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PARLIAMENTARY MESSAGE

TO THE FOLLOW-UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSENSUS

Doha Review Conference, 29 November - 2 December 2008

*Approved by the IPU Governing Council at its 183rd session
(Geneva, 15 October 2008)*

The results of the international community's efforts over the past six years to implement the Monterrey Consensus are a mixed bag. There have been positive developments with regard to almost every aspect of the Consensus, but there have also been negative trends. Overall, progress has been far too slow. And collectively, we have failed to place the emphasis on key priorities within the overall development agenda.

We spend staggering amounts of money on building military might. Yet, we know full well that no amount of military power can ensure peace and security, the real threats to which are lack of development, poverty and exclusion.

The current forecast for the global economy, with the global financial system on the brink of meltdown and food and energy prices rising sharply, negatively affects the Financing for Development (FfD) agenda. Governments must resist the temptation of resorting only to short-term emergency solutions at a time when deeper systemic and institutional reforms are urgently required.

The FfD agenda needs to be targeted more explicitly to the people and their needs of today, tomorrow and the future. We need to shift the agenda to address growing inequality and environmental sustainability. Too much attention has been given to supporting development in the aggregate, particularly by boosting economic growth, and too little to extending the benefits of development to the poor and the most vulnerable.

The success of the FfD agenda will ultimately be defined by how development resources are spent. Priorities need to be adjusted and greater attention paid to three core areas: (i) agriculture, (ii) women, and (iii) productive employment and decent work. Underfunding in these key areas explains to a large extent why many countries have become dependent on unaffordable food imports, women are still deprived of fundamental economic rights and opportunities, and hundreds of millions of people languish in exploitative work or no work at all.

We cannot stress enough the need for the Doha outcome document to include a strong gender perspective, which was almost entirely absent from the original Monterrey Consensus. In this regard, particular attention must continue to be given to gender-sensitive budgets until such time as they are applied universally.

The new FfD agreement reached in Doha must also better integrate environmental concerns such as climate change. One approach to this, which has been neglected for too long, may be to adopt national "green budgets". We also hope that the Doha Review Conference will mobilize resources to help developing countries implement effective adaptation and mitigation measures against climate change.

We are committed to the governance component of the FfD agenda. We regret that the "systemic issues" of the Monterrey Consensus have been the most neglected in the ensuing years. Weak economic governance has ushered in a period of global financial instability and speculation, undermining the productive economy and social stability on which livelihoods depend.

As the most recent financial crisis has shown, more stringent regulation and oversight of international finance, together with more effective coordination of domestic economic and monetary policies, is required. In particular, internationally agreed laws and standards on the transparency of financial markets should serve to ensure the clarity of financial transactions, enhancing the national and international capacity to assess financial risks. More also needs to be done to give a greater voice to developing countries in the international financial institutions as a way of helping to build confidence in the international partnership for development.

Nationally, improving governance will require more decisive action against corruption and financial crime, but also, at a deeper level, more democratic decision-making to enhance ownership of the development process. We reiterate that parliaments have fundamental constitutional responsibilities in this area as well.

We call on governments, multilateral organizations and the international community at large to ensure that national development plans, poverty reduction strategies, debt relief agreements, loans and bilateral and multilateral development assistance agreements are adopted with the full involvement of parliament. In the same vein, we stress the need for elimination of policy conditionality.

We call for more official development assistance (ODA) to be given in the form of budget support. This will greatly enhance transparency, accountability and overall effectiveness. We also call on donors to directly support capacity-building of parliaments so that they can carry out their legislative and oversight functions more effectively, particularly in relation to their scrutiny and adoption of the national budget.

We are concerned that total ODA volumes are once again stagnant and that donors' commitments appear to be off-track. We support scaling up existing innovative schemes of development financing and giving further consideration to proposals such as a currency transaction tax on short-term financial movements. Debt relief schemes must also be more directly linked to a country's ability to achieve its own development goals regardless of its income level, and more effective measures are required to avoid debt relapse. Debt relief should not count as aid.

Foreign direct investment (FDI) has had mixed results in supporting development. We therefore call for greater attention to be paid to this issue to ensure that such investments are more evenly distributed and actually benefit local communities as well as the economic and social fabric of host countries. Strengthening corporate governance and putting in place more effective law enforcement measures to deal with financial crime should also be part of this endeavour.

As parliamentarians, we are committed to playing a greater role in overseeing the activities of the World Trade Organization and promoting the fairness of trade liberalization. We remind our government negotiators of the commitments they made at the launch of the Doha Round of multilateral trade negotiations. What is now needed is real leadership and courage. We urge our governments to close the WTO deal that has been on the table since July, before the end of the year, so that the Doha Development Round can be concluded in 2009, with an outcome that gives real meaning to development and secures a balance of benefits to all members.

We commend the United Nations for its leadership in all these critical issues and pledge to help build more political will at home for further reforms.