-private partnerships: two vertical funds – the Global Alliance for Vaccination and Immunization (GAVI) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) – and one international drug-purchasing facility (UNITAID). For climate change and environment, most of the $31 billion raised, represent private financial and investment flows, and are classified as non-ODA.

Innovative financing should be further explored and, where appropriate, expanded to complement traditional ODA. Delivery mechanisms and the allocation of aid flows need to be strengthened so that such resources can be provided on a stable, predictable and voluntary basis. Harmonization of fragmented monitoring and

Informal interactive dialogue

" e link between nancing for development and achieving the internationally agreed development goals, including the Millennium Development Goals"

Achieving the internationally agreed development goals, including the Millennium Development Goals (MDGs), requires strengthening of the global partnership for development, as embodied in Goal 8 of the MDGs, the 2002 Monterrey Consensus, the 2002 Johannesburg Plan of Implementation and the 2005 World Summit Outcome. is compact between developing and developed countries, which stresses mutual responsibilities in the quest for development goals was rea rmed in the 2008 Doha Declaration on Financing for Development and the 2010 MDG Summit Outcome.

Progress towards the achievement of the MDGs is monitored by the United Nations system through the Millennium Development Goals Report and the MDG Gap Task Force Report. Both have issued a mixed report card. e MDGs have helped to lift millions of people out of poverty, save lives and increase primary school enrollment. ey have reduced maternal deaths, expanded opportunities for women, increased access to clean water and freed many people from deadly and debilitating disease. At the same time, the record shows slow progress in empowering women and girls, promoting sustainable development, and protecting the most vulnerable from the devastating e ects of multiple crises, be they con icts, natural disasters or volatility in prices for food and energy.

In terms of MDG 8, the international community falls short on three fronts. First, even as ODA reached record levels in 2010, donor Governments intend to increase spending more slowly during 2011-2013. It is unclear how this will accord with pledges to raise aid levels towards the United Nations target of 0.7 per cent of national income by 2015. Second, despite intense negotiations at the World Trade Organization to deliver on the Doha Development Agenda, the Round has not successfully concluded, even a decade after it began. ird, although there have been major e orts to increase access to medicines and information and communication technologies, their costs remain prohibitive in many developing countries. Both present a hindrance to development.

At the same time, new challenges have emerged over the last decade, which require concerted global action, including the impact of the world nancial and economic crisis, additional costs of climate change mitigation and adaptation and damage to the Earth's environment, new forms of economic cooperation, price volatility in international markets of key commodities, expanding economic cooperation and the growing needs for reconstruction and development of post-con ict countries. e United Nations' World Economic and Social Survey, 2011 estimates that incremental green investment of about 3 per cent of world gross product (about $1.9 trillion in 2010) would be required to overcome poverty, increase food production and to eradicate hunger without degrading land and water resources, and avert the climate change catastrophe.

e upcoming Rio+20 Summit provides a unique opportunity to face some of these pressing challenges in a collaborative manner. With global population expected to reach 9 billion by 2050, the challenge lies in balancing productive economic expansion with human and natural capital that is its foundation. In the aftermath of the world nancial and economic crisis, exacerbated by food and fuel price volatility and climate change needs, this challenge remains as daunting as ever. In this context, the UN Conference on Sustainable Development (Rio +20) will focus on two themes: a green economy in the context of sustainable development and poverty eradication and an institutional framework for sustainable development, with three primary objectives: to renew political commitment for sustainable development; assess progress and implementation gaps; and address new and emerging challenges.

e ful llment of these objectives requires greater global coordination and collaboration. In this regard, the General Assembly recognized the need for inclusive, transparent and e ective multilateral approaches to managing global challenges and rea rmed the central role of the United Nations in ongoing e orts to nd common solutions to such challenges. is would imply enhanced coordination, cooperation, coherence and e ective policymaking across the entire United Nations