



**Statement by Kemal Derviş
Chair of the United Nations Development Group
On the Occasion of the
Follow-up International Conference on Financing for Development to
Review the Implementation of the Monterrey Consensus**

**Doha, Qatar,
29 November 2008**

Your Highness Sheikh Hamad bin Khalifa Al-Thani, Emir of the State of Qatar,
Heads of State and Government,
Mr. President,
Excellencies,
Ladies and Gentlemen,

I would like to begin by thanking His Highness Sheik Hamad bin Khalifa Al-Thani for his generous hospitality in hosting this important conference.

Six years ago at Monterrey, the United Nations convened a historic gathering of governments, civil society, the business community, and multilateral organizations—all committed to addressing poverty and the many obstacles that hinder faster progress towards achieving the Millennium Development Goals. That conference agreed the Monterrey Consensus, the first universal framework designed to address the key financial challenges to inclusive growth and sustainable development.

Six years later we come together again, here in Doha, to assess progress, share lessons learned, consider emerging issues and agree on a way forward.

This international conference comes at a difficult time for the world economy. We are confronted by a host of interconnected challenges: a global economic and financial crisis, the lingering effects of the food and fuel crises, as well as the complex yet urgent challenge of addressing climate change. From some angles, the situation looks almost insurmountable.

But the reality is that while we may face an unavoidable immediate global downturn, it is the decisions we make as policy makers at national and international levels that will determine how deep and long the present recession will be. We have in our hands the keys that can open up the doors to a future of sustainable and equitable growth. Part of the response we need involves aggressive monetary easing to make lending more affordable to spur consumption and investment. This has already started in the developed world, with central banks cutting interest rates substantially. But more will be required. In addition, the situation calls for fiscal policies based largely on increased public spending. Such measures are either being undertaken or are under serious consideration in many countries.

While room for manoeuvre varies across countries, this strategy will involve significant fiscal expansions to boost demand and employment as broadly and rapidly as possible. The G20 leaders Summit of 15 November appropriately considered building a concerted fiscal stimulus, along with a detailed agenda for improving financial-market regulation.

These difficult economic times are, however, also times of opportunity. The array of interconnected challenges we face provides a chance to renew and revitalize the global partnership for development that underlies the Monterrey Consensus. I hope that this Doha conference will rise to the occasion and agree to mobilize not only ideas, but also resources to address these challenges.

Implementing the Monterrey Consensus

The discussions we will have in the coming days will, I hope, help ensure that the vision of the Monterrey Consensus—which includes eradication of poverty; sustained economic growth and the promotion of sustainable development within an inclusive and equitable global economic system—is implemented, and urgently.

What does this mean in practice?

First, we need to deliver on our outstanding commitments to support development. Eight years after the world agreed on the Millennium Development Goals to guide our fight against poverty and hunger, hard-won gains on the MDGs could be reversed by the present crisis. We cannot put the Millennium Development Goals, or our other internationally agreed development goals, on hold. Urgent action is needed to avoid a deepening poverty crisis. The crisis presents a huge challenge for the decent work agenda. Without decent work, there can be no sustained economic progress. Our goals for health and education are endangered.

The financial and economic crises have, however, created pressure on all forms of development finance. Even though this conference comes at a difficult time for the global economy, funding for development is not only a matter of resources, but also of political will. The world spends almost US\$1.3 trillion a year on armaments. Many trillions are being mobilized for the financial crisis. So the world can afford the US\$140 billion already pledged for official development assistance by 2010.

Hence, developed countries need to meet the promises they have made to increase official development assistance (ODA) to the equivalent of 0.7 percent of GNI. Likewise, to do their part, developing countries need to mobilize more domestic resources and implement the policies needed to tackle poverty and promote growth and development.

Second, and in keeping with the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, aid volume should be matched with improvements in aid quality and effectiveness. Most notably, we must pursue increased predictability and transparency, streamlined conditionality, and more strategic use of aid to complement growing new sources of development finance. At the same time, increased investments in national implementation and procurement systems need to be matched with stronger efforts to mitigate corrupt and wasteful practices. Specifically, more resources need to be invested in sustainable human development through concurrent investments in education, nutrition, health, decent work, human capacity, rights and opportunities, social protection, food assistance, agriculture and infrastructure.

Third, it's clear that this crisis provides a unique opportunity to stimulate an environmentally sustainable global economic recovery. The strengthened public investment programmes needed to boost demand and employment as broadly and rapidly as possible can and should drive the increasingly urgent transition towards a low-carbon and more sustainable economy. Investments that foster mitigation and adaptation to climate change can both boost demand in the short- run and contribute to longer-term, more inclusive economic growth, better access to energy and faster poverty reduction. Done right, a countercyclical response to the current downturn could help all of us address the most daunting and complex of all the challenges in front of us, namely climate change.

But none of this will happen unless we come together here at Doha and at the United Nations Climate Change Conference in Poznan next month, to begin crafting the essential elements of not just a New Deal, but rather a Green Deal for development and poverty reduction.

The recent coordinated action to address financial market instability has shown that quick and decisive action is not only helpful, but required, when we confront global crises. Poverty reduction and climate change require the same pragmatic and cooperative approach. Disjointed, ad hoc solutions will fail.

Renewing multilateralism to benefit the many not the few

A new multilateralism is required, one that recognises the vulnerability of poor countries to the negative impact of interconnected crises: financial instability, climate change, volatile prices for food and energy, and unacceptable levels of hunger, poverty and inequality. We cannot address the challenges of the 21st century with the tools of the 20th century.

A reformed, stronger and more inclusive multilateralism is our only option if we are to find workable and fair solutions. And in developing our policy responses we should never forget that the poor and most vulnerable had no hand in precipitating either the economic crisis or the climate challenges we now face.

The United Nations has a key role to play in this renewed multilateralism. With its inclusive membership, intergovernmental processes, leadership in peacekeeping, rapid engagement in post-conflict countries, and its ability to learn from the experience of the more than 160 countries where it has a presence on the ground, the UN can play a critical role in transforming development finance into development results.

Bringing together the various agencies, funds and programmes of the UN development system, the UN Development Group is a reliable partner with a unique depth of capacity and breadth of voice. It stands ready to strengthen its efforts to assist countries in responding to the current global crises with sustainable solutions to development challenges.

Indeed, the UN Development Group has helped to transform the policy landscape since the Monterrey Consensus was agreed in 2002. We now have a comprehensive set of agreed development goals; we have detailed costings of these goals; and we have a plethora of well thought-out national development strategies.

We also have time-bound commitments on financing accompanied by new funding windows and extended debt relief, and there are also extensive studies on how this financing can be delivered most effectively. More recently, we have worked with the World Bank to develop concerted support for crisis and post-crisis countries.

We are rapidly scaling up capacity development services to help countries respond to climate change and access emerging financing options.

In brief, we have the infrastructure in place to deliver on the Monterrey Consensus and to follow through on the MDGs. But this will only happen if all stakeholders choose to act.

It has been said that change is certain, but progress is not. The need to mobilize financing to reduce poverty provides us with a great opportunity to build a renewed multilateralism that is more effective, more inclusive, and more responsive to the emerging challenges we all face. Let's seize this opportunity now and redouble our efforts to implement the Monterrey Consensus, which we would be prudent to bear in mind is in our common interest.

Thank you.
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