

PARIS CONFERENCE ON FINANCING FOR DEVELOPMENT

STATEMENT FROM FINANCE MINISTERS OF EMERGING MARKET ECONOMIES AND DEVELOPING COUNTRIES

Ministers from emerging markets and developing countries attending the Ministerial Forum, expressed their gratitude to the Governments of both France and the UK for organising this forum.

Ministers reiterated their commitment to the Monterrey consensus and expressed their determination to continue to deepen their programmes of economic reform which are key to wealth creation, sustainable growth and poverty reduction. Within the framework of NEPAD many African countries have agreed to a peer review and efforts are being made to strengthen governance, combat corruption and reduce the potential for conflict.

Ministers believe that increasing domestic resources, especially tax revenues, is a critical component of financing for development. Ministers are conscious of the importance of support for the private sector as an engine of growth. Reforms that they have already implemented have established a platform for growth, but it is critical to note that to achieve the MDGs additional resources are essential.

To complement domestic efforts for development, developing countries need a critical mass of additional, harmonized, flexible and predictable development assistance, and sustainable investment in the medium to long term. Improved trade access and debt relief are also important. Ministers underscored the need for all parties to the Monterrey consensus to honour their commitments. In this regard they strongly support the IFF proposal to scale up and frontload resources to meet the MDGs by investing in productive sectors, infrastructure, health and education in particular, and urge donors to implement the proposal. They also support the idea of using existing

mechanisms for disbursement, and note that the IFF would not create a new bureaucracy.

Ministers acknowledge that some technical concerns have been raised on the IFF by some countries. They also acknowledge the concerns about longer term financing and the need to continue to increase ODA to agreed levels. They are however confident that these issues can be overcome and look forward to working with the donors on ways to implement the IFF.

Ministers strongly believe that there is substantial capacity for absorbing additional resources at both country and regional levels. Ministers acknowledge the need to direct resources on a basis which recognizes performance, while continuing to engage with LICUS and post –conflict countries.

Ministers welcome the global conference on scaling up finance for poverty reduction to be held in May 2004 in Shanghai, China. They believe that the Shanghai conference will help score more tangible results and achieve consensus on issues relating to development financing and poverty reduction.

Finally, Ministers welcomed President Lula of Brazil's initiative to convene a meeting of World leaders in September 2004 in New York to address concrete suggestions on innovative mechanisms, including the IFF, to finance development and combat hunger and poverty.

8 April 2004
Paris