

of portfolio diversification opportunities in emerging and new markets;

- support the development of regional and multilateral arrangements and infrastructure that take into account the realities of developing countries, and that can help to facilitate private capital flows;
- study the lessons to be learned from recent developments in currency markets and in particular on how countries can be protected from the destabilising effects of market volatility, including those resulting from speculative activities, and how the effectiveness of existing early warning systems can be improved; and
- support strengthening of global and regional mechanisms to help countries handle capital market volatility.

Specifically we have decided to:

- endorse the recommendations of the Commonwealth working group on the role of national and international policies in promoting private capital flows, and call for the rapid finalisation of a Commonwealth Code of Good Practice for national policies that attract and sustain private capital flows;
- welcome the launch of the Africa Fund, the Kula Fund for the Pacific, and the South Asia Regional Fund under the aegis of the Commonwealth Private Investment Initiative (CPII); and call for the extension of CPII to embrace additional regions and sectors;
- launch a Commonwealth investment promotion programme which will: help establish enabling environments for attracting private investment flows; encourage the creation of new mechanisms for risk insurance and guarantees; provide assistance for strengthening supervisory and regulatory frameworks; and improve the flow of information on investment opportunities; and
- encourage 'smart partnerships' involving the private and public sectors.

#### **Development**

7. We welcome the improving growth prospects in many parts of the developing world, including evidence of recovery in Sub-Saharan Africa. At the same time, we remain concerned at the persistence of extreme poverty in many countries and the lack of capacity to reduce it. We have therefore agreed to:

- work to halve the proportion of people living in extreme poverty by the year 2015;