The present report responds to paragraph 3 of General Assembly resolution 56/210 A of 21 December 2001, in which the Assembly requested the Secretary-General to report on the outcome of the International Conference on Financing for Development, held in Monterrey, Mexico from 18 to 22 March 2002. The Conference has been widely regarded a turning point in the approach to development cooperation by the international community and a “new point of reference” for policy making on the interconnections of domestic and international finance, trade and other development issues. Following an overview of the main features of the preparations for the Conference and their contribution to the Conference’s success, the report presents highlights of its main outcome document, “The “Monterrey Consensus”. It also provides an account of key issues addressed in the 12 multi-stakeholder round tables convened during the ministerial and summit segments of the Conference. Furthermore, in accordance with paragraph 5 of General Assembly resolution 56/210 B of 9 July 2002, the report outlines an approach to “ensuring effective secretariat support, in pursuance of paragraph 72 of the Monterrey Consensus, building on the innovative and participatory modalities and related coordination arrangements utilized in the preparations of the Conference.”

I. BACKGROUND

The International Conference on Financing for Development signalled a turning point in the approach to development cooperation by the international community. It was the first United

* This report was submitted to the conference services in August 2002, in order to take into account the provisions of General Assembly resolution 56/210 B of 9 July 2002 on the International Conference on Financing for Development as well as the outcome of the substantive session of the Economic and Social Council for 2002.
Nations-sponsored summit-level meeting to address, in an integrated way, key financial and related issues pertaining to global development. With more than 50 Heads of State or Government and over 200 ministers of foreign affairs, finance, trade, and development cooperation gathered in Monterrey – the largest ever participation of financial and other economic-sector officials at a United Nations-sponsored event – the Conference succeeded in placing financing for development on the forefront of the global agenda.

Intergovernmental consideration of financing for development issues at the United Nations has, from the initial days of the Ad Hoc Working Group on Financing for Development, been known as “the FfD process.” The Monterrey Conference represents both the culmination of that process and a platform for giving renewed, focused attention to these crucial issues in the period ahead.

General Assembly resolution 54/196, which established the Preparatory Committee for the Conference, defined the broad mandate for the FfD process. The resolution set out its main purpose as follows: to address national, international and systemic issues relative to financing for development in a holistic manner in the context of globalisation and interdependence and to identify means for ensuring the availability of sufficient financial resources to reach the goals set by major United Nations conferences and summits of the 1990s, in particular with regard to poverty eradication. The adoption of the Millennium Declaration, in September 2000, provided a significant boost to the process and was a key factor in the success of Monterrey.

The Preparatory Committee adopted a broad agenda covering six major interrelated themes, each integral to financing for development: mobilizing domestic financial resources for development; mobilizing international resources for development: foreign direct investment and other private flows; international trade as an engine for development; increasing international financial and technical cooperation for development through, inter alia, official development assistance; external debt; and addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development. An integrated approach to these themes has been a key distinguishing element of the FfD process.

The Monterrey Consensus adopted by the Conference reflects both the comprehensive agenda and the holistic approach that have characterised the process throughout. Rather than being an end point, the Consensus establishes a platform on which to build a new global alliance for development, encompassing all relevant actors at the global, regional and national levels. Such an alliance is premised on full ownership by developing countries of their development and a renewed commitment on the part of the international community to support the development efforts of developing countries.

The early strands of the FfD process - an open intergovernmental dialogue, a new foundation for engagement of the United Nations with the Bretton Woods institutions (BWIs) and the World Trade Organization (WTO), an effective civil society and business sector dialogue

with the intergovernmental community, and an innovative inter-secretariat working environment among the major institutional actors – all effectively converged in Monterrey.

The Conference was also able to build on many innovative features that characterized the preparatory process. These included a series of wide ranging informal sessions on each element of the agenda; an innovative use of intergovernmental facilitators; growing informal interactions between government delegates to the United Nations and their colleagues on the executive boards of the World Bank and the International Monetary Fund (IMF) and the councils and committees of the WTO; a willingness to agree on broad policy matters and avoid extensive textual negotiations; and a consensus text recommended by the Preparatory Committee at its final session to the Conference for adoption. These innovative approaches to the intergovernmental dialogue were further reinforced in Monterrey where government representatives at the highest level engaged over three days in an intensive exchange of views in roundtable format with all major FfD actors.

The civil society and business sector dialogues also deepened in Monterrey. Both groups hosted a forum in Monterrey open to other stakeholders in the FfD process. Two additional groups – parliamentarians and local authorities – also hosted special meetings on the implications of the Monterrey Consensus for their respective constituencies. The participation of civil society and business in the FfD process included, in 2000, two days of special “hearings” to enable each group to make its views known to government representatives; the participation of representatives from these groups in formal and informal sessions of the Preparatory Committee and in the roundtables and the plenary of the Conference; the opening of an ad-hoc process to accredit individual entities and business enterprises to the intergovernmental process; and the participation of members of the Bureau of the Preparatory Committee in briefing sessions with the leadership of the business sector.

Secretariat support for the FfD process equally involved important innovative features, which were highly participatory and geared to maximizing system-wide ownership of the process’ outcome (see also in this connection paragraphs …below).

The innovative feature of the FfD process complemented long-standing practices within the United Nations system for the preparation of U.N.-sponsored conferences. The regional commissions and the regional development banks developed, individually and collectively, regional perspectives on financing for development; specialized agencies contributed proposals and recommendations on sectoral financing issues; and specialized research institutes hosted high-level seminars and panels on crucial issues for the process. All actors in the process were kept informed of each other’s activities through e-mail announcements, the FfD website (www.un.org/esa/ffd), publications and periodic briefings by the Secretariat.

II. PROCEEDINGS OF THE CONFERENCE

Through the Monterrey Consensus, the international community established a new point of reference for policy making on the interconnections of domestic and international finance, trade and development issues. Beyond the Conference, the Consensus sought to strengthen the
capacity of the United Nations to bring all the relevant stakeholders in the international community together to effectively address these issues in the period ahead. At Monterrey, besides adopting the Consensus, government leaders and ministers from around the world, heads of the major international financial and trade institutions, business executives and civil society leaders met in informal round tables for unprecedented exchanges of view. Together with the formal statements in plenary meetings and the large number of “pre-conference” and “parallel” events, these roundtables served not only to deepen mutual understanding from a wide range of perspectives, but also too give rise to new individual or group initiatives and commitments. These are recalled in a report on “Follow-up efforts to the International Conference on Financing for Development” (A/57/…) presented by the Secretary-General under this item, pursuant to paragraph 72 of the Monterrey Consensus and to G.A. Resolution 56/210 B which endorsed it.

A. The Monterrey Consensus

The Monterrey Consensus is a document that can be said to be “owned” by all stakeholders that contributed to its creation: by the Member States of the United Nations in the first instance, many of which were represented in Monterrey by their Heads of State or Government, as well as by ministers of foreign affairs, finance, trade and development cooperation; but also by the World Bank, the IMF and the WTO, which not only were represented in Monterrey by their executive heads, but also made a crucial contribution to the preparatory process for the Conference; and by the regional development banks, the United Nations regional commissions, and the many other components of the United Nations system and other relevant intergovernmental organizations that participated actively in the process and the Conference itself. In this regard, the Monterrey Consensus represents an unprecedented cross-ministerial and cross-institutional commitment.

This commitment takes on special significance, not only because of the parties to it, but also because, as noted above, the FfD process sought from the start to address national, international and systemic issues relating to financing for development in a comprehensive manner and in the context of globalization and interdependence. Thanks to the vision of the negotiators of the Consensus who insisted on the inter-relatedness of the six main areas chosen by the Preparatory Committee for the Conference as the substantive focus of its work, it was agreed at the early stages of negotiations that it was indispensable to address the mobilization of resources for development both at the national and international levels. Similarly, it was recognized that addressing essential issues of economic governance at the national level required a comparable effort in regard to global governance. Such traditionally domestic issues as capacity building, taxation or fighting corruption were found to have inescapable international dimensions that required inter-state cooperation. Equally, some international concerns, like defining a favourable climate for foreign direct investment, were viewed as directly connected to requirements to encourage domestic investment.

It is also noteworthy that a number of proposals from non-governmental stakeholders, including civil society organizations and the business sector, were incorporated into the Monterrey Consensus. Governments intentionally sought to cast a wide net for various ideas

---

from all sources that would contribute to the outcome document and to its sustained follow-up.

A considerable effort was made in the negotiations to produce a concise consensus text. Although focusing on finance, economic and development policies, the outcome document embraces, as part and parcel of the agreed policy “package”, important concerns about social protection, income distribution, employment and gender equality, among other social imperatives. It also does not shy away from explicitly addressing political dimensions of economic problems, calling for participatory and effective approaches to policy-making. Another equally important part of the consensus is the agreement reached on new approaches to ensure a dynamic, participatory and sustained implementation and follow-up.

B. The multi-stakeholder round tables

As already indicated, the Monterrey Conference provided for important “quadripartite” exchanges of views on FfD matters among governments, institutional stakeholders, civil society and the business community. Twelve multi-stakeholder, interactive round tables were held within the Conference format during both the ministerial and summit segments, engaging some 800 participants. They included government delegations (48), officials from institutional stakeholders (8) and representatives of civil society organizations (7) and the business sector (7). The themes of the eight round tables held during the ministerial segment were “Partnerships in financing development” and “Coherence for development”. Four summit round tables addressed the theme: Financing for development: looking ahead”. Chairpersons’ summaries of all round tables were included in the report of the Conference.3

The dialogue in all round tables was quite rich in perspectives and ideas. While the focus was on development and financial issues, concerns such as terrorism and the scourge of HIV/AIDS were also brought into the picture. Social dimensions critical for long-term development received considerable attention in many interventions. Several participants put forward proposals or new initiatives. The commitments of the European Union and the United States to substantially increase their allocations of official development assistance (ODA) were widely welcomed as important signals of a reversal in negative ODA trends.

The freewheeling dialogue in the various round tables tended to converge on a set of key issues. Rather than attempting to summarize the proceedings of each round table, highlights of discussions in each set of roundtables are provided below. This is followed by a review of recurring issues as well as gaps identified in the twelve roundtables.

“Partnerships in financing development”

The concept of partnerships in the context of national and international efforts to spur development was extensively discussed. Several ministers regarded the Monterrey Consensus as the embodiment of a new partnership for development: at the national level, partnerships should be based on shared responsibilities of the State, the private sector and civil society and should

3 For the summaries by the respective co-chairs of each round, including the names of co-chairs and participants in each round table, see Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002 (A/CONF.198/11).
involve complementarity in efforts and roles; at the global level, developed and developing countries should pursue development as a joint responsibility. Partnerships among countries, development institutions, the business sector and civil society were seen as crucial for achieving greater policy coherence and accelerating development.

“Coherence for development”

Participants addressed different dimensions of coherence: national, regional and international – among international institutions, donor and recipient counties, and among objectives and instruments. The importance of coherence among the economic, social and environmental agendas was specially highlighted. Many interventions pointed out that coherence should start “at home”, among different national ministries. Member states often spoke in different voices in different organizations, making it difficult for those organizations to respond to requirements in coherent, mutually reinforcing ways. The need for coherent macroeconomic policies by major developed economies, given their crucial impact on the international economic environment, was highlighted in many of the interventions. Stressing the need for greater coherence between trade, financial and development policies, many participants noted that structural reforms and foreign trade liberalization in developing countries had not been accompanied by corresponding measures in industrial countries to open their economies.

“Looking ahead”

Many participants noted that, in building up to the Monterrey Conference, the international community had created a new space for dialogue among all relevant stakeholders on financing for development. It was important to capitalize on the momentum generated in Monterrey. The conditions having been set for effectively “staying engaged”, all stakeholders had to assume their share of responsibility for translating commitments into action. Governments of both developed and developing countries had to build the public support necessary to translate their collective vision into action. At the international level, the United Nations, in full and active cooperation with the World Bank, the IMF and the WTO, should establish an effective monitoring system and be at the centre of the follow-up process in a participatory setting where all stakeholders could review and evaluate the effectiveness of their own contributions. Partnerships among international organizations should, to be effective, be based on a clear division of labour among them, which would make it possible for their different comparative advantages to be fully exploited in the implementation process.

Recurrent issues in all round tables

The Monterrey Consensus. Interventions in virtually all round tables pointed to the Consensus as providing a sound and coherent new approach to development. The Conference, and the process leading to it, had managed to involve the international community and a range of critical partners in the first ever, truly holistic debate on how to finance development. The outcome, according to many, was a historical instrument and a turning point in establishing a new global partnership for development.

The Millennium Development Goals. Many interventions in the round tables focused on
the development goals enshrined in the Millennium Declaration, in particular, the objective of halving world poverty by 2015, reflecting a widespread consensus that the Monterrey Consensus marked an important and substantial step towards achieving these goals. Various speakers stressed that the commitments embodied in the Millennium Declaration imposed fundamental responsibilities on Governments “to invest in people” – including in education, health, basic social infrastructure and social security programmes – all vital for overcoming poverty, but also very productive investments in themselves for economic growth. In this context, it was stressed that an effective implementation of the Consensus, in particular, attaining the international ODA targets, were critical means to achieve the goals of the Millennium Declaration.

**Implementation.** As indicated above, there was a widespread view in virtually all round tables that an effective implementation of the Monterrey Consensus would make a crucial contribution to spurring economic growth worldwide and eradicating poverty. Nurturing the “spirit of Monterrey” was essential to ensure that the outcome of the Conference would be effectively followed-up. No single partner –country or institution – could accomplish alone what was required and each had a particular responsibility in the follow-up effort required. The implementation process also had to be effectively linked with the follow-up to the Millennium Declaration and the outcome of the forthcoming World Summit on Sustainable Development.

**ODA policies and practices.** Many participants stressed that a substantial increase in ODA to reach 0.7 per cent of gross national product was critical, particularly for the least developed and other low-income countries. Greater efforts were also necessary in both donor and recipient countries to improve ODA effectiveness. Effective development assistance required donors and recipients to share the same goals, particularly a commitment to poverty eradication and sustainable development. A number of participants emphasized that the quality of ODA would be enhanced through: improved coordination of donor policies and conditions; the untying of aid; and improved capacity of recipient countries to use aid effectively. Also, there was a need to harmonize and simplify procedures and cut costs of implementation. ODA, when properly and effectively used, could have a major impact. The need to increase public support for additional ODA flows, with the media as an important partner, was also stressed.

**Ownership.** The importance of nationally “owned” policies for sustainable development, including in particular in relation to poverty reduction strategies, was strongly emphasized. The inconsistencies that arise from conditionalities imposed by donor countries or institutions and the need for donors to show flexibility were highlighted in many interventions. Enhanced dialogue and consultations between the recipient country and donors, based on the recipient country’s own planning framework, were seen as essential to maximize the effectiveness of cooperation policies and the impact of development assistance.

**Participation, transparency and accountability.** These three principles permeated discussions in virtually all round tables. At the national level, policy formulation and the design of development programmes, particularly social programmes, should take place through an appropriate consultation process including citizens directly or through their representatives, local authorities, and civil society organizations. The social dialogue should effectively involve all sectors of the economy, including the rural sector. At the international level, to attain a more equitable system of governance, it was necessary to enhance the participation of developing
countries in international economic policy-making and strengthen the effectiveness of their participation in international financial institutions.

Transparency was critical in the operations of both public institutions and private corporations and in the collaboration between public and private sectors at the national level. While some multinational corporations were making their operations in emerging markets more transparent, further progress was needed on that score. Transparency was equally critical in devising policies and initiatives at the international level. The process leading to Monterrey, based on partnerships and dialogue and a wide sharing of information among all development partners and stakeholders, had contributed to mutual trust and consensus building. The need to increase transparency in relation in particular to financial flows and capital markets was widely stressed.

Mutual accountability was seen as a key principle for effective and broad-based implementation of the Monterrey Consensus. Turning this principle into concrete practice at the international as well as the national levels was a major challenge for both governments and institutions. Many emphasized the mutual accountability of donors and recipients of aid. Recipients of aid should be accountable to both their citizens and donors in terms of commitment to sound governance and policies. Donors should also be accountable, including in relation to the volume, quality and effectiveness of aid. Likewise, collaboration between the public and private sectors should be performance-oriented and accompanied by mutual accountability.

Private sector investments and the domestic environment. Participants stressed that for private investment to play its role in development, an enabling environment was essential. Well-established property rights were seen as indispensable for private investments, as well as sound macroeconomic and structural policies. In the case of investment incentives, careful design was critical: official guarantees of foreign investment should be the exception and not the rule. Most important was that foreign direct investment should create appropriate links with domestic firms to help energize the economy. ODA could play an important catalytic role to foster private investments by, inter alia, supporting the development of necessary infrastructures. Encouraging private investment was particularly important in Africa where the level of both private domestic investments and foreign direct investments was low. The need to create conditions to support and sustain entrepreneurship, particularly in small and medium-size enterprises (SMEs), including farms, was also emphasized.

Enabling international environment. The Monterrey Consensus and its implementation was seen as resting on two essential pillars: domestic efforts, including necessary reforms, and international efforts to foster a more equitable and development-supportive international environment. The latter required important change or reforms in trade policies, the international financial architecture and international economic cooperation policies. It was crucial in this regard that the Ministerial Agreement at Doha should result in a truly development round; that ongoing reforms and those advocated in the Consensus lead to a more stable and supportive international financial architecture; that resource flows to developing countries be enhanced; and that the policies of countries that significantly impacted the world economy be appropriate and just. Combating corruption also had important international dimensions and required increased cooperation between developed and developing countries at various levels.
Market access and subsidies. Participants underscored the major potential contribution of trade to development and poverty reduction in developing countries. Liberalization was being pursued in many developing countries but trade barriers in developed countries – particularly in agriculture and textiles – remained and had to be lifted. Many discussants stressed the huge cost that agricultural subsidies – which were every year far greater than ODA disbursements – imposed on developing countries. A major effort was required by developed countries to liberalize trade in agriculture and to reduce subsidies. The promises of the Doha Ministerial Declaration for meaningful trade liberalization in support of development had to be fulfilled. However, capacity constraints could be an obstacle preventing many developing countries from reaping the benefits of more accessible markets. Also, developing countries needed to build capacity to enhance their participation in trade negotiation processes.

Capacity-building. Several interventions focused on the key role of capacity building. ODA had to prioritize capacity building to upgrade institutional and managerial capabilities, improve effective access to new technologies and enhance policy formulation and preparations for international negotiations, on trade in particular. Many developing countries needed assistance in building their capacity to determine their own viable development programmes. This would not only enhance ownership but also upgrade the absorptive capacity of the recipient country. Since the State had become less a direct producer and more an enabler of economic activities, Governments needed a stronger institutional supervisory and regulatory capacity, which in the financial sector, was critical for the development of an effective financial system and for reducing the probability of crises. Technical assistance in this field remained a priority.

The sustainability of external debt. Several speakers stressed the need for additional measures to address the external debt problem of many developing countries. Debt overhang was viewed as a constraint in achieving MDGs in a large number of countries, particularly the least developed. Reduced debt service was seen as crucial for such countries’ ability to allocate additional resources to anti-poverty purposes, such as health and education. Thus, a persistent effort to pursue debt relief for countries facing unsustainable debt burdens was advocated. In the past five years, the international community had witnessed a series of significant initiatives to relieve the external debt burden, especially of the highly indebted poor countries (HIPC). However, it was noted that more was needed and that criteria needed to be interpreted more flexibly for what constitutes debt sustainability because countries continue to suffer unexpected external shocks, such as the recent sharp fall in commodity prices and slow growth in the world economy. In the view of some participants, the United Nations and the BWIs should explore new approaches to debt relief and revise the criteria for debt sustainability. There were also calls for developing proposals for new sovereign debt workout or restructuring mechanisms.

Regional approaches and NEPAD. The important contributions that regional consultative mechanisms could make to improved global governance was widely stressed. Democratic global governance could be strengthened by making greater use of regional groupings of countries as intermediate forums to develop proposals and build consensus among governments on key issues. The New Partnership for Africa’s Development (NEPAD) should be embraced by the international community as the new strategy for reviving development in the continent. It was also important to fill the gap between external financing levels and the needs
highlighted in the new strategy; while NEPAD was a home-grown initiative, there was recognition that African countries would need sustained assistance in the implementation process.

Gaps. Several speakers in various round tables expressed the view that, while the Monterrey Consensus was a very important achievement, deficiencies remained in a number of substantive areas. For example, some participants stressed that insufficient attention had been paid to social issues, such as gender mainstreaming. They felt that the Monterrey Consensus should have been more explicit in addressing the social agenda and the financing of social programmes, particularly in the rural sector. Also, the view was expressed that important issues such as global public goods and their financing, via inter alia possible new forms of taxation, were not part of the Consensus. Similarly, the concern was voiced that the Consensus had not gone far enough on the general issue of innovative sources of financing— including ideas for new uses of SDRs— and fell short of explicitly considering proposals on these subjects that had already been discussed during the preparatory process. On the debt issue, some discussants felt that rather than reiterating present policies, a call for full external debt cancellation for low-income countries was necessary. Also, some participants considered that the Conference had not gone far enough in addressing head-on more general or political aspects of the widening gap between rich and poor countries, particularly in the present context of rapid, market-driven globalization.

A number of speakers noted that some commitments had no time frame, which could weaken the implementation of the Consensus. In the institutional domain, the set-ups necessary for effective dialogue, collaborative policy-making and implementation in some key areas (such as, for example, international cooperation on tax matters) had not been clearly identified. A number of participants noted that there was a basic gap in global economic governance and that an appropriate and effective “global economic forum” was lacking. According to some, the establishment of an “Economic Security Council” would be a critical step in filling this gap. Others felt that the strengthening of existing organs— particularly the U.N. Economic and Social Council, already endowed with relevant powers by the Charter of the United Nations— was the most realistic and effective way to proceed.

III. FOLLOW-UP MODALITIES AND ARRANGEMENTS

The Monterrey Consensus embodies what can rightfully be called a “global response” to the challenges of financing for development. The Heads of State and Government and other high-level representatives in Monterrey expressed their resolve to address these challenges and recognised that achieving the internationally agreed development goals, including those contained in the Millennium Declaration, demands a new partnership between developed and developing countries. As indicated earlier, in building up to the Conference and at Monterrey,
the international community has created a new political space for dialogue among all relevant stakeholders on financing for development that needs to be pursued and further intensified in the period ahead. In this perspective, the Conference should be seen as a new “beginning” – rather than the end- of the process. It is thus important to capitalize on the momentum generated in Monterrey and set the conditions for effectively “staying engaged”, the title chosen for the last section of the Consensus.

“Staying engaged”, as spelled out in the Monterrey document, implies a major commitment by all relevant actors. An effective implementation of the Consensus and translation of its provisions into concrete actions will require mutually reinforcing national and international efforts. The United Nations has been assigned a leading role in the follow-up process. As the Consensus itself indicates, this has implications both for the required intergovernmental mechanisms and for the secretariat support structures needed to support them.

A. Strengthening the intergovernmental mechanisms

The “Staying Engaged” section of the Monterrey Consensus envisages a multifaceted approach to follow-up at the intergovernmental level. Specifically, the Conference agreed to strengthen and make fuller use of the General Assembly and the Economic and Social Council, as well as the relevant intergovernmental/governing bodies of other institutional stakeholders, for the purposes of conference follow-up and coordination. This is spelled out in paragraph 69 of the Consensus.

As referred in the report on “Follow-up activities to the International Conference on Financing for Development” (A/57/...), a number of initiatives have been taken after March in various intergovernmental fora to follow-up the Conference outcome. On 22 April 2002, the first high-level meeting between the Economic and Social Council and the Bretton Woods institutions since Monterrey included for the first time the participation of the WTO as well as representatives of non-governmental organisations and the business sector. The meeting focused on the theme: “Dialogue on the outcome of the International Conference on Financing for Development”. The summary of the meeting by the President of the Council (E/2002/67) points to a clear message emerging from the meeting that such future meetings should have a substantive focus on the implementation of the Monterrey Consensus. The summary also identifies a number of proposals put forward by individual participants regarding the operationalisation of the “Staying engaged” section of the Monterrey Consensus, including as it relates to the interactions between representatives of the Council, World Bank, IMF and WTO.

In this regard, at its 2002 substantive session, the Economic and Social Council devoted special attention to the topic and adopted, on 26 July 2002, Resolution E/..... which adds further guidance on these matters. It confirms a strong commitment to ensure proper follow-up to the implementation of agreements made at the Conference and continue to build bridges between development, finance, and trade organizations and initiatives, and recognizes that the main

5 In his statement at the opening session of the Conference in Monterrey, the Secretary-General underscored the importance of implementation and staying engaged, as follows: “The Monterrey Consensus is not a weak document, as some have claimed. It will be weak if we fail to implement it. But if we live up to the promises it contains, and continue working on it together, it can mark a real turning point in the lives of poor people all over the world”.
challenge ahead is to translate the spirit of the Monterrey Consensus into a pragmatic programme of implementation. The importance of, *inter alia*, drawing on the positive features and lessons learned from the different phases of the Financing for Development process and to adapt them to the stages ahead, was also reiterated.

The need for effective preparation for intergovernmental deliberations related to the follow-up and implementation of the Monterrey Consensus is a central focus of ECOSOC resolution E/... Referring to the spring meetings of the Council with the Bretton Woods institutions and the WTO, the resolution affirms the commitment to “address, in addition to matters of common interest, the issues of coherence, coordination and cooperation related to the follow-up to the conference...” and calls for a well prepared and focused agenda “for a meeting geared to advancing implementation, as well as examining further steps to be taken by each of the stakeholders to move the Monterrey process forward”. An early determination of the specific themes to be included in the agenda of these spring encounters will be key to ensuring a successful process of preparation, including of the documentation referred to in subparagraph 4(c) of the resolution. Specific substantive themes –which should reflect the FfD “holistic approach”- should be defined as far ahead as possible, to facilitate productive interactions between the institutional stakeholders in all aspects of the preparatory work.

These concerns apply in a similar way to the biennial General Assembly “High-level dialogue on strengthening international economic cooperation through partnership”, which is also referred to in the ECOSOC resolution and on which a separate report is presented to the Assembly, based on comments and suggestions received from member States on the subject (A/57/...). As suggested in that report, timely agreement on the format of the dialogues is very important. A related concern is how the outcome of future meetings could be made more effective and result-oriented.

B. Ensuring effective secretariat support

In paragraph 72 of the Monterrey Consensus, the Secretary-General of the United Nations was requested “to provide – with collaboration from the secretariats of the major institutional stakeholders concerned, fully utilizing the United Nations System Chief Executives Board for Coordination mechanism – sustained follow-up within the United Nations system to the agreements and commitments reached at the present Conference and to ensure effective secretariat support. That support will build on the innovative and participatory modalities and related coordination arrangements utilized in the preparation of the Conference”. By its resolution 56/210B of 9 July 2002, the General Assembly endorsed the Monterrey Consensus and requested the Secretary-General to include in the present report “measures taken as well as his proposals for ensuring effective secretariat support, in pursuance of paragraph 72 of the Monterrey Consensus”.

Indeed, in the preparatory stages of the Conference, the arrangements made in DESA for secretariat support, through the FfD Coordinating Secretariat, were geared to maximize participation and the pooling of resources not only from all relevant parts of the Department but also from other entities of the Organization and concerned agencies, most notably the Bretton Woods Institutions, but also WTO and the sectoral agencies. Thus, in addition to staff
assignments from within the Department and the secondment of staff at different stages of the preparatory process from UNCTAD, UNDP, the World Bank and IMF, innovative modalities were followed for inter-secretariat cooperation, including the designation of “task managers”; an extensive use of timebound working groups charged with analysing jointly different substantive issues coming within the purview of the Conference; and continuous networking among experts within and outside the UN system.

These innovative modalities of inter-agency collaboration greatly enriched the Secretary-General’s substantive report to the Preparatory Committee for the Conference (A/AC.257/12) and characterized all subsequent stages of the preparatory process. They culminated, during the Conference itself, with the participation of the heads of the BWIs, WTO, regional commissions and regional development banks as co-chairs of the ministerial level and summit level round tables, and the active contribution of senior staff from global and regional entities to the actual proceedings of the Conference.

In line with the relevant provisions of the Consensus, it is intended that secretariat arrangements in the Department of Economic and Social Affairs to support the follow-up to the Conference will draw on this experience; will be patterned after similar modalities as were followed during the preparatory stages; and will involve broad inter-agency participation and close inter-agency collaboration. The relevant secretariat would be centrally located within DESA so as to maximize opportunities for inter-actions and collaborations within the Department and with other agencies and Programmes. It would comprise a small core staff, building on capacities within the Department to address the finance/development nexus, complemented by agency secondments and utilizing modalities for continuous inter-agency collaboration, including those available through the CEB system. A thematic “horizontal” approach to secretariat support, rather than the creation of an additional “vertical” structure would not only be in line with the provisions of the Consensus concerning secretariat support, but would also best reflect the holistic agenda of the Conference, and best serve to advance its holistic outcome. It would also be consistent with the cross-sectoral approaches that are guiding the Secretary-General’s current review on “Strengthening the Organization” and the emphasis placed in recent and current deliberations in the General Assembly and ECOSOC on the coordinated and integrated follow-up to Conferences. Secretariat support should be geared to advancing such integrated follow-up, while at the same time advancing the FfD process as an important process in its own right. While focusing on supporting a sustained follow-up within the system and the international community at large to the Monterrey Consensus, the objective should be to help “build bridges” in the words of ECOSOSC resolution …….: “between development, finance and trade organizations and initiatives”, and help ensure that the follow-up to the FfD process is pursued as an integral part of the process of ensuring the availability of financial resources to attain agreed development goals, particularly those enshrined in the Millennium Declaration.

Specific tasks to be performed would include:

- Serving as a focal point for over-all FfD follow-up and monitoring of the implementation of the Monterrey Consensus, including the required collaboration
and interactions with the major institutional stakeholders, the regional commissions and development banks, as well as with other relevant bodies;

- Assisting in monitoring the implementation of finance-related aspects of the outcomes of major United Nations conferences and summits, in particular the Millennium Declaration, and promoting the necessary links among them around the finance/development nexus;

- Coordinating substantive secretariat support to the intergovernmental processes entrusted with FiD follow-up, including (a) the spring high-level meeting of ECOSOC with the BWIs and WTO and (b) the biennial General Assembly “high-level dialogue on strengthening international cooperation for development through partnership”. This would include the responsibility for putting together any corresponding “multi-stakeholder” reports and other documents;

- Supporting, facilitating and keeping under review the follow-up activities of non-institutional stakeholders involved in the FiD process (civil society and the business sector), as well as other economic and development cooperation-related UN processes and activities;

- Following closely and, as appropriate, contributing to ongoing discussions, policies and activities related to international economic, financial and development cooperation, in both United Nations and non-United Nations forums;

- Keeping under review and supporting as appropriate actions at the national, sub-regional and regional levels related to conference follow-up and commitments made at the Monterrey Conferences, as well as international financial and economic cooperation in general;

- Forging continued “multi-ministerial” (foreign affairs, development, finance, trade) engagement and cooperation with the United Nations, including the promotion of capacity building and technical assistance on financing for development-related issues;

Ways of translating these approaches to the provision of secretariat support to follow-up to the Monterrey Conference into specific organizational arrangements are currently under review as part of the broader reform initiatives being considered by the Secretary-General with a view to “Strengthening the Organization”, and will be presented to the General Assembly in that context.

---

**Recommendation:**

The General Assembly may wish to provide further guidance to ensure an effective and sustained follow-up to the International Conference on Financing for Development, with regard to both the intergovernmental process and secretariat support, in the light of the approaches outlined in the present report.