



ROYAL MINISTRY
OF FOREIGN AFFAIRS

Your ref.:

Our ref.:
05/06726

Date:
15 February 2007

Follow-up to the Second Plenary Meeting of the Leading Group in Oslo

Dear Leading Group colleagues and friends,

First of all, let me take the opportunity to thank you all for your presence and contributions at the 6-7 February Oslo conference on innovative finance for development. I think we did quite a bit of good work, bringing the agenda of innovative finance further up on the international development agenda. The summaries from the conference and many of the statements and presentations made have now been posted on the webpage.

As I stressed in my oral summing up, the Leading group as such does not negotiate agreed outcomes, nor does it take consensual decisions. In my capacity as Chair I nevertheless took due note of two thematic issues for which the call for an active Leading Group 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. A similar concept could perhaps also be applied for the latter theme.

As the Norwegian Presidency is fast approaching its end, I would like to take this opportunity to consult with you on whether or not a special, more or less collective, follow-up on these two subject matters – in one format or another – would be worthwhile. While not wanting to pre-empt your thoughts on this issue, such follow-up could perhaps be envisaged along the following lines:

- A critical mass of two or three countries (at minimum) for each theme, preferably with one country taking the lead, could voluntarily take on the task of organizing a small set of expert meetings or seminars within a given time frame, to be financed by voluntary donor contributions.
- Such a process could be linked up with ongoing or to-be-commissioned analytical work of a think tank or an academic centre of excellence, which could also be brought in as an institutional anchor for the process (in a host or co-host function).
- The lead countries would invite the participation from all key stakeholders (within reason), including financial market players, central banks, ministries of finance, NGOs, developing countries and independent academics, as relevant.
- The key ambition would be to pursue the “suggested next steps for policy-makers”, included in the summaries from the Oslo conference, in as operational a fashion as possible.
- Anticipating that the two themes will stay on the Leading Group’s agenda, progress reports would be presented to the next Plenary Meetings of the group (upon the invitation of the South Korean and other future Presidencies).

Those countries that would be willing to take on the task of co-organizing, take part in and/or contribute to a follow-up on either the CTDL or tax havens & capital flight (or both), perhaps along the lines described above, are kindly asked to respond before the expiration of the Norwegian Presidency, i.e. no later than 28 February. We will be looking forward to your replies.

Kind regards



Atle Leikvoll

Deputy Secretary General



Bjorn Brede Hansen
Senior Adviser