



INTERNATIONAL CONFERENCE

Leading Group on Solidarity Levies to Fund Development Second Plenary Meeting

*Radisson SAS Plaza Hotel, Oslo
Sonia Henie Ballroom
6–7 February 2007*

CHAIR'S SUMMARY

On 6 and 7 February 2007 Norway convened the Second Plenary Meeting of the Leading Group on Solidarity Levies to Fund Development, established at the Ministerial Conference on Innovative Sources of Finance for Development, held in Paris at the invitation of President Jacques Chirac on 28 February and 1 March 2006.

150 registered delegates took part in the Oslo conference, representing twenty-eight countries, ten international institutions, twelve think tanks and academic centers of excellence, and thirty-two NGOs. Twenty-three Leading Group member countries and five observer countries were represented at officials' level. During the opening plenary session, Finland was welcomed as the 46th member of the group.

During the conference six invited lead speakers, including Erik Solheim (Norwegian Minister of International Development) and Jean-Pierre Landau (Former President of the French Working Group on Innovative Finance for Development) offered their remarks on the agenda of innovative finance for development. During the open plenary discussions, there were another 24 interventions from the floor.

There were six roundtable discussions – on Solidarity Levies on Air Travel, the proposed Currency Transaction Development Levy (CTDL), Advance Market Commitments (AMCs) for Vaccines, Migrants' Remittances, Combating Tax Havens and Capital Flight, and New Approaches to Microfinance for Development. These sessions benefited from the insights and perspectives of 22 expert lead speakers and commentators.

In addition, there were progress reports on three innovative financing mechanisms that are up and running; the International Drug Purchase Facility – UNITAID, the International Finance Facility for Immunization (IFFIm) and the Digital Solidarity Fund (DSF).

Moderators’ summaries of the roundtable discussions as well as statements, presentations and progress reports can be found at the Oslo conference home page: <http://www.innovativefinance-oslo.no/>

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From time to time during the conference there were discussions on whether or not a particular subject matter belongs under the thematic umbrella of “innovative finance”. Although many of the observations made were well taken, there is good reason for the group not to get too much preoccupied with such distinctions. In a world where the Millennium Development Goals are clearly under-funded, the mobilization of additional resources for development is clearly more important than an academic debate on whether the steps taken to help fill the financing gaps are “innovative” or not.

Several speakers and commentators noted the diversity of country approaches to innovative finance, including the quite different regimes adopted for solidarity levies on air travel. While more streamlined approaches may be desirable in a long-term perspective, at this early stage of the Leading Group’s existence it seems important to strike a reasonable balance between coordination and flexibility.

While there is a certain inherent risk that the Leading Group could become a slightly repetitive “talk shop”, the rich discussion at the conference nevertheless illustrated the quite remarkable progress made – in a very short period of time – in pushing the agenda of innovative finance, broadly defined. In some areas (e.g. IFFIm and UNITAID), the progress made represents virtual quantum leaps. In relation to “normal” progress in multilateral cooperation, there is good reason to conclude that the Leading Group is *doing well*.

Since in some thematic areas and in some constituencies there are high expectations to the Leading Group, it should be stressed – as was also done at the conference – that the group as such does not negotiate agreed outcomes, nor does it take consensual decisions. The group’s mission lies in moving issues forward, hopefully increasing their prominence in political agendas.

This said, the Chair nevertheless took note of two thematic issues for which the call for an active follow-up was particularly vocal; the proposed Currency Transaction Development Levy (CTDL) and Combating Tax Havens and Capital Flight. As for the former, several speakers, especially from the NGO community, proposed the establishment of a *task force*, with broad participation. The outgoing Norwegian Presidency will use the remainder of February 2007 to consult with Leading Group members on their willingness to collectively pursue such a follow-up, in one format or another.

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In the closing plenary session of the Oslo conference the Republic of Korea, having kindly accepted the group's invitation to succeed Norway as the next Presidency of the Leading Group, outlined some of the priorities for its 6-month Presidency (1 March – 31 August 2007); as follows:

- **To expand the membership of the Leading Group by way of outreach activities, especially vis-à-vis Asian countries**
- **To balance new ideas with the pursuit of existing innovative schemes**
- **To foster partnerships between donors, recipients and civil society**
- **To pursue strategic issues relating to the core mission of the Leading Group**

The incoming Presidency announced its intention to hold the Third Plenary Meeting of the Leading Group in South Korea in early July 2007.

14 February 2007
Royal Norwegian Ministry of Foreign Affairs

www.innovativefinance-oslo.no/
www.solidarity-globalization.org/