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Special High-Level Meeting
8th & 9th Meetings (AM & PM)

ECONOMIC AND SOCIAL COUNCIL MEETS WITH BRETTON WOODS INSTITUTIONS, WORLD TRADE

ORGANIZATION, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Issues Discussed Include Good Governance, Trade, Investment, Development Financing, Developing Countries' Participation in Decision-Making

Good governance, developing countries' participation in decision-making, effective use of trade and investment policies, and innovative means of financing for development were the focus of today's high-level meeting of the Economic and Social Council with Bretton Woods Institutions, World Trade Organization and United Nations Conference on Trade and Development (UNCTAD) -- the tenth in a series of such events.

Emphasizing the importance of those themes for achieving the objectives set at the 2002 Monterrey Conference on Financing for Development, United Nations Secretary-General Ban Ki-moon said that the landmark Monterrey Consensus had recognized the need for good governance at all levels to ensure that resources were mobilized and used effectively. Participation, transparency and accountability were all crucial components of that process, and countries themselves must be in the driver's seat when governance reforms were involved.

The Secretary-General also emphasized the need for a greater voice of developing countries, whose significance was poorly reflected in forums where crucial decisions about their economic and social future were taken. Those included some of the institutions created 60 years ago under vastly different circumstances. If those institutions were to strengthen their own legitimacy and credibility -- and better serve the world's peoples -- they must engage more deeply in reforms that reflected today's economic realities.

He noted that, despite recent promises of increased aid flows, significant shortfalls had become apparent, and official development assistance (ODA) had fallen by more than 5 per cent in 2006. While there had been some modest gains in generating development financing through innovative approaches, there was an urgent need to encourage new initiatives. It was also unfortunate that the provision of ODA had become "unnecessarily complicated, fragmented and poorly coordinated". Recipient countries had little influence over the process, and aid was often driven more by politics than by need. With the growth of aid in recent years stemming largely from increased debt relief and emergency assistance, fresh funding was needed if countries were to overcome the financing gap and achieve the Millennium Development Goals.

Other important aspects highlighted in the statements today included developing countries' market access; international economic, monetary and fiscal policies; and agricultural subsidies. Several speakers said that today's deliberations would provide an important contribution to the preparations for the Economic and Social Council's forthcoming first annual ministerial review and Development Cooperation Forum in July, and the General Assembly's High-Level Dialogue on Financing for Development in the fall, as well as the follow-up international conference on financing for development, to be held in Doha, Qatar, in 2008.

“We need to join forces to fight poverty and hunger, and to avert the impending threats posed by climate change and various other problems that defy boundaries and borders,” said the President of the Economic and Social Council, Dalius Čekuolis (Lithuania), emphasizing the Council’s crucial role in promoting coherence, consistency and policy coordination. “We need all our solidarity, conviction and determination to make the United Nations development agenda a reality and the Economic and Social Council a truly global forum for our joint efforts. Let’s hope that at the tenth anniversary of this meeting, our successors will not have to make such appeals,” he said.

“As we reach the halfway point to 2015, we must strive to breathe more life into the Millennium Development Goals,” General Assembly President Sheikha Haya Rashed Al Khalifa (Bahrain) said, appealing to the international community to “move beyond the mistrust that sometimes frustrates progress”. The United Nations must not lose sight of the shared goal of ridding the world of poverty and improving the lives of millions. “I am convinced that your presence here today is a measure of your Governments’ conviction to live up to the commitments made at the Millennium Summit in 2000, in Monterrey and at the 2005 World Summit,” she said, adding that, if those goals could be achieved, not only could the international community end poverty, it could also help make the world a safer, more stable and prosperous place for all.

The views of major international stakeholders were presented by Alejandro Werner, Deputy Chair of the Development Committee; Mohamed Saleck Ould Mohamed Lemine, UNCTAD’s President of the Trade and Development Board; Murilo Portugal, Deputy Managing Director of the International Monetary Fund (IMF); and Valentine Rugwabiza, Deputy Director-General of the World Trade Organization. Statements were also made by German Federal Minister for Economic Cooperation and Development, Heidmarie Wiecek-Zeul (on behalf of the European Union); Youseff Hussein Kamar, Minister of Finance and Acting Minister of Economy and Trade of Qatar; and the representatives of Pakistan (on behalf of the Group of 77 and China) and the United States.

Ms. Rugwabiza updated the meeting on the Doha Development Round of negotiations, which was at “a delicate moment” now. Although members of the World Trade Organization had come back to the negotiating table in February, there was still no sign of the “incisive breakthrough” needed to bring the talks to a successful conclusion. “Unless tangible progress is achieved throughout the coming weeks in Geneva, Governments will be seriously contemplating the failure of the Round,” she said.

She stressed that success was, nevertheless, within reach, provided all members of the World Trade Organization were ready to make a contribution. Success was also within reach because of what was already on the table. “This is not ‘mission impossible’; the real challenge is less technical than political,” she declared, adding that the successful wrap-up of the long-stalled talks was about “leadership, about compromise, about countries recognizing their common interest in success and the collective cost of failure.”

Following the opening remarks, round tables were held on four main subjects: good governance at all levels; voice and participation of developing countries in international economic decision-making, including the Bretton Woods institutions; realizing the Doha development agenda -- effective use of trade and investment policies; and aid effectiveness and innovative financing for development.

Participants in the event also exchanged views on those subjects following the presentation of the round tables’ highlights by their respective co-chairs, Eckhard Karl Deutscher, Executive Director of the World Bank, Germany; Svein Aass, Executive Director of the World Bank, Norway; Mr. Lemine of UNCTAD; and Baledzi Gaolathe, Minister of Finance and Development Planning of Botswana.

Background

The Economic and Social Council began its tenth high-level meeting with the Bretton Woods Institutions, the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) this morning. The themes for discussion during the meeting included good governance at all levels; voice and participation of developing countries; trade and investment policies; and aid effectiveness and innovative financing.

Statements

Opening the meeting, the President of the Economic and Social Council, DALIUS ČEKUOLIS (

Lithuania) said that today marked the tenth anniversary of the Council's "spring meetings". Over the decade, the meetings had evolved in many ways. In the wake of the Asian financial crisis of 1997, the first meeting had served as a forum for addressing such crises through coordinated multilateral actions in the areas of development, finance and trade. It had served as a unique forum for building a stronger relationship between the United Nations and the Bretton Woods institutions and the World Trade Organization. It had also helped to pave the way for a successful outcome of the Monterrey Conference on Financing for Development. Following the Financing for Development Conference in 2002, the spring meetings had provided an important channel for dialogue between the Economic and Social Council and the intergovernmental bodies of the Bretton Woods institutions, the World Trade Organization and UNCTAD on the implementation of the Monterrey Consensus.

This year's discussion themes lay at the very heart of the Monterrey Consensus, he continued, and progress in each of those areas would be essential to meet the Millennium Development Goals. While those Goals were shared by all, the results on the ground often fell short of expectations. To address that challenge, a central task was to ensure that the opportunities opened by robust economic growth and expanding global integration translated into tangible progress in achieving the Development Goals. That would entail coherence, consistency and coordination in policies that had direct or indirect bearing on the realization of the Goals. To that end, the Economic and Social Council could play a crucial role. To realize that potential, it needed to focus on four aspects of the work of the Council.

The 2005 World Summit had mandated the Economic and Social Council to hold an annual ministerial review to evaluate the progress made towards the internationally agreed Development Goals, he said. The first review, to take place at the upcoming substantive session in Geneva, would provide an important opportunity for Member States to exchange lessons learned and identify best practices, which merited wider application and scaling-up. That would offer an opportunity to galvanize the national and international efforts for making that happen. The Development Cooperation Forum, another function mandated by the 2005 World Summit, provided a platform for ensuring that the efforts to support countries in their endeavours were well coordinated and made an optimal impact. "We must work together to ensure that this Forum delivers on its promise," he said, inviting all major stakeholders to actively engage in the launching of the Development Cooperation Forum in July.

Efforts to achieve individual internationally agreed development goals must be underpinned by continued commitment by all to global partnership for development, he said. Given the linkage between the achievement of the United Nations development agenda and the global partnership for development, the meeting might wish to consider how to relate the spring meeting deliberations on the Monterrey Consensus to the theme of the annual review and the work of the biennial Development Cooperation Forum. Finally, the 2008 financing for development review presented an excellent opportunity to reinforce efforts to implement the Monterrey Consensus. Encouraging the participants to consider how next year's spring meeting could contribute to the 2008 financing for development review, he said that the option could be to constitute a joint ministerial group to prepare concrete proposals for consideration at next year's meeting.

The challenges of development remained daunting, he said. Solutions could not be found through individual or piecemeal approaches. "We need to join forces to fight poverty and hunger, and to avert the impending threats posed by climate change and various other problems that defied boundaries and borders. We need all our solidarity, conviction and determination to make the United Nations development agenda a reality and the Economic and Social Council a truly global forum for our joint efforts. Let's hope that, at the tenth anniversary of this meeting, our successors will not have to make such appeals," he said.

Welcoming the participants, United Nations Secretary-General BAN KI-MOON said that today's event was an important part of the follow-up to the Monterrey Consensus. According to the latest economic reports, a recent period of economic growth continued, but the risks were increasing as global imbalances and volatility of some markets worsened. The themes of today's discussion were all crucial for achieving the Monterrey objectives. That landmark Consensus recognized the need for "good governance at all levels" to ensure that resources were mobilized and used effectively. Participation, transparency and accountability were all crucial components of that process. Countries themselves must be in the driver's seat when governance reforms were involved. Experience had showed that donor-driven initiatives, especially when externally imposed, could weaken the legitimacy of domestic efforts and might be counterproductive.

Corruption obviously reflected a failure of governance, he continued. But the fight against

corruption was not synonymous with governance and, thus, should be properly addressed as part of comprehensive governance reforms. Furthermore, anti-corruption efforts should reinforce the only internationally agreed framework in that field, the United Nations Convention against Corruption. In that connection, he noted with concern that the industrialized countries had been slower to ratify that ground-breaking instrument than developing countries.

The Monterrey Consensus also called for developing countries to have a greater voice in international decision-making, he continued. Developing countries had 79 per cent of the world's population and contributed 45 per cent of world output, when measured in terms of purchasing-power parities. Yet, their significance was poorly reflected in forums where crucial decisions about their economic and social future were taken, including some of the institutions created 60 years ago under vastly different circumstances. If those institutions were to strengthen their own legitimacy and credibility -- and better serve the world's peoples -- they must engage more deeply in reforms that reflected today's economic realities. That meant increasing the weight of several developing countries, which had grown substantially in recent decades; and it meant giving adequate voice to smaller economies where many of the world's poor lived.

Trade was another essential part of the picture, along with sound policies for investment and technology, he said. The recent resumption of the Doha Round of trade negotiations was most welcome, but it was necessary to ensure that its development promise was not compromised. Developing countries, especially the least developed among them, needed better market access, as well as more help to improve their production and trading capacity. There was a need to eliminate all export and trade-distorting agricultural subsidies of industrialized countries. Also, the rules for intellectual property rights needed to be reformed to strengthen technological progress and ensure that the poor had better access to new technologies and products.

With or without a breakthrough on trade, there would still be a critical role for official development assistance (ODA), he said. Recent years had seen the emergence of significant new donors, as well as the reversal of the downward ODA trend of the last decade. However, despite recent promises of increased aid flows, significant shortfalls had become apparent, and everybody should be concerned that ODA had fallen by more than 5 per cent in 2006, according to the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD). While there had been some modest gains in generating development financing through innovative approaches, there was an urgent need to encourage new initiatives. It was also unfortunate that the provision of ODA had become "unnecessarily complicated, fragmented and poorly coordinated". Moreover, recipient countries had little influence over the process. All too often, aid was driven more by politics than by need. In addition, the growth of aid in recent years had stemmed largely from increased debt relief and emergency assistance, rather than fresh funding. Fresh funding was needed if countries were to overcome the financing gap and achieve the Millennium Development Goals.

The question of developing-country participation was relevant here, too. While the interests and views of donor countries were well represented in the multilateral financial institutions, there had been no effective permanent forum reflecting the interests of the recipient countries. The launching of the Development Cooperation Forum in the context of the Economic and Social Council later this year should help improve international oversight of development assistance. He encouraged the Bretton Woods institutions and the World Trade Organization to be active participants in that new initiative.

"Your views, proposals and new initiatives on all these subjects during today's deliberations will provide critical inputs for two important events scheduled to be held later this year: the Economic and Social Council's first annual ministerial review and Development Cooperation Forum in July, and the General Assembly's High-level Dialogue on Financing for Development this fall," he said in conclusion. Those, in turn, would be crucial steps towards the follow-up international conference on financing for development to be held in Doha in 2008. "You can count on my strong personal interest in these matters, and on my full support during the preparatory process for Doha 2008. More broadly, I look forward to working closely with all of you to achieve the [Millennium Development Goals] and to advance the wider development agenda," he concluded.

SHEIKHA HAYA RASHED AL KHALIFA (Bahrain), President of the General Assembly, said that she was pleased to take part into today's special high-level meeting, which was the sixth of its kind since the landmark 2002 Monterrey International Conference on Financing for Development. The unique format and comprehensive nature of the Monterey Consensus, adopted by the Conference, had proved to be an

important model for multilateralism, in that it had brought together -- and given voice to -- all parties with a stake in development.

That coming together had made it possible to reach the broadest possible consensus and to move the global development agenda forward, by, among others, agreeing to additional financing for development and setting clear targets for donors; establishing a framework for global partnerships and good governance; and strengthening the voice of the developing world. She said that the importance of making progress along these lines could not be overestimated, particularly with poverty and lagging development currently the most pressing issues.

"Poverty has a face in the developing world. So, as we reach the halfway point to 2015, we must strive to breathe more life into the Millennium Development Goals," she said, appealing to the Economic and Social Council and the wider international community to "move beyond the mistrust that sometimes frustrates progress". The United Nations must not lose sight of the shared goal and objective of ridding the world of poverty and improving the lives of millions. "I am convinced that your presence here today is a measure of your Governments' conviction to live up to the commitments made at the Millennium Summit in 2000, in Monterrey and at the 2005 World Summit," she said, adding that, if those shared goals could be achieved, not only could the international community end poverty, it could also help make the world a safer, more stable and prosperous place for all.

She noted that, during its current session, the General Assembly had adopted a resolution that welcomed the offer of the Government of Qatar to host the follow-up to the Monterrey Conference in 2008. She announced that the Ambassadors of Egypt and Norway would lead consultations on that important matter, and that they would conduct an open and inclusive process covering all issues relating to the review, including with all major institutional stakeholders. Furthermore, in order to accelerate progress in reaching the Millennium Development Goals, she had taken the initiative to hold a follow-up to the November 2006 informal thematic debate on development. The Government of Qatar had generously accepted to host the event, "Implementation of the Millennium Development Goals and Financing for Development", in Doha on 17 and 18 June 2007. She hoped the event, along with the high-level dialogue on financing for development to take place in the fourth quarter of 2007, would contribute to the preparatory process in the run-up to Doha in 2008.

ALEJANDRO WERNER, Deputy Chairman, Development Committee, said the Committee's discussions ahead of today's meeting had focused on how the United Nations could most effectively tackle the challenges set out in the Millennium Declaration and had drawn on data and analysis presented in the latest edition of the World Bank's *Global Monitoring Report*. While the continued strong growth of the global economy and the impact of improved country-level policies and institutions had brought about "strong progress" in alleviating poverty worldwide, progress towards most of the Millennium Goals had been uneven across most countries and in most sectors.

There had been particularly mixed results regarding the human development targets, he said, stressing that, while there had been major increases in primary school completion and vaccination coverage, progress had been weaker in reducing child mortality, childhood malnutrition and maternal mortality. For its part, the Committee had called for further reinforcement of country and donor efforts targeting the Millennium Declaration's health and education goals. Ministers on the Committee had also stressed the need for heightened attention to universal access to reproductive health services. Drawing on the *Monitoring Report's* analysis of the importance of the quality of education and health services -- patients were treated, how much children were learning -- the Committee had also called for stepped-up efforts to improve and monitor the quality of those services.

He said that gender equality and the empowerment of women were important, not only for achieving the gender-specific Millennium Development Goal targets, but also for the wider attainment of the Goals. To that end, the Committee had welcomed the progress many countries had made on girls' school enrolment, while noting that there was still much to be done. The Committee had also noted that progress in the social sectors had generally not been matched by comparable advances in the productive sectors, and it had called on the World Bank, in particular, for the full and rapid implementation of the Bank's recently developed Gender Action Plan. The Committee had also called for improvements in the statistical basis for monitoring progress on gender equality and the empowerment of women, working closely with the United Nations and other agencies.

On other matters, he said that fragile States, defined by weak institutions, poor governance and,

in some cases, conflict, accounted for 9 per cent of the population in developing countries, but about 27 per cent of the extremely poor. Those were also the countries least likely to achieve the Millennium Goals. At the same time, the Committee had noted that several countries had shown that it was possible to transition from weak institutions and the legacy of conflict to sustained gains in growth and poverty reduction. To that end, the Committee had encouraged the international financial institutions, working in partnership with the United Nations and other donors, to review their policies, procedures and incentives for their involvement on fragile States, and had also encouraged the development of a comprehensive framework for the settlement of cases of long-standing arrears.

He went on to say that, despite recent strong growth in many parts of Africa, many countries in the sub-Saharan region continued to face challenges meeting the Millennium Goals. The Committee had focused special attention on Africa during its deliberations and, in that context, it had looked closely at the early implementation stages of the World Bank's Africa Plan. The Committee had reiterated its belief in the continued relevance of the Plan's original strategic goals, including support for the efforts of African countries to accelerate pro-poor growth and to maximize achievement of the Millennium Development Goals.

Turning to the current state of external development assistance, he said the Committee had noted that, while total official development assistance flows had grown in real terms during past decade, there was concern that those flows had slipped in 2006. Pledges made in 2005 to double aid for Africa by 2010 had yet to be translated into increased total donor resources for programmes on the ground. With that in mind, the Committee had reiterated its call on those donors who had not done so to make concrete efforts towards the agreed goal of 0.7 per cent of gross national income. In line with Monterrey, the Committee had also called for renewed efforts to scale up financing to support sound country-owned programmes towards achievement of the Millennium Goals.

Among the Committees' other activities, he said the body had welcomed new and emerging public/private sources of aid that generated more resources to help poor countries achieve internationally agreed development goals. At the same time, it had noted the increasing risks of "aid fragmentation" and earmarking, which led to higher transaction costs for recipients and reduced effectiveness of such aid.

The Committee had also noted the importance of trade as a driver of growth and poverty reduction, and had expressed its continued hope for a breakthrough in the Doha Development Round negotiations.

The Committee had also welcomed a recent report of the World Bank's Executive Directors on "Strengthening Bank Group Engagement on Governance and Anticorruption", and had also welcomed a paper setting out a comprehensive range of options for enhancing the voice of developing and transition countries in the Bank's decision-making framework. The Committee had also touched on a number of other issues regarding the work of the Bretton Woods institutions, including a review of the Bank's strategy for engagement in clean energy.

MOHAMED SALECK OULD MOHAMED LEMINE, President of the United Nations Conference on Trade and Development's (UNCTAD) Trade and Development Board, said that the theme of today's meeting was being examined in the context of the Monterrey Consensus. In an increasingly interdependent world, it was important to develop an integrated approach to international economic relations. All countries, especially the most wealthy and powerful ones, needed to make sure that they fully examined their decisions and the effect they could have on developing countries. It was necessary to harmonize policies in order to promote sustainable and open world exchange.

The issue of consistency and coherence was at the heart of UNCTAD's agenda, whose mandate had been strengthened with the adoption of the São Paulo Consensus in 2004. UNCTAD had worked on improved coherence between national and international efforts and between the international monetary, financial and trading systems to promote sound global economic governance and better respond to development needs. UNCTAD was focusing on promoting development and trade, and contributed to the establishment of a favourable international context for development, taking into account the phenomena of globalization and its impact, especially on developing countries.

Many countries had been able to take advantage of globalization, he continued, but many countries in Africa, especially least developed ones, had not been able to make the best of the current situation.

Therefore, UNCTAD was seeking to strengthen the development impetus in order to implement the results of international conferences organized in the 1990s. Greater participation in decision-making and establishment of standards were needed to achieve international development. Greater coherence was also needed

between international development goals and national strategies, which had to respond to the needs and priorities of individual countries, while also taking into account their realities. Developing countries should be able to reconcile their national disciplines and international commitments.

He also outlined the research and analysis aspect of UNCTAD's work, which was of great interest to developing countries. UNCTAD supported the efforts of developing countries to fully benefit from trade and ensure that it was an engine for their development. It also supported a speedy conclusion of the Doha Round of negotiations, as well as South-South cooperation in view of the emergence of new dynamic trade in the South. UNCTAD encouraged developing countries, in particular those that depended on raw materials, to seek new sectors within the dynamic world market. Those countries also looked to significant sources of investment to help them make the best of their potential. Through its various activities, UNCTAD hoped to play its full role within the United Nations system as an organization responsible for integration of trade and development and similar fields, thus having a more efficient and effective impact on revitalization.

In conclusion, he described the current preparations to UNCTAD's twelfth session, to be held in Accra, Ghana, next year. Promoting sound global economic governance required an emphasis on maximizing the gains and minimizing the losses arising from the interface between globalization, trade, investment and development. The session would seek to make the organization more effective and to strengthen synergies and complementarities with other international bodies. In view of its special position, UNCTAD contributed to increasing coherence in the efforts to create an integrated investment, trade and financial environment as a result of the Monterrey Consensus. Otherwise, results would be fragile.

MURILO PORTUGAL, Deputy Managing Director of the International Monetary Fund (IMF), said the Fund's International Monetary and Financial Committee welcomed continued strong broad-based expansion of the global economy during 2007 and 2008. The Committee encouraged policies that allowed countries to capitalize on financial globalization while containing vulnerabilities. In advanced economies, monetary policy must be committed to maintaining price stability. Fiscal consolidation would help ensure fiscal sustainability over the long term. The focus should be on ensuring the viability of health-care and pension systems in the face of population ageing. Continued efforts were needed to strengthen budgetary positions and improve debt-management practices, entrench the credibility of monetary and fiscal policies, and ensure the sustainability of external positions in order to consolidate the strong performance of emerging markets and other developing countries, and improve their resilience to financial shocks and commodity price volatility.

Encouraged by the continued robust growth in low-income countries, including in sub-Saharan Africa, he called on poor countries and donors to continue partnering to expedite progress towards achieving the millennium targets in those nations. Countries should persevere with sound macroeconomic policies and market-based reforms, while the international community should support their efforts with increased and more efficient aid, including by making good on its pledge to double aid to sub-Saharan Africa by 2010. Further trade liberalization and delivering aid-for-trade commitments were important. According to the report on global imbalances launched after the Committee's spring 2006 meeting, resolving imbalances in line with sustained global growth was a shared responsibility. Policy plans set forth by the participants -- China, Europe, Japan, Saudi Arabia and the United States -- represented further progress in implementing the Committee's strategy previously set forth and endorsed. He also welcomed the resumption of the Doha Round trade negotiations, and called on World Trade Organization members to work to urgently achieve an ambitious outcome.

He called on the Executive Board to continue to work to strengthen and modernize IMF surveillance, including updating the 1977 Decision on Surveillance over Exchange Rate Policies, with a focus on improving quality, focus and even-handedness. Due regard should be paid to country circumstances. He supported efforts to strengthen the way financial sector, capital market and exchange rate issues were addressed in surveillance. More predictable and stable sources of IMF income were needed, as was a new income model with broad membership support. Real spending reductions were also needed to improve resource allocation and cost effectiveness in line with the priorities of the medium-term strategy. Implementation of the programme of quota and voice reforms adopted by the Board of Governors in Singapore was also important. Further, continued efforts were required to help low-income countries benefit from higher aid and debt relief, and avoid a new build-up of unsustainable debt, and all creditors and borrowers should work with the World Bank and IMF to foster coherence and responsible lending practices.

VALENTINE RUGWABIZA, Deputy Director-General of the World Trade Organization, said she

guessed that no one would be surprised if she said that the ongoing Doha Development Round of negotiations was at "a delicate moment". Although members of the World Trade Organization had come back to the negotiating table this past February, there was still no sign of the "incisive breakthrough" needed to bring the talks to a successful conclusion. "Unless tangible progress is achieved throughout the coming weeks in Geneva, Governments will be seriously contemplating the failure of the Round," she said.

She stressed that success was, nevertheless, within reach, provided all World Trade Organization members were ready to make a contribution. Success was also within reach because of what was already on the table. "This is not 'Mission Impossible'; the real challenge is less technical than political," she declared, adding that the successful wrap-up of the long-stalled talks was about "leadership, about compromise, about countries recognizing their common interest in success and the collective cost of failure".

She went on to say that, last week in New Delhi, some of the prominent trading nations in the World Trade Organization had met -- for the first time since the talks had been suspended in July -- in the framework of the so-called Group of Six (G-6), precisely to give a push to that political impetus and spirit of leadership. The bilaterals held in New Delhi had provided an opportunity of countries to look at what had to be done over the next few weeks in Geneva, and the G-6 ministers had confirmed the need to conclude the Doha Round by year's end. "We need to speed up the process, so as to grasp the current small window of opportunity," she said, adding that the main players needed to boost their level of engagement because time was running out.

Indeed, as had been the case over the entire "tortured" history of the Doha negotiations, time was of the essence, particularly since the alternative to success was quite worrying. Failure of one of the most important exercises in multilateral economic cooperation of the past decade would mean that developing countries had lost a once-in-a-generation opportunity to redress imbalances in global trade relations and to open world markets for their exports. "But, above all, we all would suffer from a weakened multilateral trading system," she said.

The challenge was to tackle head-on the three issues that were at the forefront of the Doha talks: agricultural subsidies; agricultural tariffs; and industrial tariffs, she said. Better market access was needed in all three of those areas, along with more balanced rules that allowed developing countries to reap the benefits of globalization. In fact, removing trade restrictions, particularly in the area of agriculture, and improving trade opportunities for developing countries, including through increased South-South trade was the World Trade Organization's major contribution to development and poverty alleviation.

She said that a crucial element of the development equation was aid for trade and, though that principle was not necessarily a part of the Doha discussions, it would be critical to maximizing a successful outcome for many countries. She added that, for its part, the World Trade Organization was on hand to mobilize, monitor and evaluate aid-for-trade initiatives and, to that end, it was currently establishing a system of monitoring at three levels: global monitoring; donor monitoring and recipient monitoring.

Finally, she said that the Doha Development Agenda was proving to be the biggest challenge the World Trade Organization had faced in its 12 year history. "Now, we've reached the most difficult part of the process, and it will take a great deal of political courage and commitment to conclude this Round successfully," she said, calling for full and active support of the talks, so that the economic potential of developing countries could be unlocked and so that those countries could use trade development as an engine to accelerate growth and achieve some of the promise of the Millennium Development Goals.

MUNIR AKRAM ([Pakistan](#)), speaking on behalf of the "Group of 77" developing countries and China, said developing countries had demonstrated a sincere commitment to implement internationally agreed development goals through national development strategies, good governance and favourable macroeconomic trade, growth and investment climates. However, development partners had not shown similar readiness in providing development assistance, financing, trade and technology transfer. ODA had, in fact, dropped in 2006, and was expected to decline further. Specific benchmarks and targets should be developed to chart progress in implementing Millennium Development Goal number 8 on trade, as well as the internationally agreed development goals. He called on the United Nations and the Bretton Woods institutions to help develop such benchmarks, first by preparing a comprehensive matrix of the commitments undertaken. Such specific measures would be an effective tool during the annual ministerial review and the Development Cooperation Forum to be held by the Economic and Social

Council.

Developing countries continued to confront challenges in an increasingly globalized international economy, he said. Concessional development financing was essential for achieving the millennium targets and other national development goals. Despite the pledge of \$50 billion in additional development assistance, such funding was declining. Bilateral and multilateral development assistance was not responsive to national policies and plans, since it was mostly earmarked to sectors and projects determined by the donors. For example, more than 45 per cent of funding provided by the United Nations Development Programme (UNDP) was earmarked for governance projects, while only 25 per cent was spent on poverty alleviation. The level of development financing in many cases was less than the outflow of resources from the concerned developing countries, due to growing trade deficits, transfer of invisibles and capital flight. Most foreign direct investment went to a few dynamic "emerging markets" only.

He called for comprehensive financial reform, including increasing developing countries' voting powers in a timely way, as well as ensuring financial stability and access to short-term financing for countries in need. There was not enough focus on the development dimension of international trade in the Doha Round and other trade negotiations. Even the least developed countries that had been promised duty- and quota-free access by the European Union and a "free ride" by others would not likely gain from the Doha review. Aid for trade was a good idea, but it was limited. The Trade-Related Aspects of Intellectual Property Rights (TRIPs) needed review to assess and rectify its development dimension.

Speaking on behalf of the European Union and associated States, German Federal Minister for Economic Cooperation and Development, HEIDEMARIE WIECZOREK-ZEUL, said that one of the most constructive aspects of the Monterrey follow-up process related to better coordination among the United Nations, the Bretton Woods Institutions, UNCTAD and other major stakeholders. It was essential to preserve and build on that collaborative approach between organizations, which played a key role in the follow-up and, therefore, in reaching the Millennium Development Goals. The international community was halfway to the target date of 2015. The number of people who were extremely poor was still high, but it had been significantly reduced. Economic cooperation in the fight against poverty could contribute to the achievement of the Goals. It was necessary to pay special attention to climate change, accelerate action to mitigate the impact of global warming and support developing countries in their efforts to adapt to global warming.

The European Union was currently fulfilling its internationally agreed commitments, she said, but recognized that, over the next few years, donors would need to continue to work hard to stay on track and meet its targets. On development finance, the Union was proud to have collectively, not only achieved, but surpassed already in 2005, the ODA target of 0.39 per cent of gross national income -- a target for 2006, which had been agreed in Barcelona in the eve of the Monterrey Conference. In 2005, the Union had set new ambitious targets for 2010 and 2015 and was seeing continuing "real and very substantial" increase on the way to meeting those targets. Raising ODA was an investment "in our joint future".

Also important was improving the quality and effectiveness of aid, she continued. In that connection, she emphasized the importance of good governance and coordinated support. The Union strived to achieve a better "division of labour" in that regard. Also, the Union strongly encouraged all donors to improve transparency of their aid and to follow internationally shared principles, such as the Paris Declaration, to take account of debt sustainability issues in all their lending practices and to share fully information on their lending to low-income countries.

The reform of United Nations development cooperation had always been an important issue for the European Union, she said. The Union, therefore, welcomed the report of the High-Level Panel on System-Wide Coherence. Among other things, the commitment to gender equality should remain a mandate of the entire United Nations system. Women should be represented in all sectors of the economy. That was not only a question of democracy and human rights; it was also an issue of economic sensibility.

Giving developing countries and countries with economies in transition a strong voice in decision-making at the World Bank and IMF was key to preserving those institutions' legitimacy, effectiveness and credibility, she said. It was the international community's common goal to forge an equitable globalization that would benefit all countries. Governance reform within the Bretton Woods institutions must respond to, and reflect, important changes to the balance and economic structure of the global economy. Many proposals had been made in that regard. The European Union strongly welcomed

the current IMF reform process, initiated by the Board of Governors. That process had also given a new boost to the debate on the reform within the World Bank.

The European Union remained fully committed to a universal, open, equitable, rules-based and non-discriminatory trading system and a comprehensive and balanced agreement on the Doha Development Round, she said. The Doha Round needed to come to a successful conclusion. She called on World Trade Organization members to secure the results of the 2005 World Trade Organization ministerial conference in Hong Kong, thus striving for the parallel elimination of all forms of export subsidies, as well as realizing duty- and quota-free market access for products originating from least developed countries. The European Union attached great importance to the aid-for-trade process, in which UNCTAD had been an inherent part. The European Union would strengthen aid for trade, irrespective of any outcome of the Doha Round. Work on specific steps to implement a €2 billion aid-for-trade commitment had already started. The relevant Joint European Union Strategy on Aid for Trade -- to be adopted soon -- would be inspired by the World Trade Organization Task Force's recommendations. However, it was important to keep in mind that aid for trade was a complement and not a substitute to a successful outcome of the Doha Development Agenda negotiations.

The European Union was currently providing 52 per cent of global ODA and was committed to reaching the target of 0.7 per cent of gross national income by 2015. To achieve commitments in that regard, it was also necessary to find new and predictable sources of financing. Recent initiatives in that respect included the air-ticket solidarity levy, which financed sustainable access to affordable drugs to fight AIDS, tuberculosis and malaria, which was now supported by almost 30 countries. Others were the International Finance Facility for Immunization and the Advanced Market Commitments initiative, which attempted to accelerate research for new and effective vaccines for the benefit of the poorest countries.

YOUSEFF HUSSEIN KAMAR, Minister of Finance and Acting Minister of Economy and Trade of Qatar, speaking in his capacity as representative of the host Government to the 2008 Doha meeting, said the 2002 International Conference on Financing for Development had been a milestone for mobilizing international efforts and resources, and was an incentive for all partner States and stakeholders to continue to work together to achieve the Millennium Development Goals. Also, the Conference had been a real turning point in achieving economic and social progress during a time when developed and developing countries recognized their individual responsibilities in such fundamental issues as trade, assistance, debt reduction and institutional reconstruction.

Qatar spared no effort to host various international conferences aimed at realizing the millennium targets and other internationally agreed development goals, he continued. Qatar was keen on being a supportive partner in international development, the fight against poverty and sharing the benefits of global growth in a fair, equitable way, in order to achieve stability, peace and security. He expressed concern over the stalemate in the ongoing consultations on revitalizing the Doha Agenda, and hoped that the stalemate would be overcome and that all parties concerned, particularly developed States, would be flexible enough to achieve practical results benefiting everyone.

RICHARD TERRELL MILLER (United States) said he had learnt some remarkable things from the statement by Pakistan on behalf of the Group of 77 and China. For example, he had heard that developing countries had done everything they thought was needed to create the climate conducive to economic development. He had been under the impression that some efforts might be undertaken -- and wisely so -- in that area, but learnt that everything had been done. The representative of Pakistan had also said that development assistance offered by developed countries was not responsive to the needs of developing countries. In that connection, he could assure the Group of 77 that such assistance could be re-evaluated to see if it was no longer needed.

Another thing he had heard was that developing countries did not approve of the accumulation of foreign exchange reserves, he continued. A vast majority of those reserves had been accumulated as a result of purchases from developing countries by developed countries. Of course, developed countries could stop those purchases if there was such a desire. The Group of 77 also did not support the Trade-Related Aspects of Intellectual Property Rights (TRIPs) regime, which kept research and development going -- to deal with climate change, among other things. It was hard to build international institutions and maintain globalization in a free and open system of economic interchange. It was easy to destroy institutions and stop globalization efforts -- "so be careful what you ask for", he said in conclusion.

Responding to the comments made by the representative of the United States, Mr. AKRAM (

Pakistan) said that the United States representative's remarks had been provocative. Mr. Akram's remarks, on the other hand, had been a factual evaluation of how the Group of 77 and China viewed the current situation. Developing countries were committed to implementing their commitments related to the millennium targets and internationally agreed development goals and were trying, against all odds, to achieve macroeconomic stability and good governance and to use financial assistance to the best of their ability. Indeed, developing countries valued development assistance when it was an effective vehicle for development and when it actually delivered development. Developing countries saw when development assistance and the Paris Guidelines were being implemented and how much was actually going to the poor versus how much was being spent on assessment teams and expensive plane tickets for visiting missions. He appreciated when developed countries achieved their 0.7 per cent goal for ODA. However, when developed countries did not achieve those targets and provided quality development, then it was necessary to re-evaluate development assistance.

Turning to international development assistance, he said foreign exchange reserves could be accumulated or spent. Pakistan and other developing countries believed it was necessary to have foreign exchange reserves because of the volatility of the international financial system. They needed to protect their currencies against what had happened in South-East Asia in the early 1970s, when there had been a run on currency by certain speculators. If the international financial architecture was able to ensure financial stability and that kind of speculative run would not happen, then developing countries would not need to maintain such large reserves. Concerning TRIPs, he asked if there had been research and development before TRIPs had been agreed in the World Trade Organization just a decade ago. TRIPs constricted the ability of developing countries in many ways to benefit from the late application of technologies of their own development. For example, medicine for victims of HIV/AIDS could have been made cheaply for people that were dying, but were not in fact produced due to the restrictions imposed by the TRIPs regime.

Reports on Round Tables

Reporting on the outcome of today's round table on "Good governance at all levels", ECKHARD KARL DEUTSCHER, Executive Director of the World Bank from Germany, who had co-chaired the event, said that the participants of the round table had emphasized the need for a broader framework to build sound economic policies, human rights, institutions and the rule of law to achieve good governance. There was also a need for transparency, entrepreneurship and promotion of women's human and economic rights. There had been broad agreement that the principle of national ownership was of great importance. Industrialized and donor countries needed to respect the ownership of developing countries.

Good governance was more than fighting corruption, he said. While reducing corruption was essential, it was also important to strengthen oversight and include civil society and media in the development efforts. Oversight in the financial sector was also needed. Transparent and fair market rules should be in place, and Governments needed to cooperate with all actors to deliver services. There had been a discussion on practical steps to strengthen capacity at all levels, and a point had been made that education was critical for building capacity.

There had also been a call for greater accountability of international financial institutions, which needed to adopt the highest standards of performance, he said. Participants had also commented on the need for better coherence among international organizations. The World Bank and IMF were committed to strengthening anti-corruption efforts and harmonizing efforts in that area. The need to strengthen governance at local and community levels had also been emphasized. There had been calls to strengthen participatory decision-making, accountability, transparency and to encourage the poorest people to participate in local decision-making process. Poor and middle-income countries needed to be supported. There had been a call for promoting business ethics, including through incorporating them in school and higher education curricula. It had been stressed that associations and non-governmental organizations should also be subjected to international standards and rules. Lessons from good and negative experiences had been presented.

As the President of Economic and Social Council opened the floor for comments, a speaker stressed the importance of accountability, saying that it was very important to foster open and pluralistic societies, setting good policies to shape countries' development future. However, some countries' national policy space was constrained by the international financial institutions' policies. It was important to improve the quality of Poverty Reduction Strategy Papers and relevant development strategies, among other things.

Reporting on the outcome of today's round table on "Voice and participation of developing countries in global decision-making, including the Bretton Woods institutions", SVEIN AASS, Executive Director of the World Bank from Norway, said the discussion had been spirited, pointed and disciplined. Participants had concluded that there was a need to strengthen the voice of developing countries, and the discussion had dealt mostly with issues in the context of IMF. They had stressed that all countries were represented on the IMF Executive Board through constituencies, that participation was still weighted and that there were universal votes. Decision-making had mostly taken place through consensus. Debate had also taken place on related legitimacy issues, including on countries opting out of IMF through early payment and prepayment of loans. He shed light on their views concerning Singapore, IMF reform and the legal framework on the doubling of votes. There had been consensus on the need for transparency and openness in decision-making.

Regarding the issue of guiding principles and the allocation of votes in the Bretton Woods institutions, as expressed in the Secretary-General's paper on strengthening the decision-making ability of third countries, he said some participants did not feel that the decision reached was adequate. Participants felt that low-income countries should have a stronger voice in decision-making and that the principle of double majority should be used on a wider scale. Technical work was still ongoing on purchasing-power parity and openness in financial flows. On the Secretary-General's paper to further strengthen the decision-making ability of third countries, reference had been made to ongoing efforts to increase staffing sources of directors through technical assistance and recruitment of nationals, among other things. Some participants had pointed to the sovereignty principle of "one country, one vote" as a model. Others had stressed the need for financial strength to be instituted as a decision of primordial importance and in the interest on developing countries. Some had stressed the need to build consensus on the issue of voice and participation and to ensure sufficient political will to achieve that goal.

A representative of civil society said there was growing dissatisfaction with the global governance system. Many civil society organizations in the North and the South thought decision-making must be congruent with democratic principles, rather than dominated by a group of countries. She expressed doubt that a change of votes in IMF would bring positive change. The reform efforts of the Bretton Woods institutions should find ways to fully involve developing countries and economies in transition in order to increase their voice and participation. A specific timetable for action was needed. The Financial Stability Forum and the Bank for International Settlement did not adequately incorporate developing countries' participation. Further, there was a need to reach understanding on ordinary debt-restructuring mechanisms. The discussion begun in the aftermath of the Argentine financial crisis should be restarted. She called on the United Nations to set up a global leaders forum, as proposed by the Secretary-General's High-level Panel on United Nations System-Wide Coherence.

Presenting the report on the round table on "Realizing the Doha Development Agenda -- effective use of trade and investment policies", Mr. LEMINE of UNCTAD said that the participants of the debate had underlined the need to rapidly complete the trade negotiations launched in 2001 in Doha and establish an ambitious and balanced development agreement. The success of the current cycle would present new opportunities to improve the multilateral trading system. However, failure would weaken multilateralism in general and force many countries to turn to regional agreements instead. Speakers had also pointed to the complexity of links between trade and development, and noted that liberalization of trade did not automatically mean sustainable growth, but it could be helpful in that regard.

He said that, during negotiations, important results could be achieved in strengthening access to markets and rebalancing multilateral trading rules, granting margin of action for developing countries and mobilizing additional resources to improve the supply capacities of developing countries. The participants had underlined the need to take into account the situation of least developed countries and countries with vulnerable economies, as well as the need to ensure access without quotas for merchandise from developing countries. They had also pointed to the importance of foreign direct investment and the need to develop investments adapted to the needs of each country.

Among other things, the round table had also addressed the importance of assistance to trade, which should improve the capacity of developing countries and their access to markets. He said trade assistance should be additional to other mechanisms for technical and development assistance that were already in place. Doha should lead to a more open and equitable trading system, and speakers had reiterated the value of achieving a balanced result as soon as possible for all the parties involved. Participants had also underlined the responsibilities incumbent on the principal actors in that regard.

Addressing the meeting following that presentation, a business sector representative focused on the issues of coherence and coordination, supporting the statements on positive expectations from the Doha Round. He also expressed concern about the urgency of the process, stressing that the time window for the current Round was drawing to a close. The negotiations had been delayed too long, and if they were not concluded within the next month or so, the opportunity would be lost. He called on all the participants to do what they could to bring the negotiations to a balanced conclusion. He also spoke about "an outbreak in investment protectionism" -- actions by Governments that discouraged the movement of cross-border investment. That counterproductive trend was rising rapidly, both in developed and developing countries. Instead, measures were needed to attract investment and ensure investors rights. Coordination of policies was needed.

In conclusion, he said he was opposed to "earmarked taxes". For example, the air ticket solidarity levy represented "an unjustified taking of moneys from a specific sector for unrelated public objectives".

A civil society representative addressed the moral aspects of the multilateral trade agreements, saying that, at the very least, the multilateral trading system should provide compensation to vulnerable groups that had been adversely affected by trade liberalization.

Other participants of the interactive dialogue addressed the issues of facilitation of trade, tariffs and the situation of landlocked countries, which were very interested in the successful outcome of the Doha Round. Other countries with special needs included small island developing States and least developed countries.

Reporting on the outcome of today's round table on "Aid effectiveness and innovative financing for development", BALEDZI GAOLATHE, Minister of Finance and Development Planning of Botswana, said the discussion had been rich and focused on quantity and quality in aiding effectiveness. Participants had felt that, on quantity, many commitments had been made to substantially increase the flow of aid to developing countries, but that many of those commitments had not been met and must be delivered. Despite the promise of a \$50 billion increase in aid, assistance to developing countries had, in fact, decreased in 2006, making it difficult for them to achieve the Millennium Development Goals. Developing countries, however, had made some progress in terms of economic growth and poverty reduction due in part to ODA. During the Monterrey Conference, there had been a major call for speedy implementation of all those "nice terms": coordination, ownership and effectiveness.

Round table participants had agreed that assistance should come in the form of budget support, he said, adding that Botswana and other countries with national development plans would like to work on five- or six-year horizons. Budgetary support would go a long way in helping them meet medium-term goals. Participants had called for channelling development funding to regional banks such as the African Development Bank, and for political will to implement promises made in order to avoid having to say the same thing every year but in a different way. Development aid could contribute to development but should not supplement traditional aid flows. Participants had appreciated the determination of the Organisation for Economic Cooperation and Development (OECD) countries to meet the goal of earmarking 0.7 per cent of gross domestic product for development assistance by 2010. It was important to channel private-sector funds as well, and to ensure that financing was available to middle-income countries so they continued to move forward economically. Debt relief should supplement and complement development aid flows. Participants had said that efforts were needed also to ensure that resources flowing to developing countries were aimed at improving the lot of women.

A representative of the business sector said the United Nations and the Bretton Woods institutions should share their experience more with the private sector and institute greater transparency. He proposed that the World Bank and regional development banks set up, on an experimental basis, a private-sector development bank. The private sector should take centre stage in global economic affairs, and least developed countries should be integrated into the global financial system. He called for setting up a private-sector desk at the United Nations. At present, private-sector participants were allowed to participate in only two events like today's per year, but there were many other events where private-sector representatives should be able to have their voices heard.

The representative of the United States said development aid had not decreased in 2006 if one took into account the major debt write-off that had occurred that year. Concerning innovative financing, he applauded countries' efforts to contribute to the fight against HIV/AIDS and malaria, but opposed the

airline tax. The tax was contrary to civil aviation policies and discouraged air travel and tourism.

The representative of Cape Verde said countries receiving migrants must adopt measures to facilitate the transfer of immigrants and help them gain access to job-creation and other development assistance programmes in their countries of origin. Public-private partnerships were needed in that regard.

The representative of the Philippines discussed his views on the "debt for equity" project to fund Millennium Development Goals projects in the Philippines.

The representative of Belarus stressed the importance of stepping up foreign direct investment to least developed countries and paying greater attention to price fluctuation on markets, particularly commodity markets, that greatly influenced the economies of least developed countries and middle-income countries. It was necessary to ensure stability and predictability of those markets, and to prevent sharp price fluctuations.

A representative of civil society said debt cancellation was very much needed, but it must not be considered as an increase in ODA.

A representative of civil society said the air ticket tax had not led to a decrease in tourism. Rather, it gave much needed funds to developing countries.

The representative of the Food and Agriculture Organization (FAO) stressed the need to include the issue of land degradation in the discussion of improving aid effectiveness.

The representative of France said the air ticket solidarity fund begun in July 2006 had not negatively affected air traffic and tourism. On the contrary, the air ticket tax had been well received by French citizens who saw it as a way to contribute to development assistance. Funds collected from the tax mainly paid for low-cost medicines for HIV/AIDS victims, as well as for victims of malaria and tuberculosis. Fifty-two countries were now participating in the solidarity fund.

The representative of Spain stressed the importance of the needs of middle-income countries in terms of aid effectiveness and financing for development.

JOSÉ ANTONIO OCAMPO, Under-Secretary-General for Economic and Social Affairs, said that he was happy that the United Nations had been able to cosponsor with Spain the conference on middle-income countries, and stressed the importance of the document that had been issued following that event. It was hoped that its conclusions would be incorporated in the future work on follow-up to the Monterrey Conference. Many countries had expressed specific interest in participating in that work.

Several speakers, including the representative of Costa Rica, also emphasized the importance of that meeting. Costa Rica, in particular, had put forward an initiative with a view to contributing to middle-income countries' access to aid and financing for development, while also emphasizing the internal effort that was needed in that regard.

A representative of the World Bank also emphasized the need to forge partnerships with the private sector in finding innovative ways of financing.

Concluding Remarks

Mr. ČEKUOLIS ([Lithuania](#)), President of the Economic and Social Council, said that he was encouraged by active participation in today's meeting and the constructive manner in which the dialogue had proceeded. It was certainly a step forward in considering the complex and ambitious development agenda to which everybody was committed. The wealth of ideals and new initiatives emerging in the round tables and the plenary sessions constituted important inputs to completing the tasks before the international community, in particular the Development Cooperation Forum, the High-Level Dialogue on Financing for Development this fall, UNCTAD's twelfth session and the preparations for the Financing for Development Review Conference in 2008. One of the tasks was to ensure that the 2008 spring meeting significantly contributed to the preparation for, and success of, the Doha Review Conference.

Summarizing the events of the day, he said that, in the morning plenary, various appraisals of the current world economic situation and its prospects had been heard. While there had been notable advances in every region and income poverty was receding in a significant number of countries, sustained growth was by no means assured, and serious risks remained that could affect further expansion in the South and the North. National and international efforts were required to address the situation. Those efforts, as many had pointed out, were also key to the achievement of the Millennium Development Goals, in particular poverty eradication.

Turning to the main themes of the discussion, he said that the meeting had been reminded by the General Assembly President that the Monterrey Consensus had proven to be an important model for multilateralism. It had brought together, and given a voice to, all parties with a stake in development, to establish a framework for global partnership and good governance. The latter had many dimensions. As several speakers had pointed out, there was often a need for comprehensive governance reform, of which the fight against corruption was a key element.

It was particularly encouraging that the deliberations within the Bretton Woods institutions regarding suitable representation of developing countries and economies in transition had gathered momentum, which was an important commitment in Monterrey. The road ahead following the recent communiqués of the International Monetary and Financial Committee and the Development Committee also appeared promising, since the principles upon which the outcome should be based had been agreed. Still, the task of ensuring a suitable participation of developing countries and countries with economies in transition in other international financial forums that took economic decisions remained.

Turning to trade and investment, he said that, while international trade had been growing at a relatively satisfactory pace, several speakers had pointed to the possibility of new forms of protectionism emerging. That danger could increase if the Doha Round continued to lag or ultimately failed. More than ever, efforts to muster the required political will needed to complete the Round were necessary. At the current stage, achieving the Doha Development Agenda was much more a political than a technical challenge.

The debate on aid effectiveness had shown once more the complexity of issues involved in improving the aid architecture, he continued. Not only were there more actors present in that field, but further progress was crucial in a number of areas, such as genuine ownership, predictability of flows, coordination and harmonization, streamlined conditionality, alignment with national development strategies and efficient budget support. Moreover, several speakers had expressed concern by the break in the increasing aid trend in 2006. It was important that increased effectiveness and efficiency of aid were not negated by scaling down aid flows.

“We should welcome the progress achieved in promoting innovative sources of finance,” he said. Recent pilot projects had demonstrated that the concept behind that form of resource mobilization was sound and delivering results at a rather early stage.

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