

IX. Means of Implementation

Finance

1. The implementation of Agenda 21 and the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration as well as in this plan of action requires a substantially increased effort, both by countries themselves and by the rest of the international community, taking fully into account the Rio principles, **in particular the principle of common but differentiated responsibilities**, as relevant. The internationally agreed development goals including those contained in the Millennium Declaration, Agenda 21 as well as in this plan of action will require significant increases in the flow of financial resources, including through new and additional financial resources, in particular to developing countries, to support implementation of national policies and programmes developed by them, improved trade opportunities, transfer of environmentally sound technologies, on a concessional or preferential basis, as mutually agreed, education and awareness-raising, capacity-building, and information for decision-making and scientific capabilities within the agreed timeframe required to meet these goals and initiatives. Progress to this end will require that the international community implement the outcomes of the relevant major United Nations conferences and international agreements since 1992, particularly those of the International Conference on Financing for Development, and the fourth Ministerial Conference of the WTO, including building on them as part of a process of achieving sustainable development.

2. Mobilizing and increasing the effective use of financial resources and achieving the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration, to eliminate poverty, improve social conditions and raise living standards, and protect our environment, will be our first step to ensuring that the twenty-first century becomes the century of sustainable development for all. An enabling domestic environment is essential for

mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector and attracting and making effective use of international investment and assistance by, inter alia, encouraging countries to establish transparent, participatory and accountable governance in all sectors of society, taking into account the on-going efforts by the developing countries in this regard. A crucial task is to enhance the efficacy, coherence and consistency of macro-economic policy.

3. Encourage foreign direct investment that is supportive of sustainable development and enhance the benefits for sustainable development which developing countries can draw from foreign direct investment with particular actions to:

(a) Create the necessary domestic and international conditions to facilitate significant increases in the flow of FDI, to developing countries, in particular the least developed countries, which is critical to sustainable development, particularly FDI flows for infrastructure development and other priority areas in developing countries to supplement the domestic resources mobilized by them.

(b) Promote, use and further develop international guidelines for government measures and financial instruments such as export credits and investment guarantee schemes to encourage investments in support of sustainable development through positive measures.

(c) Promote corporate responsibility and accountability and the exchange of best practices, including through a number of ongoing public/private partnerships and voluntary initiatives such as those in the United Nations, the OECD and other fora.

(d) Encourage public/private initiatives that enhance the ease of access, accuracy, timeliness and coverage of information on countries and financial markets, which strengthen capacities for risk assessment. Multilateral and regional financial institutions could provide further assistance for all those purposes.

4. Take steps to make available the increased ODA commitments announced at the International Conference on Financing for Development, and

urge the developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of GNP as official development assistance (ODA) to developing countries, and 0.15 to 0.20 per cent of GNP of developed countries to least developed countries. We acknowledge the efforts of all donors, commend those donors whose ODA contributions exceed, reach or are increasing towards the targets, and underline the importance of undertaking to examine the means and time frames for achieving the targets and goals. We also encourage developing countries to build on progress achieved in ensuring that ODA is used effectively to help achieve development goals and targets in accordance with the outcome of the International Conference on Financing for Development.

5. Encourage recipient and donor countries, as well as international institutions, to make ODA more efficient and effective for poverty eradication, sustained economic growth and sustainable development. In this regard, intensify efforts by the multilateral and bilateral financial and development institutions to harmonize their operational procedures at the highest standards, so as to reduce transaction costs and make ODA disbursement and delivery more flexible, taking into account national development needs and objectives under the ownership of recipient countries.
6. Make full and effective use of existing financial mechanisms and institutions, including through actions at all levels to:
 - (a) Strengthen the existing international financial architecture, promoting a transparent, and inclusive system that is able to provide for full and effective participation of developing countries, including the effective and equitable participation of those countries in the formulation of financial standards and codes;
 - (b) Promote, inter alia, measures in source and destination countries to improve transparency and the information about financial flows to contribute to stability in the international financial environment, including through measures that mitigate the impact of excessive volatility of short-term capital flows;

(c) Work to ensure that funds are made available on an increased, timely, more assured and predictable basis to international organizations and agencies for their sustainable development activities, programmes and projects;

(d) [Agreed] Encourage the private sector, including transnational corporations, private foundations and civil society institutions, to provide financial and technical assistance to developing countries;

(e) [Agreed] Support new, and existing public/private sector financing mechanisms for developing countries and countries with economies in transition, to benefit in particular small entrepreneurs and small, medium-sized and community-based enterprises and to improve their infrastructure, while ensuring transparency and accountability of the mechanisms.

7. Welcome the successful and substantial third replenishment of the GEF, which will enable it to meet the funding requirements of new focal areas and existing ones and continue to be responsive to the needs and concerns of its recipient countries, in particular developing countries, and further encourage it to leverage additional funds from key public and private organizations, improve management of funds through more speedy and streamlined procedures and simplify its project cycle.

8. Explore ways of generating new public and private innovative sources of finance for development purposes, noting the proposal to use special drawing rights allocations for development purposes, as set forth in paragraph 44 in the Monterrey Consensus.

9. Reduce unsustainable debt burden through actions such as debt relief and, as appropriate, debt cancellation and other innovative mechanisms geared to comprehensively address debt problems of developing countries, in particular the most heavily indebted ones, in order to contribute to debt sustainability and facilitate sustainable development, while recognizing that debtors and creditors must share responsibility for preventing and resolving unsustainable debt situations, and that external debt relief can play an important role in liberating

domestic resources. Debt relief arrangements should seek to avoid imposing any unfair burdens on other developing countries. There should be an increase in the use of grants for the poorest and debt-vulnerable countries. Countries should develop national comprehensive strategies to monitor and manage external liabilities as a key element in reducing national vulnerabilities. In this regard, actions are required to:

- (a) Implement speedily, effectively and fully the enhanced Heavily Indebted Poor Countries (HIPC) initiative, which should be fully financed through additional resources, taking into consideration, as appropriate, measures to address any fundamental changes in the economic circumstances of those developing countries with unsustainable debt burden caused by natural catastrophes, severe terms-of-trade shocks or affected by conflict, taking into account initiatives which have been undertaken to reduce outstanding indebtedness;
- (b) Encourage participation in the HIPC Initiative of all creditors that have not yet done so;
- (c) Bring international debtors and creditors together in relevant international fora to restructure unsustainable debt in a timely and efficient manner, taking into account the need to involve the private sector in the resolution of crises due to indebtedness, where appropriate;
- (c) Acknowledge the problems of the debt sustainability of some non HIPC low-income countries facing exceptional circumstances and recognise that there may be the need, to be assessed on a case by case basis, to provide additional assistance with a country's debt obligations;
- (d) Explore and utilize innovative mechanisms to comprehensively address debt problems of developing countries, including middle-income countries and countries with economies in transition. Such mechanisms may include debt-for-sustainable-development swaps.

Trade

10. Continue to promote the open, equitable, rules-based, predictable and non-discriminatory trading and financial systems that benefit all countries in pursuit of sustainable development. Support the successful and timely completion of the workplan contained in the Doha Ministerial Declaration and the implementation of the Monterrey consensus. Welcome the Doha Ministerial Declaration's recognition of the importance of placing the needs and interests of developing countries at the heart of the Work Programme adopted in the Declaration, including through enhanced market access in products of interest to developing countries.
11. Commit to concrete action on implementation related issues and concerns encountered by developing countries in the implementation of the Uruguay Round Agreements, as well as the resource constraints faced by them in fulfilling those agreements.
12. Call upon WTO members to fulfil the commitments made in the Doha Ministerial Declaration, notably in terms of access to markets, in particular for products of export interest to developing countries, especially LDCs, particularly in areas of interest to these countries, by implementing the following actions, while being mindful of the important deadlines that must be met to ensure progress and of the opportunities that will result from the successful conclusions of these negotiations by 1 January 2005:
- (a) Review all special and differential treatment provisions, with a view to strengthening them and making them more precise, effective and operational, in accordance with the Doha Ministerial Declaration;
 - (b) Aim to reduce, or as appropriate, eliminate tariffs on non-agricultural products, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage should be comprehensive and without a priori exclusions. The negotiations shall take fully into account the special needs and interests of developing countries including through less than


full reciprocity in reduction commitments in accordance with the Doha Ministerial Declaration;

(c) Fulfil, without prejudging the outcome of the negotiations, the commitment for comprehensive negotiations of the Agreement on Agriculture, aiming at substantial improvements in market access, reduction of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support, while agreeing that the provisions for special and differential treatment for developing countries, shall be an integral part of all elements of the negotiations, taking into account their development needs, including food security and rural development, and confirm that non-trade concerns will be taken into account, in accordance with the Doha Ministerial Declaration.

13. Achieve, on the part of countries, in particular developed countries, that have not already done so, the objective of providing duty-free and quota-free access for exports from all least developed countries.

14. Recognizing the major role trade can play in achieving sustainable development and in eradicating poverty, we encourage WTO members to pursue the negotiating agenda and work programme agreed at the WTO fourth Ministerial Conference at Doha, Qatar in November 2001. In order for developing countries, and especially the least developed among them, to increase their share in the growth of world trade commensurate with the needs of their economic development, we urge WTO members to take the following actions:

(a) Facilitate the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership of the WTO, in accordance with the Monterrey Consensus;

 (b) Support the Doha Development Agenda as an important commitment on the part of developed and developing countries to mainstream trade in their respective development policies and programs, and to implement substantial

trade related technical assistance and capacity building measures and support the Doha Development Agenda Global Trust Fund established after the Fourth WTO Ministerial Conference as an important step forward in ensuring a sound and predictable basis for WTO-related technical assistance and capacity building;

(c) Implement the New Strategy for WTO Technical Cooperation for Capacity-Building, Growth and Integration;

(d) Fully implement the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (IF), and urge development partners to significantly increase contributions to the IF Trust Fund, in accordance with the Doha Ministerial Declaration.

15. Build the capacity of commodity-dependent countries to diversify exports through, inter alia, financial and technical assistance, and international assistance for economic diversification, sustainable resource management, as well as strengthen the activities covered by the Second Account of the Common Fund for Commodities to support sustainable development.

16. [Agreed] Enhance the benefits for developing countries, as well as countries with economies-in transition, from trade liberalization, including through public-private partnerships, through, inter alia, action at all levels including through financial support for technical assistance, the development of technology and capacity building to developing countries to:

(a) [Agreed] Enhance trade infrastructure and strengthen institutions;

(b) Increase developing country capacity to diversify and increase exports to cope with the instability of commodity prices and declining terms of trade;

(c) [Agreed] Increase the value-added of developing country exports.

17. Make trade and environment mutually supportive, including through actions at all levels to:

(a) Encourage the WTO Committee on Trade and Environment to give particular attention to the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development;

(b) Reduce or phase out, as appropriate, environmentally harmful and/or trade-distorting subsidies.

(c) Advance the work and coordination on trade and environment and development of the WTO, UNCTAD and UNEP, involving other relevant international and regional organizations.

(d) Further develop and promote the use of environmental impact assessments or where appropriate sustainability impact assessments, at the national level, as a tool to better identify trade, environment and development interlinkages and appropriate mitigating and enhancing measures. Encourage countries and international organizations with experience in this field to provide technical assistance to developing countries for these purposes.

18. Encourage international financial and trade institutions in their efforts to ensure that decision making processes and institutional structures are open and transparent. Promote mutual supportiveness between the multilateral trading system and the multilateral environmental agreements, as a complement to and in support of the work program agreed through the WTO. Promote further collaboration, between on the one hand, the WTO and, on the other hand UNCTAD, UNDP, UNEP, ILO and other relevant agencies, including in the field of providing technical assistance to developing countries.

19. Assist developing countries and countries with economies in transition in bridging the digital divide, creating digital opportunities and harnessing the potential of information and communication technologies for development, and in this context, support the World Summit on Information Society.

20. Enhance the delivery of coordinated, effective and targeted trade related technical assistance and capacity-building programmes, including to take advantage of existing and future market access opportunities and to examine the linkages between trade and other aspects of sustainable development.

21. To complement and support the Doha Ministerial Declaration and Monterrey, by undertaking further action at the national, regional and international levels, including through public/private partnerships, to enhance the benefits, in particular for developing countries as well as countries with economies in transition, of trade liberalisation, through inter alia, actions at all levels to:

(a) Establish, and strengthen existing, regional trade and cooperation agreements and integrate sustainable development considerations in these.

(b) Make preferential trade schemes, such as the Generalised System of Preferences, GSP, supportive of sustainable development through positive measures.

(c) Promote the creation and expansion of domestic and international markets for organic products, including through voluntary and market based initiatives, technical assistance and cooperation with developing countries.

(d) Support voluntary efforts to build markets for goods produced in an environmentally friendly manner. Stimulate trade in goods which maximize environmental and social benefits for producers in developing countries.

(e) Support measures to simplify and make more transparent domestic regulations and procedures that affect trade so as to assist exporters, particularly those in developing countries.

22. Address public health problems affecting many developing and least developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics, while noting the importance of the Doha Declaration on the TRIPS Agreement and Public Health, where it has been agreed that the TRIPS

Agreement does not and should not prevent WTO Members from taking measures to protect public health, while noting that the TRIPS Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all.

23. Globalisation – the growing integration of economies and societies around the world - offers opportunities and challenges for sustainable development and has the potential to improve living standards for all. Globalisation offers opportunities and challenges. Globalisation has meant increased trade and capital flows, increased sharing of ideas and the extension of democracy and rule of law to an ever-widening circle of countries. While globalisation has improved lives around the world and offers enormous opportunities for further improvement, our challenge remains to ensure its' benefits are enjoyed by all countries. There is concern that larger integration of economies and societies may lead to instability in the international economic and financial system, negative environmental and social implications and loss of cultural diversity. Developing countries and countries with economies in transition face special difficulties in responding to the challenges and opportunities of globalisation.