

**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), 12-13 March 2012)**

Concluding Remarks by the President of ECOSOC

We have concluded the 2012 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 the discussions of this high-level event. High-level representatives of Member States and senior officials from relevant institutional stakeholders, as well as representatives of civil society and the business sector engaged in a productive exchange of views and made important contributions.

I should particularly thank our colleagues from Washington and Geneva. We had a significant number of Executive and Alternate Directors of the Boards of the World Bank (22) and IMF (5) as well as senior managers of these institutions, including 2 Vice-Presidents from the World Bank, participating.

I thank all of you for your engagement in the thematic debates. I believe that our deliberations will provide valuable input into preparations for the major UN conferences on development issues this year, including the Thirteenth session of the United Nations Conference on Trade and Development (UNCTAD XIII) and the UN Conference on Sustainable Development (Rio+20).

I will submit the official summary of the meeting at a later stage. At this time, allow me to briefly sum up the main points of our dialogue held during the last two days.

At the Opening plenary,

- **The Secretary-General** highlighted that declining prospects for economic growth, weak global labour markets and environmental degradation call for decisive action to invest in people and green technology. Promoting decent jobs with decent incomes will boost purchasing power and global demand. In particular, small and medium enterprises are responsible for most employment and income generation opportunities. ODA continues to be of critical importance in many poor developing countries, while greater attention needs to be given to the principles of responsible borrowing and lending. To move forward, the international community will have to address the building blocks of sustainable development – from food and nutrition security to sustainable energy and universal access to safe drinking water and sanitation for all. To provide sufficient resources, a mix of public finance and private finance is needed. At the international level, measures to scale up financing for sustainable development should facilitate the free or low cost access to technology. The Secretary-General called for climate mitigation and adaptation action on the ground, which would set public and private funds on a trajectory to reach the agreed \$100 billion by 2020.

- **The Chef de Cabinet of the President of the General Assembly, H.E. Dr. Mutlaq Al-Qahtani, delivered the statement of the President of the General Assembly, H.E. Mr. Nassir Abdulaziz Al-Nazzer.** Both developing and developed countries are struggling with the impacts of the global financial and economic crisis, while they are facing the defining challenge of the 21st century: building a sustainable future. To discuss the current economic and financial developments and challenges, the President of the General Assembly together with the Secretary-General will hold a high-level thematic debate next May. UNCTAD XIII will provide an opportunity for much needed reflection on the impact of the crisis on trade and development, in particular for developing countries. The UN Conference on Sustainable Development offers a historic opportunity to catalyze a more equitable, resilient, low-carbon economy. Finally, the legitimacy of the United Nations confers incomparable value to its discussions, negotiated agreements and operational activities.
- **The President of the Trade and Development Board of UNCTAD** highlighted that the effects of the financial and economic crisis still continue to have an adverse impact on developing countries, especially LDCs. He called for bold, coordinated and coherent approaches to address the global financial and economic situation. Monetary and exchange rate, fiscal and incomes policy instruments should be applied with the right mix, timing, dosage and in a coherent manner. All forms of financing for developing countries, namely ODA, FDI, improved sovereign debt management, facilitating remittances flows, mobilizing domestic resources, should be brought into play. Aid for Trade, in particular, should be intensified. UNCTAD XIII Conference will be addressing the theme: “Development-centered globalization: Towards Inclusive and Sustainable Growth and Development”.
- **The Vice President and Secretary of the Board of the World Bank, speaking in his capacity as Acting Secretary of the Development Committee,** noted the importance of enhancing the cooperation with ECOSOC as we work towards greater cohesion and results. He reaffirmed the World Bank’s commitment to working cooperatively to achieve the MDGs by 2015 and supporting the poor in developing countries through this period of instability and in the long term. In this spirit, the World Bank Group has committed nearly \$200 billion to developing countries over the last four years. The upcoming Development Committee meeting will be held under the overarching theme of poverty reduction and economic growth in the face of global economic challenges. The speaker also highlighted the importance of the private sector for advancing job creation and economic development.
- **The Secretary of the International Monetary and Financial Committee** outlined key developments and reforms over the past year with regard to four areas of work: (i) financial support to member countries; (ii) key policy analysis and advice; (iii) technical assistance; and (iv) governance reforms. The IMF work agenda aims to develop and coordinate solutions to global challenges and covers many interrelated areas, such as: multilateral surveillance, global safety net, supporting low-income countries, strengthening international monetary system, and further governance reform. He concluded that, while much has been accomplished last year, a lot remains to be done and the forthcoming meeting of the IMFC will provide an opportunity to redouble efforts to tackle these global challenges.

- **The Director of the Development Division in the WTO** highlighted that the special high-level meeting could make a contribution to the post-2015 global development agenda. This agenda must include sustainable, inclusive and equitable economic growth as one of its key elements. According to the speaker, trade remains one of the most important engines of national, regional and global growth. However, coordinated action is needed to prevent protectionism and to address the structural problems, which underpin the persistent unemployment, static growth and unstable financial markets. The international community must come together to ensure that all countries, including the weaker developing countries, can benefit from trade. In this context, Aid for Trade continues to make a crucial contribution. The challenge ahead of WTO Members in the long run is to conclude the Doha Development Round. In the meantime, the international community must deliver on areas where convergence can be reached, such as LDC related issues like trade facilitation.

During **thematic debate 1 on “Promoting sustained, inclusive and equitable economic growth, job creation, productive investment and trade”**, the following points were emphasized:

- Many speakers stressed that job creation lies at the heart of development and poverty eradication. There is an urgent need to rethink economic and development policies through the jobs lens. In this regard, some participants pointed out that the social impact of employment also deserves consideration. For instance, job creation may under certain circumstances enhance the economic and financial inclusion of women and serve to reduce crime. Moreover, it was argued that the definition of employment should not include those jobs that contravene the human rights of workers.
- Several participants emphasized the need for effective policies at the national level to promote sustained and inclusive growth and employment. These policies should include investment in social and physical infrastructure, education, health and social protection. The importance of sound fiscal and monetary policies was also stressed. A number of delegations also argued that country-specific and regional circumstances need to be taken into account when devising appropriate policies.
- Small and medium enterprises (SMEs) were identified by many speakers as an important driver of employment. It was pointed out that SMEs in many countries have been hit hard by the economic and financial crisis and urgently require assistance. According to some participants, SMEs would benefit from policies to improve the legal and regulatory environment facing businesses, measures to enhance the provision of trade finance, and efforts to strengthen their access to financial services.
- Some speakers stressed that foreign direct investment was a vital complement to national development efforts and contribute to the financing of long-term economic growth. However, in order to maximize its development impact, FDI needs to be coupled with favourable domestic policies and local economic opportunities.
- Some speakers highlighted the importance of having a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. There were also numerous calls for countries to refrain from protectionist measures.

- A timely completion of the Doha Round of multilateral trade negotiations would support growth of global trade and new market access opportunities for developing countries. It needs to be complemented by trade-related technical assistance and capacity-building to help enhance supply-side capacities and trade-related infrastructure, particularly in LDCs. It is also important to implement the decision to grant duty-free and quota-free market access for LDCs.
- It was pointed out that many larger donors remain below the ODA target of 0.7 per cent of GNI. One speaker emphasized that the Busan High-level Forum was a key event in strengthening the effectiveness of development cooperation. In addition, the potential of innovative financing mechanisms to complement traditional ODA was underscored.
- Amid sovereign debt and banking risks in some advanced economies, a number of participants emphasized the need for an international debt workout mechanism.
- Some speakers emphasized the importance of an enabling international environment. The importance of economic and financial stability at the global level was stressed. In this regard, delegations pointed to the need to further reform and strengthen the international financial and monetary system, in particular in the areas of financial regulation and multilateral surveillance.
- Some speakers stressed the need for a more forceful coordination of international economic policies in support of growth and employment. In particular, this relates to the timing of fiscal policies and avoiding premature fiscal consolidation. Speakers also outlined the need for enhanced engagement between the UN, the BWIs, WTO, and the G20.
- Some interventions highlighted the importance of reforming tax systems to generate revenues to invest in growth and jobs. In addition, international tax cooperation, including the UN Committee of Experts on International Cooperation in Tax Matters, needs to be further strengthened.
- Some delegations called for a strengthening of the Financing for Development follow-up process, which should be more results-based and include policy reviews at the country level.

During **thematic debate 2** on “**Financing of sustainable development**”, the discussion included the following points:

- Many speakers emphasized that environmental damages have reached the scale at which they are threatening both growth prospects and progress in social areas.
- Rio+20 provides an opportunity for renewed political commitment for sustainable development. A practical agreement would allow forward-looking emphasis on action. A discreet set of sustainable development goals, including sanitation, water and biodiversity indicators, could foster the transition to sustainable growth.

- The provision of new, additional, stable, predictable financial resources to support implementation activities in developing countries was supported as a priority in the preparation for Rio+20. The integration of the social, environmental and economic pillars was mentioned as the challenge of Rio+20. Productive capacity could be the common factor that brings them together.
- Several participants emphasized that leapfrogging in technological terms can facilitate the transition to green growth. In this context it was stressed that the removal of barriers to trade was a cost effective way to get access to technology. There were calls for a rules based trading system that is open and non-discriminatory and in which countries desist from protectionist policies. The financialization of commodity markets was further highlighted as a major disturbance and calls were made to regulate it appropriately.
- Many speakers emphasized the need for prioritizing the provision of financial resources, technology transfer and capacity building in line with national development priorities. Donor countries should deliver on their commitments for official development assistance. Delivery of this assistance should be aligned with development priorities in recipient countries and go to the countries that need it most. Innovative sources of finance such as guarantees, financial transaction taxes, diaspora bonds, carbon taxes and air flight levies were further mentioned as potential sources of new and enhanced funds.
- Some speakers highlighted the need to avoid getting locked-in in non-sustainable investments in urban planning and infrastructure, as well as the irreversibility of environmental damages. Green growth policies need to focus on policies to sustain robust growth without locking economies into unsustainable patterns.
- It was stated that governance failures, entrenched behaviour and financing constraints are core challenges to green growth. There are political challenges in terms of entrenched interests in changing the way we formulate and implement economic policies.
- National development strategies should become green and more inclusive. There is a need for valuation on natural wealth and ecosystems in national accounts. The environment should be considered a production input as its protection can decrease natural disasters, bolster resilience and create new markets.
- The public sector should provide effective risk-mitigation or revenue-enhancing instruments to attract environmentally and socially sustainable private investment. Complementary public policies and intervention are needed so that the poor benefit as well.
- The particular vulnerabilities of Small Island Development States were highlighted and there was a call to enhance their fiscal space and debt sustainability through increased access to concessional finance.
- Some speakers emphasized that instead of creating a new institution for sustainable development there should be an effort among institutions to work better together, with ECOSOC playing a facilitating role.

Next steps/way forward

- During the informal consultations, a group of participating UN Ambassadors, Executive Directors of the World Bank and the IMF and other high-level officials from the institutional stakeholders had an exchange of views on how to enhance coordination between all stakeholders of the Monterrey follow-up process, including in the area of financing sustainable development. Most of the speakers supported the idea of forming a joint Working Group that would look into how to enhance the collaboration and cooperation between ECOSOC and the major institutional stakeholders of the Financing for Development process. Such a group could provide a valuable mechanism to share best practices and knowledge and promote greater harmonization in approaches of all relevant stakeholders in the preparation of and follow-up to the Special high-level meeting of ECOSOC with BWIs, WTO and UNCTAD.
- There was also a proposal to have multiple meetings during the year between ECOSOC and the other institutional stakeholders to increase coherence, cooperation and coordination in the context of the Financing for Development follow up process.