



Side event on innovative finance, New York, 21 September 2010

Chair Summary

1. The Leading Group on Innovative Financing for Development organised a side event on September 21st, under Japanese presidency, in the margins of the MDG Summit in New York
2. Although significant progress has been made in some countries and areas, exceeding what has been accomplished over the last forty years, a lot remains to be done : a billion people don't have access to drinking water; a billion people suffer from hunger; nearly one million people die each year of malaria, 1.3 million of tuberculosis, and 2 million of AIDS; and poverty keeps some 72 million children out of school and prevents them from realizing their potential. To tackle these global issues, the UN set out the Millennium Development Goals (MDGs), which the international community should achieve by the year 2015.
3. Following the Doha declaration on development financing (December 2008), which encouraged the scaling up and the implementation, where appropriate, of innovative sources of finance initiatives, the participants stressed the necessity to find new and innovative resources which are stable, predictable and additional to official development assistance in order to meet the MDGs and other global challenges related to sustainable development.
4. Today we have endeavoured to have more countries and international organisations understand the interest of innovative development financing, whose success has already generated more than \$3 billion since 2006.
5. In the field of health, we heard presentations made by GAVI (M. Julian Lob-Levyt, Director), the Global Fund (M. Michel Kazatchkine, executive director) and UNITAID (M. Jorge Bermudez, Secretary General). They presented the state of current initiatives established in order to fight against the three major infectious diseases (HIV/AIDS, tuberculosis and malaria) and to scale up immunization programs. They highlighted the remarkable results reached on the field, which have proved the added value of such mechanisms.
6. Regarding new innovative resources for development, the report "*Globalising solidarity, the case for financial levies*" was presented to the Group by some of the most prominent international experts in that field. It was followed by a discussion with the IMF representative and stakeholders from civil society. We noted the significant contribution of this report to the international debate around various options for how the financial sector could contribute to finance development needs.
7. The three co-chairs have presented to the Group a declaration stating that we explore a very small levy on international financial transactions appropriately applied on a large scale and to a wide range of transactions, in order to provide stable and substantial financing for development, while minimizing economic distortions or damage to the real economy. This declaration also mentions that the technical feasibility of such mechanisms has been highlighted in recent reports of experts. This declaration is now open to further consideration to the Leading Group members and beyond, in the run up to the Tokyo plenary session. Several countries including Spain, Norway and Brazil have already confirmed their support during the side event.



8. Regarding the education sector, the report “2+3 = 8, innovating in financing education” was presented to the Group. This report is the result of a common work of the writing committee of the Task Force on Innovative Financing for Education. We welcomed the efforts by the writing committee to produce this report, notably on the key importance of education to reach all MDGs, on the necessity to bridge the financial gap to reach education for all by 2015, and on the support that could be made towards this objective by innovative financing by broadening fundraising bases and finding high-profile and awareness-raising levies.

9. We welcomed the participation of the Gates Foundation and the Food and Agriculture Organisation as new members of the Leading Group.

10. The next plenary session of the Leading Group on Innovative Financing for Development will take place in Tokyo on December 16-17th.