



1. The Chairperson of the meeting, Julian R. Hunte (Saint Lucia), President of the fifty-eighth session of the General Assembly, opened the meeting and welcomed all panellists and participants. In his introductory remarks, the President thanked civil society for its contributions to the financing for development process. He declared that a year and a half after the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, the United Nations provided a forum to evaluate the impact on development cooperation of the pledges put forward at the Conference. The emphasis, he concluded, has shifted from decision-making to implementing the agreements and commitments made in Monterrey.

## **Panel 1: Review of progress and setbacks since Monterrey**

### **Overview**

2. The first panel discussion was moderated by Roberto Bissio, Coordinator, Social Watch. The debate focused on the progress and setbacks since Monterrey, mainly in the area of official development assistance, trade and external debt. Several mechanisms to raise resources for financing development were identified. The call was made for future trade talks to be more transparent, inclusive and democratic, with a clear focus on development. The debt crisis of Argentina was debated as a dramatic example of the negative impact of wrong macroeconomic policies pursued by developing countries and advocated by international financial institutions.

### **Presentations**

3. Reinhard Hermle, Misereor/Coopération Internationale pour le Développement et la Solidarité (CIDSE), made a presentation on assessing progress in meeting the Millennium Development Goals and the official development assistance commitments. The panellist underscored the importance of official development assistance for meeting the Millennium Development Goals. He reminded participants that according to the estimate put forward by the report of the High-level Panel on Financing for Development headed by Ernesto Zedillo, an additional

be levied on the consumption of fossil fuels (graded according to the level of contribution to the pollution of the atmosphere) and a global kerosene or air traffic tax would be the instruments with the highest grade of urgency and effectiveness. Dr. Hermle also supported the Secretary-General's proposal to set up a working

WTO decision-making process has been decried as opaque and secretive as recent years had seen a rise in informal meetings, such as “mini-ministerials”, some of which were “by invitation” only. Furthermore, there were no adequate procedures for selecting chairpersons and functions at WTO meetings. Documents were often distributed late, not allowing enough time for close study. In the end, Ms. Riley chose to declare Cancun to be a qualified success since it had led to the formation of new and effective alliances that kept the development focus in the negotiations. She expressed hope that it might lead to future talks being more transparent, inclusive and democratic. However, the continued dominance by a few member States in WTO, she said, threatened to offset that positive development.

9. Cristina Calvo, Cáritas Argentina, made a presentation on a look at the outcomes of recent meetings of the World Bank and the International Monetary Fund (IMF). She declared that Argentina had patterned its economic reform agenda after the Washington Consensus. Tremendously successful at first, it featured, among other things, privatization and deregulation, economic openness and monetary reform. The success that followed had been labelled the “Argentine miracle”. With the advent of the internal and external debt crisis at the end of the 1980s, the economy had unravelled, leading to a fall in investments, loss of investor confidence and capital flight. As poverty levels rose the consequences had been particularly suffered by women and children. The social collapse endangered social peace. In 2003 alone, Ms. Calvo continued, Argentina had had two IMF agreements, with questionable results. The panellist stated that the talks were always slow and protracted, leading her to question the commitment of the major economies to help Argentina. At the June 2003 meeting with IMF, civil society had asked the latter to revise its operations in order to take into account not only the social effects but also the ethical aspects of its reform prescriptions. For its part, civil society acknowledged its share of responsibility in the crisis and the need to build trust among all stakeholders. Ms. Calvo mentioned that the IMF Managing Director had admitted the disconnection between the economic and social agenda and said that IMF was talking with social organizations on poverty reduction issues. She felt encouraged when the Director described the meeting as “one of the most important”

11. Ms. Calvo also made some remarks on the recent WTO ministerial meeting in Cancun. Despite the fact that trade was seen as an engine to reduce poverty, she argued, the developed countries were reluctant to change the current trading rules, since those were geared towards their own interests. Cancun, she stressed, should make the world aware of the inequality in negotiating powers between the developed

### **Presentations**

15. Martin Khor, Third World Network, focused on proposals for new arrangements between the United Nations, the international financial institutions and WTO. He stated that the Bretton Woods institutions and WTO had been created for very specific mandates. For instance, whereas IMF had been set up to ensure global financial stability by taming and regulating global and national finance, the World Bank was to provide cheap credit to developing countries. The speaker criticized both institutions for having moved away from their original mandate and for increasingly imposing conditions on countries' policies. In the case of WTO, Mr. Khor deplored its mishandling by developed countries as a vehicle for the protection of their agriculture and textiles industries. Agricultural subsidies used by developed countries combined with low tariffs forced on developing countries had caused unsustainable imbalances in the world trading system, according to the panellist. He also called upon WTO not to exceed its mandates by going into non-trade issues such as, property rights, investment, competition and government procurement.

16. The panellist discussed the role of the United Nations in the social and economic fields. In this regard, he criticized the weakened position of the United Nations Conference on Trade and Development (UNCTAD), which had led to a lack of interest and focus of the international community on such crucial issues as commodity price stabilization agreements. Likewise, the initially influential

international financial institutions and WTO remained in tact, prospects of meaningful reforms were rather pessimistic, said the panellist.

18. Yet, it remained crucial for civil society to articulate their concerns and support recent signs of issue-based unity among developing countries. In this regard, Mr. Patel proposed to launch an open and regular dialogue with the Group of 20 plus, a group of countries that had formed a consensus in Cancun on Singapore issues and agricultural concerns. Similarly, alliances at the country level among NGOs in such areas as restructuring debt and improving the poverty reduction strategy papers could bring about real change. Even so, the speaker concluded, meaningful revisions of the Charter of the United Nations, including a strengthening of the Economic and Social Council, would need a strong alliance of countries in the South with likeminded countries in the North that spoke with one voice.

19. Gemma Adaba, International Confederation of Free Trade Unions (ICFTU), made a presentation on towards a system of democratic global governance:







**expert working groups that will allow for an adequate participation by a wide range of stakeholders, including Governments, multilateral institutions, the United Nations system, civil society, the business sector and independent academic experts;**

**(v) A geographically balanced Economic and Social Council committee or expanded bureau to deal with aspects of the follow-up to the International Conference on Financing for Development should be established as described in the report of the Secretary General (A/58/216, para. 182)**