



API's 10th International Conference on "Recent Trends in Financing Development "

(Beirut, Lebanon, 11-13 April 2011)

Background and Themes:

1. In the wake of the UN Millennium Declaration of September 2000, inclusive of the Millennium Development Goals (MDGs), it was not surprising for the UN to call for an International Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002). Seven years later a follow-up International Conference was held in Doha, Qatar, (29 November- 2 December, 2008) to "review the implementation of the Monterrey Consensus. The two events signal the priority accorded to issues of financing for development by the international community.

2. The Doha Declaration on Financing for Development reaffirmed that "mobilizing financial resources for development and the effective use of all these resources are central" to the achievement of internationally agreed development goals, including the MDGs. It reiterated that "each country has the primary responsibility for its own economic and social development and that the role of national policies, domestic resources and development strategies cannot be overemphasized". Nonetheless, the role of foreign resource flows, both private and public, in financing development in developing countries is also acknowledged.

3. In the context of national development strategies aiming at effecting development the most important topics regarding sources for financing development in developing countries are briefly listed in paragraphs 4-8. These topics, and the issues and questions they raise, in addition to the new challenges listed in paragraph 9 constitute the themes of this Conference.

4. ***Mobilization of Domestic Resources:*** in addition to the usual issues of tax structure, questions envisaged under this topic include, among others, those related to the creation of gainful employment opportunities, income distribution and fairness, macroeconomic policies, improvement of budgetary operations, enhancing the transparency of public finances, and rationalization of public expenditure. In addition, it also includes questions relating to the establishment of mechanisms for dealing with capital flight, and institutional arrangements for combating corruption.

5. ***Foreign Direct Investment and other Private Flows:*** which deals with all the issues relating to the creation of an enabling investment climate to attract foreign investment, and the issues pertaining to remittances by nationals working abroad.

6. ***Financial Markets:*** which deals with issues relating to the establishment of safe and broad-based financial sectors. Such issues require in-depth studies of the role of financial, and foreign exchange, markets in mobilization of resources for financing development, and the implications of the volatility of, and the speculation activity in, these markets on financing development. Moreover, in-depth studies are needed on the efficiency of commercial, and specialized development, banks in providing resources for development in general, and for micro projects in particular.

7. **Official Development Assistance (ODA):** which deals with the nature, and philosophy, of international financial and technical cooperation for development. The topic raises controversial questions pertaining to the commitment of donor countries to honor their obligations regarding agreed upon ODA/GDP percentages; the effectiveness, and quality, of ODA in promoting long-term growth; the appropriate restructuring of ODA conditionality to suit domestic conditions of recipient countries; the effectiveness of international, and regional, development finance institutions; and, south-south cooperation.

8. **External Debts:** which deals with the negative impact of non-sustainable debt accumulation on development of developing countries, and raises questions relating to the evaluation of the development finance content of the various initiatives of debt reduction, and the evaluation of existing international debt resolution mechanisms, debt rescheduling negotiation mechanisms as well as mechanisms designed to avert future debt crises.

9. **New Challenges:** Seven years after Monterrey the Doha Declaration noted the emergence new issues and challenges related to financing for development. These include the effect of the 2008 international financial crisis on the development finance sources listed above, the additional costs imposed by the increasing concerns about climate change, the increased volatility in the prices of primary commodities, the additional resource needs of countries emerging out of conflict, and the increasingly recognized special needs of middle-income countries.

10. The revisiting of the issues listed under the standard sources of development finance, and the development finance challenges that emerged since Monterey, constitute the crux of the "Recent Trends in Financing Development" in developing countries, inclusive of Arab countries. We hasten to note that Arab Leaders, meeting in Kuwait 19-20 January 2009, accorded the above development finance issues a high priority in the Kuwait Declaration.

Objective of the Conference:

11. The major objective of the Conference is to provide a forum for interaction between policy makers, researchers and interested parties to debate the issues identified under the various themes for financing development in developing countries in general, and in Arab countries in particular.

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