



**UN General Assembly 60th Session
High-level Plenary Meeting
New York, 14-16 September 2005**

MDGs require a genuine partnership for their achievement

**Statement by International Cooperation for Development and Solidarity (CIDSE)
in Consultative Status with the UN Economic and Social Council**

As world leaders gather in New York for the 2005 World Summit to discuss global progress in achieving the Millennium Development Goals, they should recall that millions of people all over the world are watching them.

The success of the Summit will be determined by an outcome that demonstrates a genuine commitment to fundamentally change their approach to development by the formation of a genuine partnership with people in developing countries. As a network of Catholic development agencies, CIDSE believes that the development partnership should be based on the principle of mutual obligations - moving away from top-down donor policy, conditionality and unfulfilled donor pledges, as well as on the principle of subsidiarity which asserts that policies must be designed and owned at the level at which they are implemented.

This requires:

- A dramatic change in the approach to reaching the Millennium Development Goals (MDG), which has mainly proved to be an elaborate ‘window dressing’ exercise with little substantive policy change.
- The MDGs are set within the wider framework of values and principles encapsulated in UN conventions on economic, social and cultural rights. This is fundamentally important given the current approach that risks making no distinction between best practice and bad practice. While the concrete indicators set by the MDGs demonstrate a step in the right direction towards monitoring an accountability, there is a real danger when a narrow targets-oriented approach is adopted which pays little regard to process issues. For instance, the current approach fails to make a difference between a totalitarian regime that ‘halves poverty’ on the basis of an ethnic divide and a state that enables poor people to participate actively in budget processes. Likewise, there is a real danger that controversial policies, such as the privatisation of basic services, are adopted in the name of the MDGs without regard for the long-term impact on the equitable distribution of national assets. It is only by adopting such an approach that poverty analysis and strategising for poverty reduction will properly incorporate a multi-dimensional rights-based approach.
- All international institutions that purport to work in the sphere of development, especially but not exclusively the International Financial Institutions and the World Trade Organisation, should be held accountable for obligations to uphold international law, including the International Covenant on Economic, Social and Cultural Rights.

- A radical change in the current top-down approach to development that ignores local knowledge, participation and solutions in the name of a global agenda and global targets. The MDGs must not become a new conditionality that binds governments to international goals and targets, regardless of their own national priorities. The MDGs must be set squarely within the context of macroeconomic policy-making and the power imbalances underpinning such policy formulation.

The underlying pre-condition for this change is the greater participation of poor people and countries within the structures of global economic governance.

The key to progress in this direction is the acknowledgement that countries should be in control over economic, social and political decision-making and accountable primarily to their people for the policies adopted. In turn international institutional policymaking needs to be reformed to take into account local political realities, in particular the needs of the poor.

This requires:

- Altering the composition of the boards of the World Bank and IMF. Voting power should be rebalanced, a formal voting system put in place, and the leaders of the organizations should be selected on the basis of their merit and not their nationality, through open and transparent processes.
- Real democratic control over World Bank, IMF and WTO through enhanced parliamentary oversight and civil society monitoring. This necessarily would require greater transparency on the part of these institutions in making available to the relevant national stake-holders, in limited cases, and in general making publicly available transcripts, minutes and important documents of board meetings; greater monitoring of the decisions made by the staff of the Institutions. This would facilitate properly informed debates over the orientations and policies of the institutions in the parliaments of each member states, as currently happens in some countries.
- Enhancing the capacity of key stakeholders to produce ranges of policy options, including undertaking examinations of the economic, social and political trade-offs associated with different policy paths. This should be a necessary element in the architecture of the Poverty Reduction Strategy Papers (PRSPs) that is revised to bring all actors (including the World Bank and IMF) inside a domestic, partnership-based, decision-making forum.
- Strengthening the ECOSOC so that it does not remain a UN body that merely monitors development cooperation but becomes a high level body for economic and social justice issues. It should be empowered to take a lead in achieving coherence and consistency within the international monetary, financing and trading system based on internationally agreed upon development targets and human rights.

Additional to these reforms, meeting the MDGs means ensuring that the global trade agenda is brought in line with a Rights-Based approach to Human Development.

A much stronger political will to make trade work for development needs to be demonstrated. The priority of the multilateral and bilateral trade negotiations should move from the promotion of a liberalisation that benefits a few powerful stakeholders to the promotion of sustainable development that benefits people in poverty.

This requires:

1. Clearly prioritising the improvement of agricultural trade rules

Agriculture is not only crucial for small-scale family producers but is also a key to food security, broader economic growth and sustainable development in developing countries. The skewed

balance of power between the 1.3 billion farms and agricultural workers and the very few international traders and large distributors threatens the livelihoods of farmers all over the world.

2. A stop to the distorting of trade that generates poverty

- The WTO should fully embrace the concept underwritten in the Monterrey Consensus of trade as an engine for development. The WTO should endorse the UN Millennium Development Goals (MDGs) as its overarching objective.
- Any loss of revenue by developing countries due to trade liberalisation (tariff cuts and trade preferences erosion) should be compensated by trade concessions or development support from developed countries.
- Northern countries should substantially reform their agricultural subsidy regimes to ensure an end to the dumping of products on global markets. The eradication of the US subsidies on cotton and the reform of the EU sugar regime are two specific priorities. Importing developing countries should have the flexibility to impose additional duties on subsidised imports by calculating a subsidy-equivalent tariff.
- Developed countries have to commit to set a deadline to eliminate all export and trade-distorting subsidies in the shortest period of time. Developed countries should commit to develop standard harmonisation and significantly reduce all non-tariff trade barriers.

3. Promoting agriculture and rural development that works for poor people

- Developing countries should have the right to determine the nature and extent of their tariff commitments. Least Developed Countries need special treatment, including duty-free and quota-free access to richer countries' markets and an exemption from any reduction commitments. The international trade agreements should be rebalanced by guaranteeing developing countries the right to protect their borders via quotas and/or quantitative restrictions as long as Northern subsidies remain.
- In accordance with its own needs for food and livelihood security and rural development, each developing country should be allowed to protect domestically produced agricultural products. In case of a drop in prices or a significant increase in the volume of imports, Special Safeguard Mechanisms should provide flexibility to developing countries to protect small farmers, including removing any food security crops from tariff reduction commitments, raising tariffs or non tariff measures such as quantitative restrictions.
- Developing countries should be given the flexibility to develop national policies (price stabilisation, supply management...) that address the challenges of poor countries' agriculture. Local communities and the domestic private sector should be allowed to protect and promote some of the sustainable agriculture practices, while recognising the role of accountable national governments and international institutions in moving towards better models.

These structural reforms are the pre-requisite for any endeavour to achieve the goals that the UN had set for itself in the Millennium Declaration. The provision of additional finance and reform of the international aid system are urgently needed to facilitate these reforms.

Action so far by OECD countries such as the European Union's setting a time-table to achieve 0.7% and the adoption of the Paris Declaration on Donor Harmonisation are small steps in the right direction. Overall, however, world leaders, particular in the rich world, have disappointed expectations. Putting a human face to the G8's failure to make ambitious decisions on aid, debt and trade would mean that instead of every 3 seconds, a child in Africa will die every 3.5 seconds. This inaction, purely as a result of the lack of political will, is immoral. If serious about demonstrating their international leadership, heads of states will have to resolve to take definite and urgent decisions at the Summit.

In concrete terms, this would require:

- The total cancellation of debts that are unpayable on the basis of human development needs, paid for by the sale of IMF gold and increases in bilateral contributions to debt relief. An agreement to this effect should be reached by the end of the Summit.
- The announcement by all OECD donors of their timetables for reaching the UN target of 0.7% of GNI to ODA. Additional to 0.7%, a global agreement should be reached at the Summit for the adoption of at least one form of international tax that would dramatically increase money available for the eradication of poverty. CIDSE notes that the introduction of an aviation tax is currently being debated at the EU level. At the same time, advocating the value of a global tax that not only generates predictable resources but also reduces the negative effects of globalisation, CIDSE emphasises the importance of adopting a Currency Transaction Tax.
- The putting into place of systems of donor accountability for aid commitments and aid effectiveness at the host government and global level. This would naturally require that OECD donors end the practice of taking an automatic signal for aid disbursements on the basis of the recipient country having an 'on-track' programme agreement with the IMF. An equally important requirement would be that OECD donors agree to concrete indicators that can be monitored within the Paris Declaration in line with the DAC guidelines on aid effectiveness and that these are published by the end of the Summit.

Many hopes had been pinned on this summit. The most public demonstration of this high anticipation will be the millions of people from all over the world who wear a simple white band on September 10 in symbolic support for the demands of the Global Call to Action against Poverty (GCAP) of which CIDSE is an active member. GCAP has been calling for ambitious decisions to increase aid while ensuring that it really reached the poor; to cancel all debts that prevented poor countries from investing in their own development; and to change the rules of trade to make them actually benefit the poor in 2005.

Failing to reach a consolidated package of reform as spelled out in this document, more than failing to fulfil the expectation of millions of people, will be a public admission of failure. It will mean that the world does not have the political will to prevent the human tragedy that is playing itself out right now as a mother watches helplessly as her child dies, not because of anything else but the lack of basic means for human survival. You have a role to play in preventing this from happening.

In the words of Nelson Mandela:

'Sometimes it falls upon a generation to be great. You can be the great generation. Let your greatness blossom. Of course the task will not be easy. But not to do this would be a crime against humanity, against which I ask all humanity now to rise up.'

CIDSE is a coalition of 15 Catholic development agencies in Europe and North America which share a common vision on poverty eradication and social justice and a common strategy on development programmes, development education and advocacy. CIDSE's advocacy work covers trade and food security, resources for development, global governance, EU development policy, and security and development.

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