



Special High-level Meeting of ECOSOC with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 10-11 March 2011)

Informal summary by the Secretariat

The Special High-level Meeting of ECOSOC with the BWIs, WTO and UNCTAD, which was held in New York on 10-11 March 2011, constitutes an intergovernmental focal point for the follow up to the Monterrey and Doha Conferences on Financing for Development. The purpose of the meeting is to promote an open exchange of views and experiences between the UN Delegates and the Executive Directors of the World Bank and IMF, with the participation of senior officials from the United Nations, World Bank, IMF and WTO.



In accordance with ECOSOC resolution [2009/30](#), the meeting was held 5 weeks before the BWI Spring Meetings in Washington, DC and was organized using innovative modalities in the form of four informal thematic debates of the whole, which sought to promote an interactive, open and constructive dialogue among various stakeholders of the FfD process.

An unprecedented number of 27 Executive Directors, Alternates and Advisors from the World Bank and IMF as well as senior management of those institutions, including 4 Vice-Presidents from the World Bank, participated actively in the discussions and expressed genuine interest in promoting closer relations with ECOSOC.



The overall theme of the meeting was “Coherence, coordination and cooperation on Financing for Development”. The four interactive thematic debates focused on: (1) “Financial support for development efforts of Least Developed Countries: development finance, including

innovative mechanisms, aid for trade and debt relief”; (2) “Financial support for development efforts of Middle-Income Countries: development cooperation, trade, capital flows, policy space and reserve system”; (3) “Follow-up to the 2010 MDG Summit outcome: building the global partnership for development, including in response to new challenges and emerging issues”; and (4) “The role of the UN system in global economic governance”. The meeting had before it a background note by the Secretary General ([E/2011/74](#)).

Following opening remarks by the President of ECOSOC, the address of the Secretary-General and statements on behalf of relevant intergovernmental bodies (Development Committee, International Monetary and Financial Committee, Trade and Development Board and WTO), each of the four thematic debates featured presentations by senior staff of the World Bank, UNCTAD and UN-DESA as well as Government representatives, followed by an interactive discussion. The meeting concluded with closing remarks by the President of ECOSOC summarizing the main substantive points raised during the discussions. The full summary by the President will be issued at later date. All relevant materials are posted on the FfD website at <http://www.un.org/esa/ffd/ecosoc/springmeetings/2011/>.



Salient substantive features of thematic debates

[Thematic debate 1](#) focused on financial support for development efforts of Least Developed Countries: development finance, including innovative mechanisms, aid for trade and debt relief. It was pointed out that the strong economic growth in LDCs before the world economic and financial crisis and their relative resilience during the crisis were associated with recovery in commodity prices and large official inflows and thus were not sustainable and not inclusive. Persisting weakness in the productive capacities of LDCs and the slow progress towards the MDGs, coupled with some common failings of LDC-specific measures, called for a new generation of more holistic, integrated and practical international support mechanisms that would focus on developing the productive capacities in LDCs.



Specific policy proposals related to financing for development included: (1) delivery of aid in line with existing commitments and according to specific time schedules in order to facilitate budget planning in LDCs; (2) use of innovative sources of finance; (3) improved aid effectiveness by supporting country ownership and promoting aid management policies; (4) catalytic use of aid to leverage development finance, mobilize domestic resources and promote productive capabilities; and (5) debt relief, including for post-completion-point highly-indebted poor countries. In the area of trade, the key was to increase market access for LDCs, specifically through duty-free quota-free market access, simple and flexible rules of origin, a solution to the cotton issue and a services waiver, which could be achieved through an early and development-oriented outcome of the Doha Round of trade negotiations. In addition, the critical importance of strengthening the trade-related capacity and infrastructure in LDCs, through trade-related technical and financial assistance, in particular through Aid for Trade, was emphasized. In order to increase coherence between the trade and finance architectures, it was proposed that BWIs adopt and use the LDC category to align themselves with the United Nations and WTO. Great hopes were expressed regarding the UNLDC IV as a platform to renew the global partnership for development.



[Thematic debate 2](#) focused on financial support for development efforts of Middle-Income Countries: development cooperation, trade, capital flows, policy space and reserve system. It was highlighted that given slow growth of global demand, MICs' growth should rely more on domestic demand, supported by appropriate monetary, financial, income and employment policies.

The increased South-South cooperation in trade, infrastructure and industrial projects was pointed out as a potentially very important element in international development strategy for these countries. At the same time, caution was expressed that surging capital inflows could be a potential source of instability in MICs and capital account management, including the imposition of capital controls, was stressed in this context. Also, the cost of reserve accumulation in terms of foregone productive investment and social spending was pointed out.

In the area of trade, the need to intensify efforts to conclude the development-oriented Doha round of trade negotiations, to eliminate agricultural subsidies in developed countries and to further strengthen aid for trade, as well as to avoid "green protectionism" in the process of developing a green economy were emphasized. Several interventions stressed the need to establish a sovereign debt workout mechanism. The creation of a working group focused on this issue, as a first step, was suggested. Speakers also stressed the importance of improved debt sustainability analysis, taking into account investment in the attainment of the MDGs. A proposal was made to establish at the United Nations a unified mechanism to classify MICs that goes beyond income measures.

[Thematic debate 3](#) focused on follow-up to the 2010 MDG Summit outcome: building the global partnership for development, including in



response to new challenges and emerging issues. It highlighted the uneven progress towards the MDGs and emphasized that a global partnership for development, drawing on the comparative advantages of all stakeholders, constituted a major foundation for the achievement of all MDGs. The need for greater and more focused collaboration “on the ground” between the development partners was emphasized, especially in view of the current food price volatility, high unemployment and challenges related to climate change. Fragile conflict-affected countries would benefit from greater collaboration between the United Nations, given its special expertise in peace-keeping and security issues, and other partners, such as the BWIs and the multilateral development banks. In the context of providing assistance to these countries, the need for an early focus on justice reform, security and employment for achieving sustainable development, as well as the need to work through the countries’ permanent institutions was emphasized.

The importance of gender issues in fragile and other countries was stressed. There were opportunities for greater collaboration involving UN-Women and other areas of the UN family. It was critical to prevent spillovers from conflicts within regions and to tackle fragility that could lead to conflict, while recognizing the importance of national ownership of development strategies. The importance of establishing a business enabling environment for progress towards the MDGs was noted, as well as the need to have more cohesive and enduring strategies to develop public infrastructure and productive capacity.

[Thematic debate 4](#) focused on the role of the UN system in global economic governance. It was reconfirmed that, due to its global inclusiveness and legitimacy, the UN system was uniquely placed to promote the international development agenda and serve as the major forum for global economic governance. However, there was a need for genuine reform to enhance its transparency and effectiveness and to ensure effective accountability and implementation of commitments made in the UN processes. While some suggested strengthening of ECOSOC, others called for new mechanisms, with rotating and geographically representative membership. Reference was made to strengthening the Financing for Development process as an important aspect of enhancing the role of the United Nations in global economic governance, including through creation of a Commission on Financing for Development and a multi-stakeholder panel of experts on the impact of the crisis on development.



Although the contribution of the G20 to coordinating the global response to the recent world financial and economic crisis was recognized, serious concerns were expressed about the lack of representation of most developing countries, particularly the LDCs. Further steps were needed to build on recent measures for constructive engagement between the G20 and the United Nations, at both secretariat and intergovernmental levels, and to ensure that their roles were complementary. Some called for stronger and more formalized United Nations participation in the G20 meetings.

While welcoming recent moves to enhance the representation in the BWIs, the need for continued progress to enhance the voice and representation of developing countries was stressed. Calls were made for greater coordination and interaction between the various international organizations, including the United Nations, BWIs and WTO. In addition, regional cooperation can play an important role in enhancing the architecture of global economic governance.