

## **Executive session of the Trade and Development Board on financing for development**

### **Concept paper**

#### **Background**

Recent developments in the international financial system, coming on top of energy and food crises, have broad implications and will create new pressures in the area of financing for development. They will have effects in all the six areas highlighted in the Monterrey Consensus as requiring actions to promote financing for development.

At the recently concluded fifty-fifth session of the Trade and Development Board, UNCTAD member States showed strong interest in acquiring a deeper understanding of the current financial crisis and in searching for possible policy measures to minimize its impact on their economies. They also expressed concern about the negative impact of financial turmoil on efforts to attain the Millennium Development Goals. In that context, references were made to the possibility of convening an UNCTAD event to meet this demand and, more importantly, to contribute to the preparatory process for the financing for development review conference to be held in Doha in late November 2008. While the preparatory process is well advanced, the latest financial crisis cannot be ignored, and it would seem relevant for UNCTAD to contribute to efforts to come to terms with the crisis from a development perspective, as well as to look at ways in which UNCTAD can benefit developing countries more effectively in the light of the crisis.

In this connection, it is recalled that, as stated in paragraph 171 of the Accra Accord, “UNCTAD is the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues of finance, investment, technology and sustainable development”. Paragraph 179 of the Accra Accord further states that the three pillars of UNCTAD’s work “should contribute, from a trade and development perspective, to the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields, as well as to the achievement of the internationally agreed development goals, including the Millennium Development Goals”.

It is also recalled that in paragraph 27 of its resolution 57/270 B, the General Assembly stressed the need to make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development; recalled in this regard the role of UNCTAD as the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development; and invited the Trade and Development Board to contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits, under its relevant agenda items.

## **Executive session of the Trade and Development Board**

In the light of the foregoing, the Trade and Development Board will hold a one-day executive session on 13 November 2008. The sole substantive item on the agenda for the session will be: “Financing for development: Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus”

The principal purpose of the session will be to allow member States to discuss the implications of the current financial crisis for development and for financing for development from the perspective of UNCTAD’s areas of competence – namely trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development – and to relay the views expressed to those engaged in the preparatory process for the follow-up conference and to the conference itself.

### **Session format**

The six different chapters of the Monterrey Consensus will be approached from two overarching perspectives: domestic and external sources of finance. In each case, an attempt will be made to examine the latest developments and to determine possible implications of the evolving scenario in financial markets for implementation of the Monterrey commitments. Particular attention will be paid to the situation of highly aid-dependent countries.

The proceedings will involve substantive presentations by invited participants and the UNCTAD secretariat, followed by interactive discussions among member States. Possible invitees may include ministers/senior officials, the facilitators of the financing for development preparatory process, and independent experts and representatives of other United Nations agencies involved in trade and development, including the executive secretaries of the regional economic commissions.

### **Expected outcome**

The outcome of the executive session will be a President’s summary, which will be made available to member States and to the follow-up conference. It will in particular serve as an input to the side event to be organized by UNCTAD at the conference. It will include concrete steps that UNCTAD might take through its programmes and research to assist developing countries in their efforts to contain the negative effects of the financial crisis, to maintain robust growth and to encourage job creation, despite the crisis. It will also suggest possible fields for inter-agency cooperation with a view to maximizing the benefits of UNCTAD’s most effective tools and accumulated knowledge in the trade and development area.

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