

**Presentation to the 17 February 2004 Preparatory Meeting  
For the July 2004  
ECOSOC High-Level Segment**

**On**

**Resources Mobilization and Enabling Environment for Poverty Eradication  
In the Context of the Implementation of the Programme of Action  
For the Least Developed Countries for the Decade 2001-2010**

**Roundtable B  
Mobilizing External Resources and the Creation of an Enabling Environment  
For Poverty Eradication  
In the Context of the Implementation of the Programme of Action  
For the Least Developed Countries for the Decade 2001-2010**

**by  
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Distinguished Chairpersons, Excellencies, Ladies and Gentlemen,

My thoughts today draw upon my experiences as Chair and President of The Stanley Foundation, a private operating foundation that works to promote a secure peace with freedom and justice built on world citizenship and effective global governance; and as Chair of the Stanley Group of companies which, for nearly fifty years, has provided engineering, environmental, and construction services worldwide, including in many developing and Least Developed Countries (LDCs).

One hundred eighty heads of state signed the Millennium Declaration in 2000, establishing and pledging to meet specific measurable goals toward poverty eradication by 2015. Yet, mobilizing external resources to fulfill the Millennium Development Goals, particularly important for LDCs, remains a daunting challenge.

The planners of this preparatory meeting wisely included Roundtables on domestic resources, capacity-building and national policy measures, and also on external resources and the creation of an enabling environment. These two aspects are closely related. Available external resources are best directed toward good development partners. Without them, external resources are far more likely to be wasted rather than used constructively. And waste deters resource availability.

Nearly 50 years of private sector experience in providing engineering and related services around the world has taught me some hard lessons. Pervasive corruption has caused us to avoid offering services in some countries. We have been unable to work in them without compromising our business ethics. Yet I have seen unprincipled companies engage in just such corrupt practices. I have seen human insecurity and war destroy years of development progress and infrastructure investment. You know these problems, and I need not elaborate.

As a first step toward mobilizing external resources, ECOSOC should encourage and help LDCs to build their capacity to optimally use all available resources. IGO and IFI involvement should be a part of this. The World Bank's 2004 World Development Report, *Making Services Work for Poor People*, offers analysis and benchmarks to this end. German-based *Transparency International* monitors corruption levels and promotes anti-corruption principles and practices for governments, purchasers, vendors, and financiers. The UN's Global Compact is an important part of encouraging responsible international business behavior. It merits full support, but with the recognition that it alone is not sufficient. The Global Compact is voluntary. It encourages high business standards and the sharing of best practices. It attracts the most responsibly managed companies. But a "stick" as well as a "carrot" is needed. Less principled companies will cut corners and violate good business practices unless local law sets acceptable minimum standards. ECOSOC could make a major contribution by helping LDCs to harmonize their labor, environmental, and human rights laws to set consistent minimum standards, avoiding a catastrophic "race to the bottom" in these areas.

Second, achieving the Millennium Development Goals, and indeed the maintenance of peace and security, will be possible only if states are increasingly led by stable governments that are democratic and provide for the fundamental needs of their citizens. In the most extreme instances, when state governments collapse or become grossly abusive, that failure or perversion of governance leads to war and humanitarian crisis. As the recent Commission on Intervention and State Sovereignty put it, such states have abdicated their “responsibility to protect” the basic rights of the people. The various arms of the United Nations as well as many civil society organizations offer technical assistance to bolster good governance. ECOSOC should continue to support these efforts. We do not need more Rwandas or Bosnias.

A third step toward mobilizing external resources is fostering a better understanding of the interrelated threats of the 21st Century. Three months ago, Secretary-General Kofi Annan appointed a High-Level Commission on Threats, Challenges, and Change. It is tasked to identify and assess threats to international peace and security and to recommend how the international community can be more effective in responding to them. This offers an opportunity to more definitively connect human security—including poverty eradication, and development—with overall global peace and security.

Threats, and particularly threat perceptions, differ in various countries and regions. The Panel will necessarily address both hard and soft peace and security issues, including use of force; collective security and humanitarian intervention; regulation of deadly armaments; terrorism; international peace-building; post-conflict reconstruction; transnational crime; democratic governance and external intervention; foundations for peace and security; root causes of peace, security, and development; poverty; environment; population; and others.

To now, much of the push for increased external resources for poverty eradication and development has taken the form of an appeal to developed countries to help those less fortunate. This is valid but not sufficient. It has not been able to prevent erosion in ODA as a percentage of donor country gross national income.

ECOSOC should encourage and support the work of the High-Level Panel as well as similar and related efforts to advance understanding of the linkages between development and overall peace and security. This can strengthen donor motivation by conceptualizing a mutual benefit rather than simply a help to others. What is the link between terrorism and poverty? Denial of human rights? How do disease and population pressures affect market and trade opportunities? What are the “win-win” threat reduction opportunities?

Our 21st Century world is more tightly interconnected than ever. State boundaries no longer define the threats to peace and security. The threats are global and interrelated. But in this, as in many other areas, perception lags reality. We must understand this reality and mount principled multilateral initiatives to deal with the threats. The work of ECOSOC, including the July High-Level Segment, can and should be focused to help move us toward this goal.