

As to substance, the discussion in the Council suggests that the high-level dialogue of the General Assembly should address the following key issues of central concern:

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization (WTO) was held on 14 April 2003. The theme of the meeting was “Increased coherence, coordination and cooperation for the implementation of the Monterrey Consensus of the International Conference on Financing for Development at all levels one year after the Conference”. The meeting had before it a note by the Secretary-General (E/2003/50) that provided background information and raised a number of questions for consideration. Major stakeholders in the financing for development process gathered in the first fully reconstituted meeting after Monterrey to take stock of and maintain

E/2003/INF/3). Representatives of non-governmental organizations and the private sector participated in the plenary and round tables in greater numbers than in the past.

5. What follows is a summary of the deliberations largely structured according to the leading issues addressed in each of the four round tables. Since ministers and representatives referred to the current economic situation, particularly when presenting the outcome of the recent spring meetings of the Bretton Woods institutions, a brief initial section on that topic is also included.

II. The world economic outlook

6. Several ministers and representatives of multilateral institutions referred to the state of the world economy. They pointed out that global economic growth remained unsatisfactory. Private investors remained hesitant and consumer confidence was weak. In most developed countries output remained well below potential. There were positive signals for an improvement of overall conditions in the second half of 2003, yet political and economic uncertainties still clouded the horizon. Serious downward risks, mostly on account of global imbalances, might prevent the acceleration of world economic growth in the near future. The challenge for national policy makers and strengthening international cooperation was huge.

7. There were widespread concerns about the economic impact of the war in Iraq, particularly on developing countries. Substantial humanitarian and development assistance to the people of Iraq was necessary. In that respect, the International

21. Progress so far had been uneven. Some areas of special interest to developing countries posed significant problems: agricultural trade liberalization in developed countries, operationalization of special and differential treatment for developing countries, trade-related aspects of intellectual property rights (TRIPS) and public health-related issues, and the difficulty experienced by a number of developing countries in implementing agreements. Nevertheless, in some areas of the so-called Singapore issues — investment rules, competition policies, transparency of government procurement and trade facilitation — there was forward movement. Yet, there were different views on how those issues should be treated in the forthcoming negotiations. While some participants reaffirmed the importance of treating them jointly and keeping them as a key element of the negotiations, others questioned their priority, while still others suggested that they should be treated individually.

22. A number of ministers and representatives stated that it was critical to improve market access for developing countries. That required primarily the elimination of trade-distorting subsidies and the reduction of support measures for agriculture, and the removal of tariff peaks in developed countries. Yet, it was noted that the erosion of trade preferences and non-subsidized agricultural imports would have an adverse impact on several developing countries.

23. According to some participants, it was necessary to incorporate human rights and environmental and gender perspectives into trade policies. The potential conflict between the environmental agreements and the WTO agenda was highlighted. In that context, a number of representatives felt that environmental standards should not be employed as a restraining instrument for market access.

24. Several representatives underlined the need of trade-related technical assistance for national capacity-building and stressed the key role of the United Nations Conference on Trade and Development in that regard. Such assistance was critical for many countries to enable them to participate effectively and benefit from the multilateral trade negotiations. Additionally, it was important to consider assistance to address supply-side constraints. That could be particularly relevant in the case of least developed countries and heavily indebted poor countries to enable them to take advantage of increasingly liberalized markets. Moreover, it was proposed to use the WTO Trade Policy Reviews as a mechanism to consider national trade policy in the context of overall national development and poverty reduction strategies.

V. Financial cooperation and external debt

25. Various ministers and many other participants referred to the critical role of ODA in achieving the Millennium Development Goals. The additional annual amount of US\$ 12 billion pledged in Monterrey was an important step. However, money was not coming quickly enough and the pledges in Monterrey fell far short of

income countries remained vulnerable to severe shocks that would set back national efforts unless aid was forthcoming.

26. The proposal made by the United Kingdom to create an international financing facility to bring forward ODA disbursements through 15-year bond issues to be serviced with future ODA flows was seen as an interesting innovation to speed up aid flows. It seemed important to continue to explore innovative ways to increase ODA. It was also proposed that mechanisms be developed to monitor ODA publicly in order to identify actual flows and reduce the time lag of disbursements.

27. The decline in international private flows was a concern shared by several representatives. While an improved domestic and international environment should go a long way to increase such flows substantially, ODA could make a significant contribution in leveraging such flows. Moreover, enhancing public/private partnerships, as for example in infrastructure development, could also help to mobilize additional international private flows.

28. Several ministers and representatives stressed that ODA effectiveness had

adopting a debt-sustainability criterion for highly indebted poor countries that would facilitate the achievement of the Millennium Development Goals. It was suggested that an open, joint working group on debt within the framework of the Financing for Development process which would include all the relevant stakeholders — debtor countries, creditors, experts and civil society representatives — should be established to recommend a coherent debt work-out mechanism to be applied when needed to crisis countries. It was also suggested that Governments consider a code of conduct for debtor-government behaviour during external debt crises on the basis of a proposal developed by a group of private financial organizations.

VI. Coherence and governance

32. One representative stated that coherence should be viewed as how Governments, institutions and non-governmental participants could best pull together the many distinct strands of economic policy into a clear framework for action. That is, how they could work together in fulfilling the commitments made at Monterrey. Gradually, there had been a convergence of views among the main actors that boded well for the challenges of implementing the Monterrey Consensus.

33. Policy coherence was crucial at the domestic and international levels. Several ministers emphasized that the foundation for international economic policy coherence lay at the national level. Effective coordination was indispensable among

General Assembly and the Committee for Development Policy, respectively. Under that proposal, individual developed and developing countries would submit on a voluntary basis to a review of their policies and their mutual coherence in the context of commitments made in the Millennium Declaration, the Monterrey Consensus and the Brussels Declaration⁷ and the Programme of Action for the Least Developed Countries.⁸ It was also stated that, within the framework of the Financing for Development process, the United Nations should become a central forum for discussions on innovative proposals on financial issues, with the participation of all relevant stakeholders.

37. Some ministers and a number of participants expressed fundamental concerns regarding the process of international decision-making. In an era of globalization and interdependence, multilateral cooperation and the institutional approaches that had long characterized the governance of the international system were under stress. The Monterrey Consensus had identified a major gap in governance. For all countries enhanced domestic governance was the key to sustained economic growth and equitable development. Furthermore, enhanced governance at the national level

VII. Concluding observations: staying engaged

40. The consideration by the Economic and Social Council of the outcome of the 2003 spring meetings of the Bretton Woods institutions and of the note by the

43. The high-level dialogue at the upcoming General Assembly would be an important opportunity for taking stock more fully of progress made in the implementation of the Monterrey Consensus and for considering further steps. In preparing for that dialogue, certain aspects of the discussions in the 2003 meeting of the Council with the Bretton Woods institutions and WTO might be of special relevance. In particular, it was clear that the in situ decision of the Chairs of the round tables to narrow the focus of the dialogue in each round table to a separate theme of the Monterrey Consensus had led to fruitful discussions in all round tables and in the plenary. Indeed, the emphasis given to some key subjects suggested that they were especially salient to Member States and should receive focused attention during the high-level dialogue. Those key subjects were:

(a) The partnership of developed and developing countries embodied in the Monterrey Consensus required effective measurement of national and international efforts and outcomes in the implementation process. What could countries do individually and collectively to improve such measurement,

⁴ See A/C.2/56/7, annex.

⁵ See General Assembly resolution 55/2.

⁶ *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

⁷ A/CONF.191/12.

⁸ A/CONF.191/11.