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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

Note by the Secretary-General*

Summary

The present note provides background information and raises a number of questions (highlighted in bold type) for consideration at the 2003 special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization. In view of the theme chosen for the meeting by the Council in its decision 2003/209, the note focuses on increasing the coherence of economic policy for the implementation of the Monterrey Consensus through more effective coordination and cooperation at the national, regional and global levels.

* The present note has benefited from discussion with staff of the United Nations system at large, including the major institutional stakeholders in the financing for development process. Responsibility for the contents of the note, however, rests solely with the United Nations Secretariat. The note was submitted for processing on 21 March 2003, owing to the extensive consultation process undertaken by the new financing for development secretariat with key institutional stakeholders, as requested by the legislative authorities for the preparation of the note.

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I. Introduction

1. The financing for development process, launched by the United Nations five years ago, reached a milestone at the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002. The financing for development process took up the challenge of raising the mobilization of financial resources for development to a prominent place on the global agenda. It opened up new spaces for intergovernmental and inter-institutional dialogue on financial, trade and development issues. And it sought to involve all relevant stakeholders in multiple facets of the process and create a mechanism for jointly considering the issues involved in an interrelated manner.

2. The Conference itself, which adopted the Monterrey Consensus of the International Conference on Financing for Development[1] at the summit level, demonstrated that a new partnership based on consensus-building and a holistic approach to the issues under consideration was achievable. The outcome of the Conference did not meet all the aspirations of the participants, but the strategy of patient confidence-building and a commitment to strive for consensus produced a milestone outcome. It is now incumbent on all stakeholders in the process to see that the outcome is implemented fully and promptly. The 2003 special high-level meeting, by bringing together participants from the major specialized intergovernmental forums on international monetary, financial, trade and development policies, provides a unique opportunity to forge greater convergence among the efforts under way in the respective forums and institutions to support and accelerate implementation of the Monterrey Consensus.

3. The United Nations has sought to organize the post-Monterrey process so as to best facilitate productive dialogue among the relevant stakeholders. In that regard, in its resolution 57/250, the General Assembly decided that the biennial high-level dialogue, to be held at ministerial level, is to be the intergovernmental focal point for the general follow-up to the Conference. The 2003 special high-level meeting may therefore also be seen as a bridge to the first high-level dialogue on financing for development, to be held at the end of October 2003.

II. The need to stay engaged

4. The Council is meeting at a moment in which a particularly difficult international environment presents an additional imperative for the implementation of the Monterrey Consensus. The world’s attention at the time of writing is consumed by the heightened concern about armed conflicts and their uncertain aftermath. In addition, the world economy is recovering weakly from its 2001 slowdown.[2] The International Labour Organization estimates that unemployment has risen significantly around the world,[3] which has had negative repercussions on poverty levels. In many parts of the globe, both households and entrepreneurs are concerned about their future and are reluctant to make long-term decisions.

5. World trade is growing slowly and short-term prospects remain unsatisfying, especially for most developing countries. Analysts perceive difficulties in reaching agreement in the World Trade Organization (WTO), negotiators missed 2002 deadlines and it is difficult to discern the direction in which global trade policy might evolve. At the same time, the South continues to transfer financial resources

to the North, while private capital flows have fallen sharply, and overall net interest and profit payments by developing countries are exceeding their net capital inflows. There is little expectation that private flows to developing countries, especially lending flows, will return to significantly larger and sustainable levels. There is also considerable uncertainty about how the international community intends to handle the debt crises of developing countries and countries with economies in transition, while many low-income countries have still to benefit from the special international programme for ameliorating their debt situation. The aversion to risk on the part of investors and creditors in most developing countries is high.

6. This global conjuncture calls for a redoubling of efforts for a swift and comprehensive — as opposed to a halting or selective — implementation of the Monterrey Consensus, as well as special measures to reduce uncertainty and spur global growth. The 2003 special high-level meeting can give an impulse to such efforts and thereby contribute to rebuilding confidence in the global economy.

III. Enhancing coherence in the implementation of the Monterrey Consensus

7. The unity of purpose embodied in the development objectives and policy guidelines contained in the Monterrey Consensus sets the framework for coherence — that is, consistent and sustainable outcomes — based on mutually supportive policies and actions by all actors and institutions. However, coherence is not automatic. The Monterrey Consensus points to several areas in which coherence will not be achieved unless:

- National and international authorities have a shared vision of development at country and regional levels;
- National efforts are complemented by international efforts;
- Increased international financial flows are accompanied by enhanced and more predictable market access for exports;
- Enhanced market access for exports is accompanied by the development of domestic production capacities;
- Increased private flows (such as results from capital-account liberalization) are accompanied by measures that make the flows more stable than in the past;
- The volume and effectiveness of official development assistance are enhanced simultaneously;
- The design of national and international policies (as on debt restructuring) takes full account of possible long-term as well as short-term consequences;
- Improved and more democratic governance at the national level is complemented by strengthened and more democratic governance at the global level.

8. The discussion that follows seeks to highlight the policies contained in the Monterrey Consensus that bear especially on such coherence issues. It also poses questions that involve matters of coordination and cooperation, and thus coherent implementation of the Monterrey Consensus.

A. Domestic policies

9. In all countries, domestic policies should support sustained economic and employment growth and sustainable development, while advancing universally agreed social values, such as enhanced social protection, a just income distribution, the eradication of poverty and gender equality. They should aim to create a robust enabling environment for investment, including such factors as the rule of law, an impartial judiciary, clear property rights and reliable systems of business information. Strengthened governance (greater transparency and accountability) and striving for strong democratic and participatory decision-making, taking account of the voices of all the people, are also essential. As the number of serious recent failures in corporate governance and abuse of auditing and accounting standards in developed countries underline, all countries, even the richest, require careful vigilance and official oversight in those areas in the public interest. In the service of such broad imperatives, all countries need to meet the challenge of reconciling the myriad interests of actors at different levels of government, in public institutions, the business sector and civil society.

10. The Monterrey Consensus emphasizes that developing countries and countries with economies in transition, where development is a primary imperative, should also focus on the coordinated mobilization of resources on all fronts, involving the public and private sectors and harnessing the potential of entrepreneurship throughout the economy to accelerate economic growth. In that context, the aforementioned universal components of an enabling environment are essential institutional policy elements. In addition, an enabling environment for development generally requires that physical infrastructure, including information and communication technologies, be strengthened and supported by human resource development, along with an increasingly effective public administration and financial management.

11. Management of macroeconomic policy in a volatile and uncertain global economy is a special challenge, which can be made even more difficult if Governments perforce follow “pro-cyclical” rather than “counter-cyclical” policies. That makes it incumbent on them to design their fiscal and monetary policies with a medium-term horizon so as to enable counter-cyclical policies when they are needed. Developing country Governments should be equally concerned about the quality of economic growth, e.g., that it appropriately increase employment for poor people in particular and create opportunities for small and medium-sized enterprises.

12. In addition, liberalization policies, as in the areas of external trade and finance, need to be set within the country’s overall development perspective. In the case of capital-account liberalization, in particular, regulatory preconditions and policies to discourage financial volatility need to be in place beforehand. In other words, countries need to formulate national strategies that enunciate their development objectives and then adopt domestic policies in a sequence that is coherent with those strategies. Individual policies may differ among countries, even in pursuit of the same goals. Governments should also regularly evaluate their policies and modify those found to be less effective.

13. In particular, public policies should accelerate investments that advance the attainment of the development goals contained in the United Nations Millennium Declaration (General Assembly resolution 55/2), in particular in the areas of health,

basic education and empowering women, such as by strengthening their access to financial resources. The Monterrey Consensus underlined the centrality of nationally owned poverty reduction strategies to achieving progress towards the Millennium Development Goals. At least 50 low-income countries have already introduced a poverty reduction strategy paper process, which, in addition to its emphasis on national ownership, should also serve as a vehicle for formulating the policies to reach the Goals. It is considered necessary, however, that where poverty reduction strategy papers exist they be placed in a wider context in which all social objectives will be adequately taken into account.[4]

14. Many developed countries, for their part, need to address the coherence of their development cooperation policies with their national macroeconomic, sectoral, trade and financial policies. Agricultural policies of developed countries are a case in point at the sectoral level, creating artificially low prices and unfair competition in international markets for developing country agricultural exports that would enjoy better commercial success if there were a level playing field that allowed comparative advantage to guide the pattern of trade.

15. In addition, the macroeconomic policies of major developed countries have both a global and a domestic impact. There is a special imperative that they be compatible with each other and coherent over time so as to be sustainable. In particular, the large net capital inflows to the United States have financed a rising trade and current-account deficit, which has served as an engine of growth for much of the rest of the world economy in recent years. But the resulting large net external debt will eventually weaken that stimulus as the balance of trade ultimately turns to surplus. A more balanced growth of global demand should be the objective of policy makers in the major economies.

Questions

16. **Designing national economic policies so as to foster medium-term and longer term development objectives is a long-sought and often elusive goal of all Governments. The international community is committed to supporting capacity-building efforts in developing countries to help them forge such coherent policy-making. In addition, national experience in different countries may be shared regarding ways to strengthen coherent packages of effective policies in order to advance development goals. Various international mechanisms can also help. In that regard, how can such efforts as poverty reduction strategy papers in low-income countries or national strategies in middle-income countries be more effective in increasing overall domestic policy coherence? How may the common country assessments, the Millennium Development Goals country reports, together with poverty reduction strategy papers and other existing reports, be used to promote deeper understanding of policy needs by the general public in developing countries? How can article IV consultations by the International Monetary Fund (IMF) be more effective in strengthening the coherence of macroeconomic, trade and financial policies of developed countries with global development goals? What opportunities are embodied in the trade policy reviews of the World Trade Organization (WTO) for enhancing the coherence of member policies with domestic and global development objectives?**

B. International action

17. The Monterrey Consensus embodies a partnership between developed and developing countries. One element of the partnership is the commitment of Governments to follow sound and appropriate national policies, as discussed above. Another element involves joint international action in a number of areas, including those highlighted below.

1. International trade and investment

18. A dynamic world trade environment is critical for the long-term development of all national economies. For many developing countries and countries with economies in transition, export revenues are the largest source of external financial resources and they are the means for ensuring debt sustainability, underscoring the importance of coherence between international development objectives and international trade agreements.

19. In acknowledgement of the nexus between trade and sustained growth and development, the Doha Declaration places the development agenda at the centre of its programme.[5] Of particular concern is the reduction of trade barriers and trade-distorting subsidies and other measures. Another focus is on how developing countries and countries with economies in transition can fully participate in trade negotiations, have their concerns reflected in the resultant agreements and benefit from the opportunities that emerge for increased market access for their exports.

20. National development strategies need to address raising the capacity to respond to export opportunities that arise from trade liberalization, as well as the capacity to expand and diversify the production of tradable and non-tradable goods and services more generally. One instrument in support of that need is private international capital flows, particularly foreign direct investment (FDI). Although the primary incentive for FDI is the policy environment discussed above, the Monterrey Consensus identified a number of cooperative policies that can help foster FDI and other flows, including public/private initiatives in the provision of information and furthering government dialogues with investors. Nevertheless, prospects for FDI are weaker than they once were and some financial market activities, such as investment and lending to infrastructures projects, seem to require additional policy support to help mitigate perceived excessive risk.

21. At the same time, commodity exporters, especially in low-income countries, face disproportionately great difficulties. On the one hand, they face both a long-term declining trend in the relative price of most commodities and a declining share of the value of the final goods produced from them. And on the other hand, they face substantial uncertainty about their export revenues due to the volatility of international commodity prices. Addressing the first set of difficulties requires greater diversification and processing investment. However, needs are clearly beyond the capacities of individual countries; for example, marked oversupply in some commodities calls for the withdrawal and diversification of capacity beyond what the exporting countries themselves can afford (see A/57/381, annex).

22. Regarding volatility per se, farmers in most developing countries lack the ability of their counterparts in higher-income countries to insure against short-term commodity price risk through financial market instruments. National entities for contingent financing can be established in developing countries with the support of

the international community. An international task force on commodity risk management, convened by the World Bank in 1999, has begun work to extend commodity facilities to small-scale farmers, although work is still at an early stage. In addition, volatility is also a macroeconomic issue and requires foreign exchange reserves to a scale that few commodity-exporting countries can afford. IMF established the Compensatory Financing Facility to help countries handle temporary earnings shortfalls from trade, but the Facility has not been used much in recent years.[6] Vulnerability to volatility is still a characteristic of poverty.

Questions

23. **Expectations were raised in the developing countries when WTO members characterized the negotiations that were being launched in 2001 as the "Doha development agenda". How can we ensure that the upcoming WTO ministerial meeting to be held in Cancún, Mexico, moves that agenda forward? How can market access for developing countries and countries with economies in transition be meaningfully improved in sectors and areas of priority interest to them? How can it be ensured that the Doha work programme maintains coherence with the development goals of the Millennium Declaration, the Monterrey Consensus and the World Summit on Sustainable Development? How can greater predictability be inserted into the trade policies of partner countries so that promising investments to expand exports are not soured by new trade barriers? How can the perception of heightened investment risk in developing countries be attenuated? How can cooperation be intensified with low-income countries specialized in commodity exports with poor medium-term trade prospects? Is it time to reconsider "low-conditionality" international mechanisms, as were used in the 1970s (e.g., the Compensatory Financing Facility, Stabex), to ameliorate the temporary financial distress of commodity-exporting countries during downturns, taking account of the low debt-servicing capacity of poor countries?**

2. Financial cooperation and debt

24. Official development assistance (ODA) and multilateral development financing remain key elements of official financial cooperation for addressing poverty through development. An important concern of ODA donor and recipient countries and multilateral institutions, especially in recent years, is that their assistance should be as productive as possible. One difficulty from the donor/creditor side is that each bilateral agency and multilateral institution may have a different view of what constitutes an effective programme. Furthermore, since they are also concerned that their funds should be used responsibly for the intended purposes, all have evolved elaborate administrative rules, regulations, reporting and auditing procedures to track their funds and activities. Recipient Governments, sometimes with limited capacity to assess donor offers and formulate appropriate development programmes, have found themselves facing burdensome and sometimes inconsistent administrative demands from donors and official creditors. Moreover, Governments face sometimes conflicting policy priorities and strategies from the donor community. Development partners need to ensure that their assistance programmes are coherent with both national programmes and international development goals.

25. The strategy of the international community for strengthening the policy coherence of international assistance and reducing its “transaction cost” is to foster more effective cooperation among donors and with recipients. Hence all the efforts to ensure policy coherence in consultative groups, round tables and development frameworks at the country level. In addition, poverty reduction strategy papers can play a critical role in bringing together national policies and international support for countries’ efforts to progress towards the Millennium Development Goals. Most donors have agreed in principle to align their support with poverty reduction strategy papers, and IMF continues to improve the content and the process of its concessional lending through the Poverty Reduction and Growth Facility so as to enable it to provide better support for the implementation of the poverty reduction strategy papers.

26. In addition, donors have sought to streamline and harmonize aid procedures and requirements over the past two years. In that regard, major aid providers and users recently concluded a high-level forum in Rome that aimed to better harmonize ODA procedures and reduce red tape, building on the commitments contained in the Monterrey Consensus (in particular in its para. 43).[7] The experience reviewed in the forum revealed that some countries have acquired the capacity to evaluate their development assistance needs, while many have not yet reached that level of expertise. In addition to taking stock of the “good practice” work of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and the multilateral development banks, as well as the work in progress of the United Nations Development Group, forum participants committed themselves to enhancing harmonization in a number of specific ways and set out a voluntary work programme to better harmonize development assistance at the country level. After roughly half a century of development cooperation and many attempts to streamline the administrative burden of ODA, that initiative could be an important breakthrough.

27. Aid effectiveness is also being addressed at the regional level. For example, the Economic Commission for Africa (ECA) has sought to develop with OECD/DAC an institutional framework for mutual accountability between Africa and its external partners, including joint Africa/OECD reviews of the impact of partner country policies on Africa’s development prospects and donor coherence.

28. It is widely appreciated that even the most effective and efficient delivery of the current volume of ODA will leave the world a long way from meeting the goals of the Millennium Declaration. It may be recalled that the estimate of the High-level Panel on Financing for Development was that ODA on the order of twice the current level, or roughly an additional $50 billion a year, was required to meet the Millennium Development Goals, and that a further increase on the order of $50 billion a year would be needed to bring the donor community to the United Nations aid target of 0.7 per cent of gross national product (see A/55/1000). At the Conference itself and afterwards, a number of countries pledged to significantly increase their ODA (see A/57/319-E/2002/85, paras. 4-11). The challenge is to translate those commitments into actual outlays as quickly as possible. And although they are welcome, those commitments fall far short of the sums needed. It is imperative to do better and in the process strengthen the multilateral component of ODA, such as by strengthening United Nations operational activities for development, which have unique capabilities in a number of specialized fields.

29. The Monterrey Consensus stresses that the speedy, effective and full implementation of the initiative to lighten the external debt burden of the heavily indebted poor countries (HIPCs) is critical if it is to provide an opportunity to strengthen the economic prospects and poverty reduction efforts of beneficiary countries. It is thus a concern that, as of mid-March 2003, of 26 HIPCs that had reached the intermediate benchmark, the "decision point", only seven have reached their "completion point". Moreover, some of those seven countries may have experienced worsening debt indicators, owing to lower world commodity prices and export receipts than had been assumed. While "topping up" of debt relief at the completion point is possible if commodity prices have fallen since the projected need for relief was calculated — as was arranged recently for Burkina Faso — the length, complexity and repeated need to enhance the HIPC process remains a concern.

30. IMF and the World Bank, which together lead the HIPC initiative, have reported that the delay in bringing more countries to their completion point can be attributed mainly to the difficulty that some HIPCs have had in preparing poverty reduction strategy papers, which are prerequisites for the receipt of irrevocable debt relief at the completion point under the HIPC initiative, as well as the complications that a number of countries have faced in implementing fiscal targets.[8] In part, the delay reflects the weak international economy of the past few years or, in some cases, domestic insecurity. However, it also raises questions about whether expectations were raised too high about the benefits that would be derived in the near term from the policy reforms that the international community has sought from HIPCs. What has become clear is that long-term debt sustainability in those countries requires not only some reduction in their debt stocks under the HIPC initiative but also domestic policies in support of more rapid and broad-based growth and a supportive international economic environment. In addition, in the light of the performance of the international economy, perhaps the concept of debt sustainability has not been robust enough and requires further consideration.

Questions

31. **Regarding ODA, donors have increasingly accepted the need to reverse the decline in flows, reflecting a renewed confidence that ODA can be an effective use of public monies and that the development imperative warrants additional donor expenditure, in particular through multilateral channels. However, recent ODA commitments have hardly begun to appear in net ODA disbursements. Meanwhile, the international community is having difficulty raising the resources to fully fund the current framework of the HIPC initiative. How should the international community bring about higher ODA levels and effectively ensure not only that the HIPC initiative is fully funded but also that there is sufficient grant funding for the poorest countries to assist them in reaching the Millennium Development Goals, while still maintaining debt sustainability? Is there room for more expansion of multilateral lending, as in a counter-cyclical context? Are donors making enough progress to harmonize procedures to reduce the excessive transaction cost of aid? Is some sharp break with past policy, such as the proposed international finance facility, required to raise ODA to the levels needed to reach the Millennium Development Goals? Could renewed allocations of special drawing rights by IMF be undertaken in ways that boost developing country reserves or public**

expenditures without threatening an upsurge in global inflation? Could stronger international cooperation on tax matters help raise development revenues, such as by reducing tax evasion? Does the international community also need to contemplate a new policy departure for treating the excessive debt burden of HIPCs, or for that matter for developing countries in general?

C. Systemic issues

32. The Monterrey Consensus recognized the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems. In the year since the Conference, the Monterrey Consensus has helped to focus discussion in international forums. Although there is a need to continue strengthening partnership and coherence, there has been some progress on which to build.

33. This applies, first of all, to monitoring the efforts of the various parties with the responsibility for implementing policies and taking actions outlined in the Monterrey Consensus. In that context, at the request of the Development Committee, IMF and the World Bank have proposed a template to serve as a basis for regular monitoring of policies and actions needed to achieve the Millennium Development Goals, including policies and actions on the part of developing and developed countries and international institutions. Future efforts will complement those of the United Nations in leading the monitoring of Millennium Development Goals targets and indicators and progress towards achieving them, complemented by a major programme of research and advocacy.

34. In addition, heightened consciousness of the need to build bridges among institutions, as called for in the Monterrey Consensus, may be seen in the greater interaction of the World Bank, IMF and WTO in areas of overlapping concern, including increased attention to trade policy issues by the World Bank and IMF, as was welcomed by the Development Committee in paragraph 4 of its communiqué of 28 September 2002 and the decision to strengthen IMF support to WTO in its areas of expertise, as well as additional World Bank technical assistance efforts to assist developing countries and provide policy analyses in areas relevant to trade policy negotiations. At the same time, WTO and the United Nations Conference on Trade and Development (UNCTAD) are cooperating in a number of areas, while the United Nations Development Programme (UNDP), together with the UNCTAD/WTO International Trade Centre and the aforementioned institutions, cooperate in the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries. There is a concern, however, that other developing countries need stronger support in order to prepare adequately for the negotiations under way in WTO and other trade forums.

35. The Monterrey Consensus highlighted the need for effective and equitable participation of developing countries and countries with economies in transition in decision-making and norm-setting in international economic institutions and forums. Proper representation is needed to ensure that discussions and decisions taken there are fully cognizant of the perspective of those countries. In a first response to that concern, the Development Committee, in paragraph 10 of its communiqué of 28 September 2002, called upon IMF and the World Bank to prepare a background document that would facilitate consideration of those issues. The Committee is

scheduled to discuss the question of "Enhancing the voice and participation of developing and transition countries" at its meeting on 13 April 2003.

36. Economic and financial cooperation among regional groups of countries can effectively complement activities at the global level. Regional groups offer opportunities for macroeconomic consultation and coordination, monitoring financial vulnerabilities and administering schemes for mutual assistance. Regional initiatives may also play an important role in representing the interests of developing countries in international institutions and forums.

37. Recent initiatives in Africa are a case in point. The New Partnership for Africa's Development (NEPAD), a programme of the African Union, has not only served as a forum for consensus-building among African countries but has also developed the unique African peer review mechanism, aimed at national implementation of agreed political, economic and corporate governance values, codes and standards. NEPAD has also served as an African interlocutor to the 2002 Summit of the Group of 8, which then adopted the G8 Africa Action Plan.[9] In a complementary spirit, the countries and organizations making up the Strategic Partnership with Africa, meeting at the Economic Commission for Africa (ECA) in Addis Ababa on 16 and 17 January 2003, converted it from a donors' club into a partnership by adding African States and NEPAD as full participants, and pledged intensified and more effective assistance to African development. In addition, ECA organized the third "Big Table" on 18 and 19 January 2003, an informal consultation between African finance ministers and development cooperation ministers from developed countries, who addressed questions of improving aid effectiveness in the context of mutual accountability.[10]

38. The Monterrey Consensus also began to explore how the international community might more effectively develop international policy proposals when they overlap the concerns of different institutions and forums. It did that through a case in point, expressing interest in the consideration by all relevant stakeholders of an international debt workout mechanism in the appropriate forums. In fact, IMF staff have been developing such a proposal — the sovereign debt restructuring mechanism — and they have engaged in serious consultations with the private financial sector and civil society organizations, as well as with their own Executive Board, to develop the proposal. The proposal itself will be discussed at the 12 April 2003 meeting of the IMF International Monetary and Financial Committee.

39. Finally, the Monterrey Consensus sought to strengthen the role that the United Nations itself could play in promoting international cooperation for development. The mission and daily practice of the United Nations is to facilitate international dialogue, create confidence among disparate parties and find ways to build momentum towards consensus on international policy matters, including economic ones. It was the vision of the financing for development process that the United Nations could be utilized more effectively than it had been in that regard. Governments have thus sought to create a new and more effective "coherence forum" at the United Nations for dialogue on economic and financial cooperation for development, and it is the commitment of the Secretary-General, through his ongoing reform agenda, to make the Organization a more effective mechanism for the use of the international community.

Questions

40. **Governance of the international economic system since the 1970s has been through a mixture of limited membership and global (or almost global) forums and institutions. In recent years, there has been a proliferation of ad hoc, limited membership bodies, several of which were mentioned in the Monterrey Consensus, and additional ones may be created. What should be the relationship between the ad hoc forums and the global institutions, which neither created nor oversee them? How are the commitments to strengthen the participation of developing countries and countries with economies in transition in the governance of the global economic system being realized in the major international institutions? Does the experience of the special high-level meeting suggest how it might help key intergovernmental bodies in the economic, financial and trade areas to strengthen through dialogue their coherence with the development goals of the international community? Would informal preparatory meetings with participants drawn from relevant stakeholders on specific topics that might be identified help to prepare next year's discussion? More generally, in what ways might the financing for development process be further developed so as to reach the aspirations of the Monterrey Consensus? What implications does the current exercise have or should it have for the broader purpose of reforming and revitalizing the United Nations in the economic and social areas?**

Notes

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[2] See Department of Economic and Social Affairs and United Nations Conference on Trade and Development, *World Economic Situation and Prospects, 2003* (United Nations publication, Sales No. E.03.II.C.2).

[3] See International Labour Organization, *Global Employment Trends* (Geneva, January 2003).

[4] See *Official Records of the Economic and Social Council, 2003, Supplement No. 6* (E/2003/26), chap. I, sect. B, draft resolution V, para. 20.

[5] See "Ministerial declaration and work programme", adopted in Doha on 20 November 2001, WTO document (WT/MIN(01)/DEC/1).

[6] However, supplementary assistance may be requested from the Poverty Reduction and Growth Facility for countries already having adjustment programmes under this concessional facility.

[7] See Rome Declaration on Harmonization of 25 February 2003 (available at http://siteresources.worldbank.org/NEWS/Resources/Harm-RomeDeclaration2_25pdf).

[8] See IMF and International Development Association, "Heavily indebted poor countries (HIPC) initiative: status of implementation", 23 September 2002.

[9] Adopted by the G8 Summit, Kananaskis, 27 June 2002.

[10] For further information, see web page of the Economic Commission for Africa (www.uneca.org).