



## FFD PREPCOM HIGHLIGHTS: MONDAY, 15 OCTOBER 2001

On Monday, 15 October 2001, delegates gathered at UN Headquarters in New York to convene the second half of the Third PrepCom for the Financing for Development (FfD) process. In the morning, delegates elected new members of the Bureau, adopted the organization of work, agreed to accredit recommended lists of NGO and business organizations to the FfD process, considered the Fourth report of the Bureau on preparations and draft provisional rules of procedure for the Conference, and unveiled the official Conference poster. In the afternoon, following introduction of a series of 10 technical notes from the Secretary-General, the PrepCom began discussing the Draft Outcome.

### ORGANIZATIONAL MATTERS

Co-Chair Amb. Ruth Jacoby (Sweden) opened the PrepCom at 10:45 am and welcomed all participants, including governments, stakeholders in the FfD process and representatives of international organizations. She stressed the importance of the FfD process in meeting international development targets and the priorities identified in the Millennium Summit Declaration.

Co-Chair Jacoby asked the PrepCom to consider the election of an additional Co-Chair and three new Vice-Chairs. Delegates elected Amb. Shamshad Ahmad (Pakistan) as Co-Chair and Amb. Srgjan Kerim (Macedonia), Marco Balarezo (Peru) and Amb. Chuchai Kasemsarn (Thailand) as Vice-Chairs. Co-Chair Ahmad thanked delegates and stressed the importance of teamwork between developed and developing countries in facing the challenges posed by the FfD process. He underscored strong partnerships among various actors and financial systems that are equitable and participatory; expressed confidence in the continued involvement of the International Monetary Fund (IMF) and the World Bank; and emphasized that the Conference is only the first step in a larger process.

IRAN, on behalf of the G-77/CHINA, congratulated the newly elected members of the Bureau and expressed appreciation for the work of the PrepCom. THAILAND pledged his country's full support for the FfD process.

On the recommendation of Co-Chair Jacoby, delegates then agreed that meetings would take place primarily in informal sessions and that all organizations accredited to the FfD process would be allowed to attend these sessions. The PrepCom adopted the proposed organization of work (A/AC.257/L.7\*) and agreed to accredit the Asian Development

Bank and the Common Fund for Commodities as well as a list of NGOs (A/AC.257/10/Add.4) and business entities/organizations (A/AC.257/30) recommended by the Bureau.

Co-Chair Jacoby presented the Fourth report of the Bureau on preparations (A/AC.257/29) and its addendum on draft provisional rules of procedure (A/AC.257/29/Add.1). She requested Vice-Chair Jana Simonová (Czech Republic) to outline the discussions, as reflected in the report, of the Bureau's open-ended task force on the format of the Conference. Ms. Simonová emphasized the multi-sectoral nature of the format across the Conference's high-level, ministerial and summit segments. She also noted changes to the rules of procedure to allow for the election of a 25-member General Committee and for the participation of civil society and the business sector in public meetings of the Conference.

Co-Chair Jacoby then opened the floor for general comments. The G-77/CHINA noted progress in coordinating positions to allow adoption of the Bureau's Fourth report by the end of the week. BELGIUM, on behalf of the EU, noted its acceptance of and willingness to adopt the report. The REPUBLIC OF KOREA requested a streamlined version outlining the format of the Conference. MEXICO highlighted that the Conference format is logistically manageable. SUDAN suggested, and Vice-Chair Simonová supported, informal consultations to help finalize the work of the task force.

UN Executive Co-Coordinator Oscar de Rojas introduced the Update on activities planned or undertaken in the respective areas pursuant to GA resolution 55/245 B (A/AC.257/26). He highlighted requests for action on FfD's global public awareness campaign and on business sector participation and outlined the annexes and their relevant activities. Regarding concrete initiatives, he noted that the FfD trust fund had enabled the presence this week of over 50 delegates.

Therèse Gastaut, Director of the Division of Public Affairs in the Department of Public Information (DPI), discussed the public awareness campaign, including its strategic vision and components aimed at publicity, information dissemination and intergovernmental communication. She invited the FfD Co-Chairs to unveil the official poster for the Conference. Co-Chair Ahmad stated that DPI bears a critical responsibility for publicizing the importance of the FfD process, and called on UN Secretary-General Kofi Annan to help elevate the process on the global agenda.

After Co-Chair Jacoby invited comments, NEPAL stressed the need for a concrete final product of the FfD process that goes beyond rhetoric. ST. LUCIA sought clarification on the inclusiveness of the public awareness campaign, expressed concern with FfD's focus on

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globalization and questioned the design of the FfD poster. Ms. Gastaut affirmed that the monthly meetings of the working group on the public awareness campaign are open to information officers of all organizations and clarified that the poster's design was intended to show that FfD is a process that reflects interdependence among continents. Responding to a G-77/China suggestion, she said that allotting website space to NGO participants would be difficult because websites are reserved for products of official discussions. Co-Chair Jacoby suggested that the PrepCom be regularly informed on DPI's subsequent work, and opened the floor for NGO comments. The CARTER CENTER announced a forum that seeks to identify obstacles to international cooperation, based on studies in four countries.

At 3:10 pm, Co-Chair Ahmad opened the second session of the PrepCom by introducing Under-Secretary-General for Economic and Social Affairs Nitin Desai. Emphasizing that the FfD process is particularly important at this moment in history, Mr. Desai remarked that the "rapid slowing down of the world economy" to a growth rate of 1.4 percent, due partly to the recent terrorist attacks, enhances the need for a productive FfD process that would "instill major confidence and an important positive boost." Mr. Desai also acknowledged the awarding of the Nobel Peace Prize to the UN and the Secretary-General and he noted the Organization's obligation to show that the award is not just a recognition for the past, but also a promise for the future. Mr. Desai underscored the importance of the private sector's strong interest in FfD and thanked governments for the high level of representation, particularly from capitals.

Co-Chair Ahmad gave the floor to the INTERNATIONAL CHAMBER OF COMMERCE (ICC), which described a high level of interest among members, who have begun holding their own preparatory meetings. The MEXICAN NGO FORUM ORGANIZING COMMITTEE announced the organization of an NGO Forum in Monterrey to promote civil society participation.

Co-Chair Ahmad introduced the report of the High-level Panel on Financing for Development (A/55/1000) with a note from the Secretary-General. Executive Co-Coordinator de Rojas presented a series of technical notes related to the FfD substantive agenda (A/AC.257/27/Add.1-Add.10).

### DRAFT OUTCOME

At the invitation of Co-Chair Ahmed, Facilitator Mauricio Escanero (Mexico) introduced the Draft Outcome (A/AC.257/25). Regarding globalization, he stressed, *inter alia*, the need for multilateralism, sustainable people-centered development, and economic and social justice. He recognized States' responsibility for economic and social development and the need for an enabling international environment. He advised the PrepCom to undertake conceptual discussions to strengthen the Draft Outcome and challenged all sectors to make efforts to ensure the success of the Conference.

Co-Chair Ahmed said the FfD process should aim to transmit dividends of prosperity and strengthen cross-sectoral partnerships in pursuit of development. Recognizing the realities of anti-globalization demonstrations, global economic slowdown and international terrorism, he stressed the importance of addressing globalization in a spirit of mutual understanding and cooperation in working toward consensus on the Draft Outcome.

With the floor open for general debate, SUDAN called for further conceptual discussion on the outcome of the FfD process. The G-77/CHINA said the outcome should consist of a set of principles and action-oriented initiatives with specific timetables, as well as a follow-up mechanism for implementation, monitoring and review. He suggested that the Facilitator prepare a second Draft Outcome to be discussed during inter-sessional meetings in December and a third draft for the fourth session of the PrepCom in January 2002. The EU proposed a more balanced Draft Outcome, with less focus on systemic issues and more on mutual responsibilities. He called for an integrated approach that places greater emphasis on partnership, improving trade among developing countries, strengthening their production capacity, stepping up regional coordination and integration, good governance,

conflict prevention and sustainable debt management. He requested a more precise definition of the concept of global public goods (GPGs) outlined in the report of the High-level Panel on Financing for Development.

CHILE, on behalf of the RIO GROUP, accepted the Draft Outcome as a good basis for discussions, but urged elaboration of its content. He supported: good governance; government responsibility for mobilization of private and domestic resources; better access to capital markets; and adequate financing for GPGs. The WORLD BANK expressed concern over decreased growth rates, a decrease in tourism, and increased poverty levels, noting the adverse affect on the developing world. He called the FfD process a great opportunity for "win-win" results and for balancing national initiatives and "realism."

The IMF echoed similar statements, and expressed hope for a strategy that would: increase official development assistance (ODA), improve its delivery and mobilize support for domestic resources. He supported better dialogue instead of the creation of new institutions.

NAURU, on behalf of the Small Island Developing States (SIDS) PACIFIC ISLAND FORUM, stated that the Draft Outcome should focus on stakeholders' commitments. He noted that international trade is the most important mechanism for increasing domestic savings and development capabilities and questioned how FDI could be attracted to "risk" economies.

JAPAN emphasized a realistic approach to creating a concise and positive message. He also focused on: individual human security in pursuing the overall goal of development; ownership and responsibility for development in developing countries; output over input; capacity building and human resource development; and cooperation through existing institutions. The RUSSIAN FEDERATION said FfD's task is to draw on international experience to help governments of developing countries and counties with economies in transition to determine the most effective use of both domestic resources and international financial flows for development. NORWAY proposed that the Draft Outcome should be concise, effectively communicate Millennium Summit goals, stress evolving relationships among stakeholders and focus on issues where consensus is emerging. The REPUBLIC OF KOREA called for, *inter alia*: an inclusive, realistic results-based Draft Outcome; detailed strategies with reasonable timeframes; and reform of multilateral trade organizations. SWITZERLAND proposed a new Draft Outcome, maintaining that the current version contains vague and general language, gives too much weight to globalization, and overemphasizes international measures. He noted "with surprise" that there is no mention of fiscal performance.

### IN THE CORRIDORS

The atmosphere on the first day may have seemed cordial and relaxed, but the undercurrents of debate were already swirling. Some delegates detected a bias toward developing countries in the Draft Outcome, a prospect they fear is an automatic recipe for alienating the industrial powers. While most expect at least one of these countries to oppose the draft in its entirety, others suspect that this player may not have an official policy position. Will a perceived link between terrorism and underdevelopment jumpstart the process and modify positions, delegates wondered? A much-anticipated afternoon intervention that might have shed some light failed to materialize due to time constraints...

### THINGS TO LOOK FOR TODAY

**PLENARY:** Delegates will meet in Conference Room 2 at 10:00 am. In the morning, the UN High Commissioner for Human Rights, Mary Robinson, and the Assistant Secretary-General and Special Advisor on Gender Issues and the Advancement of Women, Angela King, will speak to the PrepCom. Delegates will then continue general discussion on the Draft Outcome, followed by consideration of section one, Towards a fully inclusive and equitable globalization, and section two, Confronting the challenges of financing for development: leading actions, paragraphs seven to 10, on mobilizing domestic financial resources.