

**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, ECOSOC Chamber (NLB), 10-11 March 2011)**

Concluding Remarks by the President of ECOSOC

Ladies and Gentlemen,

We have concluded our discussions in the 2011 special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development.

I am very pleased with the outcome of this high-level meeting. I must thank our friends from Washington and Geneva. We had a significant number of Executive and Alternate Directors of the Boards of the World Bank (19) and IMF (8) as well as senior staff of these institutions, including 4 Vice-Presidents from the World Bank, participating. We also had good participation of high-level representatives and senior officials from Member States, as well as senior staff of other UN system and other international organizations. Last but not least, the representatives of civil society and the business sector also participated actively in the thematic debates.

I must thank all of you for the positive spirit of engagement, quality of the discussions and for your cooperation in keeping to the time allotted. Some of you must have felt that I was a bit harsh in enforcing the time constraint. It was for a good cause. My goal was to ensure that during the four thematic debates we engage in truly dynamic and interactive discussions. You must agree with me that we succeeded in having an open exchange of views and experiences between government representatives and major institutional stakeholders.

I will submit a full summary of the meeting at a later stage. Now, allow me to briefly sum up the main points of our discussions in the last two days. These points are not made in any particular order.

Introductory session

- The Secretary-General addressed the meeting. He highlighted the uneven progress on the MDGs, with inadequate results in job creation, food production, infrastructure development and green technology. Accelerating progress requires development cooperation, with more effective coordination of policies at the national, regional and global levels, as well as better mutual accountability among development partners.

- He also called for strengthening the role of the United Nations in global economic governance and for improving coordination, accountability and effectiveness within the UN system.
- The President of the Trade and Development Board of UNCTAD expressed the view that the recent economic boom in the LDCs was associated with the unsustainable pattern of global expansion. Greater trade openness and integration have been associated with increased commodity dependence and export concentration. The volatile food prices and increased food imports in LDCs have increased the risk for a devastating food crisis in these countries.
- The Vice President and Corporate Secretary of the World Bank spoke about particular challenges faced by the Fragile and Conflict-affected Countries (FCCs), which cannot be resolved by short-term or partial solutions in the absence of efforts to provide security, justice and employment.
- The Secretary of the IMF International Monetary and Financial Committee outlined recent IMF developments including: stepped up crisis lending; expanded technical assistance; more risk-management based approaches to financial sector supervision; greater emphasis on macro-prudential regulation; and the implementation of governance reforms, including voice and quota reforms.

Thematic debate 1: Financial support for development efforts of Least Developed Countries: development finance, including innovative mechanisms, aid for trade and debt relief

The following points were emphasized:

- New international development architecture for LDCs should be considered which includes not only aid but also finance, trade, commodities, technology transfer and climate change adaptation and mitigation.
- The central development challenge in achieving long-term growth in LDCs is increasing their productive capacities. New mechanisms focusing on developing those productive capacities are needed.
- Sustainable ODA flows are essential for LDCs. Although a focus on results is important, LDCs require long-term investments that cannot be evaluated with short-term indicators. Innovative sources of finance and South-South cooperation are key to foster development and should complement ODA.
- Aid for Trade should be targeted and enhanced to help build up LDCs supply-side capacity and strengthen their trade-related infrastructure.

- A speedy completion of the development-oriented Doha Round of trade negotiations would ensure growth in global trade, prevent protectionism and create new market access opportunities for LDCs.
- Debt sustainability and indebtedness remain serious challenges for LDCs. Currently, 20 LDCs remain in debt distress or at high risk of debt distress. There were calls for: a renewal of the extension of the HIPC initiative; transparent and participatory debt resolution system; and a debt moratorium or standstill to help achieve the MDGs.
- International cooperation in tax matters is key to curtail the considerable capital flight. Transaction costs of remittances should be reduced to unleash their potential for human development through investment in health care and education.

Thematic debate 2: Financial support for development efforts of Middle-Income Countries: development cooperation, trade, capital flows, policy space and reserve system

The discussion included the following points:

- It was pointed out that, given slow growth of global demand, MICs' growth and expansion should rely more on domestic demand, supported by the appropriate monetary, financial, incomes and employment policies. The use of industrial policy in long-term development strategies was also discussed.
- According to most speakers, South-South cooperation could be a very important element in international development strategy. It was stressed that such cooperation should not be limited to trade, but also include infrastructure and industrial projects.
- Participants stressed that surging capital inflows could be a potential source of instability and stressed the importance of capital account management, including the imposition of capital controls.
- Many speakers focused attention on the issue of reserve accumulation, noting that accumulating and holding reserves was not costless in terms of foregone productive investment and social spending.
- Many participants emphasized 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.
- Several interventions emphasized the need to establish a sovereign debt workout mechanism. The formation of a working group, 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.

Thematic debate 3: Follow-up to the 2010 MDG Summit outcome: building the global partnership for development, including in response to new challenges and emerging issues

The following points were raised in the discussion:

- Progress towards the MDGs has been uneven. There was a strong view that a global partnership for development provides the major foundation for progress towards all MDGs. This global partnership must draw on the comparative advantages of all stakeholders.
- The 2011 World Development Report has been a good example of constructive collaboration between the World Bank and the UN, but greater collaboration “on the ground” is needed.
- Current food price volatility, high unemployment and climate change make greater and more focussed collaboration all the more urgent.
- Fragile economies would benefit from a greater collaboration between the UN family, given its special expertise in peace-keeping and security issues, and other partners, particularly the Bretton Woods institutions, the IMF and Multilateral Development Banks.
- There is a need for an early focus on justice reform, security and employment in achieving sustainable development, as well as for working through the countries’ permanent institutions.
- The importance of gender issues in fragile and other countries should be emphasized. There are opportunities for greater collaboration involving UN-Women and other areas of the UN family.
- It is critical to prevent spillovers from conflicts within regions and tackle fragility that could lead to conflict, while recognizing the importance of national ownership of development strategies.

Thematic debate 4: The role of the UN system in global economic governance

This session highlighted the following points:

- The UN system is uniquely placed to promote the international development agenda and serve as the major forum for global economic governance.
- There is a need for genuine reform to enhance its transparency and effectiveness and ensure effective accountability and implementation of commitments made in UN processes.

- The contribution of the G20 in coordinating the global response to the recent world financial and economic crisis was recognized. However, there were real concerns about the lack of representation of most developing countries, particularly the least developed countries. Further steps need to be taken to build on recent measures for constructive engagement between the G20 and the UN, at both secretariat and intergovernmental levels, and to ensure that their roles are complementary.
- Several speakers highlighted that the current global economic system, including the UN system was fragmented, inconsistent and incoherent. While several speakers suggested strengthening of ECOSOC, others called for new mechanisms, with rotating and geographically representative membership.
- While welcoming recent moves to enhance the representation in the Bretton Woods institutions, many delegations stressed the need for continued progress to enhance the voice and representation of developing countries.