

PARIS CONFERENCE ON INNOVATIVE FINANCING FOR DEVELOPMENT

Chair's Summary

93 states met in Paris on 28 February and 1 March 2006 on the occasion of the ministerial conference on Innovative Financing for Development organised at the initiative of the President of the French Republic, Mr Jacques Chirac, with Mr Denis Sassou Nguesso, President of the Congo Republic, Chairman of the African Union, Mr Toumani Toure, President of the Republic of Mali, Mr Kofi Annan, Secretary General of the Organisation of United Nations, and Mrs Graca Machel in attendance. International and non-governmental organisations were involved in this event and are listed in the annex. This conference marks a new step towards rallying the support of the international community for innovative financing for development. It follows the World Leaders' Meeting for Action against Hunger and Poverty organised by the United Nations at the initiative of Brazilian President Luiz Inacio Lula da Silva in September 2004 and the subsequent signing of the Declaration on Innovative Sources of Financing for Development by 79 countries in September 2005. The idea of innovative financing for development is now an issue on the agenda of all major international forums and its principle has gained broad support on the part of the international community. Substantive technical work has provided solid bases for action, as shown by the Report of the Technical Group on Innovative Financing Mechanism presented in New York in September 2004.

Participants recalled that the Millennium Development Goals (MDGs) cannot be achieved in 2015 unless globalisation becomes more equitable. In addition to the commitments that have already been made, official development assistance (ODA) must be increased and made more predictable. Innovative financing sources supplementing traditional ODA will help finance over the long term recurrent expenditure that is needed to achieve the MDGs.

Participants reviewed the different options for Innovative Financing for Development sources and noted that it was essential to continue discussions at an international level on several issues including international solidarity levies, the International Finance Facility (IFF) and its pilot applied to immunisation (IFFIm) in particular, contributing to reduce tax evasion and taxing financial transactions, facilitating and lowering remittance costs for migrant workers, a humanitarian lottery, initiatives on the part of local governments, and voluntary contributions from individuals and companies such as the recently announced "RED" initiative for combating HIV/AIDS. These issues were debated in workshops on March 1, 2006.

The intention expressed by Brazil, Chile, Congo, Cyprus, Ivory Coast, France, Jordan, Luxemburg, Madagascar, Mauritius, Nicaragua and Norway to implement the international air-ticket solidarity contribution was welcomed. Other countries are set to follow suit.

France and the United Kingdom, which have already implemented an air ticket solidarity levy, had the opportunity during the conference to publish a joint communiqué on innovative financing mechanisms.

Participants noted that several innovative sources were particularly well adapted to financing health-related development programmes, although this is not the only sector in which they can be applied. They stressed that the fight against HIV/AIDS, tuberculosis and malaria must be carried out via the strengthening of developing countries' health systems. National authorities with the help of cooperation agencies must take strong and sustainable action to this end. However more efforts must be made at an international level to improve access to low-cost drugs if the goal of universal access to HIV/AIDS treatments is to be achieved by 2010. With this in mind, participants reviewed the proposal to create an International Drug Purchase Facility (IDPF).

Participants would like innovative financing for development to remain on the agenda of the United Nations and other major international forums and will take an active part in future discussions on this issue. They agreed to meet again in 2007 at a “Forum on Innovative Financing for Development sources” to build on the momentum created in New York in September 2004, renewed in September 2005 and continued during this conference.

Participants have welcomed the creation of the Leading Group on Solidarity Levies to fund development which includes the following countries:

- Algeria
- Austria
- Bangladesh
- Belgium
- Benin
- Burundi
- Brazil
- Cambodia
- Cameroon
- Cape Verde
- Chile
- Congo
- Cyprus
- Djibouti
- Ethiopia
- France
- Gabon
- Germany
- Guinea-Bissau
- Guinea-Conakry
- Haiti
- India
- Ivory Coast
- Jordan
- Lebanon
- Luxemburg
- Madagascar
- Mali
- Mauritania
- Mauritius
- Mexico
- Morocco
- Mozambique
- Namibia
- Nicaragua
- Niger
- Norway
- Spain
- South Africa
- United Kingdom