

Special High Level Meeting between the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development

April 14, 2008

Notes for remarks of Roundtable 3: Supporting the development efforts of the least developed countries, including through trade capacity-building

Cecilia Alemany, Association for Women's Rights in Development (AWID) on behalf of the Women's Working Group on Financing for Development

Mme. Chair,

I am Cecilia Alemany from the Association for Women's Rights in Development (AWID), and I am speaking on behalf of the Women's Working Group on Financing for Development.¹ As other civil society representatives we are very concerned about the fact that the world's major donors are not doing enough to support development efforts and reduce poverty and inequality in the developing world.

As recent estimations from the Organization for Economic Cooperation and Development (OECD) shows, the Official Development Aid (ODA) from the Development Assistance Committee (DAC) members for 2007 shows a drop from 0.31% of their combined gross national income in 2006 to 0.28% in 2007. Part of the explanation is that there is no debt relief in 2007 figures.² However, debt relief as well as Aid for Trade (AfT) for Least Developed Countries (LDCs) was supposed to be additional to ODA allocations and this is not really what is happening.

If the current aid trends are not substantially challenged by proactive aid policies and an unprecedented increase of aid flows, the targets set in the Monterrey Consensus, and the Paris Declaration will not be achieved, and the Millennium Development Goals (MDGs) will be another target to refine for ten years more. Today the majority of the people living in poverty, are women and girls. **The international community has to take a serious commitment in Doha to change these trends, and build on the Monterrey Consensus.**

1. Supporting the development efforts of the least developed countries

A statement from LDC Watch³ starts saying that "the increase in number of the LDCs from 24 in 1971 to 49 today, and ironically, after three decades of special development attention, three UN LDC conferences and three specific Programs of Action, clearly proves the failure of existing development paradigms including the international aid agenda to effectively address the development challenges and constraints in these poorest countries".

National leadership and ownership is a key element in the Monterrey Consensus, and we can analyze some of the answers from the international community to LDCs from this perspective. When ownership is not considered and country programs are not driven from the ground, several authors and policy makers have an easy answer: "x" Southern government has no capacities to develop and decide its own policies. And this is a dangerous argument, and many times it is applied to LDCs. If we want to build a partnership for development in the sense of the MDG 8 and the main goal of the Monterrey Consensus we cannot accept simple answers like this kind of argument. We all agree that we need a holistic approach, but **what are we doing to build this holistic approach in the international cooperation with LDCs?**

The Report of the Secretary General on the Follow up and implementation of the Monterrey

¹ FfD Women's Working Group statement, Informal Review Session on Chapter IV, "Increasing international financial and technical cooperation for development", 15th – 16th April 2008.

² OECD, Debt Relief is down: Other ODA rises slightly, 4th April 2008.

³ LDC Watch Statement, THE ROLE OF CIVIL SOCIETY IN PROMOTING SUSTAINABLE DEVELOPMENT AND THE NEW INTERNATIONAL AID ARCHITECTURE, April 2008.

Consensus⁴ is very clear about the need for policy space: developing countries (and LDCs specially) should carefully take their trade commitments according to their level of development and the need to retain their ability to implement the most appropriate and desired development policies. Trade opening can only be politically and economically sustainable if it is accompanied by flanking policies that address policy problems and the challenges of the distribution of the benefits (and costs) created by more open trade.⁵

LDCs need to strength and develop their capacities to be able to build development owned strategies, including all relevant stakeholders. **Strengthening democratic governance, citizenship and social participation in LDCs is as important as trade or macroeconomic policies, to build sustainable development.**

If we analyze the commitments and instruments agreed and applied to LDCs, we can evaluate if the **Enhanced Integrated Framework for Trade-related Technical Assistance to LDCs** is delivering or not outcomes in development terms. There is always a risk to evaluate if trade was mainstreamed in Poverty Reduction Strategy Papers (PRSPs) doing a checking list and saying x LDCs have integrated trade in their PRSPs or national development plans (NDP). The question is if the national discussions of trade policies and trade agreement have been informed by an understanding and analysis of poverty and inequalities, with a pro-poor and pro-people approach. Or if it was on the other way, when PRSPs and NDPs are defined by trade interests, transnational companies interests, or free trade frameworks and agreements that are usually not framed by LDCs but by their developed partner.

In fact, when there is specific trade content within PRSPs it is rarely underpinned by poverty analysis, and the independent evaluation of the WBs approach to Global Programs, was very critical about the trade facility lack of consideration of the national needs.⁶ The Task Force on an enhanced Integrated Framework suggested that this initiative should be guided by the aid effectiveness principles set out in the Paris Declaration.⁷ If this happen, how are we going to measure the IF? By the Principles and indicators agreed at the PD in the OECD? That means indicators designed and measured by the WB before the existence of this framework, and civil society has been very critical of this monitoring system.

We can analyze if the AfT initiative is successful integrating country democratic ownership as a core principle of its implementation. But, let's agree that there is a lot of skepticism about these initiatives between civil society organizations and even local business actors.

2. Open questions and recommendations

We are calling to end all kind of conditionalities, but **from the civil society perspective the IF and AfT are seen as new mechanisms to "negotiate"**⁸ conditionalities, and new initiatives that are not always real additional resources but a re-allocation of resources based on trade interests.

Based on the previous points, we want to share the following questions for the debate of this roundtable:

- There is real policy space to LDCs to make their own definitions on development and trade in the current trade facilities?
- What are we doing in terms of trade liberalization's costs and losers and social impacts in LDCs?

⁴ Para 62, A/62/217, August 2007.

⁵ The text (...) was added by the speaker.

⁶ World Bank OED (2004), Manmohan Agarwal and Jozefina Cultura; *Integrated Framework for Trade-Related Technical Assistance. Addressing challenges of Globalization: An independent Evaluation of the WB's Approach to Global Programs*, Case Study; Washington DC.

⁷ Appendix III, Recommendations of the Task Force on an Enhanced Integrated Framework.

⁸ Mariama Williams, WIDE Conference, Madrid, May 2007.

- What are the components of income redistribution and reduction of poverty and inequality considered in the existing trade facilities?
- How are trade facilities integrating the rights approach and gender equality?
- How are trade facilities contributing to the holistic approach needed to build sustainable development?

Some of the concerns and recommendations from civil society organizations and women's organizations in particular are the following:

- Donor imposed conditionalities are not consistent with the principle of democratic ownership and the Right to Development. **Governments must respect and advance regional and international Human Rights, gender equality, decent work, and sustainable development agreements.** The main way to reinforce them is by supporting national strategies towards progress in these areas, as well as by supporting local groups, movements and women's rights organizations that will hold their own governments accountable to these commitments, acting as advocates and strengthening democratic governance on the ground.

- **We call to government commitments to reach and maintain the UN target of 0.7% of GNI in ODA as well as the target of 0.15 per cent of their GNP to LDCs.** Moreover, governments should commit to reach 10% of ODA for gender equality and women's empowerment by 2010 and 20% by 2015.⁹

- **LDC governments and development partners must recognize civil society in general, and women's group in particular, as equal partners in development** and facilitate structured participation in all the phases of development and aid policies. PRSPs, NDPs and the actions undertaken under the Integrated Framework are not always an example of building and respecting democratic ownership.

- We support the recommendation made by UNCTAD to **actively involve the UN in the Aid for Trade implementation strategy** in support of World Trade Organization (WTO) efforts. Additionally, we want to strength that **gender equality should be a concern in all aspects of AfT** including 'trade related adjustment' and 'other trade related needs', but, especially, those programs and projects aimed at building the 'supply side capacity' and the 'human resource availability of developing countries'.¹⁰ If each country develops a framework for engender its trade related capacity building and AfT programs that will be a positive way to integrate ownership and gender equality.

Finally, Mme. Chair, I want to highlight that **to make possible the goal of development for all, for men and women, we need a strong political commitment at the highest level in Doha** to track the donor community, who is focused in the Accra process (the OECD 3rd High Level Forum will take place in Accra in September), and frame the Aid Effectiveness agenda in terms of development effectiveness and in a multilateral space, where all countries have a voice and are not defined as donors or recipients, but as owners of their own sovereignty and development.

⁹ Participants at The International Consultation of Women's Organizations and Networks and Aid Effectiveness (January 31st 2008 to February 1st 2008) call on donors and developing countries to follow this recommendation from the meeting of the UN Expert Group on Financing for Gender Equality (Expert Group on Financing for Gender Equality - the UN Commission on the Status of Women, Oslo, September 2007).

¹⁰ Williams, Mariama (2007); FINANCING FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN: SOME THEORETICAL AND PRACTICAL ISSUES FROM A TRADE AND MACROECONOMIC POLICIES PERSPECTIVE, EGM/FFGE/2007/EP.15, August.