

UN Secretary-General reports on a mixed track record in follow-up to the Monterrey Consensus

Organization of work of the High-level Dialogue on Financing for Development

An [advance note on the organization of work of the High-level Dialogue on Financing for Development](#) (New York, 22-23 October 2007) was released. As a result of the recent decision of BWIs to extend their Annual Meetings of the Boards of Governors to Monday, 22 October 2007, the dates of the Dialogue may be moved to 23-24 October 2007.

In an any event, the High-level Dialogue will consist of a series of plenary and informal meetings to constitute a policy dialogue on the overall theme “The Monterrey Consensus: status of implementation and tasks ahead”, as well as six interactive multi-stakeholder round tables on the themes based on the structure of the Monterrey Consensus. Each round table will be open to the participation of three representatives of accredited civil society organizations.



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Report provides assessment of the implementation of agreements reached at the 2002 International Conference on Financing for Development

This [year's report](#) paints a mixed picture: considerable advances in some areas and modest progress, stagnation or retrogression in others.

Since the adoption of the Monterrey Consensus, macroeconomic and fiscal management in the majority of developing countries has improved notably. Yet, despite rising social expenditures per capita, poverty is still on the increase in many countries and wealth distribution indices leave much to be desired.

The flow of private resources to developing countries has grown substantially. However, a dozen or so developing countries still absorb 70 per cent of such flows. The Secretary-General warns that a disorderly correction in major world economic imbalances or a sudden drop in international liquidity could lead to an abrupt stop or even reversal of such flows.

Although international trade has recovered from slower growth in 1997-2001, new forms of protectionism have appeared and the lack of decisive progress in the Doha trade negotiations is casting a shadow on the future growth of international trade.

The current and projected levels of ODA for the period 2006-2010 still fall far short of targets to achieve the

Millennium Development Goals: In 2006, ODA dipped to 0.30 per cent of GNI despite improvements since 2002. Efforts to increase aid effectiveness and to explore innovative mechanisms of development finances should continue.

While the total debt of developing countries is increasing again at a significant pace, debt indicators have improved. The experience from the Highly Indebted Poor Countries initiative shows that debt relief can positively influence the development process. In the case of middle-income countries, there has been a major shift from official to private debt. This development could increase vulnerability of those countries.

Efforts to restructure the international financial architecture in response to profound changes in the global economy are still incomplete. Enhanced tools for crisis prevention and resolution, strengthened multilateral consultations on various aspects of the international financial system, including global imbalances, and effective emergency liquidity instruments for countries with access to private markets are crucial.

The legitimacy and effectiveness of international structures and policy approaches that still have the mark of the period immediately after the Second World War are questioned. The 2005 World Summit Outcome provides critical guidelines for action at this juncture, in particular the preparations for the 2008 Follow-up Conference on Financing for Development.

An advance unedited version of the report is available on the [FFD website](#).

The Road to Doha

A series of High-level Meetings on financing for development will lead up to the Follow-up International Conference on Financing for Development in Doha, Qatar, in the second half of 2008:

- (1) Hearings of civil society and the business sector on Financing for Development (New York, 11 October 2007)
- (2) GA High-level Dialogue on Financing for Development (New York, 22-23 October 2007)
- (3) Fifty-first session of the Commission on the Status of Women (CSW) on theme "Financing for Gender Equality and the Empowerment of Women" (26 February - 9 March 2007)
- (4) Spring Meeting of ECOSOC with BWIs, WTO and UNCTAD (New York, April 2008)
- (5) UNCTAD XII on "Addressing opportunities and challenges of globalization for development" (Accra, Ghana, 20-25 April 2008)
- (6) ECOSOC Development Cooperation Forum (New York, July 2008)

Civil Society organizations can register for the High-level Dialogue on Financing for Development (22-23 October 2007), as well as the informal interactive hearings (11 October 2007) at <http://www.un-ngls.org/ffd/sign.php>.



UN Secretary-General suggests measures to reform international financial architecture

In his [report on the "International System and Development"](#) (A/62/119), the Secretary-General puts forward recommendations on how to strengthen international institutions concerned with expanding the flow and stability of development financing.

According to the Secretary-General, governance reforms and improved multilateral surveillance should be seen as a first step towards the development of a broader-based consultation process. There is a need for a stronger multilateral institutional mechanism of surveillance and policy coordination. Multilateral surveillance should remain at the centre of crisis prevention efforts. If the proposed reform of the IMF surveillance process is to be effective, all new surveillance mechanisms should enhance focus, symmetry, objectivity, equity and even-handedness.

With regard to the deepening of intraregional trade and investment flows, the Secretary-General notes that several platforms for regional economic cooperation have emerged. More active use by countries of regional funds and mechanisms for surveillance and policy consultations would increase the supply of regionally suited policies and should constructively complement the role of the IMF.

He further stresses that it is important to ensure that standards and codes are mutually consistent and, at the same time, flexible enough to be effectively applied in countries at different stages of financial development. All parties concerned should be more deeply involved in the work of international regulatory and standard-setting bodies, including private entities. Developing countries in particular need to build their capacity in this area, adapt the use of the codes according to their domestic conditions and determine the proper timing of their adoption.

The Secretary-General further recommends that in order to re-establish its relevance to emerging market economies, the Fund has to have adequate tools for crisis prevention. These instruments and mechanisms must be predictable, flexible, affordable and substantial relative to the magnitude of capital account volatility.

The Fund's increasingly important role in low-income countries through surveillance, technical assistance and concessional lending should be matched by an increased capability on its part to undertake these activities. Given the complexity of the multidisciplinary policy design and implementation in low-income countries, it is essential to have a clear division of responsibilities and closer cooperation with other institutions dealing with this group of countries.

Finally, the effectiveness of multilateral cooperation depends on an adequate voice for, and participation of, all countries. Comprehensive governance reforms aimed at solving the problem of under-representation of developing countries in global financial institutions would be indispensable at this time.

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