

3 March 2008

Preparations for the 2008 Special High-Level Meeting of ECOSOC with BWIs, WTO and UNCTAD

Revised Informal Note to the Council

Background

The Economic and Social Council will hold its annual Special High-Level Meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development at UN Headquarters in New York on Monday, 14 April 2008, the day following the spring meetings in Washington of the International Monetary and Financial Committee (IMFC) and the Development Committee. This year's meeting of the Council has special significance as it takes place during the preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha, Qatar, from 29 November to 2 December 2008.

In its resolution 62/187 of 19 December 2007, entitled "Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus", the General Assembly reiterates that "*the Review Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues*" (para.2); "*reaffirms its resolve to continue to make full use of the existing institutional arrangements for reviewing the implementation of the Monterrey Consensus, as set out in paragraph 69 of the Consensus and in line with resolution 57/270 B, including the high-level dialogues convened by the General Assembly and the spring meetings of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, bearing in mind the need to enhance the effectiveness of the follow-up process of the Monterrey Consensus*" (para. 3); and "*stresses the importance of the full involvement of all relevant stakeholders in the implementation of the Monterrey Consensus at all levels ...*" (para. 4).

In its resolution 2007/30 of 27 July 2007, ECOSOC "*requests the President of the Council, with the support of the Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat, to initiate consultations, including with all major institutional stakeholders, on how to enhance the impact of the special high-level meetings of the Council in order to: (a) focus the special high-level meetings on specific issues, in the context of the implementation of the Monterrey Consensus, within the holistic integrated approach of the Consensus, in consultation with all major institutional stakeholders, and to report thereon to the Council well in advance of the meeting, and underlines in this regard the importance of transparency and openness with respect to Member States; (b) finalize the preparations well in advance of the meeting, in order to facilitate the participation of all participants and ensure high-level participation; (c) discuss innovative ways and mechanisms to enhance interaction between the Council and the major institutional stakeholders in preparation of the special high-*

level meetings of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development; (d) request the regional commissions ... to continue to strengthen their efforts in addressing regional and interregional aspects of the follow-up to the International Conference on Financing for Development ... and provide inputs to the follow-up to the Conference, including the spring meetings of the Council; (e) continue to involve all relevant stakeholders, including civil society organizations and the private sector, in accordance with the rules of procedure of the Economic and Social Council and the accreditation procedures and modalities of participation utilized at the Conference and in its preparatory process” (para. 3).

Substantive Focus

As in previous years, it is expected that within the overall framework of the meeting on “coherence, coordination and cooperation, as a follow-up to the Monterrey Conference”, the discussion would focus on a number of specific sub-themes. The main criteria for the selection of the substantive focus of the meeting should be the capacity to engage all relevant stakeholders and the current relevance of the topics, within the holistic integrated approach of the Monterrey Consensus.

Under the overall theme, **“Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus, including new challenges and emerging issues”**, the meeting will substantively cover the following sub-themes:

- 1. New initiatives on financing for development;**
- 2. Supporting development efforts and enhancing the role of middle-income countries, including in the area of trade;**
- 3. Supporting development efforts of the least developed countries, including through trade capacity-building;**
- 4. “Building and sustaining solid financial markets: challenges for international cooperation”;**
- 5. “Financing of climate change mitigation and adaptation”.**

Recent mandates and reference points for the sub-themes

(1) New initiatives on financing for development

In its resolution 62/185 of 19 December 2007 on “International financial system and development”, the General Assembly recognized *“the value of developing innovative sources of financing from various sources, on a public, private, domestic and external basis, to increase and supplement traditional sources of financing”*; and welcomed *“the contribution to the mobilization of resources for development through innovative financing initiatives taken by groups of Member States (including the International Drug Purchase Facility – UNITAID, the International Finance Facility for Immunization and a pilot project within the Advance Market Commitment Initiative).”*

In its resolution 60/265 of 30 June 2006 on “Follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals”, the General Assembly “*stresses the need to identify, develop and promote innovative and additional sources of financing for development to increase and supplement traditional sources of financing*” (para. 26). In its Communiqué of 21 October 2007, the Development Committee “*underlined the importance of innovative financing mechanisms*” (para. 4).

(2) *Supporting development efforts and enhancing the role of middle-income countries, including in the area of trade*

In its resolution 62/208 of 19 December 2007 on “Triennial comprehensive policy review of operational activities for development of the United Nations system”, the General Assembly “*recognizes that middle-income developing countries still face significant challenges in the area of poverty eradication and that efforts to address those challenges should be supported in order to ensure that achievements made to date are sustained, including through support to the effective development of comprehensive cooperation policies*” (para. 27). In its resolution 60/265, the General Assembly called for “*continued support for the development efforts of middle-income developing countries, including through targeted and substantial technical assistance, and the promotion of new partnerships and cooperation arrangements, including bilateral arrangements, as well as by working in competent multilateral, regional and international forums, in support of national development strategies*” (para. 21).

The summary of the proceedings of the Intergovernmental Conference on Middle-Income Countries, held on 1-2 March 2007 in Madrid, Spain (see A/62/71-E/2007/46, annex) identifies specific vulnerabilities of middle-income countries (MICs) including: (1) “the difficulties of achieving a *more stable integration into international financial markets*, which requires changes to the structure of international markets and development and expansion of national markets to go hand in hand”; and (2) “the difficulties of establishing *productive and trade specialization in the most productive sectors*, to enable them to generate a dynamic process of technological development and to promote sustainable competitiveness in the countries.” It concludes that “*official development assistance (ODA) will always have a limited role in the finances of many MICs. Other means of funding development, including those associated with trade, the transfer of technology, direct investment or access to private capital markets, will be more relevant.*” Therefore, “one of the avenues for promoting cooperation with MICs should be *to promote changes to the regulatory frameworks in the fields of trade, finance and technology transfer* so that international regimes offer greater opportunities to developing countries.”

In its resolution 62/184 of 19 December 2007 on “International trade and development”, the General Assembly reaffirmed “*the value of multilateralism to the global trading system and the commitment to achieving a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment generation in all sectors ...*” In its Communiqué of 21 October 2007, the Development Committee expressed its “*strong support for intensified efforts to agree on an ambitious pro-development Doha Round*” and emphasized “*the need to integrate trade and competitiveness within national development strategies, while stepping up support for Aid for Trade, as proposed*”

by the Bank and Fund” (para. 12). The International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund, in its Communiqué of 20 October 2007, “expresses concern with the continued lack of progress with the Doha multilateral trade round, and urges WTO members to work toward a prompt and ambitious conclusion of the Doha Round trade negotiations launched in 2001 as a development round” (para. 9).

(3) *Supporting development efforts of the least developed countries, including through trade capacity-building*

In its resolution 62/203 of 19 December 2007 on the “Third United Nations Conference on the Least Developed Countries”, the General Assembly “reaffirms its commitment to the Declaration adopted by Heads of State and Government and heads of delegations participating in the high-level meeting of the General Assembly on the midterm comprehensive global review of the implementation of the Programme of Action, in which they recommitted themselves to addressing the special needs of the least developed countries by making progress towards the goals of poverty eradication, peace and development” (para.4). In the same resolution, the Assembly “underlines the fact that, for the further implementation of the Programme of Action, the least developed countries and their development partners must be guided by an integrated approach, a broader genuine partnership, country ownership, market considerations and results-oriented actions encompassing: (a) Fostering a people-centered policy framework; ensuring good governance at both national and international levels ...; (c) Building human and institutional capacities; (d) Building productive capacities to make globalization work for the least developed countries; (e) Enhancing the role of trade in development; (f) Reducing vulnerability and protecting the environment; (g) Mobilizing financial resources” (para. 9).

In its resolution 62/208 on operational activities, the General Assembly “recognizes the urgent and specific needs of low-income countries, in particular the least developed countries, and stresses the need to continue to assist those countries, including through the existing institutions and funding mechanisms of the United Nations development system” (para. 26). In its resolution 62/184 on trade and development, the General Assembly “welcomes the effort being made for operationalization of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries with increased additional, non-conditional and predictable financial resources to enhance the export and supply capacities of the least developed countries, and urges the development partners to increase their contributions to the Integrated Framework Trust Fund on a multi-year basis” (para 21).

(4) *Building and sustaining solid financial markets: challenges for international cooperation*

In its resolution 62/185, the General Assembly “underlines the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the consideration by the International Monetary and Financial Committee of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, inter alia, through an even-handed implementation of surveillance, including at the regional level, and a sharpening of surveillance of capital markets and systemically and regionally important countries, with a view, inter alia, to the early identification of problems and risks, integrating

debt sustainability analysis, the fostering of appropriate policy responses, the possible provision of financing and other instruments designed to prevent the emergence or spread of financial crises and further improvements in the transparency of macroeconomic data and statistical information on international capital flows” (para. 10). The Development Committee, in its Communiqué of 21 October 2007, “urged governments to continue implementing policies supporting economic resilience, and urged the Bank and the Fund to support and monitor those efforts” (para. 8). The International Monetary and Financial Committee, in its Communiqué of 20 October 2007, notes that “recent disturbances in financial markets in advanced economies are expected to have a moderating effect on growth in the near term, and downside risks to the outlook have increased [and] ... underscores the importance of sound macroeconomic policies in the medium term and continued vigilance to maintain well-functioning financial markets and to strengthen the foundations for sustained high growth” (para. 2).

The General Assembly, in its resolution 62/185, also “stresses the importance of early agreement on a credible and time-bound package of quota and voice reforms in the Fund, reiterates the need to effectively address the issue of enhancing the voice and participation of developing countries in the Bretton Woods institutions, encourages the Bretton Woods institutions to take further and effective measures, and invites the World Bank and the Fund to continue to provide information on this issue, using existing cooperation forums, including those involving Member States” (para. 5). In its Communiqué of 21 October 2007, the Development Committee “welcomed the Options Paper on Voice and Participation” and “recognized that further consultations among shareholders will be necessary to reach a political consensus on a comprehensive package and look forward to a timely report on the progress achieved” (para. 13). The International Monetary and Financial Committee, in its Communiqué of 20 October 2007, “stresses the critical importance of the implementation of the program of quota and voice reforms adopted by the Board of Governors in Singapore” (para. 10).

(5) *Financing of climate change mitigation and adaptation*

The General Assembly, in its resolution 62/86 of 10 December 2007 on “Sustainable development: protection of global climate for present and future generations of mankind” recognizes “the need to provide financial and technical resources, as well as capacity-building and access to and transfer of technology, to assist those developing countries adversely affected by climate change” and reaffirms “that efforts to address climate change in a manner that enhances the sustainable development and sustained economic growth of the developing countries and the eradication of poverty should be carried out through promoting the integration of the three components of sustainable development, namely, economic development, social development and environmental protection, as interdependent and mutually reinforcing pillars, in an integrated, coordinated and balanced manner”(paras. 7 and 8).

The Development Committee, in its Communiqué of 21 October 2007, called for “support for developing countries’ efforts to adapt to climate change and to achieve low-carbon growth while reducing poverty”, and urged the World Bank Group “to enhance cooperation and harmonization with other development partners, based on comparative advantages, and to help catalyze substantial additional resources from both public and private sources, including concessional finance as appropriate (e.g., Global Environment Facility)” (para. 10).

Format

The most important objective regarding the format of the meeting is to facilitate a truly dynamic, interactive dialogue, which includes *inter alia* persuading participants to refrain from prepared formal statements. In the words of the Monterrey Consensus, what is sought is for delegates representing different stakeholders to truly “engage” with one another.

This year we could build on the format of past years, with some further modifications and innovations, in light of the feedback received and the lessons learned from previous meetings. New modalities could be explored to promote interactive thematic discussion and better dialogue among inter-governmental representatives of the relevant institutional stakeholders.

The broad structure would include a short opening plenary meeting (from 9:30 a.m. to 10:30 a.m.) with brief statements by the heads of relevant intergovernmental bodies and other senior officials plus the presentation (from 10:30 a.m. to 10:50 a.m.) by the World Bank on *Global Monitoring Report*, followed by simultaneous multi-stakeholder roundtable discussions (from 11:00 a.m. to 1:00 p.m.) on sub-themes 1 to 3 above. After a break for lunch, the afternoon session would feature consecutively the thematic debate (from 2:45 p.m. to 4:15 p.m.) on sub-theme 4 above and the special event (from 4:20 p.m. to 5:50 p.m.) on sub-theme 5 above. Each of the debates would begin with a keynote presentation and would include an informal interactive dialogue among all participants. Closing remarks by the President of the Council would conclude the meeting.

A renewed effort will be made to promote strict adherence to meeting schedules and time limits for interventions, in order to stimulate more interactive dialogue in the round tables and the afternoon plenary among all participants, including representatives of civil society and the business sector.

Outcome

The meeting will conclude with a closing statement by the President of ECOSOC highlighting the main points of the discussions and specific proposals or ideas leading to action-oriented results. A comprehensive summary by the President of ECOSOC of the meeting will be issued subsequently as an official document of the Council and the General Assembly.