

Financing for development: Facing new challenges

<http://www.un.org/en/development/desa/newsletter/2011/april/feature.shtml#fea1>

When Secretary-General Ban Ki-moon addressed the special high-level meeting on financing for development last month, he urged that the course charted for should be truly sustainable, equitable development. “The world is still reeling from the financial and economic crisis. The path to recovery has been slow, fragile and uneven. Rising debt levels, growing inequality and social exclusion are real concerns,” he stated.

Indeed, a lot has happened since the first UN International Conference on Financing for Development that took place in Monterrey, Mexico in March 2002. The conference resulted in the Monterrey Consensus, embracing main areas for financing for development including mobilizing domestic and international financial resources; international trade; increasing international financial and technical cooperation; external debt and addressing issues to enhance the coherence of the international monetary, financial and trading systems.

At the Doha Conference in Qatar in 2008, heads of state and government and high representatives reaffirmed their commitment to the Monterrey Consensus resulting in the Doha Declaration. They declared that “we once again commit ourselves to eradicate poverty, achieve sustainable development as we advance to a fully inclusive and equitable global economic system.”

In the Doha Declaration, the countries also recognized that “mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for sustainable development, including the Millennium Development Goals (MDGs).”

Remaining challenges and solutions discussed

On 10-11 March of this year, the special high-level meeting of the Economic and Social Council (ECOSOC) with the Bretton Woods Institutions (BWIs), the World Trade Organization (WTO) and the UN Conference on Trade and Development (UNCTAD) addressed many of these issues including aid for trade, debt relief, the role of the UN system in global economic governance and new challenges in the wake of the global financial crisis.

The least developed countries were also considered and a number of policy proposals were presented to resolve the challenging issues at hand. In addition, matters facing middle-income countries were discussed and the Secretary-General stated accordingly, “it is the middle-income countries that, to date, have led the recovery. Their impressive performance follows decades of admirable efforts to diversify exports and gain higher market shares for high-technology goods.”

He continued, “Yet, despite notable reductions in poverty levels, many middle-income countries face rising inequality, the persistence of extreme poverty, and a lack of adequate social security systems. Further efforts are needed to improve safety nets and economic security.”

The Secretary-General also observed that while there have been advancements, many difficult challenges still remain. Success has been seen when it comes to reducing extreme poverty, improving school enrolment and child health, reducing child mortality and enhancing access to preventive care of a number of tropical diseases. However, progress on the MDGs has been

uneven. There have been slow improvements towards reaching full and productive employment and decent work for all, in advancing gender equality and in improving maternal and reproductive health.

Regarding the global partnership for development, the reviews found major gaps in the delivery of international development cooperation commitments, including aid levels and effectiveness, conclusion of the Doha Round of multilateral trade negotiations, debt relief and resolution mechanisms.

Planning for the future

The global efforts within financing for development is an ongoing and continuous process and as the Secretary-General concluded in his statement to the special high-level ECOSOC meeting, “in a volatile and changing world, we must not disappoint the many millions of people who look to us, and our organization, for help and reassurance. Let us respond to the full spectrum of their aspirations – economic, social, environmental and democratic. Let us listen to their voices, today and tomorrow”.

For more information:

[Financing for Development](#)

[The Special High-level meeting of ECOSOC :](#)

<http://www.un.org/esa/ffd/ecosoc/springmeetings/2011/NGO1.pdf>

[The Monterrey Consensus](#)

[The Doha Declaration](#)