

(Continued from front page) approach to meeting the world's development financing needs through cooperation and coordination among the various international institutions. The idea was to capitalize on each institution's area of expertise while respecting the mandate of each.

As important as consensus is on what the Financing for Development effort should do, IMF

Executive Director A. Shakour Shaalan said, agreement on what the effort should *not* do was equally important. It should not, for example, erode the mandate of existing international financial institutions; nor should it lead to a proliferation of forums and institutions that would only diffuse the effort. Most important, Shaalan said, quoting directly from the Secretary-General's



UN ambassadors and IMF Executive Board members exchanged views on the Financing for Development effort.

### United Nations spearheads Financing for Development effort

As part of its Financing for Development effort and in preparation for a meeting of global policymakers slated for early 2002, the United Nations issued, on January 30, a comprehensive assessment of how the world's developing financing needs can be met.

The Financing for Development effort is an outgrowth of the UN Millennium Summit (September 6–8, 2000), during which world leaders endorsed a set of key development goals, including sustaining economic growth, integrating countries left behind in the surge of globalization, and continuing the drive to eradicate poverty (see *IMF Survey*, October 23, 2000, page 351). To achieve this ambitious agenda, UN Secretary-General Kofi Annan asserted “the availability of finance for public and private purposes is crucial.”

The Millennium Declaration, issued following the summit, called on the world's economic policymakers to convene in early 2002 to confer—and reach consensus—on relevant national, international, and systemic issues to ensure adequate financing for global development. Currently dubbed the High-Level International and Intergovernmental Event on Financing for Development, the assembly is more than a year away, but comprehensive planning is proceeding on several fronts.

Secretary-General Annan's draft report, written in consultation with other UN agencies and with the IMF, the World Bank, and the World Trade Organization (WTO), summarizes current thinking on the still-evolving agenda and was prepared for consideration and discussion by the event's Preparatory Committee. It identifies six topics: domestic financial resources; international private capital

draft report, the effort “is not meant to revisit the goals and content of development—its primary purpose should be to address the need for finance to meet those development needs.”

The IMF is indispensable to the Financing for Development effort, Shamshad Ahmad, UN Ambassador for Pakistan, noted. At the same time, the Committee had no intention of encroaching upon the mandate of its “institutional stakeholders.” Rather, the intent was to raise the level of consensus building to ensure that all players—rich and poor countries—could take advantage of the benefits of globalization. This required concerted efforts, he said, directed at unsustainable debt burdens, inequitable terms of trade, increasing protectionism, restricted access to technology, and the negative impact of structural adjustment.

### Attracting private investment

U.S. Executive Director Karin Lissakers said she was not worried about “international turf issues.” The

flows; international trade; international financial cooperation, official development assistance, and new and innovative sources of resource mobilization; debt relief; and systemic issues, including financial architecture reform, governance, and the role of the United Nations.

The United Nations and the Preparatory Committee are looking specifically at the ideas, views, and perspectives of the IMF, the World Bank, and the WTO—institutions that have had special relevance for the Financing for Development initiative. The Secretary-General relied on several interagency working groups drawn from these organizations in the preparation of his report. The Preparatory Committee's 15-country bureau (both bodies are cochaired by the Permanent Representatives to the United Nations of Denmark and Thailand) has had continuing interactions with the IMF, the World Bank, and the WTO, which, along with other international institutions, have also actively contributed to the work of the Committee's Coordinating Secretariat, located in the UN Department of Economic and Social Affairs.

The meeting of the bureau members with the Executive Boards of both the IMF and the World Bank allowed them to discuss the Secretary-General's report and to provide additional input to the planning for the 2002 event (see page 53).

The Preparatory Committee is meeting February 13–23. It is scheduled to meet again in early May and in January 2002.

Information about the Financing for Development event, including Secretary-General Kofi Annan's Report to the Preparatory Committee, is available at the following address on the UN's website: [www.un.org/esa/ffd/](http://www.un.org/esa/ffd/).