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PRESIDENT CHAVEZ CALLS FOR SPEEDY ACTION TO RESOLVE ECONOMIC ILLS

UNITED NATIONS, (IPS/G77) - The President of Venezuela Hugo Chavez, who was formally elected chairman of the 133-member Group of 77, told delegates that it is time for the international community to find speedy solutions to the spreading global economic crisis.

"What we should NOT do is sit down and debate for a 100 years more while the illnesses of the world spread to infect all," he warned.

Speaking at the inaugural ceremony - where the chairmanship of the Group of 77 was transferred from Iran to Venezuela - President Chavez said that debates and discussions are important "but only to the extent that they lead us to practical and speedy action."

"What happens is, we have different outlooks and

different diagnosis. It is like a group of doctors who do not agree on the diagnosis of an illness," he said.

Each one will give his own prescription, while the world dies of hunger, misery, war and terrorism.

President Chavez also said that there is too much cynicism and too much double-talk in the world today.

"We talk about peace while pain is inflicted on innocent people. We talk about development and mil-

lions are dwelling in misery," he added.

He also said that it was not true that the "hidden hand of the market" will solve the problems of the world. "This is a false and diabolical idea."

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UN/DPI photo

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He argued that neo-liberalism threatens to "finish" entire populations in a few years. It threatens to overthrow governments. It has taken countries -- countries that were already reaching the first and second levels of development -- to a point where they suddenly find themselves not only at the doors of the fifth level, but the fifth circle of hell, he said.

If the Group of 77 is in need of a strategic plan of action, he said, "we already have it-- the Declaration of Havana adopted almost two years ago."

He said the Havana Declaration and the UN Millennium Declaration should be the two documents whose implementation will help eradicate poverty and achieve targets set for improving health, education and the environment.

OUTGOING CHAIR STRESSES UNITY

Iranian Foreign Minister Dr Kamal Kharrazi, the outgoing chairman of the Group of 77, told delegates that developing nations should continue to remain a united force if they are to be strong negotiating partners.

"Let us be very clear on this point," he said, "the unity and solidarity of the Group is the very *raison d'etre* of its existence."

And that is where its real strength lies. Any departure from this will not only weaken the position of the Group of 77 as a whole, but also its missions and its individual members, he added.

"All of us and each one of us should therefore undertake to lend our helping hands to make sure that the Group and its institutions are strengthened towards a better, fuller performance and delivery," he said.

Dr Kharrazi said the Group of 77 is neither a poor man's charity-seeking club nor merely a long catalogue of demands and wish lists-- legitimate as they might be in the eyes of the developing community itself.

"Rather, to pay homage to the vision of the late Raul Prebisch almost four decades ago when the Group was

founded, developing countries constitute a potent force with 'a concept of life and human values' which can make a valuable contribution to the common enterprise of the global community inclusive of everybody on both sides of the development divide," he added.

Also speaking at the turnover ceremony, UN Secretary-General Kofi Annan said the outlook of the global economy has deteriorated further in recent months.

Since September 11, he said, the global slowdown has accelerated, accompanied by a sharp decline in economic confidence across the globe.

The world economy is expected to gather momentum only in the second half of this year, he said, pointing out that the recovery in many developing countries is likely to lag behind that of the developed world.

"As usual, developing countries and vulnerable men, women and children are being hit the hardest," Annan added.

In such a climate, the Millennium Goal of halving the proportion of people living in poverty by 2015, has become even more difficult to reach than before, he warned.

Mark Malloch Brown, the Administrator of the UN Development Programme (UNDP), said the current global political and economic crisis has only highlighted the critical interdependence of all countries.

"The world has been forced to realise that lasting human security and human development for the few requires lasting human security and human development for the many," he added.

Malloch Brown also said that globalisation has been failing the poor. "But we also know that the potential that globalisation offers to developing countries to address development and security needs, is real."

"And if we can work together to secure the increased flows of trade, technology, and increased aid needed to support achievement of the Millennium Development Goals, we have an historic opportunity to seize that potential for the poorest," he added.

"For we have only one world. Someone started to divide us into first, second and third, probably in terms of geographic or economic criteria, but at the bottom of it all we are all in the same boat - like those on the Titanic, for example. This world cannot be divided into twos or threes. We share the same fate and lived through the same events in the year 2001 - painful, bloody, anguishing, hideous - caused by terrorism in this beautiful city of New York."

Hugo Chávez Frías
President of the Bolivarian Republic
of Venezuela
Chairman of the Group of 77



UN/DPI Photo by Susan Markisz

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EDITORIAL

**PRESIDENTIAL DIPLOMACY
AND THE G-77**



The Millennium Summit marks the beginning of a new chapter for the United Nations. The world's Heads of State and Government made a collective commitment before the international community to address some of humanity's most daunting problems such as hunger, poverty, corruption and unemployment.

The Havana Summit, which brought together Heads of State and Government of the G-77 for the first time ever, set clear guidelines to strengthen the Group's solidarity and promote joint action within the United Nations against exploitation and any structural domination that subjugate peoples of the third world.

Hugo Chávez Frías, President of the Bolivarian Republic of Venezuela, gave meaning to the feelings of his colleagues when he attended the G-77 turnover ceremony on January 11 to personally take over the Chairmanship of the Group in New York.

The Ministers for Foreign Affairs, Dr. Kamal Kharrazi from the Islamic Republic of Iran and Mr. Luis Alfonso Dávila from the Bolivarian Republic of Venezuela, were in attendance as well as the Secretary-General of the United Nations Kofi Annan and the Administrator of the United Nations Development Programme Mark Malloch Brown. The ceremonial event highlighted the driving force behind the Organization's commitment in the new millennium.

President Chávez convened a meeting to set the programme of work for the year 2002. The ambassadors of Venezuela, accredited to host capitals of the United Nations system (New York, Geneva, Paris, Vienna, Rome and Nairobi), as well as the Minister for Foreign Affairs, senior government officials and the Executive Secretary of the Group of 77 were invited.

The importance of Venezuelan embassies lending all support to the coordinators of the various G-77 Chapters was emphasized as part of a strategy committed to reaffirming the guiding principles of the Organization.

President Chávez also convened the Third Forum for Cooperation between Africa, Latin America and the Caribbean against Desertification, held in Caracas from February 18-21, which supported UNCCD's bid to bring to the Johannesburg Summit a strong sense of commitment based on the outcome of the Caracas conference.

Finally, President Chávez spoke on behalf of the G-77 and China at the Summit on Financing for Development in Monterrey in March, highlighting the positions of the Group regarding the need for development financing, as well as the articulating the Group's actions.

The activities carried out in the first three months of Venezuela's Chairmanship herald a new precedent for the future, which will enable the Group to dynamically pursue more committed actions towards achieving a more humane and just international society.

Ambassador Milos Alcalay

SPECIAL SESSION TO SET OUT NEW GOALS FOR BETTERMENT OF CHILDREN

UNITED NATIONS, (IPS/G77) -- The upcoming UN Special Session on Children is not only an opportunity to applaud the achievements made for children over the last 12 years but also an occasion for world leaders to take a hard look at the shortfalls, **Ambassador Patricia Durrant** of Jamaica told the JOURNAL OF THE GROUP OF 77.

Ambassador Durrant, the Permanent Representative of Jamaica to the United Nations and chairperson of the Preparatory Committee (PrepCom) for the Special Ses-



Ambassador Patricia Durrant
of Jamaica

sion, said the draft plan of action will reaffirm the commitment to achieve the unmet goals and targets of the 1990 World Summit for Children.

The Special Session, scheduled to take place in New York May 8-10, is expected to be attended by over 60 world leaders.

The draft document, titled "*A World Fit for Children*", sets out a series of goals, strategies and actions built on national reviews of progress since the last summit, Ambassador Durrant said.

EXCERPTS FROM HER INTERVIEW:

The Special Session on Children is being billed as a follow-up to the landmark 1990 World Summit for Children. Why is there a need for a follow-up? And how much of the unfinished business will be taken up by the Special Session?

In 1990, 71 heads of State and Government adopted a declaration and plan of action featuring a set of time-bound goals for the survival, protection and development of children in the 1990s. The World Summit called for a series of actions to be taken at the national and international levels to support the goals. The Special Session is designed to review the progress made in implementation of the goals of the 1990 World Summit for Children and the World Declaration and Plan of Action. The Special Session will address outstanding issues from 1990 and enable leaders to make a renewed commitment and a pledge for specific actions for the coming decade.

Over the last decade, the vigorous review of the World Summit for Children goals has revealed some unevenness in progress both within and between nations. While the Special Session is an opportunity to applaud the achievements made for children over the past twelve years, it should also encourage a hard look at the shortfalls. The Special Session will allow leaders to address the unfinished business of the World Summit, including several of the survival and development goals that have remained unfulfilled in the areas of health, nutrition, education and protection. Leaders will reaffirm commitments to achieve these unmet goals and targets set in 1990 as well as goals set at subsequent UN conferences and summits, in particular the Millennium Summit in 2000.

How would you characterise the successes and failures of the World Summit? How many of the 27 goals in the plan of action have been implemented? And what are the new issues that have emerged since the Summit?

Largely because of the rigorous follow-up activity after the World Summit and the near universal ratification of the Convention on the Rights of the Child, major progress has been achieved during the last decade. The Secretary General points out several areas of progress in his end-decade review of follow-up to the World Summit entitled, "We the Children".

For example, more than 60 countries have reached the target of 1/3 decline in the under-five mortality rate; child malnutrition has declined from 32% to 28% in developing countries; 82% of the global population now has access to safe drinking water and 61% to improved sanitation; 82% of school-age children are currently enrolled in school; immunization coverage has increased and there has been a reduction in preventable deaths due to such things as diarrhoea and acute respiratory infections as well as greater awareness of children's issues exemplified through the adoption of legislation, policies and programmes for children.

Conversely, several of the goals of 1990 have yet to be met. The Secretary General points out that more than 10 million children still die each year from mostly preventable causes; 150 million children suffer from malnutrition; millions of children work under hazardous and exploitative labour conditions, including as child soldiers; and HIV/AIDS is killing and leaving behind millions of children orphaned by the disease. Furthermore, resources at both the national and international level remain scarce for implementation of the Summit goals.

Since 1990, increases in war and armed conflict, HIV/AIDS, persistent poverty, social exclusion and discrimination, continuing declines in development cooperation, and ever-widening income disparities between developing and industrialised countries, have emerged as new challenges for the attention of the international community. The outcome document of the Special Session deals with these emerging issues and provides goals, strategies and actions for addressing them.

The UN Convention on the Rights of the Child is one of the fastest and most ratified of all UN treaties. But despite global support for the treaty, there have been continued excesses against children worldwide, including sexual exploitation, child labour and the recruitment of child soldiers. Is there a gap between ratification and implementation of the convention?

Governments have placed a high priority on implementation of the Convention on the Rights of the Child. The Committee on the Rights of the Child plays a vital role in

reviewing the progress of implementation. The observations and recommendations of the Committee are considered by States Parties and are often used as reference for legislative changes. Despite these efforts, we have come to realise that additional steps are required to address such emerging issues as sexual exploitation, child labour and children and armed conflict.

The recent entry into force of the two Optional Protocols to the Convention on the Rights of the Child on the involvement of children in armed conflict and on the sale of children, child prostitution and child pornography, will provide a basis for additional action in these two areas. The Machel Report on Children and Armed Conflict and the appointment of the Special Representative of the Secretary General for Children and Armed Conflict also have resulted in parties to armed conflict, including non-State actors, paying greater attention to the effect of armed conflict on children.

As a follow-up to the Stockholm congress of 1996, Japan hosted, in December last year, the 2nd World Congress on the Commercial Sexual Exploitation of Children. Participants committed themselves to reinforcing efforts against commercial sexual exploitation, in particular, by addressing root causes that put children at risk of exploitation, through comprehensive measures and actions to criminalize the perpetrators. Since 1990, several other new instruments have been elaborated to protect children from sexual exploitation, including the Rome Statute of the International Criminal Court, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organised Crime and the Convention on Cybercrime.

The ILO, through its Conventions 138 on the minimum age of employment and 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, is also playing a part in reducing the gap between ratification and implementation. UNICEF, through its all-important roles of monitoring, follow-up and providing technical support and through the preparation of progress reports on The State of the World's Children and on The Progress of Nations, continues to make a vital contribution to reducing the gap.

Since the World Summit, there is greater public awareness of child protection issues due in part to the important role that NGOs and the media play in exposing serious violations of children's rights. With the appropriate support and advocacy, all of these approaches should lead to further closing the gap between ratification and implementation.

The budgetary allocations devoted to basic social services, including child welfare, have been on the decline. Is this due to lack of political commitment or a shortfall in resources?

The near-universal ratification of the Convention on the Rights of the Child belies any theory that there is a lack of political will to allocating budgetary support for basic social services involving children. Many developing countries have worked hard to ensure that basic social services are not affected by budgetary constraints. Initiatives such as 20/20 have been proposed for willing Governments to help finance social services. Also, let us not forget those developed countries that have met and in some cases exceeded the target of 0.7% of GNP as ODA. We can certainly add to the equation

recent humanitarian action in support of nutrition, education and health care.

Poverty reduction strategies such as external debt relief, increased financial and technical cooperation and increased foreign direct investment among others, required for achieving internationally agreed development goals, including those of the Millennium Summit, will be addressed in the context of the International Conference on Financing for Development.

What impact does the continued decline in official development assistance (ODA) have on the education and health of children worldwide? Is there a co-relation between the two?

In many developing countries, ODA is a major source of external financing and as such, is a crucial factor in determining budgetary allocations for social services like education and health. The continual decline of ODA greatly cripples the ability of developing countries to meet internationally agreed development goals and targets, including those child related goals elaborated in the Millennium Declaration: 50% reduction in malnutrition, worldwide; universal access to primary education, elimination of gender disparity in primary and secondary school by 2015; and 2/3 reduction in the under-five mortality rate.

What are the significant elements of the draft outcome document to be adopted at the Special Session?

The draft outcome document entitled "A world fit for children", sets out a series of goals, strategies and actions built on national reviews of progress since the World Summit for Children. Within this framework of goals and targets, countries will be called upon to focus action in four major areas of concern: health, education, child protection and HIV/AIDS. The Plan of Action, designed to guide actions for children during the next decade, also contains provisions for fostering partnerships, mobilizing resources and monitoring implementation.

Does the new action plan as spelled out in the outcome document have any time-bound targets and follow-up mechanisms? How would you meet the criticism by NGOs that unless there are concrete commitments, the Special Session will be an exercise in futility?

The entire Plan of Action reaffirms the commitment to achieve the unmet goals and targets of the World Summit for Children. Section B of the Plan of Action presents an additional set of intermediate targets and benchmarks towards achieving, during this decade (2000-2010), the 2015 international development targets and Millennium Summit goals. These intermediate goals are in the areas of health, education, protection against abuse, exploitation and violence, and combating HIV/AIDS. For example, one health related-goal addresses certifying, by 2005, the global eradication of poliomyelitis. An education related-goal refers to reducing the number of primary school-age children who are out of school by 50% and increasing net enrolment or participation in alternative, good quality education programmes to at least 90% by 2010.

To follow-up implementation of the outcome of the special session and to answer the critics, the draft Plan of Action calls for, among other things, the creation of national and regional action plans, strengthening of national statistical capacity and increased cooperation with civil society.

FINANCING SOUTH-SOUTH COOPERATION THE BIGGEST CHALLENGE

UNITED NATIONS (IPS/G77)-- The biggest challenge facing South-South cooperation is funding, says Madame *Safiatou Ba-N'Daw*, Director of the Special Unit for Technical Cooperation Among Developing Countries (TCDC).

In an interview with the JOURNAL OF THE GROUP OF 77, she expressed the hope that there will be tangible solutions to show real commitment to meeting the Millennium Goals on education, health, gender equality, HIV/AIDS and many other pressing issues.

She pointed out that the current challenges posed by globalisation have considerably enhanced the need for developing countries to address these eco-

nomical and social problems within the framework of South-South cooperation.

The Special Unit, which was set up about 20 years ago, has tripled its mandated functions from approximately 10 to almost 30 to date.

But the Unit, she said, will continue to function as the focal point for promoting and coordinating South-South cooperation in the entire UN system.

A former cabinet minister in the government of Cote d'Ivoire with Bachelor's and Master's Degrees in Applied Economics from the University of Abidjan, Ms Ba N'Daw is also a Certified Public Accountant (CPA) who received her MBA from the prestigious Harvard University Business School.



Madame Safiatou Ba-N'Daw
Director of the TCDC Unit

EXCERPTS FROM HER INTERVIEW:

In the context of an impending global economic recession, how important is South-South cooperation for developing nations?

A recession would have an adverse effect on developing countries' struggle to reach the agreed targets set for reducing poverty and for achieving other millennium development goals on education, health, gender equality, HIV/AIDS and many other pressing issues.

What South-South cooperation affords developing countries in the event of a recession is the opportunity to move the South-South agenda forward. The opportunities for horizontal exchanges in the South have never been greater. Many developing countries have acquired knowledge and capacity in critical areas of economic and social development. Some have established technical cooperation agencies to provide assistance to other developing countries.

With renewed commitment to South-South plans of action, this form of Cooperation could assume an important place in both the bilateral and multilateral relations of most developing countries; particularly as relates to collaboration in trade, finance, science and technology, research and development, education, health, and such other key sectors essential to development. In addition, South-South foreign direct investment would impact and benefit all parties in the South.

This, I would assume is why the Secretary-General of the United Nations, in an interview with our Journal, *Cooperation South*, has emphasized the need for the operational activities of the United Nations system to be increasingly oriented towards support for South-South Cooperation.

In your view, what are the major impediments to increased South-South cooperation?

Most developing countries are eager to establish closer ties and working relations with each other, and to better understand and utilize expertise available in the South. Despite the fact that the growth of information and telecommunication technologies has been fast-paced, unfortunately very little has happened on the South-South axis. A major obstacle to forging South-South coalitions for development is in large part due to poor or limited number of horizontal communication linkages among developing countries.

But obstacles go beyond the lack of South-South connectivity. Useful information on the South and databases or reliable documents containing proven development practices or problems and solutions drawn from past experience are hard to come by. Worse still, there is a general lack of capacity to apply new knowledge to development challenges in a systematic and consistent manner. But the biggest challenge is that of financing South-South cooperation. Hopefully, the Monterrey Conference will generate some tangible solutions to show real commitment to meeting the Millennium goals.

What role can regional organizations such as ASEAN, SADC, GCC and Mercosur play in enhancing cooperation among developing countries?

Regional groupings are the building blocks of wider South-South cooperation, providing the institutional framework for a wide range of cross-border exchanges. In fact, where regional integration is strong, so should South-South cooperation be. A case in point is ASEAN where members increasingly trade more among themselves than they do with

developed countries. To promote South-South cooperation one has to think globally but act locally starting with constructive interactions among neighboring countries, particularly in implementing agreements reached in sub-regional and regional cooperation frameworks.

In the context of emerging global regimes, there is strength in numbers, and membership in regional bodies allows developing countries to reach common positions, and form negotiation blocks to voice their concerns and protect their interests. This was most evident in securing concessions on TRIPS at the Doha Conference last November.

Has South-South cooperation gone beyond a mere geographical concept and found its rightful place on the Third World development agenda? And if so, how?

The answer is a qualified yes. At the political level, South-South cooperation has been articulated since the Bandung Conference in 1955. This agenda was again spelt out in the Buenos Aires Plan of Action for TCDC in 1978, and the Caracas Programme of Action on Economic Co-operation among Developing Countries in 1981. In 2000, the Havana Plan of Action has demonstrated that South-South cooperation remains a key priority among the leaders and peoples of the South.

I would argue that the many plans of action on the subject constitute serious attempts to give South-South cooperation practical expression in sectors such as trade, finance, agriculture, science and technology, and many other fields.

It is important to point out in this regard that quite apart from the compelling geographical context, the commonality of experience, or the needs and problems confronting the South, the current challenges posed by globalization have considerably enhanced the need for developing countries to address these economic and social problems within the framework of South-South Cooperation.

The rigorous analysis of the critical issues, priorities and strategies of South-South cooperation have been well articulated in the South Commission report, "Challenges to the South" published in 1990, and the New Directions report issued by the Special Unit for TCDC in 1995. Since 1998, the Journal *Cooperation South* has also been a major medium for Southern intellectuals and their partners in the North to debate critical development issues from a southern viewpoint.

But frankly, I think much remains to be done in order to implement the many plans of action and strategies I have listed above, and I think this can only be done through increased national, sub-regional and interregional development programmes initiated by the South and supported by the international community. There is a crying need to come up with specific measures and funds to turn those ideas into action.

The landmark South Summit in Cuba in April 2000 adopted a plan of action to promote South-South cooperation. What is your role in helping implement this plan of

action which is to be financed by a proposed \$ 10 million Special Fund?

Our role is to offer a platform for South-South cooperation activities, to design programmes that are relevant to countries in the South and to provide support to developing countries in global negotiations in the form of capacity development and follow-up to the recommendations of various multilateral conferences. Our first step in this direction was to assist the Group of 77 in its preparations for the Doha Conference. We are also committed to assisting the Group in the follow-up to the recommendations of the Monterrey United Nations Conference on Financing for Development.

As I have indicated earlier, implementing the many plans of action formulated by developing countries, in Caracas, Chile, Bali, and Cuba should be a top priority in the years ahead. Once the special Fund on the Summit is operational, the Special Unit for TCDC will be happy to work with the Group of 77 in designing programmes on ICT and other priority areas outlined in the Havana Plan of Action.

How relevant are North-South partnerships in the broader framework of South-South cooperation?

Developing countries have always stressed that South-South cooperation is not a substitute for North-South cooperation but rather, a complementary approach to international development cooperation. This is why my Unit advocates *triangular cooperation*, as a new approach that enables developed countries to reach out and support groups of countries endeavoring to help themselves through South-South initiatives.

Through triangular cooperation, some donors have enthusiastically backed Southern partners in research and development initiatives, institutional capacity building and networking—areas that require supplementary funding and a critical mass of expertise. An outstanding example of triangular cooperation in R&D has resulted in the development of New Rice for Africa or NERICA. These new rice varieties came from crossing African and Asian rice through a partnership led by African scientists with support from Northern research institutions, the government of Japan and other donors. Triangular cooperation has also made it possible for the Unit to broker joint ventures between African and Asian business leaders with support from Japan.

What potential contribution can fast advancing developing nations such as Brazil, Malaysia, Singapore and India make towards South-South cooperation?

In late 1997, the Special Unit organized a meeting of mid-income developing countries in Santiago, Chile, to examine this particular question. The objective was to identify key players or TCDC pivotal countries that would play a lead role in spearheading strategic South-South initiatives in such sectors as education, health, research and development, information and communications technology, agriculture, and manufacturing where they have relatively more expertise than their less developed counterparts in the South.

These arrangements provide opportunities for profitable interdependence whereby pivotal countries can offer markets to less developed countries whose import needs can also be met by the relatively more robust industries in mid-income countries.

Experience shows that a one-size-fits-all approach does not work in the development domain, but countries looking for development policies and practices that have helped reduce poverty and raise income levels would do well to look to mid-income countries for models to adapt to their respective circumstances. Even the experience of financial crises some of the mid-income countries have suffered should provide important lessons on the negative aspects of globalization.

Do you envisage the creation of a special Secretariat or a special multilateral body to coordinate South-South cooperation?

I would assume that you might be referring to observations expressed by some developing countries' delegations to the United Nations on the need for a stronger body in the Secretariat that would be charged with the overall responsibility for the promotion, mobilization and coordination of South-South cooperation.

Let me put this proposal in perspective. The Special Unit was established by the General Assembly within the UN Development System. It was originally mandated to coordinate TCDC and to report, through the UNDP Administrator and the Secretary-General of the UN, to the High Level Committee of the General Assembly on the progress of TCDC. In twenty-five years since the Special Unit was established, its mandated functions have tripled from approximately 10 to almost 30 to date; and the challenges facing the South have become more complex and demanding. Anyone who has followed recent discussions on the subject matter within and outside the UN system, would know that the 12th session of the High-level Committee on TCDC last year, and the 56th session of the General Assembly have assigned the Unit to serve as the focal point for promoting and coordinating South-South cooperation in the entire United Nations system. At the Havana South Summit, leaders from the Group of 77 unequivocally called on the Unit to support all forms of South-South cooperation.

Parallel to these increased responsibilities, there has been a steady decrease of financial resources. The annual budget has moved from US\$5m at its peak in the late 1980s to approximately US\$1.6m currently. I must say that over the years, UNDP and its various Administrators have been generous to host and support the Special Unit.

It should be noted however, that a number of country representatives to the UN who followed closely the discussion and the evolution of South-South cooperation have informally expressed, as you know, the view that the Unit should become part of the UN Secretariat with a dedicated mission of South-South cooperation. Most observers believe that South-South cooperation and its emerging compo-

nent of triangular cooperation do deserve a much stronger, more robust, adequately funded and well-staffed coordinating body. But such a proposal is a matter to be decided by the General Assembly. The nature of the proposed body and its location is a political decision, which is beyond my purview.

What are the key achievements of the TCDC Unit? And what are the obstacles you face in implementing your objectives?

Considering that the Unit has existed for over 20 years, one cannot do justice to its achievements in a matter of minutes. The fact that South-South cooperation was on the agenda at the South Summit, the Brussels Conference on Least Developed Countries and it is included in the Monterrey Consensus document demonstrates that the Unit has been a very effective advocate.

The Unit has also made very important strides in documenting and disseminating innovative practices based on successful experiences within developing countries on several themes and development areas. Currently there are 7 volumes of books that enable decision makers and practitioners in the South who have an interest in any of the areas covered to gain a wealth of practical information and development options. I plan to continue this useful work.

I mentioned earlier, the Unit's role in identifying and partnering with mid-income or pivotal developing countries to spearhead key initiatives that utilize world-class expertise existing in the South.

We have forged strong interregional initiatives between Asia and African countries and capitalized on donor support to organize Asia –Africa business forums that enable business leaders from the two regions to undertake joint venture. As I explained earlier, we have also worked with partners to develop high-protein and high-yielding rice varieties called NERICA in West Africa.

To foster South-South information flows, we have built an internet-based information system known as the Web of Information for Development or WIDE. The system provides stakeholders with online information ranging from institutional and individual expertise to knowledge networks and development best practices in the South.

A major obstacle where developing countries can play a big role in assisting the Unit relates to providing information on their bilateral and regional cooperation activities. This is an area where we lack adequate recorded data on what the South is doing to broaden participation and to enrich the WIDE database. As you know, we are mandated to report such information to the High-level Committee, but more than that, it would serve to validate the South-South principle and build confidence in the South. We have a specific format for recording this information, which is available on our web site at www.tcdwide.net.

Of course, the biggest challenge is the mobilization of resources and we welcome every help we can get through cash or in kind contributions to the Trust Fund for South-South cooperation.

MONTERREY CONSENSUS EMBODIES COMMITMENT AT THE HIGHEST POLITICAL LEVELS

By Ambassador Vicente Vallenilla

The International Conference on Financing for Development (FfD) will be held from 18 to 22 March 2002 in Monterrey (Mexico) at the level of Heads of States and Government.

The general expectation is that the Conference establishes suitable mechanisms to put into practice the channeling of financial resources needed to reach the development goals established by the "Millennium Declaration" and other international development goals in an integral and adequate manner.

The Conference of Monterrey will also create the conditions to discuss structural aspects of the international financial architecture.

The four preparatory session for the Conference, which took place in an environment of cooperation, resulted in a declaration called the "Monterrey Consensus". It is an unprecedented feature of the preparatory process that the final document was concluded ahead of the Conference following diligent consultations last January.

Another unprecedented feature was the active participation of the World Bank, IMF and WTO, as well as representatives of civil society and the business sector, in the consultations.

Although the Monterrey consensus is not revolutionary in content, it embodies a strong political message directed towards the establishment of a coordinated effort to finance development goals.

The other important element is its success in creating a universal consensus among all stakeholders. If the Monterrey plan of action is executed in good faith, it will give an important impulse to the improvement of the international economic system. The most significant elements of the Monterrey Consensus are summarized in box 1.

Since the outcome of the Conference, has already been agreed in New York, what can we expect from the Conference itself?

In the first place, the Monterrey Consensus embodies political support at the highest levels of government, and public attention to implement the agreed measures.

Secondly, it is expected that Heads of States and Government and their ministers, will come forth with unilateral commitments in the course of the Conference.

Thirdly, the Monterrey Consensus also means the beginning of a continuous process of building a new approach towards the aim of a more responsive and integrated Financing for Development at various levels, such as, the multilateral financial institutions and other bodies channeling funds towards developing countries.

If the Conference is successful, it can be a historic step in order to really assist developing countries to benefit from international cooperation and a global financial environment favourable to sustainable development.

MOST SIGNIFICANT ELEMENTS OF THE MONTERREY CONSENSUS

- The industrialized world recognizes that there is a dramatic shortfall in resources required to achieve the internationally agreed development goals. *The Consensus of Monterrey urges the developed countries to make concrete efforts to fulfill the target of channeling 0.7% of their GNP as Official Development Assistance (ODA) to the developing countries.* Although this call is not new, only four countries have reached the 0.7% goal to date: Sweden, Denmark, The Netherlands and Norway. It is hoped that this commitment establishes the stage for a reversal of the declining tendency in total world ODA flows and contributes to the fulfillment of the international development goals.
- A central aspect of the document is the new framework for *better cooperation between the international organizations, particularly between the UN, the International Monetary Fund, the World Bank and the WTO.* This element is of importance to the developing countries due to the decision-making system. While at the UN each country has a vote, in the international economic organizations the decisions making is determine by the economic weight of the member country. Increased cooperation will enable the developing countries to play a greater role in international economic decisions-making.
- The Monterrey consensus acknowledges the trade issues of particular concern to the developing countries, among others, trade barriers, subsidies, technical barriers to trade and the lack of recognition of intellectual property rights for the protection of traditional knowledge and folklore. Consequently, the text makes a call for the *expansion of efforts and resources for trade related technical assistance and capacity building in the context of the Doha Ministerial Declaration.*
- The international community agrees to study possible innovative sources of financing, in particular the proposal to use *Special Drawing Rights (SDR) allocations for development purposes and in case of financial emergencies.*
- An element of great importance for the countries of the South is the follow-up mechanism. The outcome document calls for a *follow-up international conference to review the implementation of the Monterrey consensus.* The modalities of this conference will be determined in 2005. This element was of particular importance for the developing countries to be able to hold the developed countries responsible for their commitments and to guarantee a review of the agreed measures.

A 20-YEAR WAIT BECOMES REALITY

G-77 PLAYS KEY ROLE IN MONTERREY CONSENSUS ON FfD

UNITED NATIONS (IPS/G77)— The Group of 77 played a crucial role in finalising the draft outcome document for the UN conference on Financing for Development (FfD) in Monterrey on March 18-22, according to *Ambassador Oscar R. de Rojas*, Executive Coordinator of the FfD Secretariat in the UN's Department of Economic and Social Affairs (DESA).

In an interview with the JOURNAL OF THE GROUP OF 77, the former Deputy Permanent Representative of Venezuela said the 133-member Group ensured that key

issues constituted the core of the Monterrey consensus.

“Let us not forget that developing countries had been waiting for this conference for over 20 years,” he said.

Many see in FfD a modern-day incarnation of the famous “global negotiations” efforts that were frustrated in the early 1980s when there were calls for a “New International Economic Order” (NIEO), he added.

EXCERPTS FROM THE INTERVIEW:

To what extent would the 133 developing nations of the Group of 77 benefit from the Monterrey conference?

The International Conference on Financing for Development took place at the initiative of the G77, and developing countries had a large stake in making Monterrey a success. One of the greatest successes was achieved even before the conference, namely placing on the international agenda the six key issues related to financing for development and mobilizing the leaders of both developed and developing countries to build on the Monterrey Consensus. Let us not forget that developing countries waited for this Conference for over twenty years. Many saw in the conference a modern-day incarnation of the famous global negotiations efforts that were frustrated in the early 1980s when there were calls for a New International Economic Order.

What key role, in your judgment, did the Group of 77 play in the final draft outcome document adopted in Monterrey?

The group ensured that key issues - particularly those related to increased participation in international economic decision-making, reform of the international financial architecture, innovative modalities to deal with external debt problems, increased technical assistance for strengthening the financial sector, the support to regional focus and concrete follow-up mechanisms - constitute the core of the consensus.

What's next after Monterrey? Will there be a mechanism to follow-up on the decisions in Monterrey?

Perhaps the most significant outcome of the consensus is that governments have agreed to stay engaged after Monterrey. FfD is a process that will build upon and evolve beyond the 2002 consensus. Already there are calls to take the process forward. The most important intergovernmental follow-up mechanism for FfD will be a strengthened and more focused use of the spring meeting of ECOSOC with the Bretton Woods Institutions and WTO. This will in turn feed into the semi-annual dialogue on strengthening cooperation through partnerships held in the UN General Assembly. The Monterrey Consensus clearly also calls for support to the FfD process at the national, regional and international levels in recognition of the link between financing of development and attaining internationally agreed development goals and objectives, in measuring development progress and in helping to guide development priorities. At Monterrey, governments agreed to support the United Nations in the implementation of a global information campaign on the internationally agreed development goals and objectives and encouraged the active involvement of all relevant stakeholders, including civil society organizations and the private sector. And, to underpin these efforts, The Secretary-General of the United Nations has been requested to provide sustained follow up within the UN system to the agreements and commit-

ments reached at Monterrey. The Consensus goes on to say that this support will build on the innovative and participatory modalities and related coordination arrangements utilized in the preparations of the Conference. More precise mechanisms and arrangements for follow up will surely emerge and evolve in the aftermath of Monterrey.

A key element in financing for development was a proposal for an increase in development aid. But the United States shot down a proposal by Secretary-General Kofi Annan for doubling ODA to about \$100 billion a year. Were you disappointed that this proposal never found a place in the outcome document?

Yes, like most people. But things can still happen and the key issue that remains is how donors approach their commitments in terms of volume and of rapid implementation.

There were two other proposals-- the cancellation of Third World debts and the reform of the World Bank, IMF and WTO -- that never made it to the outcome document. Both proposals were, at one time or another, advocated by developing nations and NGOs. Was this omission due to pressure from Western nations?

Many countries believed that the time was not yet ripe to push the institutional reform agenda forward at the cost of achieving substantial advances in other sectors. But the pressure for reform has been felt by some institutions, and certainly in recent

months the Bretton Woods Institutions been more open to positions advocated by the developing countries and recognized the need for change. The fact that countries have agreed to stay engaged in furthering the FfD process will keep healthy pressure on everyone and eventually we should move towards greater participation in decision-making processes and increased transparency. There was an understanding that the whole question of aid and debt have to be re-examined. Significant steps have also been taken in the advance toward greater coherence in global monetary, finance and trade systems. Developing countries along with members of civil society have

argued the present approach to solving debt problems is insufficient and needs to be considerably improved. But I don't remember anyone calling for an all-out, across the board cancellation of all the foreign debt.

The outcome document has been criticised because it has no time-bound targets. How would you react to this criticism?

The Monterrey Consensus lays the foundations for the edifice of financing for development and for our future work. It has broken new ground in finding agreement to sustain efforts to reform international financial architecture, strengthen the underpinnings of

international financial stability, increase transparency in international financial activities and increase participation of developing countries and economies in transition in international economic decision-making and norm-setting. A crucial point in achieving this coherence is strengthening the UN as a forum for international economic and financial issues. FfD seeks new partnerships and good governance to mobilize domestic resources and encourage private investment while addressing systemic issues of world economic governance in order to ensure consistency between the international monetary, financial and trade systems.

SNIPPETS...

The Group of 77 has protested service reductions in the UN Secretariat, including limiting UN meetings to normal working hours. The Group accepted a compromise draft resolution which calls on Secretary-General Kofi Annan "to implement the budget resolutions in a way that does not adversely affect the services provided to member states, and to minimise the adverse effect of any changes in the established practice resulting from the announced cutbacks". The cutbacks, amounting to about \$75 million, included restrictions on the availability of electronic mail and internet services during nights and weekends, and reduction of air conditioning and heating after 5pm on weekdays and throughout weekends. The G-77 was of the view that the proposed measures are in contravention of the programme budget for the biennium 2002-2003. In two resolutions adopted last year, the General Assembly rejected proposals aimed at cutting back services directly affecting member states and regional groups. The proposed cuts include: travel of staff (\$2.8 million), contractual services (\$6.4 million), general operating expenses (\$19.7 million), supplies and materials (\$1.4 million), furniture and equipment (\$7.2 million), consultants and experts (\$2.0 million) and information technology (\$10 million)...

We are all familiar with the First World, the Second World and the Third World. Is there a Fourth and a Fifth World? Addressing UN delegates at the G-77 handover ceremony, Venezuelan President Hugo Chavez expressed scepticism

about dividing the world into geographic or economic criteria-- including a Fourth and a Fifth World. "We have only one world", he said, pointing out that "all of us are in the same boat". But he described the boat as the "Titanic". The metaphor was very appropriate. There is no point in rearranging the deck chairs on a sinking Titanic. Either we swim together or sink together. There is no other way out, he added...

The Permanent Mission of Venezuela to the United Nations is promoting the work of the Group of 77 through the Internet. The home page of the Permanent Mission (www.un.int/venezuela), along with its Internet radio programme *Venezuela at the UN*, disseminate information about the most important activities of the Group and highlight issues of special interest to its members about the development challenges that developing countries face. The Permanent Mission lends its full support to the Group of 77, serving as a communications bridge to the official home page of the G-77. This promotional effort is part of its communications plan to help project the G-77...

At the international conference on Financing for Development (FfD) in Monterrey, Venezuela proposed an international humanitarian fund into which developing countries would pay 10 percent of their external debt and 10 percent of their military expenditures. The fund is aimed at saving the lives of children dying of disease and hunger around the world...

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