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MONTERREY CONSENSUS: PRIORITIES AND PROSPECTS FOR LATIN AMERICA AND THE CARIBBEAN

XVI MEETING OF INTERNATIONAL COOPERATION DIRECTORS OF LATIN AMERICA AND THE CARIBBEAN PANAMA CITY, PANAMA, 21 TO 23 JULY 2003

By Permanent Secretary of SELA[†]

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I. INTRODUCTION

THE Permanent Secretariat of the Latin American Economic System (SELA) submits this document as a contribution to the Regional Preparatory Meeting of Latin America and the Caribbean for the High-Level Conference of the Group of 77 on South-South Cooperation. It is aimed at making an overall assessment of the compliance with the commitments assumed in the Monterrey Consensus, and suggesting some initiatives that Latin America and the Caribbean could undertake within the framework of the Group of 77 to successfully fulfill the Millennium Goals.

[†] The author of this article is the Permanent Secretariat of SELA. Reprinted by permission of SELA

This document summarizes the aspects on which consensus was reached at the International Conference on Financing for Development, held under the auspices of the United Nations Organization in Monterrey, Mexico, in March 2002. It analyses the current status of the debate on the implementation of the commitments assumed, and suggests guidelines that the region could follow in this regard.

This effort by SELA is intended to serve as a basic guide for the follow-up to cooperation among its Member States with respect to such a transcendental issue as financing for development in the present circumstances. Thus, the Permanent Secretariat can identify mechanisms that allow it to implement the agreements and establish priorities for cooperation among developing countries.

II. BACKGROUND AND OVERALL ASSESSMENT¹

The "Monterrey Consensus" summarizes the positions agreed upon as regards the issue of Financing for Development analyzed during the Conference on Financing for Development, which was held from 18 to 22 March 2002, in Monterrey, Mexico, sponsored by the United Nations.

Financing for Development was a major pending issue among the various commitments entered into by Member States at the different UN International Conferences that have been held during the past decade. Paradoxically enough, compliance with such commitments depended, to a large extent, on the level of resources allocated to support development efforts, which continue to be insufficient.

A long-standing aspiration of the Group of 77 was to organize the multinational forum to discuss this issue at the highest level. In 1999, during the 54th Session of the General Assembly of the United Nations, approval was given to Resolution 54/196 establishing an Intergovernmental Preparatory Committee – open to all States – in order to start debating this problem and consider innovative ways and possible mechanisms to allow countries participating in the financing for development process to make contributions to it.

The topics of the agenda that were included in the analysis were the following:

- Mobilizing domestic financial resources for development;
- Mobilizing international financial resources for development: foreign direct investment and other private flows;
- International trade;
- Increasing international financial and technical cooperation for development, through Official Development Assistance (ODA), among other mechanisms;
- External debt; and
- Addressing systemic problems.

1. This section provides a summary of the central ideas of SELA's document "The Monterrey Consensus: Analysis, Proposals and Follow-up. Executive Summary." SP/Di 15 - 02, Caracas, May 2002.

Without doubt, the Monterrey Consensus is a step forward in dealing with the problem of financing for development in the present conditions, and it could be regarded as a commitment made by the international community with respect to this crucial issue.

It is worthwhile stressing that the approved document recognizes the decrease in international resources allocated to financing for development as a top-priority concern of the international community. The document also reiterates that achieving development goals calls for a new alliance between donor and recipient countries, as well as new alliances among all the public and private organizations, agencies and institutions linked to finances, trade and international development. In addition, the document emphasizes that, in the face of a global economy that is becoming increasingly interdependent, it is imperative to adopt an integral approach as regards national, international and systemic problems affecting financing for development.

During the preparatory process and during the conference itself, the positions assumed by some governments and institutions with respect to the financing issue underwent certain changes. The pledge made by the U.S. government to increase its contribution in financial resources for development was particularly relevant – in view

of the weight that the country has in any international issue. The European Union (EU) also reaffirmed its commitment to substantially increase the amounts destined to development assistance, through the Barcelona Commitments.

Nevertheless, the Monterrey Consensus includes proposals with complex formulations, whose implementation requires constant follow-up and is subject to modifications based on the experiences that are to be gathered after implementing them. It is a document that acknowledges both the “co-responsibility” of industrialized countries and the high level of “individual responsibility” of developing countries in attaining the proposed goals as regards the economic and social well-being of most of the people who live and have families in the countries of the South. It is also worthwhile mentioning that – as in the case of most documents reached by consensus in the United Nations – the Monterrey Consensus makes general recommendations to solve problems, which cannot always be translated into concrete actions.

In several paragraphs, the document makes a quite justifiable emphasis on the domestic efforts and the ability of the countries to design national strategies and implement consistent but flexible policies, as the key factor to attain the objectives of eradicating poverty and increasing social and economic well-being. But this point of view has been criticized by some instances of civil society in the whole world because there have been situations recently in which developing countries – with the “right” economic policies, quite credible and sustainable macroeconomic balance, a certain degree of productive diversification and even increased competitiveness at the international level – have been badly affected by “external factors”

on the international economic scene, on which they have little control or no control at all.

In fact, a combination of factors such as the effective mobilization of domestic resources and a more rational management of available domestic and international resources would help to pursue the objectives of achieving self-sustained growth and reducing poverty – which are the starting points on the path towards development. It is also important to bear in mind that the use of international resources – depending of their nature, and their specific target and destination – could either favour or harm the economy of the country that receives such resources.

III. ASSESSING THE IMPLEMENTATION OF THE MONTERREY CONSENSUS ONE YEAR AFTER ITS ADOPTION

One year after its approval, an overall assessment of the compliance with the commitments assumed in the Monterrey Consensus shows some concrete achievements. However, it should be noted that there is still a long way to go, especially if one takes into account the current international economic situation.

In a recent paper, the UN pointed out that: “World trade is growing slowly and short-term prospects remain unsatisfying, especially for most developing countries. Analysts perceive difficulties in reaching agreement in the World Trade Organization (WTO), negotiators missed 2002 deadlines and it is difficult to discern the direction in which global trade policy might evolve. At the same time, the South continues to transfer financial resources to the North, while private capital flows have fallen sharply, and overall net interest and profit payments by developing countries are exceeding their net capital inflows. There is little expectation that private flows to developing countries, especially lending flows, will return to significantly larger and sustainable levels. There is also considerable uncertainty about how the international community intends to handle the debt crises of developing countries and countries with economies in transition, while many low-income countries have still to benefit from the special international programme for ameliorating their debt situation. The aversion to risk on the part of investors and creditors in most developing countries is high.”²

Particularly, in the case of Latin America and the Caribbean it should be highlighted that over the last few years the region has posted negative transfers of financial resources. The financial crises that have hit several of the region’s economies and the way they have handled those crises

2. United Nations. Economic and Social Council (2003). “Increased coherence, coordination and cooperation for the implementation of the Monterrey Consensus of the International Conference on Financing for Development at all levels one year after the Conference.” Note by the Secretary-General, E/2003/50, New York, 24 March, 2003.

indicate that there is still much progress to be made in terms of crisis prevention and resolution.

The Doha Declaration, issued at the close of the IV Ministerial Conference of the World Trade Organisation, reflected a strong development perspective. Trade was seen as an engine for growth, crucial for reducing poverty, as underlined in the Monterrey Consensus. The implementation of the Doha Development Agenda is an ambitious undertaking for the WTO, an organization in which developing countries comprise a significant majority. Nevertheless, it is critical to move forward the negotiations before the WTO Ministerial Meeting in Cancún next September. There are four areas of special interest for developing countries, in which they are facing growing obstacles in terms of their negotiations: agricultural trade liberalization in developed countries, operationalization of special and differential treatment for developing countries, trade related aspects of intellectual property rights agreements (TRIPS) of the WTO and public health related issues, and the difficulties in the implementation of multilateral trade agreements and commitments by a number of developing countries.

Another major concern is that WTO negotiations on those issues of special interest for developed countries – such as investment regulations, competition policies, trade facilitation, and transparency of government procurement – have indeed shown remarkable progress.

It is widely known that Official Development Assistance (ODA) is a key factor for smaller economies to reach the Millennium Development Goals. But even if delivery of those resources becomes more efficient, the current levels of ODA would not be enough to fulfill those goals within the time frame established by the international community. Rich donor countries of the Development Assistance Committee (DAC) of the OECD increased their official assistance to poor countries by 4.8% in real terms in 2002, bringing ODA to a total amount of US\$ 57 billion. However, most of those industrialized countries are far from complying with the international commitment of earmarking at least 0.7% of their GDP for ODA, except for a few of them such as Sweden, The Netherlands, Norway and Denmark.³ The United Nations estimates that an additional \$50 billion a year is required to meet the Millennium Development Goals, and that a further increase on the order of \$50 billion a year would be needed to bring the donor community to the aid target of 0.7 percent of gross national product for Official Development Assistance.⁴

In addition, the effective delivery of ODA is a critical factor. Among other requirements, this entails improving coordination of policies among donor countries and harmonizing procedures. These measures, along with an increased proportion of non-tied assistance, could result in a substantial reduction in transaction costs for recipient countries.

3. The Economist (2003). Economic and financial indicators, May 24th, p. 100.

4. United Nations. Economic and Social Council (2003), p. 8.

As regards the external debt of heavily indebted poor countries, for which the international community designed a special program a few years ago, prospects by mid-2003 do not seem to be very favorable. There are concerns about the fact that, by mid-March 2003, out of the 26 countries that were eligible for the initiative for the Heavily Indebted Poor Countries (HIPC) and that had reached their "decision point", only seven had reached their "completion point." Even worse, the debt indicators of some of those seven countries may have aggravated, largely because of the lower-than-forecasted international prices of commodities and export income. Thus, it is now clear that long-term debt sustainability in the case of those countries not only requires reduction in their total accumulated debt stocks, but also domestic policies to support a greater long-term economic growth, as well as better economic conditions at the international level. Moreover, in light of the evolution of the world economy, one may conclude that the concept of debt sustainability requires a better systematization and deeper consideration.

Meanwhile, the inclusion of collective action clauses by an increasing number of countries in their international sovereign debt bonds issues was a welcome step, which should be considered in outlining any type of alternative strategy to tackle the problem of foreign debt. The efforts made by the IMF aimed at developing a proposal for a sovereign debt restructuring mechanism have served to promote better understanding of issues related to this complex subject. Developing countries should continue to pay special attention to these ongoing discussions and to participate in those debates as actively as they can.

There is now heightened consciousness of the need to build bridges among various international institutions, as called for in the Monterrey Consensus. In fact, during the last twelve months greater interaction has been seen among the World Bank, IMF and WTO in areas of overlapping concern, including increased attention to trade policy issues, as was welcomed by the Development Committee in its communiqué of 28 September 2002, and the decision to strengthen IMF support to WTO in its areas of expertise. One should also take into account the additional World Bank technical assistance efforts to assist developing countries and provide policy analyses in areas relevant to the international trade negotiations.

With respect to the need for more effective and equitable participation of developing countries in decision-making at international economic institutions and forums, the Development Committee, in paragraph 10 of its communiqué, called upon IMF and the World Bank to prepare a background document that would facilitate consideration of those important issues. The Committee discussed this issue at its meeting on 13 April 2003 and decided to follow up the proposals in its upcoming meeting in September. Generally speaking, there is a perception that no major progress has been achieved as regards effective participation of developing countries in international economic organizations, particularly in the

Bretton Woods institutions. This, coupled with the problems recently seen in multilateral cooperation and the institutional approach that has characterized the international system in the wake of the war in Iraq, proves that there is a major gap in international governance, as identified in the Monterrey Consensus.

There are two factors that are closely related to the increased number of developing countries in international organizations: their efforts to *increase their capacity of representation* in decision-making at economic forums, and the need for developing countries to achieve *better coordination of their positions* in the Bretton Woods institutions and the WTO. In this connection, there seems to be consensus on the urgent need to strengthen and make better use of existing regional groupings and institutions. The current efforts by Latin American and Caribbean countries within the framework of SELA and the possibility to reach certain positions by consensus with the Group of 77 and the Group of 24 may represent a step in the right direction.

The two factors mentioned above are closely linked to the issues of the necessary policy coherence and systemic approach that were important tenets of the Monterrey Consensus. At the special high-level meeting of the Economic and Social Council of the UN with the Bretton Woods institutions and the WTO, held in New York on 14 April 2003, several participants acknowledged that there has been progress in terms of the necessary policy coherence. The United Nations, the Bretton Woods institutions and the WTO share a common purpose, and cooperative work on the Millennium Development Goals and the follow-up to the Monterrey Consensus have intensified.⁵ However, the concepts of policy coherence and systemic approach go well beyond the mere inter-institutional coordination, both at the national and international level.

IV. IDENTIFYING COOPERATION INITIATIVES TO COMPLY WITH MULTILATERAL COMMITMENTS ON FINANCING FOR DEVELOPMENT

This section summarizes some ideas that could serve as guidelines for action for the countries of Latin America and the Caribbean within the context of the G-77, with a view to making the implementation of the various commitments included in the Monterrey Consensus more rapid and effective.

These ideas are classified into four groups – which generally speaking show the diversity of issues dealt with in the Monterrey Consensus. These groups include proposals on the following issues: a) policy coherence, systematic approach and governance; b) international trade, c) ade-

5. The Permanent Secretariat of SELA is currently organising the XVI Meeting of International Cooperation Directors of Latin America and the Caribbean, which will be held in Panama City from 21 to 23 July 2003. The central topic of the event will be the problems of Financing for Development and Compliance with the Millennium Development Goals in Latin America and the Caribbean.

quacy and efficiency of the resources from international financial institutions; and d) financial cooperation and foreign debt.

According to their nature, the initiatives or proposals identified here are classified as *general* or *concrete*. It should be noted that the initiatives or proposals analyzed here do not necessarily involve detailed or explicit mechanisms. In case Latin American and Caribbean countries adopt some of these ideas, they would have to design immediate specific actions in order to implement them.

A. POLICY COHERENCE, SYSTEMATIC APPROACH AND GOVERNANCE

a) The Monterrey Consensus identified a major gap in international governance. Furthermore, the enhanced governance sought at the national level has to be complemented by improved and enhanced governance at the international level. This requires a more effective participation of all developing countries in the decision-making process as regards the global economy at the governing instances of international institutions. In line with this, the countries of Latin America and the Caribbean could initiate a debate to better define the following issues:

1. The proposal reiterated at the United Nations, to establish an Economic Security Council.
2. The idea to take advantage of the 60th anniversary of the Bretton Woods institutions in 2004 to propose a rebirth of these organisations, which would imply a redistribution of votes – and an assessment of the role of basic votes – as an important element to improve the participation of developing countries, as well as a possible reduction in the size and complexity of the bureaucracy in those institutions.
3. Proposals should be explored in consensus with the G-77 for new decision-making approaches within the United Nations framework.
4. Assess the convenience of strengthening regional groupings and institutions for coordinating positions of the countries of Latin America and the Caribbean on the most important issues on the international agenda – particularly those related to follow-up to the Monterrey Consensus – and design mechanisms aimed at linking the above-mentioned regional bodies and the Group of 77. Special emphasis should be made on deepening the analysis about the viability of the creation of a South-South Cooperation Commission for follow-up to the international commitments related to development goals.

b) The macroeconomic policies of major developed countries have both a global and a domestic impact. There is a special imperative that they be compatible with each other and coherent with the sustainable development goals at the international level. Consequently, the governments of Latin America and the Caribbean should analyze the following issues:

1. Mechanisms to make Article IV of consultations by the IMF more effective in strengthening the coherence of macroeconomic, trade and financial policies of developed countries with global development goals.
2. Determine whether there would be consensus in the region – and within the G-77 – on the idea to officially start to increase active participation by the representatives of developing countries within the system of Summits of the Group of Eight (G-8), so that the interests and economic problems of these nations are taken into account in the process of policy coordination in the major industrialized countries.
 - c) The statement that each country has primary responsibility for its own development is an unquestionable truth and constitutes the fundamental principle of the Monterrey Consensus. Thus, priority should be given to sound economic policies to promote stability and openness. The assessment of the economic performance and policy-making in developing countries by international institutions and agencies has become an important element on the international agenda in the last few years. In this connection, the countries of Latin America and the Caribbean could:
 1. Assess the convenience of creating a Development Policy Review Mechanism – largely modeled on the Trade Policy Review Mechanism of the WTO – which would serve as a basis for inter-governmental and expert-level discussions in the United Nations.
 2. Reiterate, at all economic decision-making bodies at the international level, that while there are general principles of good economic policy, policy-making and its results should respond directly to the reality and the current situation of each particular country.

B. INTERNATIONAL TRADE

a) Global inter-dependence and the persistence of a growing differentiation as regards the development degrees and income levels among countries are two phenomena that have marked the world economic system in recent years. The trends characterizing the current multilateral trade system are closely related to these two phenomena. The agreements reached at the IV WTO Ministerial Conference and the resolution of issues pending for implementation under the Agreements of the Uruguay Round should be taken into account, in assessing these complex problems. The countries of Latin America and the Caribbean should give priority to the following aspects in their negotiation efforts at multilateral level:

1. Strongly support the negotiations underway within the framework of the WTO ahead of the V WTO Ministerial Conference, to be held in Cancún, which could lead the whole region to provide greater support to the initiative undertaken on 10 June in Geneva by 26 developing nations and their proposed action plan to revive the WTO negotiations. This group of countries includes 17 nations

from Latin America and the Caribbean, all of which are Member States of SELA.

2. Reach consensus on the region's priorities for the Cancún Conference, while aiming at concerted positions with respect to ongoing WTO negotiations on issues such as agricultural trade, special and differential treatment for developing countries, trade related aspects of intellectual property rights (TRIPS), public health issues, and the difficulties in the implementation of agreements reached at the Uruguay Round.
3. Undertake a broad debate at regional level – and, if possible, within the framework of the G-77 – on the convenience of continuing WTO negotiations on the so-called Singapore issues, which are of special interest for industrialized countries. They include: investment rules, competition policies, and transparency of government procurement and trade facilitation.

Taking into account that many developing countries are only marginally inserted into the multilateral trade system, which is still plagued by growing asymmetries, careful thought should be given to the possibility of proposing certain compensatory mechanisms at the international level to help to offset the adverse impact of foreign trade shocks on developing nations. In this connection, the countries of Latin America and the Caribbean could take the following steps:

1. Assess the convenience of starting, within the framework of the G-77, a new round of international agreements on commodities between producers and consumers in order to rationalize supplies, while ensuring fair prices.
2. In case that the above-mentioned proposal cannot be materialized, it would be advisable for the major producers among developing countries to look into the possibility of adopting certain measures to reduce global supply of certain commodities in order to change the profile of global demand.
3. Reconsider “low-conditionality” international mechanisms, as were used in the 1970s (for instance, the Compensatory Financing Facility, STABEX), to ameliorate the temporary financial distress of commodity-exporting countries during downturns, taking into account the low debt-servicing capacity of poor countries.

c) In view of the institutional limitations faced by many developing countries to actively participate in complex international trade negotiations, efforts should be intensified to overcome them. In this connection, developing countries in Latin America and the Caribbean could take the following measures:

1. Consider the need to expand the resources and the scope of the trade-related technical assistance for national capacity building being provided by the UNCTAD, with the support of other agencies and institutions. Just like the least developed countries, there are

many mid-sized economies facing serious difficulties for an effective participation in the multilateral trade negotiations.

2. To examine the possibility of expanding trade-related international technical assistance programs, not only in terms of participation in negotiations but also in terms of evaluating policy-making with a view to overcoming “supply-side constraints.” This could be particularly relevant in the case of least developed countries (LDCs) and heavily indebted poor countries (HIPC)s, so as to enable them to take advantage of increasingly liberalized markets.

C. ADEQUACY AND EFFICIENCY OF RESOURCES FROM INTERNATIONAL FINANCIAL INSTITUTIONS

In view of the negative impact of financial crises or the risk of contagion among developing countries, it is necessary – as stated in the Monterrey Consensus – to urge international financial institutions, particularly the International Monetary Fund, to have a suitable array of financial facilities and resources to react to these critical situations in a timely and appropriate way, and in accordance with their own policies. In this regard, the countries of Latin America and the Caribbean should consider the following issues:

1. The convenience of proposing, along with other developing regions and within the framework of the 60th anniversary of the Bretton Woods institutions in 2004, an increase in the quota levels and a restructuring of the quota distribution system. This would ensure sufficient resources to the IMF to deal with those cases in which crises emerge simultaneously in several mid-income countries. At the same time, it could also enable developing countries to participate more actively in economic decision-making at international level.
2. In this connection, the countries of Latin America and the Caribbean should insist on analyzing the possibility to grant new Special Drawing Rights (SDRs) allocations, in any of the three modalities that have been studied,⁶ particularly taking into account the needs of many developing nations and the current situation of the international economy.
3. To propose, within the framework of the G-77 and the G-24, and ahead of the next annual meetings of the Bretton Woods institutions, an analysis of some concrete proposals on the role of multilateral financial institutions – particularly the IMF – in crisis prevention and strengthening international financial stability.

6. These three modalities, or proposals, are summarised in the paper prepared by Cristián Ossa (2003). With respect to the “risk” that an SDR allocation could bring about inflationary pressures on a global scale, several experts have indicated that the current international economic situation is rather marked by deflation.

D. FINANCIAL COOPERATION AND FOREIGN DEBT

a) Despite a certain recovery in 2002, financial cooperation – particularly ODA flows – still lacks the expected relevance among the fundamental priorities in foreign policies of the main industrialized countries. This occurs against a backdrop of high concentration of private flows in a relatively small number of countries in the South and an ongoing process of financial liberalization that makes emphasis on market considerations. Within this framework, the governments of Latin America and the Caribbean should consider the following steps:

1. Insist, at the relevant institutions, on the need to harmonize the principles and mechanisms governing the allocation of ODA from the various bilateral agencies and multilateral organizations. In addition to contributing to reduce “transaction costs” of ODA to recipient countries, this would also help to achieve greater policy coherence among assistance programs, national programs and the international development goals.
2. Special attention and, where possible, participation in the debates on initiatives underway with a view to ensuring an increase in ODA should be supported (for example, the British proposal to create an International Financing Facility, which would use 15-year bonds to increase assistance flows). Also, it would be necessary to explore innovative approaches to monitor ODA, identify actual flows and reduce delays in disbursements. In this connection, an assessment should be made on the possibility for SELA to systematically monitor received ODA flows and their impact on the economies of the region.
3. To support studies and find ways to improve several initiatives proposed by governments of the region – such as Venezuela’s International Humanitarian Fund, Brazil’s plans for an International Solidarity Fund and the initiative submitted by Peru at the Rio Group on innovative financial mechanisms to ensure democratic governance in the region – by making the necessary efforts to guarantee the political and technical feasibility of these initiatives.

Generally speaking, as part of the issue of the foreign debt, some of the proposals made by the G-77 and the NGOs of the South were included in the Monterrey Consensus. The text recognizes principles such as the “co-responsibility” in handling the debt and the need to find ways to cancel it in due time. In this connection, one year after the adoption of the Monterrey Consensus, the countries of Latin America and the Caribbean should take the following steps:

1. Look into the convenience of revising the concept of “debt sustainability.”
2. Assess the possibilities derived from the inclusion of collective action clauses by several countries in the region – such as Mexico, Uruguay and Brazil – in issuing sovereign bonds.

3. Follow up the efforts made by some countries and the IMF in developing proposals for a sovereign debt restructuring mechanism, and promote the exchange of experiences among the countries of the region on the treatment they have been given by the Paris Club, the London Club and within the framework of the HIPC initiative, so as to contribute to the submission of common proposals at these forums and other international financial organizations.
4. Assess the possibility to establish a working group on debt within the framework of the Financing for Development process which would include all the relevant stakeholders – debtor countries, creditors, experts and civil society representatives – to recommend a coherent debt work-out mechanism to be applied when needed to crisis-hit countries.

The Monterrey Conference acknowledged the efforts made as part of the initiative to alleviate the debt burden to poor countries. Emphasis was made on viewing the HIPC initiative to reduce the debt of heavily indebted poor countries as a fruitful strategy, albeit limited.

1. Thorough consideration should be given to the proposal to expand the HIPC initiative to other countries.

If deemed convenient, analyze the possibility for the international community to design a new policy to tackle the problem of excessive debt burden in the case of those countries that are eligible for the HIPC initiative, or developing countries in general.

V. FINAL CONSIDERATIONS

The Monterrey Consensus was a step forward in dealing with the issue of financing for development in the present situation. It could be viewed as a document that sums up the minimal conditions in terms of the commitments made by the international community to start solving acute problems such as poverty, low growth rates, low social and productive investment rates, exclusion, and marginal participation in the dynamic international trade flows – which have characterized the majority of the developing economies.

The final document of the Monterrey Conference was perceived by some as a collection of agreements which is still weak. Therefore, it is necessary to undertake a serious process of follow-up and permanent review.

One year after the approval of the agreements, an overall assessment of the compliance with them shows some concrete achievements. However, it should be noted that there is still a long way to go to achieve substantial and effective progress as regards Financing for Development.

The consensus capacity that developing countries might show – particularly those of Latin America and the Caribbean – could be a key factor to speed up compliance with the objectives and to ensure fulfillment of most of the proposals, in anticipation of the year 2005.

SELA is willing and has the capacity to give the governments of Latin America and the Caribbean strong support in the follow-up process of the proposals or initiatives identified as deserving top priority, in order to progressively incorporate them to the guidelines for cooperation with other countries of the Group of 77.

In this connection, the Permanent Secretariat of SELA has adopted Financing for Development and Compliance with the Millennium Goals in the region as the central topic of the upcoming XVI Meeting of International Cooperation Directors of Latin America and the Caribbean, which will take place in Panama City, from 21 to 23 the event will be attended by delegations from some countries of Africa and Asia, along with representatives from multilateral agencies and international organizations. July 2003. As part of the necessary coordination efforts with other developing regions, the event will be attended by delegations from other countries of Africa and Asia along with representatives from multilateral agencies and international organizations.

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