



**SUMMARY OF THE HIGH-LEVEL DIALOGUE
OF THE UN GENERAL ASSEMBLY ON
FINANCING FOR DEVELOPMENT:
27-28 JUNE 2005**

The High-level Dialogue of the UN General Assembly on Financing for Development took place on 27 and 28 June 2005, at UN Headquarters in New York. This was the second High-level Dialogue to have taken place since the International Conference on Financing for Development, which met in Monterrey, Mexico, in 2002. The Monterrey Consensus, which was negotiated at the International Conference on Financing for Development, assigned a follow-up role to such Dialogues. The theme for the two-day gathering was “The Monterrey Consensus: status of implementation and tasks ahead.”

On the first day of the High-level Dialogue, participants met in formal sessions chaired by the President of the General Assembly to hear statements from government ministers and other high-level officials. The following day, six interactive multi-stakeholder round tables were held in the morning, with each round table focusing on a different chapter of the Monterrey Consensus. This was followed in the afternoon by an informal interactive dialogue with the participation of relevant stakeholders, including representatives of intergovernmental organizations, civil society and the private sector. The two-day event was designed not only to support the implementation of the Monterrey Consensus, but also to contribute to the High-level Plenary Meeting of the UN General Assembly in September 2005 (also known as the “2005 World Summit”) – a major event intended to review the outcomes of the 2000 Millennium Summit.

**A BRIEF HISTORY OF THE FINANCING FOR
DEVELOPMENT PROCESS**

Financing for development has been on the multilateral agenda for a number of years. In June 1997, the UN General Assembly adopted the Agenda for Development, which called for consideration of an international conference on financing for development. Subsequently, during its 52nd session in December 1997, the General Assembly adopted resolution 52/179, noting the need for systematic, comprehensive and integrated high-level international intergovernmental consideration of financing for development, and creating an *ad hoc* open-ended working group to formulate recommendations on the form, scope and agenda of this high-level consideration.

During its 53rd session in 1998, the General Assembly adopted resolution 53/173, which continued the momentum on this issue by requesting the *ad hoc* working group to submit its recommendations to the General Assembly during its 54th session. The resolution followed the first formal meetings between delegates to the UN Economic and Social Council (ECOSOC) and high-level officials from the International Monetary Fund (IMF) and the World Bank.

From December 1998 to May 1999, the *ad hoc* working group held six sessions, including two informal consultations. During this period, two panels were also convened to elicit comments from business leaders and non-governmental organizations (NGOs). The working group discussed the Index Report (A/53/470) prepared by the Secretariat to look at recurring themes and key elements identified in responses to a questionnaire sent to stakeholders in the Financing for Development process. At its final session, the working group adopted a report of recommendations (A/54/28) to forward to the General Assembly on the form, scope and agenda of the high-level intergovernmental event, proposed for 2001. In December 1999, the General Assembly adopted resolution 54/196, which endorsed the report of the *ad hoc* working group and decided to convene an event of political decision makers, at least at the ministerial level. It established a Preparatory Committee and a schedule for its initial meeting.

MONTERREY PREPARATORY PROCESS: The Preparatory Committee met in organizational and substantive sessions from early 2000 to late 2001. In its substantive

IN THIS ISSUE

A Brief History of the Financing for Development Process.	1
High-Level Dialogue Report.	2
Opening of the Session.	2
Statements by Ministers and High-Level Officials . . .	3
Round Tables on Financing for Development	6
Informal Interactive Dialogue	8
Closing of the High-Level Dialogue	9
Upcoming Meetings	9

The *Millennium Review Meeting Bulletin* is a publication of the International Institute for Sustainable Development (IISD) <info@iisd.ca>, publishers of the *Earth Negotiations Bulletin* © <enb@iisd.org>. This issue was written and edited by Asmita Bhardwaj, Leonie Gordon, Kati Kulovesi, and Chris Spence. The Digital Editor is Leila Mead. The editor is Lynn Wagner, Ph.D. <lynn@iisd.org>. The Director of IISD Reporting Services is Langston James “Kimo” Goree VI <kimo@iisd.org>. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +1-204-958-7710. The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD. Excerpts from the *Bulletin* may be used in other publications with appropriate academic citation. Electronic versions of the *Bulletin* are sent to e-mail distribution lists (ASCII and PDF format) and can be found on the Linkages WWW-server at <http://www.iisd.ca/>. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 212 East 47th St. #21F, New York, NY 10017, USA.



sessions, delegates prepared for the International Conference on Financing for Development and considered various categories of issues, including: mobilizing domestic financial resources; mobilizing international resources for development; trade; international financial cooperation for development; debt; and systemic issues including enhancing the coherence of the international monetary system to support development. The Committee also held panel discussions with civil society and the business community in November and December 2000. Civil society representatives specified various priorities, including curbing the volatility in the international financial system, dealing comprehensively with debt and strengthening the role of the UN on economic issues. The business community highlighted, *inter alia*, the need to develop new tools to understand risks in the international financial system, the importance of fair treatment from government authorities, and ways to attract foreign direct investment.

At the General Assembly's 55th session in December 2000, resolution 55/213 was adopted, welcoming the progress made in consulting with stakeholders and scheduling the Financing for Development event for early 2002. Subsequent meetings of the Preparatory Committee developed the substantive agenda and draft outcomes.

MONTERREY CONSENSUS: The International Conference on Financing for Development took place in March 2002. The meeting resulted in the adoption of the Monterrey Consensus, which called for the resources to meet the goals agreed at the Millennium Summit in 2000 and the conditions to support freer trade, foreign investment, debt relief and good governance. The Consensus includes sections outlining actions on mobilizing both domestic financial resources and international resources for development, using international trade as an engine for development, increasing international financial and technical cooperation for development, reducing external debt, and addressing systemic issues, including the coherence and consistency of the international monetary, financial and trading systems in support of development.

POST-MONTERREY FOLLOW UP: Since Monterrey, a number of follow-up activities, consultations and events have taken place, including the first High-level Dialogue of the UN General Assembly on Financing for Development, held in October 2003 in New York. A special high-level meeting of ECOSOC with the Bretton Woods Institutions, World Trade Organization and UN Conference on Trade and Development was held on 18 April 2005, at UN Headquarters. This meeting took as its theme "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus: Achieving the internationally agreed development goals, including those contained in the Millennium Declaration" (for more information on post-2002 follow up, visit: <http://www.un.org/esa/ffd/>).

As part of the preparations for the second High-level Dialogue, the UN Secretary-General prepared a report entitled *The Monterrey Consensus: Status of implementation and tasks ahead* (document A/59/822). The report explains that the primary responsibility for mobilizing domestic resources rests with developing countries. It suggests that, by 2006, poorer countries

should begin to implement national development strategies that are sufficient to meet the Millennium Development Goals set for 2015. The report also examines international and private sector support, arguing that more foreign direct investment should be directed to low-income countries, and that steps need to be taken to ensure that such investment actually makes a positive contribution towards development. In addition, the report calls for a more transparent, equitable, rules-based trading system, and urges completion of the Doha Round of multilateral trade negotiations during the sixth World Trade Organization (WTO) Ministerial Conference in December 2005. Official development assistance (ODA) is also addressed in the report, including suggested timetables for developed countries to achieve the target of 0.7% of GNP on or before 2015, with a short-term target of 0.5% by 2009, and more aid for least developed countries. The report supports establishing an International Finance Facility (IFF) and providing debt relief.

Another recent report on financing for development was the Secretary-General's report on *Strengthening the Role of the Private Sector and Entrepreneurship in Financing for Development* (document A/59/800), which deals with issues such as a regulatory environment for businesses, labor standards, access to finance, infrastructure, information and macroeconomic stability.

HIGH-LEVEL DIALOGUE REPORT

The High-level Dialogue on Financing for Development took place from 27-28 June 2005, at UN Headquarters in New York. The meeting included formal sessions involving statements from numerous government ministers and other high-level officials. It also included six interactive multi-stakeholder round tables, with each round table focusing on a different chapter of the Monterrey Consensus. On the final afternoon, an informal interactive dialogue took place involving relevant stakeholders. This report of the meeting outlines the presentations and discussions in all of these different sessions.

OPENING OF THE SESSION

On Monday morning, 27 June, General Assembly President Jean Ping (Gabon) opened the second High-Level Dialogue on Financing for Development, explaining that it would assess implementation of the Monterrey Consensus and consider future action for enabling development. Underscoring the importance of this meeting to September's UN General Assembly High-Level Plenary to review the



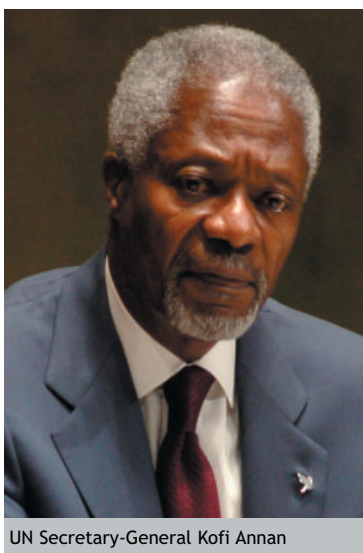
General Assembly President Jean Ping

implementation of the Millennium Declaration and Millennium Development Goals (MDGs), he welcomed the progress already made, emphasized the need to establish a multilateral trade system that is more equitable and favorable to development, and



urged delegates to agree on a five-year Monterrey Consensus monitoring conference.

UN Secretary-General Kofi Annan noted progress on the issue of development, explaining that, while in the past extreme poverty had been seen as tragic but “inescapable,” there was now a view that poverty could be defeated. Noting that UN conferences and summits and the Millennium Development Goals had set a clear vision for defeating poverty, he also highlighted the focus of the Monterrey Consensus on financing issues. The test now, he said, was implementing these decisions. Annan then reflected on some positive recent events, including the decision by G8 finance ministers to provide debt relief and the EU’s agreement on a timetable for reaching the 0.7% target for ODA by 2015. On the way forward, he noted that developing countries should uphold the Rule of Law, address corruption, develop their institutions, mobilize domestic resources, and invest in human capital. Meanwhile, developed countries should increase aid to Africa, launch an International Finance Facility, increase the participation of developing countries in global economic decision making, and take the lead in establishing a development-focused international trading system.



UN Secretary-General Kofi Annan

Munir Akram (Pakistan), President of the Economic and Social Council (ECOSOC), highlighted the agreement at Monterrey in 2002 to tackle the challenges faced in generating the necessary financing for development. Expressing concern that the Monterrey Consensus has suffered from a “serious implementation deficit,” he highlighted the role assigned to ECOSOC in following up on Monterrey’s implementation. He reported on an ECOSOC meeting held in April 2005 with the Bretton Woods Institutions, which focused on policies and strategies, trade, investment and ODA, as well as innovative sources of financing and debt relief. He noted discussions on the importance of nationally-developed and owned strategies for development, improved coherence and coordination, job creation, support for greater private sector involvement, good governance, and anti-corruption measures at the national level, as well as increased developing country participation in decision making at the international level.

STATEMENTS BY MINISTERS AND HIGH-LEVEL OFFICIALS

On Monday and Tuesday, 27-28 June 2005, ministers and other high-level officials addressed the UN General Assembly on financing for development. In all, speakers from over 60 countries made presentations, along with several representatives from intergovernmental organizations, UN agencies and other organizations.

Many speakers emphasized the upcoming High-level Plenary taking place in September 2005, noting that it represents a major opportunity to make progress on development goals. Delegates raised issues relating to domestic action and mobilization of resources, action at the international level, and policy coordination and coherence. They also discussed the need to increase ODA and make aid more effective, provide debt relief, ensure equity in the international economic system, and complete the Doha Round of multilateral trade negotiations, with a special emphasis on developing country concerns. A number of speakers welcomed recent announcements on debt relief from the G8 finance ministers and from the EU on time-bound ODA targets.

GOVERNMENT OFFICIALS: Jamaica, on behalf of the G-77/China, said the international community has yet to mobilize the level of resources needed to honor commitments under current agreements, including the outcomes of the Millennium Summit. Emphasizing that the High-level Plenary in September 2005 should give a major boost to the process, he said urgent action was required, including on implementing the Monterrey Consensus. He noted progress in developing countries on domestic resource mobilization, and urged action to address the negative flow of resources away from developing countries, prioritize the development dimension in the WTO and Doha Round, and increase ODA. He also supported debt relief and greater coordination among international institutions that deal with development, finance, monetary and trade issues, as well as reform of the global financial architecture.

Mexico highlighted the linkages between the MDGs and the outcomes of the Monterrey conference, supported greater coherence between national development strategies and global economic processes, and said it was necessary to identify areas requiring a greater focus to achieve the MDGs.

Emphasizing the need for “more and better aid,” Denmark encouraged developed countries to establish and implement new ODA commitments. She underlined the creation of an enabling environment for private sector development and integration of poor countries into the global economy as two key priorities for member countries. Highlighting the slow progress in achieving the MDGs, the UK underscored the need to provide better, long-term and more predictable aid and to enhance international trade. Sweden welcomed the G8 decisions on debt cancellation for many highly indebted poor countries. She noted the importance of actions such as provision of duty free access to exports from developing countries, abolition of export subsidies, integration of trade in development and poverty policies of developing countries and implementation of UN reform.

Gabon said his country is committed to economic reforms and making the national economy more attractive to investment. He emphasized the need to increase ODA and identify novel ways for financing development. Ireland highlighted debt relief and increasing aid to achieve the MDGs. He invited donors to build on the momentum generated by the EU’s timetable for reaching the 0.7% ODA target and the G8 decision on debt relief. Germany urged countries to shift expenditure priorities from armament to development, and called for the elimination of subsidies to cotton and agricultural exports.



Highlighting developing countries' role in mobilizing resources, Botswana outlined his country's policies for promoting development and drew attention to the challenges that require international efforts, including agricultural subsidies and protectionism. Norway urged countries to take further action to achieve the MDGs and identified trade and market access, donor reform, governance reform in developing countries, and organizing the private sector as necessary improvements. Indonesia said an integrated national strategy for eradicating poverty is essential but not sufficient and identified debt relief, better coordination of aid, increased ODA levels and completion of the Doha Round as necessary actions.

Expressing concern at the lack of progress on the Monterrey Consensus commitments, Mauritius called for a monitoring summit in 2007. He noted the importance to Small Island Developing States (SIDs) of favorable access to international markets, an equitable, integrated development financing system, and a speeding up of debt relief.

France highlighted EU and French commitment to increase ODA and welcomed the growing international commitment to innovative instruments for financing long term strategies, referring in particular to a pilot solidarity levy based on airline tickets, which could finance most urgent human development programmes. Tunisia highlighted the need for policies to mobilize national savings and urged international financial support to countries implementing economic and political reforms, as well as new and innovative forms of financing, such as the World Solidarity Fund, which aims to combat poverty and promote social development.

The US noted its support for the New Partnership for Africa's Development (NEPAD), and drew attention to the US increase in ODA from US\$10 billion in 2000 to US\$19 billion in 2004. He highlighted that achieving the Millennium Declaration goals is about reform as well as money. He highlighted the need to link development goals and projects with humanitarian relief and outlined his country's support for tackling HIV/AIDS, a successful Doha Round and debt relief. He stressed the need to address issues such as corruption and barriers to business in developing countries, and said the UN has a role to play in supporting South-South peer reviews and other policy reforms. He concluded by noting that the US and international community would "help those prepared to help themselves."

Antigua and Barbuda highlighted the importance of addressing external debt, international trade and mobilization of international financial resources for development. He noted the need to develop proposals for debt relief and mechanisms for equitable burden sharing for debt reduction.

Viet Nam called for developing countries to mobilize resources and develop domestic markets, and for developed countries to, *inter alia*: speed up ODA increases; improve the role of LDCs in policy formulation and implementation; and liberalize trade. Egypt emphasized national development priorities, the role of the UN, and the 0.7% ODA target. She identified the need for better donor coordination and highlighted the success of debt swaps in Egypt.

Luxembourg, on behalf of the EU, identified the need to: focus on the poorest countries; liberalize trade; integrate aid with other development policies; provide debt relief and trade-related capacity building; and find innovative financing mechanisms, including the International Finance Facility.

Highlighting its progress in achieving many of the MDGs, Malaysia underscored the need for developed countries to coordinate their policies to create a stable macroeconomic environment. He noted the need to identify sources for financing infrastructure development and addressing the instability of the international financial environment. Eritrea lamented its lack of progress in alleviating poverty and attaining universal primary education. He urged the international community to take steps towards providing financing for development, canceling external debts and assuring peace and security.

Tanzania highlighted its efforts to introduce financial reforms, reform tax policies, achieve good governance and protect human rights. He noted the need to implement ODA targets, eliminate trade barriers and export subsidies and stabilize commodity prices.

Togo and the Gambia both asserted the need to increase ODA flows, while the Gambia highlighted that these should meet the need of recipient countries. Both countries also supported the extension of debt cancellation to developing countries other than the highly indebted poor countries. The Gambia also highlighted the need for a well functioning rule-based trade system, eliminating tariff and non-tariff trade barriers, removing export subsidies, identifying innovative ways of financing development, and establishing an International Finance Facility.

Ecuador outlined difficulties in mobilizing national resources for development and attracting foreign direct investment. He identified the need for social investment, genuine trade liberalization, regional integration, and reforming international financial architecture.

Bahamas stressed improving global economic governance and identified the need to cooperate regarding taxes, including analyzing national regimes to ensure they do not favor developed countries. Mozambique called for the completion of the Doha Round in 2006, timetables for increasing ODA, and debt relief. He identified the need to improve the quality of aid and reduce the volatility of aid flows.

Haiti indicated that domestic demand affects aid supply and said national projects should be made more attractive to donors. He said economic liberalization must be carefully planned and implemented. Highlighting the need to fulfill commitments already made, Benin emphasized the implementation of the Brussels Programme of Action for the Least Developed Countries as a specific expression of the MDGs.

Emphasizing their commitment to provide ODA, Japan underlined its efforts to open a soft loan facility with the African Development Bank to support the development of the private sector in Africa. She cautioned against over reliance on approaches such as international taxation and the International Finance Facility.

India emphasized that the role of the State includes not only the creation of an enabling environment for private sector growth



but also addressing human and social goals. She stressed the importance of increased developing country participation in the international financial institutions and greater synergies among the international financial organizations. Highlighting its progress in implementing structural reforms and good governance, Namibia noted the need to increase ODA, remove unfair debt conditionalities, provide debt relief, eliminate export subsidies and increase market access by developing countries to developed country markets.

Finland and New Zealand stressed the need for increased financing for development and improved aid effectiveness. Finland highlighted the importance of improving coherence between aid and trade policies, coordinating the efforts of the international organizations and providing technical assistance and investment to enable the developing countries to benefit from the Doha Round. New Zealand underscored the need to acknowledge the conditions of countries with special circumstances like SIDS and address issues of environmental sustainability.

Highlighting the multidimensional nature of the MDGs, Portugal called for a global partnership and networking that brings together governments and civil society from the North and the South. Italy said economic globalization must be coupled with globalization of solidarity. He noted the role of the private sector as an engine for growth and called for economic opportunities that respect local traditions.

Highlighting, *inter alia*, good governance, private ownership, trade liberalization and investment, Lithuania indicated that his country's positive experiences in state-building and economic reform during the past decade could benefit developing countries. Australia listed security, economic stability and growth, and trade liberalization as important drivers for development. He said foreign direct investment should be encouraged, agricultural trade reformed and the Doha Round completed in 2006.

Spain noted its commitment to doubling its ODA in the next four years and stressed the needs of LDCs and sub-Saharan Africa. Bulgaria underscored country ownership of development strategies and new and innovative approaches for financing, such as the International Finance Facility.

Nicaragua stressed the quality of development assistance, highlighted the HIPC initiative, and called for involvement of the Inter-American Development Bank. Serbia and Montenegro supported speeding up increases in donor assistance and Croatia expressed hope that the discussions at this meeting would be reflected in the outcomes of the High-level Plenary in September 2005.

Ghana noted some success in reducing poverty and improving access to basic services and education, while noting that some health statistics are deteriorating. He stressed the need for increased donor support, respect for human rights, Rule of Law and good governance. Paraguay noted the vulnerability and needs of landlocked developing countries and of the peoples of Latin America and the Caribbean, where 96 million people live in extreme poverty.

Laos, speaking for landlocked developing countries, said these countries need increased ODA, and expressed concern at the imposition of too many conditionalities. Chile said increased

ODA and new sources of funding should not imply new institutions, but the strengthening of existing ones, and supported consistent policies, good governance and an early conclusion to the Doha Round.

China said a monitoring mechanism is needed to ensure timely delivery of high quality ODA, noted progress in developing countries on domestic reforms, and expressed concerns at heavy conditionalities on assistance. Brazil highlighted an initiative on Action against Hunger and Poverty, involving Brazil, France, Chile, Spain, Germany and Algeria. He also highlighted suggestions to reduce costs of migrants' remittances, and impose taxes on the arms trade and airline tickets as sources of financing for development.

The Russian Federation recognized the particular needs of Africa, noting his country's plan to cancel bilateral debts under the HIPC initiative. He urged effective structural reforms and new financial mechanisms, and said new financing initiatives should be strictly voluntary. Turkey suggested more assistance for capacity building, and said that a volatile global environment represented a major impediment to progress.

United Arab Emirates highlighted South-South cooperation and supported increased resources for national sustainable development and reform and strengthening of the international financial system. Bangladesh highlighted policies such as micro-credit, the involvement of all stakeholders, and the obstacles faced by LDCs, including non-tariff barriers to trade.

Morocco appealed to developed countries to open up markets and allow quota and duty free exports from LDCs. He also supported the International Finance Facility. The Republic of Korea highlighted the need to generate domestic resources, increase private sector involvement, enhance regional cooperation and supplement ODA.

Syria stressed the role of civil society, transparency, access to credit for women and those in poverty, and greater political will, stating that development should be the top priority for the High-level Plenary in September. El Salvador emphasized the need for political will, increased technical cooperation, and strategies to support middle-income countries.

Romania noted its gradual transition from being an aid recipient to an emerging donor. Djibouti highlighted the role of regional development banks and economic commissions, and observed that many sub-regions are missing out on FDI. Pakistan said an open, equitable trading system is imperative, and called for the elimination of agriculture subsidies, as well as a review of rules on intellectual property laws in the development context.

The EC noted that developing countries are the drivers of financing for development, but donors can do more to support their partners. Kazakhstan highlighted the linkages between development and poverty with security and terrorism, and highlighted the need for regional cooperation and coherence at the intergovernmental level.

Thailand highlighted South-South investment, a people-centered approach, the need for funds such as the International Finance Initiative to supplement rather than substitute for other forms of assistance, and the value of strengthening ECOSOC's role in coordination and follow up.



Switzerland noted its relatively high level of ODA (currently 0.41% of GNP), as well as issues of good governance, micro-finance, export promotion, public-private partnerships, and the priority given to assisting sub-Saharan Africa. Canada observed that developing countries have the primary responsibility to create conditions that can lead to pro-poor growth, adding that aid should be made better and more effective. He highlighted the WTO as an important forum for the MDGs, urging progress on trade in agriculture.

Zambia noted a Memorandum of Understanding signed with 15 donors that sets out commitments on aid based on principles of ownership and mutual accountability. He suggested that donors should expand their sectoral focus of aid, and noted that domestic reforms should create a conducive environment for investment. Algeria noted progress in developing countries in supporting sustainable development, while asserting the need for further action at the national and international levels. Supporting further FDI, he said the net transfer of resources to the North needs to be addressed.

Ethiopia noted major regional disparities in making progress on the MDGs, and said at least half of ODA should be directed towards sub-Saharan Africa. Uganda outlined its domestic policies to encourage competitiveness and productivity, highlighted energy supply as critical to manufacturing, services and rural development, and stressed trade as an “engine for development.”

Venezuela expressed concerns about the neo-liberal economic approach, suggesting that it increases the wealth gap between developed and developing countries and contributes towards increased poverty. She highlighted the net flow of capital from developing to developed countries, and rejected conditionality of donor support. Fiji endorsed initiatives such as the South Fund for Development and Human Circumstances proposed by Qatar, noting that these should be additional to ODA. He also addressed supply-side capabilities in trade, migration and the vulnerability of SIDS.

The Netherlands noted its high-level of ODA, and said non-EU countries should increase ODA, encouraging oil-producing countries and countries with economies in transition to follow Qatar’s example in raising ODA. Palestine said the lifting of the “Israeli occupation” was necessary for it to meet the MDGs.

INTERGOVERNMENTAL AND OTHER

ORGANIZATIONS: On Monday afternoon, 27 June, Agustín Carstens, Deputy Managing Director of the IMF, addressed the General Assembly, warning of current projections that the MDGs will not be met. He emphasized home-grown poverty reduction strategies and a trade integration mechanism, and highlighted the IMF’s role in identification of risk and crisis resolution, referring to a possible new facility to assist countries in adjusting to economic shocks.

François Bourguignon, Senior Vice President, World Bank, called for strong political support for the Monterrey Consensus commitments before the September High-level Plenary. He emphasized the need for: country-led strategies and global partnerships; the dismantling of international trade barriers; and substantial increases in aid levels.

Deputy Director-General of the WTO, Francisco Thompson-Flôres, echoed the UN Secretary-General’s *In Larger Freedom* report, and emphasized trade, aid and debt relief for achieving the Millennium vision. He called on world leaders to give clear and multilateral support to conclude the WTO Doha Round by 2006.

Carlos Fortin, Deputy Secretary-General for the UN Conference on Trade and Development (UNCTAD), called for opening up markets to developing countries to encourage foreign direct investment. Regarding trade, he emphasized conclusion of the Doha Round by the end of 2005, and quota and duty free market access for LDCs. He noted the growing consensus toward full cancellation of the debt of the world’s poorest countries and called for increased coherence in national and global economic systems.

Mark Malloch Brown, UNDP Administrator and Chair of the UN Development Group, noted that the High-level Plenary draft outcome document builds on the areas covered by the Monterrey Consensus and represents a qualitative change in our understanding of sustainable development. He emphasized innovative approaches to financing development and acknowledged progress in debt, trade and good governance.

On Tuesday, 28 June, a representative of the Inter-Parliamentary Union noted parliamentarians’ increasing interest in the MDGs, and said many feel that the international trade regime remains “fundamentally unfair.” The International Federation of Red Cross and Red Crescent Societies (IFRC) noted that humanitarian and development activities are interconnected as part of the goal of achieving sustainable development. The Commonwealth Secretariat expressed the hope that G8 leaders would make progress on trade, aid and climate change, and focus on the needs of Africa.

IUCN (World Conservation Union) expressed concern with the lack of discussion of environmental investments, noting that failure to address them will detract from all the MDGs, and said environmental sustainability must be mainstreamed into planning frameworks for all MDGs. The Asian Development Bank noted impressive progress in the region overall, but cautioned that it was far from uniform. The International Organization for Migration said migration should be approached in the context of development, and highlighted the role migrants can play in financing for development.

ROUND TABLES ON FINANCING FOR DEVELOPMENT

On Tuesday morning, 28 June, delegates convened in six separate round table meetings to discuss various aspects of financing for development, including: mobilizing domestic financial resources for development; mobilizing international resources for development – foreign direct investment and other private flows; international trade as an engine for development; increasing international financial and technical cooperation for development; external debt; and addressing systemic issues – enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development. Participants included ministers and other high-level representatives of governments, international organizations, civil society and the private sector.



MOBILIZING DOMESTIC FINANCIAL RESOURCES

FOR DEVELOPMENT: The interactive round table discussion on mobilizing domestic financial resources for development was co-chaired by József Berényi, Foreign Affairs Minister of Slovakia, and John Wasielewski, Director of the Office of Development Credit, USAID. Co-Chair Wasielewski noted that, since Monterrey, this issue has become more visible and risen up the agenda. Co-Chair Berényi emphasized that donor country requirements are crucial for market and governance reforms, which allow for economic growth. One delegate said the only sustainable response to poverty is prosperity, adding that by mobilizing resources we are mobilizing people in recipient countries. Another stated that domestic investment must form the bulk of resources needed for achieving the MDGs, with ODA initiating the process. Delegates called for empowerment of the poor; stimulation of enterprise; encouragement of private sector entrepreneurship; and inclusion of civil society. Participants also referred to a tool developed by Switzerland, the UN Capital Development Fund (UNCDF), and UNDESA, the *Blue Book on Building Inclusive Finance Sectors* (visit: <http://www.uncdf.org/bluebook>).

Obstacles to growth highlighted by participants included “brain drain” and capital flight. Delegates also drew attention to the difficulties faced by the poor in accessing financing due to legal and property rights systems, and urged the identification of ways to improve gender equality and access to education and health. Participants discussed opportunities for profitable investment in developing countries, and legislative, financial and infrastructure sector reform. Several urged UN system reform and called for debt audits and measures to control capital flows and to combat tax evasion and money laundering.

MOBILIZING INTERNATIONAL RESOURCES FOR DEVELOPMENT – FOREIGN DIRECT INVESTMENT AND OTHER PRIVATE FLOWS: This round table was chaired by Baledzi Gaolathe, Minister of Finance and Development Planning of Botswana, and Datuk Mustapa Mohamed, Minister in the Prime Minister’s Department of Malaysia, who opened the meeting by drawing attention to the Secretary-General’s Report on the status of implementation of the Monterrey Consensus (A/59/822). Several delegates outlined the multiple existing and growing sources of financing for development, such as foreign direct investment, private remittances, South-South financial transfers and ODA.

Delegates discussed some of the challenges that accompany the financial flows, such as competition for investment leading to poor labor conditions, uneven flow of FDI, debt payments, conditionalities on financing, a decrease in ODA towards middle-income countries and the HIV/AIDS epidemic prevalent in many LDCs. Delegates emphasized the need for various measures to better mobilize resources, including: developing good governance and foreign direct investment to complement national development strategies; adopting anti-corruption measures; creating an enabling environment for private sector flows and the transfer of remittances and their use in development; creating policies for risk management and a regulatory framework for addressing the volatile global economic environment;

strengthening South-South technical and financial cooperation; developing regional markets; developing social and physical infrastructure; establishing an investment bank for infrastructure development in the Asia-Pacific and a similar fund in Africa; making available soft funding for middle-income countries; and leveraging micro-credit and micro-finance for poverty alleviation in the LDCs.

INTERNATIONAL TRADE AS AN ENGINE FOR DEVELOPMENT: This round table was co-chaired by Fernando Canales, Minister of Economy of Mexico, and Fayza Aboulnaga, Minister of International Cooperation of Egypt. In the discussions, a number of participants identified trade as a key means for development and noted the importance of the forthcoming WTO Ministerial Meeting in Hong Kong and the completion of the Doha Round. Stressing the need for a meaningful substantive outcome from the Doha Round, participants identified agricultural trade, non-agricultural market access, special and differential treatment, trade facilitation and services as key negotiation areas. Delegates also drew attention to trade in commodities, the difficulties faced by small economies and landlocked developing countries, and the loss of preferential market access as topics requiring special attention. Several speakers highlighted the importance of “aid for trade,” private sector development, and mainstreaming trade into national policies in order to harness trade as an engine for development. Some participants also emphasized the importance of South-South trade and the need for a fair and equitable trading system with effective developing country participation.

INCREASING INTERNATIONAL FINANCIAL AND TECHNICAL COOPERATION FOR DEVELOPMENT: Jean-Louis Schiltz, Minister for Development Cooperation and Humanitarian Action of Luxembourg, and Aun Porn Moniroth, Secretary of State, Ministry of Economy and Finance of Cambodia, opened the meeting by welcoming the new commitments to increase ODA. Delegates discussed the importance of increasing the volume and quality of aid, addressing aid effectiveness, managing and allocating aid better, harmonizing the efforts of donors and governments, and reducing transaction costs of aid delivery. Delegates highlighted the need to explore innovative sources of financing in addition to ODA, such as an international levy on airline tickets, tax on arms sales, a levy on international transactions, an International Finance Facility, micro-credit and micro-finance, voluntary contribution schemes and steps to maximize the positive impact of workers’ remittances.

The Food and Agriculture Organization (FAO) underscored the need to increase aid for agriculture and the rural sector, pursue hunger reduction strategies and create a practical business plan for ensuring food security. Civil society participants highlighted the problem of donor support for corrupt political regimes. Delegates also discussed issues such as resources for building energy systems in Africa and the framework of debt sustainability in the country context.

EXTERNAL DEBT: This round table was chaired by Errol Cort, Minister of Finance and Economy of Antigua and Barbuda, and Franciscus Godts, Director of International Relations,



Administration of the Treasury, Public Finance Service of Belgium. Many participants welcomed the G8 finance ministers' recent decision on HIPC debt relief, while several developing countries and civil society participants urged fast tracking the cancellation of all poor country debt, including bilateral debt. One delegate urged against financing debt cancellation by reallocating funds.

On debt sustainability, delegates discussed whether the HIPC mechanism should be redefined, with some stressing the need to account for social and ethical dimensions of debt and specific domestic challenges such as conflict and development. UNDP and others highlighted the double role of some donor institutions in the HIPC process, and UNDP added that it supports debtors in drawing up a second opinion on debt sustainability based on achievement of the MDGs. DESA said that, with UNCTAD, it would convene a multi-stakeholder consultation in 2006 to discuss debt sustainability. Several delegates said debt relief must be carried out in tandem with work on financing for development and poverty reduction strategies, and one participant noted that problems are only encountered where loans are not applied to increasing GDP and exports.

Delegates discussed means of enabling and attracting private investment, and some donor country delegates urged developing countries to build up their credit worthiness. In addition, participants discussed other possible financing solutions, such as the Paris Club and debt swaps. Delegates urged a wider role for civil society, calling for private sector involvement in setting up principles for fair capital flows.

ADDRESSING SYSTEMIC ISSUES: This round table focused on "Addressing systemic issues: enhancing the coherence and consistency of international monetary, financial and trading systems in support of development." It was co-chaired by Hilde Johnson, Minister of International Development of Norway, and Ana Hrastović, Vice-Minister of Finance of Croatia. In the round table, several speakers drew attention to international institutional architecture, highlighting imbalances in developing country participation and representation in the IMF, World Bank, WTO, Basel Commission and standard setting bodies. Some delegates lamented the democratic deficit in the international system and highlighted UN reform, calling for the strengthening of ECOSOC

and closer cooperation between the UN, IMF and World Bank. Participants drew attention to several substantive policy issues, such as foreign debt, economic crisis management, corruption, money laundering, and conditionality, including caps on social spending. Several participants stressed the importance of policy coherence, and assessment of the development impacts of various national and international policies and harmonization of aid and

trade policies. Several speakers also highlighted the significance of the Doha Development Round, identifying cotton subsidies, sugar, agriculture and the Agreement on Trade-Related Aspects of Intellectual Property Rights as issues with a particular development dimension.

INFORMAL INTERACTIVE DIALOGUE

On Tuesday afternoon, 28 June, delegates convened for an informal interactive dialogue with relevant stakeholders. The dialogue focused on implementation of the results of the 2002 International Conference on Financing for Development and on the link between financing for development and the achievement of internationally-agreed development goals, including those contained in the Millennium Declaration.

José Antonio Ocampo, UN Under-Secretary-General for Economic and Social Affairs, identified seven key areas for progress identified during the previous week's civil society hearings: mobilization of domestic resources; trade as an essential ingredient for financing development; increased and more effective ODA; more stable sources of private financing; achievement of debt sustainability; an increase in South-South cooperation; and strengthened developing country participation in international institutions.

Several interventions from the floor acknowledged the important role of trade and the Doha Round in poverty eradication, and the need to abolish agricultural subsidies and address other areas of importance for developing countries. Concerning the international institutional architecture, Jamaica and Venezuela said the international financial institutions should be made more development friendly and called for more effective developing country participation. The World Council of Churches highlighted the need to make the UN the central actor in international economic discussions. Venezuela lamented increasing global inequality and South Africa stressed the need for debt sustainability analyses. Concerning aid, several countries, including Sweden, stressed the need to achieve the 0.7% ODA target and set concrete timetables. The US emphasized the need to ensure aid effectiveness.

The US also called for innovative ways to leverage private financial flows, while the International Chamber of Commerce noted the need for increased government support towards the private sector and involving investor firms in implementing the Monterrey Consensus. The Global Institute for Partnerships and Governance said involving the private sector in development activities was even more beneficial than increasing ODA, and proposed that development banks encourage private investment by risk sharing. Reliance Industries, India, illustrated a public-private partnership initiative to combat HIV/AIDS and TB in Gujarat, India.

Concerning middle-income and transition countries, the Regional Economic Commission for Europe asserted the need to provide support for making development sustainable in such countries. El Salvador called for enabling environments for investment and Tunisia, supported by Egypt, identified the need for knowledge and technology transfer to enable middle-income countries to diversify their economies.



José Antonio Ocampo, UN Under-Secretary-General for Economic and Social Affairs



On other topics, Sweden urged developing countries to work on governance, anti-corruption and democracy and proposed adding the lack of employment and reproductive health rights to the list of seven key areas for progress that Under-Secretary-General Ocampo summarized from the previous week's civil society hearings. The US emphasized the need for solutions to combat HIV/AIDS and other infectious diseases. Jamaica called for international tax cooperation outside the OECD. The New Rules for Global Finance Coalition reported on the results of multi-stakeholder dialogues on systemic issues.

Concerning the outcome of this meeting, Japan emphasized the issues of economic growth, national ownership, private sector development, South-South cooperation and empowering the entrepreneurial spirit of the poor. Norway called for stronger language on coherence and coordination of international and domestic institutions and supported a Dutch proposal for broader reporting on MDG-related development policies. South Africa said that, in order to make genuine progress, development needs to receive as much attention as peace and security at the September High-level Plenary.

CLOSING OF THE HIGH-LEVEL DIALOGUE

Late on Tuesday afternoon, General Assembly President Jean Ping summarized some of the key issues raised during the Dialogue, noting a focus on: enhancing efforts to achieve the MDGs, especially in Africa; building national ownership of development strategies; developing the private sector and linking its activities to poverty reduction; completing the Doha Round; increasing ODA; improving aid effectiveness; making progress in innovative financing mechanisms; creating an international financial facility; developing a regional approach to financing; extending debt elimination to non-HIPC countries; considering debt sustainability measures; improving cooperation between the UN, World Bank and WTO; improving coherence between trade and aid policies; strengthening the participation of developing countries in international financial institutions; and reforming ECOSOC and other UN bodies.

President Ping concluded the Dialogue by reminding delegates that the principles agreed in Monterrey call for greater coherence among countries in terms of aid, trade and financial decisions. Observing that States are therefore responsible not only to their own people but to each other, he declared the meeting closed shortly before 6:00 pm.

UPCOMING MEETINGS

2005 ECOSOC HIGH-LEVEL SEGMENT AND SUBSTANTIVE SESSION: The ECOSOC High-level Segment will convene from 29 June to 1 July 2005, at UN headquarters in New York, to address the theme, "Achieving the internationally agreed development goals, including those contained in the Millennium Declaration as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities." The Substantive Session will include the following: a Coordination Segment (5-7 July); an Operational Activities Segment (8-12 July); a Humanitarian Affairs Segment (13-18 July); a General Segment (18-25 July);

and a concluding segment (26-27 July). For more information, contact: Sarbuland Khan, ECOSOC; tel: +1-212-963-4628; fax: +1-212-963-1712; e-mail: khan2@un.org; internet: <http://www.un.org/docs/ecosoc/meetings/2005/hl2005/>

G8 2005 SUMMIT: The 2005 G8 Summit will convene from 6-8 July 2005, at the Gleneagles Hotel in Perthshire, Scotland. Under the UK Presidency, the G8's deliberations will focus on Africa and climate change, among other topics. For more information, contact: British Prime Minister's Office; fax: +44-20-7925-0918; e-mail: <http://www.number-10.gov.uk/output/Page821.asp>; internet: <http://www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1078995902703>

HIGH-LEVEL BRAINSTORMING WORKSHOP FOR MEAS ON MAINSTREAMING ENVIRONMENT BEYOND MDG 7: Scheduled for 13-14 July 2005, in Nairobi, Kenya, this UNEP meeting will seek to feed into discussions on mainstreaming environmental issues beyond the seventh Millennium Development Goal on environmental sustainability. For more information, contact: UNEP Division of Environmental Conventions; tel: +254-20-623-494; fax: +254-20-624-300; e-mail: dec@unep.org; Internet: <http://www.unep.org/dec/>

58TH ANNUAL DPI/NGO CONFERENCE: Scheduled for 7-9 September 2005, in New York, this conference will focus on the review of the 2000 Millennium Declaration, the MDGs and UN reform. For more information, contact: DPI NGO Section; tel: +1-212-963-6842; fax: +1-212-963-6914; e-mail: dpingo@un.org; internet: <http://www.un.org/dpi/ngosection/>

HELSINKI CONFERENCE 2005 – MOBILIZING POLITICAL WILL: Convening from 7-9 September 2005, in Helsinki, Finland, this conference represents the culmination of the Helsinki Process on Globalization and Democracy. For more information, contact: Helsinki Conference Secretariat; tel: +358-9-698-7024; fax: +358-9-612-7759; e-mail: secretariat@helsinkiprocess.fi; internet: <http://www.helsinkiconference.fi>

GLOBAL DAY FOR MOBILIZATION: Organized by the Global Call to Action against Poverty, the Global Day for Mobilization will be celebrated on 10 September 2005, and will seek to mobilize citizens to pressure their leaders to tackle the causes of poverty and meet the MDGs. For more information, contact: GCAP; e-mail: info@whiteband.org; internet: <http://www.whiteband.org/>

HIGH-LEVEL PLENARY MEETING OF THE 60TH SESSION OF THE UN GENERAL ASSEMBLY ON THE FOLLOW-UP TO THE OUTCOME OF THE MILLENNIUM SUMMIT: Also referred to as the "2005 World Summit," this meeting will take place from 14-16 September 2005, at UN headquarters in New York. The meeting is expected to undertake a comprehensive review of the progress made towards the commitments articulated in the UN Millennium Declaration. The event will also review progress made in the implementation of the outcomes and commitments of the major UN Conferences and Summits in the economic, social and related fields. For more information, contact: Office of the President of the General Assembly; tel: +1-212-963-2486; fax: +1-212-963-3301; internet: http://www.un.org/ga/59/hl60_plenarymeeting.html