

**President's Summary of the High-Level Segment of
the substantive session of Economic and Social Council of 2007**

**2 – 5 July 2007
Palais des Nations, Geneva**

I. Introduction

This year's high-level segment of the Economic and Social Council marked the start of the newly strengthened Council by implementing the mandates of the 2005 World Summit and the ensuing General Assembly resolution 61/16. It undertook the first Annual Ministerial Review (AMR) and launched the Development Cooperation Forum (DCF). The high-level segment was attended by a number of high officials, including the President of Switzerland, Prime Minister of Bahrain and Prime Minister of Lithuania, as well as 29 ministers from 24 countries, and other distinguished participants, such as the President of the General Assembly and the Secretary-General.

The new format of the Council's high-level segment included a number of focused roundtables and AMR's national voluntary presentations. In particular, voluntary national presentations provided a forum for rich discussions based on countries experiences in implementing policies towards meeting internationally agreed development goals (IADGs), including the Millennium Development Goals (MDGs). The Council appreciated the decision of six countries, which volunteered for the presentations, namely Bangladesh, Barbados, Cambodia, Cape Verde, Ethiopia and Ghana. These countries made special efforts in organizing national consultations and preparing national reports, which provided valuable information for conducting the ministerial review. These presentations were truly interactive and engaging. In general, discussions in many of the sessions of the high-level segment generated lively and candid debate among delegations.

The DCF was also officially launched during this session. This launching included a short general debate and two parallel roundtables: on "the role of national aid coordination and management" and "South-South and triangular cooperation". The first Roundtable built on the outcome of a high-level symposium organized in preparation for the launch in Vienna, Austria in April 2007. A number of special events were held in conjunction with the launch, notably a stakeholder forum on "How can the DCF promote enhanced oversight of aid commitments and aid effectiveness for the realization of the internationally agreed development goals?" The launch generated lively discussion and laid the foundation for the first session of the DCF to be held during the next year's substantive session of the Council in New York.

II. Opening session

The high-level segment was opened by **H.E. Mr. Dalius Čekuolis**, President of the Economic and Social Council (ECOSOC) on 2 July 2007. He pointed out both the encouraging signs of a global decline in poverty in most parts of the world, as well as continuing concern that many countries, especially in sub-Saharan Africa, remain off track on the midway to 2015 target of achieving the MDGs. He emphasized the need to work in a true global partnership. He also underscored the central role that

ECOSOC has to play in facilitating and supporting the countries' efforts to realize the UN development agenda. And the potential role that could be played by the AMR and the DCF.

Mr. Ban Ki-moon, Secretary-General of the United Nations, highlighted that the AMR and the DCF are the Council's most striking innovations. He also launched the 2007 MDG Report, stressing that the main message of the report is that the MDGs remain achievable in most countries if leaders take urgent and concerted action. Furthermore, he urged developed countries to meet the agreed 0.7 percent Official Development Assistance (ODA) target and to establish timelines in this regard. He stressed the need for real action in the global partnership for development. He also emphasized the need for urgent action on climate change, which posed a serious threat to the success of efforts to eradicate poverty and hunger.

H.E. Ms. Sheikha Haya Rashed Al Khalifa, President of the General Assembly, underlined the critical role of the DCF and the AMR in the fight against poverty and the promotion of human development. She stressed the importance of the DCF and the AMR to ensure follow-up and implementation of the outcomes of the major UN conferences and summits on development as well as to provide a strategic policy framework for development cooperation. She also expressed the significance of the promotion of gender equality and women's economic and political empowerment as a key to development.

Following these opening addresses, **Mrs. Anna Tibaijuka**, Under-Secretary-General of the UN and Executive Director, UN-HABITAT, presented the 2006 Special Citation of the Habitat Scroll of Honour to **H.H. Mr. Shaikh Khalifa Bin Salman Al Khalifa**, Prime Minister of Bahrain, recognizing Bahrain's consistent effort and innovative approaches in the implementation of the Habitat Agenda. In accepting the citation, **H.H. Mr. Shaikh Khalifa Bin Salman Al Khalifa** stated that this award honours the people of Bahrain as they have all strived together to continuously improve the conditions of those living in poverty. He affirmed the commitment of the Government of Bahrain to continue its close cooperation with UN-HABITAT.

Key note addresses on the theme of "the eradication of poverty and hunger" were delivered by **H.E. Ms. Micheline Calmy-Rey**, President of the Swiss Confederation and Head of the Federal Department of Foreign Affairs, and **H.E. Mr. Gediminas Kirkilas**, Prime Minister of Lithuania. **H.E. Ms. Micheline Calmy-Rey** reaffirmed that development, in all its dimensions, represents the most crucial challenge and foremost common objective in creating a freer and more secure world. She called for focusing case-by-case on each individual developing country, since national statistics sometimes hide the large disparities within countries. She named three factors for economic growth that benefits the poor, as they act together in creating the framework conditions necessary for the entrepreneurial spirit to unfold: (i) prudent macroeconomic policies; (ii) effective social protection; and (iii) a combination of investments in the infrastructure, professional training, and basic public services.

H.E. Mr. Gediminas Kirkilas stressed the significance of national poverty reduction strategies (PRS) with a strong sense of ownership and that local efforts needed sustained and coordinated support at regional and global levels. He also stated that sustained economic growth is a major factor, but it does not translate automatically into reduced poverty and hunger. Hence, he recommended that growth must be accompanied by: (i) strengthened institutional capacity; (ii) equitable delivery of public services; (iii) active social inclusion; (iv) bridge the gap between urban and rural development; and (v) investment in human capital. Furthermore, he identified the link between poverty and conflict since fragile states pose the greatest difficulty in fighting poverty. He also pointed out that climate change required a long-term global response because it is usually the poor who are affected the most and take the longest to recover.

III. High-Level Policy Dialogue on current developments in the world economy and international economic cooperation

A high-level policy dialogue among the representatives of the United Nations Department of Economic and Social Affairs (UNDESA), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the International Monetary Fund and the World Trade Organization (WTO) was held on 2 July 2007.

The Under-Secretary-General for Economic and Social Affairs, **Mr. Sha Zukang**, noted that while economic growth in most economies had remained encouraging, the pace of world growth was slowing. The strength of economic growth in economies in transition and in poorer countries was still highly dependent on the international economic environment. Growth in the LDCs had continued to be strong, increasing their prospects for achieving the MDGs, but progress was far from homogenous. In recent years, the international economic environment had been favourable for most developing countries, yet there was volatility in the prices of commodities. Robust output growth was accompanied by generally weak employment creation in those countries, which would be critical to efforts to reduce poverty. The 2008 forecast was surrounded by much uncertainty, with risks mainly on the downside. Addressing these risks required a policy response that was coordinated internationally.

He also highlighted the salient points of the 60th anniversary report of the *World Economic and Social Survey 2007*, which addressed the challenges and opportunities of the ageing global population. It noted that, in order to overcome the negative consequences of ageing on growth, international migration and outsourcing of employment would not serve as adequate solutions; emphasis should instead be placed on stimulating productivity growth coupled with measures to stem the fall in the labour force, such as raising labour participation rates. He called on Member States to intensify efforts to mainstream the issues of ageing population into the global development agenda.

Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD, noted that the global trading system had become more inclusive, fuelling economic growth and recovery. Global capital flows had been reversed; developing countries had become net exporters of capital, and developed countries net importers. Tackling global current account imbalances, and dealing with exchange rates and financial speculation, must remain a priority for the international community. Failure to address them effectively could trigger renewed protectionism internationally and social instability domestically, jeopardizing many of the gains brought about by economic expansion. Moreover, many of the poorest countries continued to operate on the periphery of the global financial system, and ODA remained the most important financial source to meet their basic needs.

Mr. Pascal Lamy, Director-General of the WTO, noted that increased trade played a vital role in growth and development. A fundamental aspect of the Doha Development Agenda was to redress remaining imbalances in the multilateral trading system, and to provide developing countries with improved market opportunities. While essential, trade liberalization was not a panacea for all development challenges; it could only be politically and economically sustainable if it were complemented by flanking policies, which addressed challenges of institutional capacity and a more even distribution of the benefits of trade. Increasing trade opportunities for developing countries, in particular for the LDCs, remained the most important contribution that the WTO could make to development.

Mr. Murilo Portugal, Deputy Managing Director of the International Monetary Fund (IMF), noted that developing countries were expected to continue to grow strongly in 2007, drawing continued support from favourable financial conditions, strong commodity prices (in many cases), strengthened macroeconomic management and continued reform efforts. He said it was encouraging that growth prospects also remained strong across all groups of emerging market and developing countries. Downside

risks to this positive scenario included inflation pressures in both advanced and emerging market countries; the recent noticeable rise in long-term interest rates and associated global financial sector risks; and continued large global current account imbalances.

Mr. Francois Bourguignon, Senior Vice President and Chief Economist of the World Bank, noted that economic growth in developing countries during the past decade had been transformational. Today, there was a period of exceptionally strong growth for developing countries and for the global economy as a whole, driving rapid poverty reduction. Yet, at the regional and sub-regional level, inequality of opportunity and participation in global growth was arguably the greatest threat to future sustainability of growth, and to meeting the MDGs. The challenge of meeting the MDGs was increasingly concentrated in the fragile states. He noted that the international community needed to meet its commitments of better financial support to the poorest countries, while multilateral institutions needed to improve coordination in order to fulfill the growing demand. Strengthening aid flows to help finance essential infrastructure and social services was vital and required new momentum and better coordination. Despite pledges from donor countries, the expansion in global aid had stalled, which was a cause for concern.

IV. Thematic discussion: “Strengthening efforts at all levels to promote pro-poor sustained economic growth, including through equitable macro-economic policies”

The thematic discussion had two components: two parallel roundtable discussions that took place on 2 July 2007 and general debate, on 3 July 2007. During the general debate, there was widely-shared understanding that the link between economic growth and poverty reduction was complex and there was a need for further study, including their relation with equity. There was also a generally shared view that there was a need for broad-based macroeconomic policies, which should be formulated in the framework of a national development strategy. It was acknowledged that some national policies could have spillover effects to other countries, and that the external conditions, in their turn, would affect national economies. This calls for more active coordination of macroeconomic policies at the international level, and there is a need to increase international cooperation in promoting a favourable external economic environment. In a highly integrated global economy, it was recognized that there was a need to increase the voice and participation of developing countries in international economic decision-making and international regimes so as to better reflect their concerns in those decisions.

The roundtable on “Growth, poverty eradication and equity – emerging paradigm” was chaired by **H.E. Mr. Dalius Cekuolis**, the President of ECOSOC, and moderated by **Mr. Kemal Dervis**, Administrator of the United Nations Development Programme (UNDP). The panelist included: **Mr. George Gyan-Baffour**, Deputy Minister of Finance and Economic Planning, Ghana; **Mr. Bourguignon**, Senior Vice-President and Chief Economist, World Bank; and **Ms. Jayati Ghosh**, Professor at Jawaharlal Nehru University. The discussion focused on national efforts in tackling growth, poverty eradication and equity simultaneously. Several key messages emerged from the discussion. First, the participants recognized that a new paradigm, in terms of objectives, is emerging, which recognizes that poverty, growth and inequality need to be tackled together, but there was no new paradigm or agreement as yet on policies regarding how to get there. Secondly, there is no “one-size fits all” approach to poverty eradication and equality. Hence countries should be afforded sufficient policy space to pursue their own set of policies to implement their national development strategies. Thirdly, countries need to take advantage of markets and private capital, but the market alone will not be able to deliver the desired level of poverty reduction. Fourthly, macroeconomic policies need to give greater attention to social outcomes. Policies targeted specifically at the people at the bottom of the pyramid are needed. Fifthly, domestic efforts to promote good governance, including through fighting corruption, need to be complemented by support from the international community, including to middle income countries. Finally, environmental

issues need to be brought into the equation, as climate change could pose a serious threat to the achievement of the MDGs.

The roundtable on “Coherence and coordination of macroeconomic policies at all levels” was chaired by **H.E. Mr. Hjalmar Hannesson**, Vice-President of the Economic and social Council, and moderated by **Mr. Jomo Kwame Sundaram**, Assistant Secretary-General for Economic Development. The panelists were: **Mr. Augusto Correia**, President of the Portuguese Institute for Development Assistance; **Mr. Murilo Portugal**, Deputy Managing Director of the International Monetary Fund; **Ms. Ana Maria Carrasquilla**, Acting President of the Latin American Reserve Fund (FLAR). Several key points were made. While national efforts were central for economic growth to eradicate poverty, external conditions had a direct bearing on policy effectiveness, and the regional nature of many of the financial crises had renewed the interest for the potential role of regional macroeconomic policy coordination and regional financial cooperation. Financial support mechanisms must be created regionally in order to allow the coordination of macro-economic policies. The main reason for pooling is to strengthen national and international financial systems against risks of crises. Regional reserves should also be used to promote the development of financial markets and instruments that increase the capacity to resist volatility of capital flows. The medium-term IMF strategy to strengthen its role in global coordination included a new Decision on Bilateral Surveillance, overhauling a thirty-year-old procedure, as well as multilateral consultations, which address issues of global concern. It was emphasized that the role of the IMF is advisory, achieved through dialogue, persuasion, collaboration and trust.

V. Annual Ministerial Review: “Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”

The first AMR was held from 3-4 July 2007. It consisted of a keynote address by **H.E. Mr. Jean-Louis Schiltz**, Minister for Cooperation and Humanitarian Affairs of Luxemburg, six national voluntary presentations, two roundtables and a general debate.

a. Keynote address

In the keynote address, **H.E. Mr. Jean-Louis Schiltz** stated that globally, there was clear and encouraging progress towards the realization of the MDGs, but sub-Saharan Africa did not share in this positive thrust. All should persevere and increase efforts, both in terms of financial contributions and partnerships. Halfway to 2015, the international community is still far from its goals. It was high time to put the Doha Development Round of the WTO back on track. He questioned whether the international community had lived up to its past commitments regarding aid effectiveness. Since the Millennium Summit, new means for mobilizing resources for development had been explored and developed, in particular new sources for financing, as well as private sources, aid for trade initiatives, and others. They should not be a substitute to ODA

b. National voluntary presentations

During the national voluntary presentations, **Bangladesh, Barbados, Cambodia, Cape Verde, Ethiopia** and **Ghana** presented (NVP) progress made in the implementation of their national development strategies. The NVP served as a platform for rich interaction among policy makers. In their presentations, countries spotlighted numerous issues, policy directions, successes, and initiatives, which would merit scaling up or could be replicated in other countries, regions, and globally. They also highlighted remaining challenges for both developing and developed countries in the pursuit of the full achievement of the IADGs and MDGs by 2015, and beyond.

All sessions were chaired by H.E. Ambassador **Dalius Čekuolis**, President of the Economic and Social Council and moderated by Mr. **James Rubin**, World Affairs Commentator, Sky News. The summaries are presented in the order of the presentation.

Bangladesh's progress in reducing poverty had been substantial – from 58.8 per cent in 1990 to 40 per cent in 2005. Bangladesh is one of the few countries expected to reach its targets by 2015. The steady annual economic growth of over 4 per cent during the past decade and relatively low inflation had been the underlying macroeconomic factors in reducing poverty. Combined with various pro-poor and pro-development policies, such as National Food Policy, Primary Education Development Programme, and Overseas Employment Policy, all closely linked to the PRSP, Bangladesh continues to reduce its poverty levels. Factors and policies that made poverty reduction in Bangladesh possible are steady productivity growth in the agricultural sector, access to micro-credit programmes, NGOs' providing non-formal education and skill development, and temporary migration and remittances. Key challenges are to promote new investments and innovations in agriculture to boost productivity. While the ready-made garments industry had experienced growth, the future of the sector relies on its ability to compete and on the pro-development outcome of the Doha Trade Round. It remains a challenge for Bangladesh to pursue a pro-poor trade policy, especially to ensure that liberalization leads to job growth. A formidable emerging challenge is the adverse consequences of global warming and the ensuing climate change.

Barbados had achieved the majority of the MDG targets and the Government remained committed to the concept and vision of the UN's global development agenda in pursuing an MDG-plus mandate. The country's development strategy is people-centred, with social capital being its greatest productive source. Barbados had sought to strengthen the institutional framework involved in the delivery of social services, remove the threat of marginalization, and empower the poor. Barbados uses a unique tripartite social partnership agreement, which brings Government, civil society and the private sector together to address local economic and social issues. At the regional level, the Government is working through several regional frameworks, helping to strengthen regional integration and partnerships in the social, health and environmental sectors. The Government is also working with regional partners to understand the multidimensional nature of poverty or "social deprivation" in the country through the *Support to Poverty Reduction and Assessment in the Caribbean* initiative and the *Country Poverty Assessment*. Climate change is a direct concern due to the high dependence of the economy on tourism. Population growth is also highlighted as a vulnerability. As a small economy, Barbados is also facing the problem of lack of funds. Having graduated to the status of a middle-income developing country, Barbados no longer has access to a range of funding mechanisms. The international community should provide equitable access to ODA and to increase and improve ODA for middle-income countries, particularly in the areas of technical cooperation and budgetary assistance.

While discussing challenges faced by SIDS, it observed that few significant achievements are being made in the *Programme of Action for Sustainable Development* of SIDS since its adoption in 1994 and the review in 2005.

Since the early 1990s, **Ethiopia's** overall development policy was to fight and ultimately eradicate poverty. Central to this effort is a strategy that involves building capacity at district and regional levels, empowering women, and supporting human development, education and health. To date, two PRSs have been formulated. The implementation of both strategies has been associated with positive trends in macroeconomic and socio-economic indicators. Growth has been led by the agricultural sector but complemented by strong performance in the manufacturing, construction and service sectors. Three sets of policy measures are contributing to progress: (a) in agriculture, measures include research, design and operationalisation of growth corridors, and export promotion; (b) in education, measures include the promotion of universal free primary education, community control over schools and resources, upgrading teacher training, enhancing the English language curriculum, and emphasising information technology,

computers, and television in teaching across the country; (c) in infrastructure, focus is on providing roads, energy, water and sanitation. The key challenges are increasing inflationary pressures; growing income inequality particularly in the urban areas; HIV/AIDS; a decline in the quality of education; and limited resources, particularly for resource-intensive interventions in the area of infrastructure development. Addressing Ethiopia's development challenges requires scaling up both human and financial resources.

Ghana had launched a recovery programme. Despite some progress made, the economy fundamentally remained the same, limiting Ghana's capacity to address poverty. However, food security had improved, especially nutrition of children. Ghana's growth and PRS is anchored on pillars which include continued macroeconomic stability, private sector competition and civil responsibility. The priority areas are agricultural modernization and closing the infrastructure gap. On health, high quality intervention and services were sustained. Achieving accelerated growth would require massive investments in priority sectors of the economy. The key lessons-learned are that a country-owned national development strategy is essential to provide focus and direction; linking national strategy to budget ensures that resources are properly targeted towards the implementation of national priorities; strengthening the partnership between government and its development partners has promoted mutual trust and contributed to increase in financial and technical support; and broad-based progress on reforms *can* lead to rapid increases in economic growth and sustained poverty reduction. Major challenges are lack of structural transformation of the economy in the face of sustained economic growth; energy crisis; low level of accumulation of technological capabilities; high youth unemployment, threatening social cohesion; slow pace of public sector reform; brain drain; unsustainable management of natural resources; persistent inequalities in the distribution of the gains of growth; HIV/AIDS; financing the infrastructure gap; and high public sector wage bill.

Cambodia The Royal Government of Cambodia (RGC) had set up the Cambodia Millennium Development Goals (CMDGs), reflecting the realities in the country and committed to prepare a single National Strategic Development Plan, an overarching document containing RGC's priorities and strategies to reduce poverty. It aims at making rapid progress towards achieving the CMDGs and other socio-economic goals: social cohesion, culture, education, literacy, better health, and at eliminating inequalities, hunger, exclusion and vulnerability. To implement the Rome Declaration, the RGC Action Plan on Harmonization and Alignment was endorsed. The Government aims at promoting sustainable development and developing the legal framework, as well as promoting macroeconomic stability, infrastructure, and the private sector, and providing essential social needs. In RGC, economic growth is driven by urban sectors, the main cause of increasing inequality between urban and rural poverty. Rural development is, therefore, a key priority. Developing social infrastructure in rural area in the medium term will require major investment. Natural resources, in particular land, are important and can be effectively used for poverty reduction in the rural area. Concerned about the concentration of land in the hand of a few, the Government is providing poor people with land. The first challenge is to pursue a growth strategy. This can be made by pro-poor growth policies through investment in sectors where the poor are concentrated and can find decent employment. In addition, there is a need to translate growth into increased government revenue, which should be allocated to social protection programmes. The chronic shortage of investment funds means that assistance from donors, external aid, and better access to the international market is critical.

The challenge **Cape Verde** faced was the increasing cost resulting from its insularity and small size (limited natural resources) as well as the volcanic nature of the island, which makes it very expensive to build infrastructure. The climate (desertification and rainfall) also presents a problem, although the location is an advantage for tourism. Cape Verde is highly dependent upon external sources of income, but development since its independence has been steady, and it successfully managed its democratic transition. Cape Verde has developed a strategy to achieve the MDGs by assuming its responsibilities at the national level. Although there is no food crisis, Cape Verde faces difficulties with access to food, due

to the lack of arable land. In terms of macroeconomic policies, the gap between poor and rich people is increasing and the evolution has been negative between 1989 and 2002. Action has been taken by the Government, localities and NGOs in the social area. Policy achievements include a better access to safe drinking water, health services, dwelling and energy, as well as the improvement in gender equality, but the main goal remains poverty reduction and the improvement of the quality of life. In order to graduate from the LDC status, Cape Verde has to reduce poverty and inequalities, master the financing of development, and have access to the market.

a. High-level roundtables

The two roundtables organized under the theme of the AMR were “Ending the cycle of food crises: cultivating a home-grown Green Revolution in Africa” and “Poverty Eradication – making it happen”. They took place in parallel on 4 July 2007.

The roundtable on “Ending the cycle of food crises: cultivating a home-grown Green Revolution in Africa” was co-chaired by **Mr. Victor Borges**, Minister of Foreign Affairs, Cape Verde, and **Mr. David Harcharik**, Deputy Director-General, FAO, and was moderated by **Mr. Kanayo Nwanze**, Vice President, IFAD. Panelists were **Mr. Ato Mekonnen Manyazewal**, State Minister of Finance and Economic Development, Ethiopia; **Mr. Elias Nyamlell Wakason**, State Minister for International Cooperation, Sudan; **Mr. Abdoulie Janneh**, Executive Secretary, Economic Commission for Africa; and **Mr. Jerome Gefu**, Board Member, Land Net West Africa. **Mr. Jeffrey Sachs**, Adviser to the Secretary General on the MDGs was the lead discussant and **Mrs. Daly Belgasmi**, Director, WFP Geneva Office, was the rapporteur.

The discussion reflected common concerns among the panelists and the participants on the dimensions of the problem of food and hunger in Africa and the inadequate action to face this situation. It also highlighted a number of commitments to overcome the problems. There was a general agreement that a green revolution in Africa is possible, but it should not be a duplication of the Asian green revolution as circumstances differ. There are, however, lessons that Africa could learn from the Asian experience. The dimensions of the problem can be illustrated by repeated food crises, low agricultural production, infertile soil, high costs of inputs and lack of access to markets. The related problems include very high infant mortality and morbidity, chronic malnutrition rates and a strong migration from rural to urban areas. In addition, agricultural policy as well as policies to promote ownership, water management, and rural infrastructure are lacking. The commitment of the African leaders to allocate 10% of their public budgets for agriculture (the Maputo Declaration) was welcomed.

Many participants recognized the steps already taken by Governments towards a green revolution and an important role that NEPAD plays. However, the complexity of the issue requires a complex set of responses, including the participation of all actors, tailoring solutions to the specific context of Africa, and their ownership by the Africans. The need for agricultural research with strong rural support services and the need to focus on food security, self-sufficiency, appropriate food distribution channels and national and international market access were also highlighted. All participants agreed on the importance of the empowerment of women and education, clear communication strategies with appropriate comprehensive packages in the country to support green revolution. It was pointed out that food aid can be specific, targeted and at the same time should be used to build local capacities, such as investments in health (through micronutrients) or education (school feeding).

A strong message from **Mr. Sachs**, the lead discussant, was that it is not necessary to wait for all the pieces to be in place, and it could begin with small steps. He added that additional resources are needed, and proposed the establishment of a global fund for agriculture. Furthermore, he urged

UNDP/ECA/FAO/IFAD/WFP and all partners to work together in a coherent way. Within the African context, decentralization was needed for quick delivery to villages without overhead costs.

The roundtable “Poverty Eradication – making it happen” was chaired by **Dr. Romulo L. Neri**, Secretary of Socio- Economic Planning, Director-General, National Economic and Development Authority, the Philippines, and moderated by **Mr. Juan Somavia**, Director-General, ILO. Panelists were **Mrs. Carmen Alcoreza**, Deputy Minister of Public Investment and Financing, Bolivia; **Mr. Jean Gabriel Randrianarison**, Secretary General, Ministry of Economy, Planning, Private Sector and Commerce, Madagascar; **Mr. Juan Pablo de Laiglesia**, Secretary General, Spanish Agency for International Cooperation; **Sir Mark Moody-Stuart**, Chairman, Anglo American plc; **Mrs. Jane Nelson**, Director, Corporate Social Responsibility Initiative, Kennedy School of Government, Harvard University. **Mr. Kwesi Botchwey**, Professor of Practice of Development Economics, the Fletcher School, Tufts University and Member of the Committee for Development Policy was the lead discussant.

The roundtable focused on ways of strengthening national capacities for eradicating poverty and hunger through partnerships. Panelists emphasized the importance of ODA to help countries achieve the IADGs. Such assistance should be based on national development priorities and geared towards building capacities of the recipient countries. Improving the living conditions of the working poor and of other disadvantaged peoples, such as indigenous peoples, was considered an important target for development actors in their efforts towards poverty reduction. Several speakers stressed the importance of strategic alliances with the private sector as a condition for sustained poverty reduction. A major contribution of business to capacity building was through the training of employees, particularly in the field of new technologies. Co-investments in infrastructure were also stressed as important. Although the share of private financial flows to developing countries had much increased over the years and exceeded ODA share in many countries, only complementarities between ODA and FDI and joint action of the public and private sectors would enable the creation of synergies and tangible impact on the ground. Speakers noted that partnerships should also be developed with non-governmental organizations as their knowledge of the social fabric helped implementing well-focused poverty reduction strategies. It was noted that partnerships had proved particularly efficient for rural development, for example in supporting associations of local producers, funding productive investments and providing support to local public institutions which, in turn, provide services to farmers.

b. General debate

During the general debate on the theme of the AMR, fifty-one delegations made statements. In addition, one observer, four UN system organizations, three international organizations and 10 non-governmental organizations also participated. Most countries welcomed the new functions of ECOSOC, namely the AMR and the DCF. Many of them expressed particular appreciation for the national voluntary presentations. **Pakistan, on behalf of the Group of 77 and China, the Netherlands and the United Kingdom** encouraged developed countries to make presentations in the future AMR.

Many countries welcomed the reports submitted by the Secretary-General to this session. **Pakistan, on behalf of the Group of 77 and China**, welcomed AMR’s focus on implementation. In reviewing the implementation, many countries noted the general progress in poverty eradication, but pointed out that the progress was uneven and in some parts of the world, in particular in the LDCs and in sub-Saharan Africa, the progress had been limited. **New Zealand, on behalf of CANZ**, noted that the Asia Pacific region also remained a particularly poor region. **Pakistan, on behalf of the Group of 77 and China**, expressed the concern that about 40 per cent of developing countries were considered off-track to achieve MDG 1. He noted that as presentations of the previous day demonstrated, developing countries were making their efforts to implement their part of the commitments to devise national development strategies, to improve governance and to create a macroeconomic climate conducive for

growth, trade and investment. These efforts should be supported. In this regard, many countries called for the international community to honor its commitments.

Many countries stressed that global partnership was the right path for development and the international community, recipient and donor countries alike, should work together. **The Netherlands** reported that the country had prepared two public progress reports on its own efforts to help achieve the MDGs. It had also continued to contribute 0.8 per cent of its GNI as ODA. **Portugal, on behalf of the European Union (EU)**, stressed the Group's commitment to support developing countries' efforts, including through the reduction of trade barriers and increases in ODA in a coherent way as underlined in the Monterrey Consensus. More specifically, a number of developed countries expressed their full commitment to reach the target of 0.7% of GNI or even higher for ODA by 2015, or increase their ODA. A number of countries highlighted that middle-income countries needed further support, pointing out that they account for around 40 per cent of people living on two dollars a day. With their higher capacity, these countries have decided to aim for goals beyond MDGs.

Some speakers raised the issue of predictability of development assistance, noting the unevenness of aid flows. It was further pointed out by many that increases in assistance were mainly in the form of debt relief and that net ODA had declined. Many developing countries, therefore, called for new and additional resources. In this regard, **Pakistan, on behalf of the Group of 77 and China**, noted that specific benchmarks and targets had not been devised for MDG 8 (global partnership for development) and called on UNDESA, UNCTAD, UNDP together with IMF, the World Bank and WTO to elaborate such benchmarks/indicators in order to facilitate the monitoring of MDG 8. In addition, the Group highlighted the importance of transfer of technology and called for a fuller analysis on the constraints imposed by TRIPS and other technology restraining regimes to be conducted by UNCTAD and UNDESA.

Some speakers stated that systemic issues of global governance required greater attention and called for concrete measures for the improvement of voice and representation of developing countries in international financial institutions. It was further stated that the required reform of the IMF should ensure financial sustainability and access to financial assets. A number of countries highlighted that the successful completion of the Doha Round of trade negotiations was essential, while some expressed doubts on the benefits to developing countries even if the Round were concluded successfully. Many countries highlighted the role of the Paris Declaration in promoting aid effectiveness, harmonization and alignment.

Many countries highlighted that the adverse effects of climate change posed a threat to development strategies and urged countries to work on the post-Kyoto multilateral regime. They also called for immediate global action on climate change and related concerns, such as land degradation, desertification and agricultural productivity. Some countries stressed the negative impact that neglect of the agricultural sector could have on the efforts to eradicate poverty, including through its impact on environment. Many countries also stressed the importance of rural development. On the other hand, some speakers addressed the problem of rapid urbanization and its debilitating effects on development.

A number of countries underlined that productive employment and decent work for all were essential for the success of efforts towards eradicating poverty. Many speakers noted that innovative modalities of financing, such as microfinance, were very helpful towards the effort for poverty eradication. This is especially crucial for setting up small and medium enterprises by people from rural areas and for women. Many countries stressed the role of education in strengthening the efforts towards eradicating poverty. The essential role of life-long learning and adult education was also pointed out.

A number of countries emphasized the need for improved health systems for developing countries. It was recognized that comprehensive HIV/AIDS prevention programmes, treatment, care and support were of paramount importance for eradication of poverty. Some countries underlined the equal urgency to fight other infectious diseases, such as malaria and tuberculosis. With regard to infectious diseases, a number of countries expressed their intention to participate or increase contribution to the Global Fund to Fight AIDS, Malaria and Tuberculosis. Other countries also pointed out the issue of ageing and its impacts on poverty eradication efforts. Some countries called for stronger role of the UN system. The work of the High-level Panel on System-wide Coherence was appreciated.

VI. Official Launch of the Development Cooperation Forum

The launch of the DCF, on 5 July 2007, included a general debate followed by two roundtables: on “Promoting greater coherence among development activities of different development partners: *The role of national aid coordination and management*” and “Review of trends in international development cooperation: *South-South and triangular cooperation*”. A number of informal events were organized during the day.

The debate was marked by great expectations for the DCF, in particular with a view to improving the governance, effectiveness and impact of development cooperation for the achievement of the IADGs. The Forum is expected to strengthen the policy coordination role of ECOSOC over the UN development system and to tighten the link between the operational and normative work of the UN system. As an inclusive platform, the Forum should engage all relevant actors in a multi-stakeholder dialogue on development cooperation, helping to ensure that development cooperation becomes more coordinated and coherent and that it achieves desired objectives and results. In this process, the Forum should also clarify and strengthen mutual accountability between development partners. The DCF would also be well-positioned to review the quantity and quality of development assistance, including the aid architecture, the implementation of the aid effectiveness agenda and the comparative advantages of different donors. It was noted that the Forum should keep a distinct identity and that it should be closely coordinated with the follow-up to the Monterrey Consensus and the 2008 Ghana meeting on aid effectiveness.

A number of thematic issues were prominent in the roundtable discussions. Part of the discussions focused on how a country-led development process may enhance the coherence of development activities at the country level. National ownership and government leadership were considered cornerstones in driving a sustainable development process based on national priorities. Ensuring streamlined delivery of development assistance through various aid modalities was considered an important part of enabling developing countries to take the lead. Parliamentary oversight and public perception on the part of donors were mentioned as challenges in providing some forms of support, yet at the same time these were considered instrumental in strengthening national systems and thereby building and maintaining domestic accountability.

The multitude of development actors was seen as a daily challenge for developing countries. In addition to calls for a more harmonized approach by donors at the country level, it was proposed that donors should also take advantage of holistic approaches as a way of engaging national expertise through line ministries and other stakeholders in donor countries. Building of national capacities at all levels for effective management and coordination of development assistance was a recurring theme. Attention was drawn to the potential pitfall of prioritizing short-term results over long-term sustainability of national capacities. In this regard, decentralization was considered as an effective way of building capacities at lower levels, thereby enabling the delivery of services closer to people while lowering the cost of execution.

The discussions also focused on the growing importance of South-South and triangular cooperation. It was proposed that the DCF could seek to improve the understanding of such cooperation and further promote the benefits derived from these activities. However, it was emphasized that South-South development cooperation should not be viewed as a substitute to North-South cooperation, considering that traditional development assistance provides an essential source of support for developing countries. The Forum was considered to be a possible platform for identifying good practices in triangular cooperation and to be a monitoring mechanism. In view of the above, the DCF could take a comprehensive view of all types of development cooperation and contribute to the overall coherence of development efforts.

VII. Informal high-level roundtable on “Emerging challenges to efforts to eradicate poverty and hunger”

The high-level segment also held an informal high-level roundtable on “Emerging challenges to efforts to eradicate poverty and hunger”. The Roundtable focused on the major emerging challenges, such as climate change, desertification and the HIV/AIDS pandemic, to the realization of the development goals, in particular MDG-1. It was chaired by **H.E. Mr. Dalius Čekuolis** of Lithuania, the President of ECOSOC, and moderated by **Mr. David Shukman**, Environment and science correspondent of BBC. The panelists were: **Dr. Rajendra K. Pachauri**, Chairperson of the Intergovernmental Panel on Climate Change; **H.E. Mr. Sid Ahamed Ould Rais**, Minister for Commerce and Industry of Mauritania; **Dr. Michel Kazatchkine**, Executive Director of the Global Fund; and **Mr. Nick Rance**, Television Trust for the Environment.

Dr. Pachauri presented the crux of the three Assessment Reports released so far. He explained how climate change affects efforts to eradicate poverty. At the high end of the scenario for global warming, there can be severe impacts on the life system. He pointed out that this rise in temperature is not uniform and the Arctic is warming up twice as fast as the rest of the world, threatening indigenous ways of life. **Dr. Pachauri** pointed out that the climate change has severe impacts on agricultural yields, which is already observable in Sub-Saharan Africa, India and Southeast Asia. In the affected regions, food security will be increasingly at risk. Desertification is also advancing in many parts of the world. In addition, there are health impacts caused by climate change and its negative consequences. He also highlighted the efforts of media in raising awareness as well as to inform the public on the extreme events and called for a partnership between climate experts and the media, so as to spread the extreme event warnings more rapidly.

H.E. Mr. Sid Ahamed Ould Rais highlighted the link between desertification and poverty. Mauritania was largely a rural society dependant on rural agriculture, but because of desertification and resulting decline in agricultural productivity, there is a massive migration to urban areas. The migration of farmers poses threat of food insufficiency. The rapid urbanization, in turn, is resulting in lack of infrastructure, causing a number of problems. With the advancement of desertification, the chain reaction from the decline in husbandry to decline in livestock has resulted in increase in poverty. Damages to infrastructure are posing a huge problem. For example, even if roads are built, desert covers and erodes them. These issues illustrate that the problem is not just of climate change and environment. He emphasized that there is a need to integrate sustainable development concerns in development policies.

Dr. Michel Kazatchkine highlighted the importance of this panel in treating these issues in an integrated manner. The Global Fund principally addresses MDG 6 on combating HIV/AIDS, Malaria and other diseases. But it impacts on MDG 4 (reducing child mortality) and MDG 5 (improving maternal health). These health impacts, in turn, relate to other MDGs. He explained that the Global Fund operates as a financial instrument. It is demand-driven and finances programmes that are nationally owned. After

five years of existence, it is facing a new phase and it needs to grow. Last month, the Board set target of tripling the global contribution to \$6 billion per year by 2010.

Mr. Nick Rance highlighted the role of media in raising awareness of key issues, such as climate change and desertification. The film clip that he prepared illustrated some examples of how people are adapting to climate change and desertification in East Africa.

In the pursuing interactive discussion moderated by **Mr. David Shukman**, some key messages emerged. First, there was a wide recognition that threats are caused by these emerging challenges to the development efforts and that these issues are highly interconnected. Second, there was a call for addressing these issues in an integrated manner. At the same time, it was stressed that it is also important to address the links between these issues and MDGs. Third, many developing countries are affected by desertification and its impacts on development efforts were stressed. It was emphasized that there is a need to recognize desertification as a global problem and to increased support necessary to address the issues. Fourth, to address the needs of developing countries in their efforts for tackling these issues, in particular adaptation, delegations called for strengthened global partnership. Last, there was a call for the UN to undergo energy audit, raise energy efficiency and set an example of sustainable business conduct.

VIII. Conclusion

The Ministerial Declaration was adopted on 10 July 2007, at which time the segment was formally closed. In the Declaration, the Ministers and Heads of Delegations participating in the high-level segment reaffirmed their commitment to prioritize actions and allocate resources to eliminate hunger and malnutrition in all countries and agreed to undertake measures to increase access of malnourished people to food. The Declaration reiterated the important actions needed to make progress on the reduction of poverty and hunger, ranging from empowerment of women, promotion of micro-finance, to promoting improvement of health, including enhancing fight against HIV/AIDS and other major diseases, reducing child mortality and improving maternal health.

The Declaration reaffirmed the responsibility of all countries and the need for global programmes to support the efforts of developing countries. It called for measures at all levels to promote pro-poor growth in a sustained manner. The commitment to continue to discuss innovative mechanisms for financing for development was reaffirmed. The Declaration further requested that ECOSOC consider reviewing its existing mechanisms and, where needed, take appropriate action to ensure effective review and implementation of the outcomes of the major United Nations conferences and summits in the economic, social and related fields.

In this renewed ECOSOC, the Council managed to focus attention to the main theme of the high-level segment, which was the reduction of poverty and hunger as well as the need to strengthen global partnership. There were much more focused and interactive discussions where all delegations engaged. To build further on this encouraging session, all actors must enhance their efforts to further implementation of IADGs, including the MDGs. There is a need to ensure that the Ministerial Declaration will be followed up with actual implementation, monitoring and evaluation.