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The Politics of Inclusion in the Monterrey Process

Barry Herman

Abstract

The Monterrey Conference on Financing for Development in 2002 brought leaders and senior officials from Governments and international organizations, senior financial sector executives and NGO advocates together for the first time on "hard" financial and trade matters. The Conference provided a forum at which participants talked to each other in informal roundtables, as well as made public speeches. Commitments were made to increase development assistance and to improve global as well as national governance. This paper examines how this unique event came about, traces the backsliding in international dialogue since then, and suggests how it could be reinvigorated.

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Barry Herman, a career UN staff member until his retirement in December 2005, was most recently Senior Adviser, Financing for Development Office, Department of Economic and Social Affairs of the United Nations Secretariat. He is currently a Visiting Senior Fellow in the Graduate Program in International Affairs at The New School in New York (E-mail: hermanb@newschool.edu).

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Cleared by: *Oscar de Rojas*

Editor: *Judith Brister*

Copy editor: *June Chesney*

Typesetter: *Valerian Monteiro*

United Nations
Department of Economic and Social Affairs
2 United Nations Plaza, Room DC2-1428
New York, N.Y. 10017, USA
Tel: (1-212) 963-4761 • Fax: (1-212) 963-4444
e-mail: esa@un.org
http://www.un.org/esa/desa/papers

The Politics of Inclusion in the Monterrey Process

Barry Herman

"It happened in Monterey…in old Mexico"[1]

The United Nations International Conference on Financing for Development (FfD), held in Monterrey, Mexico, in March 2002 was unprecedented. It brought together key economic and political decision makers, including more than 50 heads of State and Government, over 200 ministers of finance, foreign affairs, development and trade. They were joined by the heads of the United Nations (UN), the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO), and by the chairs of the major intergovernmental committees that deal with international financial issues, including the Financial Stability Forum (whose chair was also President of the Bank for International Settlements), the Group of 10 (the major developed countries in monetary and financial affairs), the Group of 20 (8 major developed countries and the "systemically important" developing countries that were invited to join them) and the Group of 24 (the caucus of developing countries at the Bretton Woods institutions (BWIs).

The heads of the major regional development banks and other development finance organizations or their representatives also participated, as did all the relevant United Nations specialized agencies, funds and programmes. They were joined by prominent individuals from the world of business and finance and by a range of civil society leaders, including Jimmy Carter, a former President of the United States of America. In short, this was one of the largest and most diverse gatherings of officials and other stakeholders ever to have met at such a senior level on international financial matters.[2]

Since the end of the Second World War, international decisions on monetary, financial, trade and development matters have been made in multilateral forums, albeit those limited to a few countries or a restricted range of issues, and very often behind closed doors. The Monterrey process invited all countries to consider all the issues together, in public and with non-governmental stakeholders participating. It turned out to be the right mechanism at the right moment.

As will be described here, however, it required five years to build sufficient confidence among the relevant decision-makers for them to agree to participate in the new process at Monterrey. Even then, real-world events helped propel them beyond their standard forums and processes. When the "9/11" tragedy raised the urgency of making an effective global political effort for development, the gathering momentum and interest in the Monterrey process of Governments, international institutions, private sector and civil society organizations provided a compelling opportunity.

Diplomats at the UN had successfully paved the way by developing a new modality of informal international discussions for consensus-building and by securing its acceptance as the approach to use in preparing the Monterrey process. The UN has sometimes been accused of being a comparatively rigid and stale intergovernmental forum, discouraging initiative and goodwill; but it can also be a flexible tool for

1 Lyrics by Billy Rose, 1930; recorded by Frank Sinatra in 1955.

2 For details on participants, see UN (2002b: 19-22). See UN (2002a) for speeches, press conferences and relevant documentation.

international convergence when the situation warrants it and enough actors recognize it. This is what happened in "FfD".

As this paper will seek to demonstrate, Monterrey was a departure from the norm in several ways. First, the Conference had been the initiative of developing countries, whose main message to the developed countries was something like, "this time we can reach a deal to do better". Over time, they convinced sceptical Governments of developed countries, not to mention the leadership of some major international institutions, to take a chance on the UN. This was central.

The FfD preparatory process was also unusual in that the standard UN negotiating practices on economic and social affairs were held in abeyance through most of the Monterrey preparations. Moreover, while civil society organizations that advocate on financial issues usually avoid the UN, considering it irrelevant for their issues, several of them decided to engage in New York and enriched the process. So, too, did a number of professionals involved in international finance for emerging economies and private-sector organizations that saw something special happening at the UN. As regards both sets of non-governmental stakeholders, forms of engagement with governmental representatives such as "hearings" were tried out that were simply not available in any other international financial and trade forum.

Over four years have passed since Monterrey and, as the paper will also argue, the future of the process has become uncertain. The "Monterrey Consensus" adopted at the Conference remains an effective point of reference in the BWIs and in donor government forums, where finance and development assistance ministries meet and make policy. However, in the UN bodies responsible for the follow-up to Monterrey, the sense of mission and political innovation that characterized the FfD process has weakened somewhat. Yet, FfD can still have a future as the unique process that it was. It requires, as the paper concludes, a new concurrence of the factors that were responsible for its initial success.

What Monterrey delivered in policy reform

The central feature of the Monterrey process was that it dared to reach for agreement with political commitment—not just a formal text—on a new North-South understanding on what UN delegates refer to as the "hard" issues of international trade, monetary, financial and development policy. All through the 1990s, the UN had mostly been a forum for agreement on the "soft" issues, such as the rights of children, social development, gender equality, population policy and environmental sustainability, albeit often only at the level of principles and broad intentions rather than concrete actions. In 2000, some of these intentions were brought together and codified into specific targets to be achieved by 2015 in the United Nations Millennium Declaration (adopted as General Assembly resolution 55/2), following an unprecedented gathering of heads of State and Government in New York at the Millennium Summit. However, even this kind of political event was less ambitious than what FfD had proposed, i.e., turning the UN into a serious political forum on financial and other economic matters.

Some argue that the Monterrey Consensus never delivered the concrete advances promised on financing for development. However, certain real political commitments were made at Monterrey, if not necessarily as many or as deep as some observers might have wished. Also, not all of these commitments have led to significant actual changes in policy. After all, Monterrey did not and could not overturn actual economic power relations. However, it did forge effective alliances that increased opportunities for some important reforms.

The reform that has received the most attention is the reversal of the decade-long decline in official development assistance (ODA). The Millennium Declaration had been a grand commitment, but there was little money behind it. One of the contentious points in the negotiations of the Monterrey Consensus was what to say about increasing aid. In the end, a fairly non-committal text was adopted: "We recognize that a substantial increase in ODA and other resources will be required…." A separate paragraph referred to the UN target for donor Governments to give ODA equivalent to 0.7 per cent of their gross national product (GNP) (UN, 2002b: 9), which was more than three times the actual figure in 2001 (0.22 per cent). In fact, no stronger consensus text was possible. Nevertheless, overall ODA measured in constant prices and exchange rates has risen 18 per cent from 2001 to 2004 (the latest year for which data are currently available), for an average increase of just over 5 per cent a year. However, the rate of growth of ODA has to double in 2005 and 2006 to reach projections based on aid commitments for the latter years (OECD, 2006:17).

Several individual commitments to raise ODA were made in 2002 in the context of the Monterrey Conference (for a country-by-country listing, see UN 2003a, table 3). In the case of the United States and the European Union (EU), there almost seemed to be a "pledging competition" in early 2002, as the first announcement by the US President was followed later by an explanation that in effect raised the pledged amount when it seemed small next to the EU commitment at its Barcelona meeting. It should be noted that, in both Europe and the US, civil society advocates had been pressing for the aid increases and should receive a significant amount of the credit for realizing them. On the other hand, translating the commitments into cash in each case requires continued pressure on national Governments, and far more resources are needed than have been pledged thus far.[3] Indeed, additional commitments were made in 2005 in the run up to the UN World Summit in September and, if they are realized, ODA will rise by almost $50 billion and be at a level of about 0.36 per cent of GNP in 2010 (OECD, 2006: 16).

In this context, the agreement in the Consensus on "staying engaged" for an effective follow-up contained an interesting feature in that it explicitly recognized the need for a "global information campaign" to continue to press countries to help reach the Millennium Development Goals (UN, 2002b: 17). This effort has been implemented through the MDG Campaign Unit of the United Nations Development Programme. "Staying engaged" also gave a fresh impetus to reform of the UN intergovernmental machinery, in particular as it concerned the Economic and Financial Committee (Second Committee) of the General Assembly and the Economic and Social Council (ECOSOC). Governments had decided in Monterrey that the follow-up should be undertaken using the existing intergovernmental machinery, which could mean duplicating some of the existing work in these bodies or consolidating different efforts under FfD. Thus far, however, there has been little consolidation of Secretariat reporting or of intergovernmental discussion.[4]

3 Following Monterrey, donor Governments also agreed in Rome in 2003 and in subsequent meetings to strengthen the effectiveness of aid, including by reducing its transaction cost. Something as routine as reducing paperwork might not seem a development policy victory, but donor Governments have heretofore jealously guarded their paperwork prerogatives (see IMF and World Bank, 2004: 11.7-11.14).

4 For many years, the Assembly has annually adopted separate resolutions on North-South aspects of international trade, commodities, external debt and financial architecture reform, which typically have a considerable overlap. In 2002, delegations in the Second Committee negotiating the first substantive FfD follow-up resolution agreed to take selected texts from the four other resolutions (General Assembly resolutions 57/235, 57/236, 57/240 and 57/241) into the FfD resolution (General Assembly resolution 57/272) to ensure consistency at least as far as specific wording was concerned on the selected paragraphs. In 2003, the FfD resolution dealt primarily with organizational issues (General Assembly resolution 58/230) and the four other resolutions were negotiated as before (General Assembly resolutions 58/197, 58/202, 58/203 and 58/304). Multiple resolutions were again adopted in 2004 and 2005.

The Monterrey process also sought to reform intergovernmental processes outside the UN, with the aim of making them more democratic. Here, as in the case of aid noted above, the text adopted in the Monterrey Consensus looks weak. The relevant paragraph pertaining to the major institutions and forums began, "A first priority is to find pragmatic and innovative ways to further enhance the effective participation of developing countries and countries with economies in transition in international dialogues and decision-making processes." Subsequent sentences then addressed specific institutions and bodies, more or less following the model of the one addressed to IMF and the World Bank, namely "to continue to enhance participation of all developing countries and countries with economies in transition in their decision-making.…" (UN, 2002b: 14).

The commitment to address the issue embodied consensus recognition that there was a problem in institutional governance. However, the consensus did not extend to how to fix it. On the plus side, the governance issue entered the agenda of the Development Committee the September following the Monterrey meeting and, eventually, the International Monetary and Financial Committee (IMFC). The Committees are forums of ministerial-level governors of IMF and the World Bank and they set both institutions into active motion on the issue. As might have been expected, only marginal improvements have so far been agreed to, for example attending to the need to strengthen the overwhelmed offices of the Executive Directors for sub-Saharan Africa through "capacity-building" assistance.[5]

The IMFC acknowledged the deep political importance of the issue to IMF in its 24 April 2004 communiqué, which states: "The IMF's effectiveness and enhanced credibility as a cooperative institution also depends on all members having appropriate voice and representation. Efforts should continue to be made to enhance the capacity of developing and transition countries to participate more effectively in IMF decision-making...." (IMF, 2004: para. 18).

The central obstacle to addressing the problem is that a few small developed countries have to move aside to let large developing countries take their seats on the Executive Boards of the institutions so as to better reflect international economic realities. In addition, it is difficult any longer to justify the informal arrangements by which a European is always elected Managing Director of IMF and a US national always heads the World Bank. Monterrey, as an intergovernmental initiative led by developing countries, raised the visibility of the governance issues of representation and transparency and, while that did not solve the problems, it did help put them into play politically.

Monterrey also provided an opportunity to give further political impetus to international cooperation on some of the donor-advocated domestic policies, such as better confronting corruption. In this case, the genuine interest expressed by civil society, business and governmental representatives in Monterrey could only have helped speed the successful conclusion of negotiations that had already started on a treaty to combat corruption. The United Nations Convention Against Corruption was agreed to on schedule and has now entered into force. It criminalizes a number of corrupt practices, adds protections for "whistle blowers", establishes rules for freezing illicit assets and otherwise strengthens cooperation between States. It makes it more difficult to hide illicit gains and helps developing countries recover their stolen assets (UN, 2003c). The proof will, of course, be in the implementation, but the quick launch and the broad support at high levels can only be encouraging.

5 In each institution, two Executive Directors represent all of sub-Saharan Africa, around 45 countries in each case. Additional assistance is now being provided to their offices in Washington and in capitals.

Again, what Monterrey provided was an opportunity for policy reform that may or may not be fully captured. For example, the Consensus called on the WTO "to ensure that any consultation is representative of its full membership…" (UN, 2002b: 14). One of the difficulties that emerged at the WTO Cancún Ministerial Meeting in September 2003 was that developing countries were seriously disappointed in how few of their views were reflected in post-consultation negotiation texts. This frustration seems to have been an impetus to the "galvanizing of developing countries into issue-based coalitions [which] has led to conclusions about their latent empowerment, and also to concerns about North-South polarization" (UN, 2003b: 6). Nevertheless, developed countries in WTO are hearing more clearly the concerns and voices of developing countries in the give and take of negotiations. This is not to say that the final negotiated outcome will make the "Doha Agenda" into a true "Development Round", but there is today more serious engagement by developed country trade policy negotiators on developing country concerns.

In short, Monterrey gave political credibility to some of the global governance demands of developing countries, while also providing a forum in which Governments of developed countries could respond to public pressure at home by collectively committing to enhance development cooperation. Developed countries also extracted pledges from developing country Governments to handle their own development requirements more effectively. These commitments by developing countries in embracing the Consensus provided leverage that the multilateral institutions could use to press the donor Governments for additional aid funds and that the donor Governments, in turn, could take to their legislatures.

How the Monterrey process evolved

If, in March 2002, the Monterrey Conference became an important political forum on international financial issues, few would have believed it possible when the process began in 1997.[6] Unlike some other UN conferences that began with the intention of holding a global summit, Governments did not have any agreed vision of what they were aiming for. Certainly, few delegates seriously expected that it would become a summit meeting and several expected it would collapse, as had a number of failed initiatives in the 1970s and 1980s to launch a round of "global negotiations" on development at the UN. Indeed, FfD succeeded because it began as a vague notion and opportunistically evolved over time into an increasingly precise project.

The starting point for understanding the history of FfD is seeing it against the background of a general ineffectiveness of the UN General Assembly and Economic and Social Council as global policy-making institutions. As there is no global "government", there is no obligation for the more powerful countries to share decision-making with the weaker ones, except on those occasions when the cooperation of the latter is essential for the decisions to have effect. In those cases, the richer countries may offer to take up an issue through the UN, and the quid pro quo is that the poor participate with them in making the decisions. Monterrey was a case in point.

In FfD, an additional problem was that delegations to UN bodies are normally drawn from foreign ministries, which have little responsibility for international financial matters (except for development assistance in a number of donor countries). As foreign ministries were unlikely to be given responsibility over the content of FfD, they would have to build new working relationships in their capitals with their

6 The account in this section draws, *inter alia*, on Herman (2002, 2003). A chronology of the FfD process from 1997 to 2005 may be found on the FfD web page at www.un.org/esa/ffd/chronologyffdprocess97-03.htm.

colleagues in finance.[7] In many cases, this was no small undertaking. In the past, foreign ministers may have had primacy in the cabinets of Government leaders, but in the globalizing 1990s, finance ministers were usually the most senior ministers. Furthermore, diplomacy at the UN was generally not regarded as the most important, except with respect to Security Council issues.

The UN does undertake a number of development assistance activities and is a forum in which political commitments on aid can be made, such as the famous aid target of 0.7 per cent of GNP. However, when the donor Governments want to make a joint policy decision they mostly do so in their own forum, the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC), or in the World Bank or the Development Committee, where developed countries control a clear majority of votes (if votes ever need to be cast). By the same token, international financial policy decisions are reached in the IMF, where developed countries also control the decisions; in developed country forums, such as the Paris Club for deciding on developing country relief from obligations to official government creditors; or in specialized financial institutions like the Bank for International Settlements or the regulatory oversight committees that it services. An even more limited forum largely guides coherence in all these financial areas, namely, the finance ministers of the Group of 8 major industrialized countries.

And yet, the UN has always held an attraction to Governments as the world's main political forum. The General Assembly is the place that most heads of State and Government want to address, not the Annual Meetings of IMF and the World Bank. Indeed, the heads of IMF and the World Bank have addressed ECOSOC annually since its early years. This is a relatively safe venue in that ECOSOC is a coordinating body and not a potential instruction-giving body. The General Assembly is in theory the senior intergovernmental deliberative and normative body and potentially could interfere in decisions of the Fund and the Bank, except that agreements had been signed in the early years of the Organization stipulating that the United Nations would not interfere in the policy work at either BWI (or WTO and its predecessor, the General Agreement on Tariffs and Trade).

So, the central challenge that UN delegates had to face in FfD was to bring the finance ministries and other relevant officials into a UN process and engage the institutions they oversee in a serious way. More than just serve as a place to make a speech, Monterrey did just that. The official sessions in Monterrey comprised typical opportunities for set speeches by leaders or ministers in the plenary, while the President of Mexico also hosted a private, leaders-only meeting. More interestingly, however, several days were devoted to informal roundtable discussions, first at the ministerial level and then including heads of State and Government. The roundtables focused on building bridges among institutions and stakeholders, including seriously listening to non-governmental points of view presented by business leaders and articulate speakers from non-governmental organizations (NGOs).

The Monterrey Conference was also notable for its not having to go through contentious negotiations of formal texts that typically absorb much of the energy at large UN conferences. The negotiations had already been completed two months before in New York at the final preparatory meeting. Indeed, more than the summit conference itself, the real revolution was in the final meeting of the Preparatory

7 International trade policy was added after some years to the FfD agenda, which was initially mainly focused on financial issues per se. The same problem of jurisdiction arose here, even though in many countries, foreign ministries are responsible for trade negotiations and UN diplomats sometimes have had trade-negotiation postings. That is, there seems to have been as little interaction between the UN and trade policy departments in the foreign ministries that were responsible for both as there was when the portfolios were held by separate ministries, thus fully echoing the mandate issue vis-à-vis finance ministries.

Committee in January 2002, as many Governments sent finance ministry officials from capitals and the offices of Executive Directors at the BWIs to work alongside their UN Mission staff in negotiating the final text of the Monterrey Consensus.

A different approach to UN diplomacy

From its beginnings, and continuing until Monterrey itself, FfD has had detractors as well as supporters among UN Missions and even in different parts of the UN Secretariat. It held out a promise of creating a new form of North-South cooperation for development, although it was unclear that it could deliver anything at all. The doubters mostly saw it as selling out the unrealized ideals of an independent South to a dominating North.

From that point of view, confrontation was the better approach, steadily challenging the North and the institutions it dominated. Cooperation meant co-optation. Country by country, the South was fundamentally weak, but at least its concerns could be kept before the world through disciplined negotiation on texts put forward by the Group of 77 (G-77), the developing countries caucus at the UN on economic and social affairs. The proper role of the Secretariat, in the view of the more radical developing countries, was to give the South arguments to use in its collective confrontation with the North, whether in New York, Geneva or Washington. FfD, with its emphasis on inclusion and cooperation represented a major threat to this approach. It would disrupt the way the G-77 had always worked without delivering anything really new in return.

Most UN Missions had a different point of view. They saw the traditional approach to UN negotiations on economic issues as emphasizing the weakness of the South and leading nowhere. The only power of the G-77 was over words on texts that did not matter, and even that was highly limited. In the classical UN consideration of an economic policy issue, the G-77 first negotiates a text among its own members and then presents it to the developed countries. The representatives of the latter find it unacceptable and the North (usually led by the EU) and the South (G-77) then negotiate towards a watered-down version of the G-77 proposal. Nothing in the real world changes as a result.[8] That is obviously not how policy change happens.

In fact, the seed of FfD had actually been sown in one of the most unpromising of these North-South negotiations, one that had dragged on for more than four years and was finally coming to a close in 1997, mainly so that delegations could adopt it and allow it to die a peaceful death. This was the "Agenda for Development", 287 paragraphs filling over 100 pages with platitudes and bland statements of principle on development policy, plus hortatory statements about reform of the UN bodies and the Secretariat. However, one section contained an opportunity to establish a dialogue between the intergovernmental processes of the BWIs and ECOSOC, and the prescient final paragraph of the Agenda stated, "Due con-

8 The negotiators are often junior-level diplomats, functioning without clear instructions from senior national officials that would allow a substantive give and take. Without authority to commit their Governments, the negotiation is instead about finding words that will make it look like some policy change is advanced but which actually does not commit anyone to much. Indeed, the exercise usually leads to a reiteration of "agreed language" from another political process where policies are actually made, or from a previous year's consideration of the item.

sideration should be given to modalities for conducting an intergovernmental dialogue on the financing of development.…" (UN, 1997: 108).[9]

Venezuela's representative at the time had introduced that last sentence into the negotiations at virtually the last minute. Apparently, it was accepted because it was only an agreement to think about doing something, not actually do it. A few months later, in the fall of 1997, then the chairman of the UN Economic and Financial (Second) Committee, he interested first a number of Latin American and then Asian and African countries in pursuing the idea further. It thus became a proposal of the G-77. It seemed headed for defeat, as had similar proposals over the past 20 years, until in November the United States announced its support for the initiative. That gave it the momentum to bring in the other countries, including the somewhat reluctant EU.

Agreement was possible, in part, because the resolution embodying the proposal was intentionally non-committal. As adopted by the General Assembly on 18 December 1997, it called for a "high-level international intergovernmental consideration of financing for development" (General Assembly resolution 52/179). That could mean anything from a summit conference to a seminar of senior officials. The resolution also asked the Assembly to reconvene its Second Committee in March 1998 to consider what information needed to be collected to decide what type of event to organize, and it called for an ad hoc working group of the Assembly (a committee of the whole) to be formed in 1999 to draw up a specific proposal. This gave the proponents of FfD two years to build consensus around the "form, scope and agenda" of the proposed event. The initial resolution thus reflected both that there was no consensus at the end of 1997 that any such meeting at a senior level was warranted, and that no one was insisting on permanently ruling it out.

Meanwhile, the proposal for a joint meeting of senior Government representatives from the Bretton Woods committees and ECOSOC was quietly percolating through intersecretariat channels, and although nothing had been decided before the end of 1997, it was becoming increasingly clear that some meeting would take place, and it did in April 1998. The prospects for that meeting might have been helped by the very positive tone set at the special Second Committee meeting in March to follow up on the FfD proposal. The US Ambassador gave his Government's statement; it may well have been the first time the US Permanent Representative ever addressed this Committee.[10] Many other Governments also sent their permanent representatives to give their statements, together signalling that something unusual and important was happening.

The US Ambassador indicated strong interest of the US Government in the new FfD process, but cautioned that it would not countenance a new Bretton Woods conference to restructure the IMF

9 In fact, the General Assembly had proposed in May 1996 to invite the BWIs and members of their ministerial oversight committees (the Interim Committee, which would later become the IMFC, and the Development Committee) to meet with ECOSOC (General Assembly resolution 50/227, para. 88) and the Council responded to the Assembly proposal in July when, inter alia, it requested the Secretary-General to consult the institutions by early 1997 on the possibility of organizing such a meeting (Economic and Social Council resolution 1996/43, para. 5). The intention at that time was to strengthen collaboration of the institutions in light of the global UN conferences in the 1990s, including on environmental, social, gender, population, food and habitat issues, as well as on the needs of special groups of developing countries), rather than address the institutions' own "bread and butter" issues of financing for development, which came later.

10 Usually, the countries with large UN Missions, like the US, would send ambassadors with the rank of Deputy Permanent Representative to meetings on economic and social issues when they warranted a higher level of participation.

and World Bank. In other words, and as others echoed, there were things to discuss in an FfD event, but on condition that the initiative would be practical and that the developing countries would not push for unrealizable commitments. There would be some interesting negotiations over the next few years on what to consider “unrealizable”, but the essential point is that the process began right away to take on a positive momentum.

Furthermore, the genius in drafting the initial FfD resolution was maintained as the governing prescription all the way to Monterrey: commit to formal negotiation the fewest words possible and do not press to include text on which there is no real agreement. In other words, a strategy evolved in the FfD process to hold off any negotiations on texts for as long as possible, and then negotiations should be about nuance and appropriate phrasing of essentially agreed points. Moreover, instead of the standard G-77 initiation of negotiations, all texts were tabled either by co-chairs of committees or by “facilitators” that they appointed, the latter being trusted and weathered diplomats, whose job it was to take into account different views, produce their own “compromise” text and then separately absorb the criticism of their text from all sides as they iterated towards a consensus.

The idea was that the substantive points should be argued out, not in text negotiations but in informal dialogues and, indeed, in open discussion involving “all relevant stakeholders”, a term that would become an essential aspect of the FfD process. These stakeholders include, in particular, relevant government representatives and international institutions, business and civil society. Agreements, when they could be reached, would be among government representatives—the UN is an intergovernmental forum, after all—but non-voting participants were welcomed to seek to influence the consensus-building process through dialogue.

The open and informal approach allowed the participants to hear and weigh a broad range of views, as the restrictions on permitted speakers in a formal meeting of a General Assembly committee could be waived in an informal session. The informal structure also allowed a frank give and take, as no official records were kept of what each speaker said (the co-chairs, typically one ambassador from the North and one from the South, would instead produce balanced summaries of the discussion, assisted by the Secretariat). In this way, a sense of participation among the different stakeholders grew. That broad participation would be followed, if slowly, by a measure of ownership, which would make it easier to pass through the difficult moments, of which there would be many.

In the end, the process worked. The developing countries did not press for rhetorical victories but sought practical actions from their “partners”. Developed countries promised to deliver on some policies, like aid, and agreed to make Monterrey a North-South summit. All sides also welcomed proposals from the private sector and civil society, as long as they held out realistic promise. The leading political themes of the FfD process quickly became and remain pragmatism and ownership. Pragmatism characterized the entire FfD process, sometimes to the frustration of some NGOs and government representatives, but it held together the relevant stakeholders and produced the Monterrey Conference and the “Monterrey process”. As noted earlier, the texts so negotiated were typically bland, but in some cases they had political commitment behind them. In other cases, discussions in international gatherings had ended without a strong consensus and without a strong text. People understood that the words on the page were not what mattered, but the actions that might, and would, follow.

Engaging stakeholders in the new UN process

The initial Ad Hoc Open-ended Working Group of the General Assembly in 1999 did not manage to deliver the agenda as had been requested, but it set the stage by instituting the FfD informal meetings' strategy, arranging for business and civil society inputs in panel presentations to meetings of delegates, bringing senior officials from the BWIs into the meetings, preventing the tabling of any premature draft texts by the G-77 and otherwise keeping doubters about the process from undermining it. After the Working Group had completed its task in June 1999, there was enough confidence for the Assembly to agree to go to the next step and convoke a formal Preparatory Committee for the FfD "event". It was not agreed at the time that the event would be a summit-level conference; nor was it agreed where or when it would be held or what the agenda would contain. However, there was a sense that something important could come out of the process based on how the discussions had been evolving.

Thus, in early 2000, the "PrepCom" began its work. It was another committee of the whole, but with an innovative 15-member bureau and again co-chairs at the ambassadorial level from the North and South. The Bureau would guide the work of the PrepCom and seek to engage the institutional and non-governmental stakeholders in the FfD meetings process.

In June 2000, the PrepCom reached a crucial milestone when it adopted an agenda for the Conference. The developed countries had pressed for emphasis on domestic policy issues in developing countries, including domestic good governance. Developing countries pressed for international policy commitments, including global governance; this was seen as dangerous by most developed countries, since their dominance of decision-making in the international financial and trading "architecture" could be challenged. The US finally agreed to include "systemic issues" on the agenda when it was offered an "escape clause", which allowed for reconsideration of including that item on the agenda if the US saw its national interest being threatened. The European Union then found itself isolated and hard pressed not to accept a deal to which the United States had agreed.

Besides, by then the World Bank and IMF had been brought inside the secretariat team that was servicing the process, along with other parts of the UN system. That, in itself, constituted a confidence-building measure for the developed countries. The World Bank made a major commitment to support the FfD process, including seconding a staff member to the FfD Coordinating Secretariat in New York and assigning a senior official to participate in and draw other Bank staff into substantive preparations and intergovernmental discussions as the process developed. After a time, IMF also assisted the FfD Secretariat, and WTO came to be involved as well.

In fact, the agreement to allow "systemic" issues onto the FfD agenda could not have been otherwise if the process was to have any credibility after the severe financial crises of 1997-1998 in East Asia and the Russian Federation and the near meltdown of the market for US Treasury bills that followed soon after. The belief was widespread that the international financial institutions had made important mistakes that worsened the situation in certain cases and, in any event, that the global financial system had become quite fragile. "Financial architecture reform" had entered the international vocabulary. But which reforms, drafted by whom and with whose mandate? FfD could not ignore these issues.

For the essential FfD outreach to the intergovernmental process in the BWIs, the Bureau was able to build on the activities of ECOSOC, which had held its second meeting with senior officials of Governments participating in the Bretton Woods ministerial committees in 1999, and a third meeting was held in 2000. ECOSOC ambassadors also held meetings with the Boards of Executive Directors of both institutions in Washington and New York in 1998 and 1999, although it had not been clear what purpose these meetings were supposed to serve. The new FfD PrepCom then offered a focused reason for Executive Board meetings with UN delegates, which took place in the FfD context in 2000 and 2001. FfD also made it to the agenda of the Development Committee at its November 2001 meeting, which had been postponed from its scheduled time because of 9/11. Coming a few months before the Monterrey Conference, this gave a boost to the importance of Monterrey, albeit on the back of a horrible tragedy.

The series of meetings with the BWIs from 1998 on turned out to be an important interface between foreign and finance ministry representatives and over time helped build confidence in the FfD process. However, in the beginning, there was considerable coolness to overcome. The Under-Secretary-General for Economic and Social Affairs described them as being like “new neighbours talking awkwardly over the back fence”. Indeed, supporters of FfD welcomed the initiative of a very active NGO, the Quaker UN Office, to organize a weekend retreat in the Catskill Mountains in the summer of 2001 where a number of UN and Bretton Woods representatives could become more familiar with each other.

In addition, country representatives to the New York and Washington institutions began to interact, the most sustained being the “Philadelphia Group”, comprising about half a dozen developed country representatives to the World Bank and UN who have met regularly in Philadelphia, about half-way between Washington and New York. In other cases, it remained very hard to bridge the ministerial divide, other than on an ad hoc and unsustained basis.

This notwithstanding, the FfD interactions with the intergovernmental machinery of the BWIs were far more successful than those with the WTO. Members of the FfD Bureau travelled to Geneva in 2000 and met with members of the General Council, the senior WTO body, after which the Council appointed its Trade and Development Committee as interlocutor with the FfD process in New York. In 2001, the Bureau again visited the Committee on what was thought to be a genuine invitation to dialogue, but no real interchange with the New York delegates took place. The stated reason was that the Committee had not finished negotiating a text that it had wanted to submit to the FfD PrepCom giving the WTO view on a variety of trade-related matters. Whatever the reason, it sent a disappointing message on the distance the intergovernmental process of WTO seemed to wish to keep between itself and the UN in New York, at least at that time.[11]

Besides outreach to international institutions, the PrepCom Bureau sought to engage the private sector in FfD. In this case, emerging market financial professionals from Wall Street began to show increasing interest in the UN as they looked around for ways in which to breathe new energy into international lending and investing in developing countries, many of their main business activities in emerging economies having suffered heavily in the financial crises.

The pragmatic nature of the FfD process was attractive to business interests. FfD was not about making woolly statements on the social role of business, but addressed its fundamental economic profit-

11 This aside, relations were largely cooperative and cordial during the FfD preparatory process, including with WTO staff working with the FfD staff in the preparation of reports to the PrepCom. Indeed, the Bureau began its disappointing day in Geneva with a useful dialogue about FfD with the Director-General and the Chair of the General Council.

making function. Governments in the FfD process wanted to hear from business about concrete ways to promote the financing of development, which perforce is mainly private financing. Developing countries explicitly sought to discuss how to bring more foreign business to their shores.

Major business organizations, in particular, the International Chamber of Commerce and the World Economic Forum, thus became involved, and the Business Council for the United Nations in New York organized informal discussion groups of private financial executives and specialists with UN diplomats on techniques for financing development. The engaged private sector people also became important advocates for FfD, especially with the US Government.

In Monterrey itself, business organizations held a pre-Conference International Business Forum on the first day of the official Conference. A number of prominent financial leaders from the South (primarily Latin America) and the North participated in the Forum and in "side events" during the Conference. After Monterrey, some of the private sector proposals tabled at those meetings would be implemented independently or with support of certain donor Governments and foundations.

The FfD Bureau also reached out to civil society; indeed, it welcomed a large number of NGOs into FfD that did not already have standard consultative status with the UN through ECOSOC.[12] Civil society, as well as business organizations, thus became important participants in the FfD process and helped to shape the tone and content of the Consensus.[13]

Admittedly, however, civil society advocacy groups first had to overcome their initial dismissal of FfD as just another UN process that would produce nothing but an empty declaration. Ultimately, they came to argue effectively for important policy initiatives, as on how to handle the debt of poor countries in crisis. They also were important advocates in their national capitals for strong governmental participation in FfD and they advocated in Washington for serious engagement by the BWIs in the New York preparatory meetings.

They were also an important presence in the UN meetings themselves. They produced generally well-attended, provocative and technically competent public presentations in "hearings" and "side events" at the UN and made concerted efforts to influence key delegations through direct lobbying campaigns. Indeed, being present in the PrepCom meetings, the NGOs could hear the views of different Governments, day by day, and respond to them. NGOs divided themselves up into caucus groups by topic, which would meet each morning before the official meetings began in order to discuss negotiating positions, target individual delegates to lobby and consider how to approach them. Also, NGOs, like the business representatives, could take the floor at the end of each morning and afternoon PrepCom meeting, providing an opportunity to add their views to the debate. They were also able to circulate their position papers in the meeting room (Tennessee 2004: 17-19).[14]

In Monterrey, NGOs, like their business counterparts, organized a pre-Conference Forum, running throughout the weekend before the official start, which several international organization staff, but few representatives of Governments, attended. However, NGOs more effectively reached deep into the Mon-

12 From the beginning, the FfD Secretariat also reached out through its Internet web page and list-serve broadsides, as well as by addressing various NGO audiences to inform them about the emerging process at the UN.

13 For more detail on NGO activities in FfD from 1998 to 2001, see Herman (2002: 172-175).

14 A detailed examination of NGO participation in the FfD process has been prepared as part of a Masters thesis by Lene Schumacher (2003).

terrey process through important "side events" during the Conference. Indeed, NGO-organized meetings during the January PrepCom in New York and in Monterrey were the first public discussions involving IMF staff and financial market professionals, let alone NGO debt campaigners, of the emerging IMF proposal for a sovereign debt restructuring facility. In this regard, NGOs organized a number of meetings that Governments just found themselves having to cover.

Overall, civil society also played a political role in support of FfD in Europe and North America, and global NGOs were effective advocates during the preparatory meetings and in Monterrey ("effective" in that some of their concerns influenced the negotiations and a few proposals were even taken up, though not all their views were taken on board). Developing country individuals that were well plugged into the main international NGO networks participated in the FfD meetings in New York and Monterrey, as well as in "side events" during meetings of the BWIs in Washington on issues that were also part of FfD. However, in developing economies themselves, civil society input on FfD—indeed, FfD itself—was less evident.

Backsliding after the Conference

It was probably inevitable that after the Monterrey Conference ended there would be a redirection of attention to other issues and forums. Another big international meeting followed on its heels in Johannesburg, South Africa in September, the World Summit on Sustainable Development, marking 10 years since the "Earth Summit" in Rio de Janeiro, the first of the big UN global conferences of the 1990s. Other events would also require attention. Meanwhile, the Monterrey process seemed to begin to lose some of its momentum. The politics of inclusion was in danger of faltering.

The Monterrey Consensus had stipulated two bases on which a continuing important role for the FfD process could be predicated. One was recognition that the specialized international forums on trade and financial issues were separate areas of activity and that the world could benefit from a "coherence forum" where their impacts on each other and on development could be discussed. The other was that the UN had demonstrated in the FfD process that it could be that forum, having successfully brought together in Monterrey "all the relevant stakeholders" on international monetary, financial, trade, and development policy. Thus, Governments pledged in the Consensus to "stay engaged" through the Monterrey process, not only to follow up on the commitments they had made, but also to bring the different international forums into regular contact with each other through the UN to strengthen international policy coherence.

The mechanism for the follow up was unlike that in other UN conferences. Instead of establishing a special forum, like the Commission on Sustainable Development for the follow up to the Earth Summit, FfD would make use of the existing main organs of the United Nations. First, the meetings of ECOSOC with the BWIs, that had by then become annual affairs, would be turned into FfD meetings to focus on "coherence, coordination and cooperation" on Monterrey issues. They would operate as in Monterrey, with a formal segment and with informal, multi-stakeholder dialogues. There would be no attempt to negotiate an agreed text on any of the discussions, but the President of ECOSOC would prepare a summary that could include recommendations under his or her own authority. The first President under the new structure, the Ambassador of Guatemala, took this initiative, which was especially germane in this case because his summary was also to be a document of the first FfD High-Level Dialogue in the General Assembly, described below.[15]

15 In addition to the President's summary of the ECOSOC meeting and his recommendations, summaries of the hearings and dialogue that were held a few weeks before with civil society and business were made documents of the Council and of the ensuing high-level dialogue (see UN 2003d).

WTO was invited to join the ECOSOC/FfD meeting at the intergovernmental level, which it did in 2003 in the person of one of its committee chairs, but this was not continued in 2004. Also, ECOSOC invited the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) to join the discussions in 2004, which it did in the person of its Chair. However much UNCTAD was welcomed, especially by developing countries, WTO was felt to be the primary forum for international trade negotiations and its absence was significant. Unfortunately, as may be recalled from what has been outlined above, WTO had been the one intergovernmental body to keep a significant distance from FfD during the preparatory phase, and thus this policy was apparently simply resumed in 2004. Indeed, the WTO General Council hosted a meeting on policy coherence in trade and financial matters in the spring of 2003 in which the IMF and World Bank heads participated, but at which the UN was only an observer.

In fact, there is a history to the distancing of WTO from the UN that goes back to the Uruguay Round negotiations that led to the creation of WTO in 1995. The negotiators addressed the coherence issue at that time but solely in the context of WTO-Bretton Woods interactions. WTO also had decided then not to affiliate formally with the UN as a "specialized agency", which is the status of IMF and the World Bank. All of this underlined that ECOSOC was going to have a difficult time engaging WTO at the intergovernmental level (although WTO senior management has attended all major post-Monterrey meetings).

The second part of the intergovernmental follow-up to Monterrey was agreement to hold a high-level dialogue on FfD in the General Assembly every two years. The first one was held in 2003 and it, like the ECOSOC meetings, brought a number of Government representatives with ministerial rank to New York. Although a small number of development cooperation and finance ministers participated, the meeting was at a significantly lower level than Monterrey had been. This too was expected, as Monterrey had been exceptional and this high-level dialogue would take place every two years.

And yet, the dialogue was important. While it was structured somewhat like Monterrey and the ECOSOC meetings, in that it combined informal roundtables and a formal plenary, it had the potential for significant consequences. In this case, the Second Committee pledged to consider adopting a resolution based on the dialogue after it ended.

Alas, that exercise was a great disappointment. The original concept was for the President of the Assembly, the Foreign Minister of Saint Lucia, to serve as facilitator for a draft resolution. The great prestige of his position was expected to help guide the negotiations, but in reality negotiations followed a more "classical" UN pattern. In fact, contending draft resolutions circulated and even the very skilled facilitator selected had great difficulty holding the pieces together, especially as the negotiations turned out to be contentious, even bitter at times, with no ambassadors or senior officials stepping in to resolve disputes—as sometimes happens when important negotiations get bogged down. In the end, the agreed resolution pertained primarily to planning subsequent FfD meetings and activities. It was the last resolution to be adopted by the Second Committee in 2003 and required a delay in its closing. The plenary of the Assembly only adopted it on 23 December.

Moreover, part of the agreement embodied in the FfD resolution was already in question by January 2004. Pursuant to that part, the President of ECOSOC, "in consultation with all major institutional stakeholders", was expected to "focus the annual special [ECOSOC] high-level meeting on specific issues, within the holistic integrated approach of the Monterrey Consensus" (General Assembly resolution

58/230, para. 11(c)). In other words, the President was supposed to work with partners to reach an agreed focus of the meeting, including through consultations with management and the intergovernmental processes of IMF, the World Bank, WTO and UNCTAD. As January turned into February and February into March, it became clear that there was no agreement on a focus and that the difficulty was internal to New York and did not have to do with the institutional partners. The result was that the 2004 ECOSOC discussions "focused" on the following:

- The impact of private investment and trade-related issues on financing for development;
- The role of multilateral institutions in reaching the Millennium Development Goals;
- Debt sustainability.

This was a very broad "focus" indeed, which almost guaranteed that the discussion would be at the level of generalities instead of an in-depth discussion of coherence aspects of any one of the topics alone.

Post-Monterrey, but especially in 2004, the New York delegations have also challenged the continued enthusiasm of civil society and business partners in the FfD process. The coordinating groups for both sets of non-governmental partners planned with the UN Secretariat to organize "hearings" with delegations on the theme of the ECOSOC April 2004 meeting. These "hearings" had been an important part of the inclusiveness of the Monterrey process, although slackening attendance of delegates in the fall 2003 hearings was a sign that something was amiss. The fact that there was no agreed focus to the coming ECOSOC meeting that the hearings were suppose to enrich made it difficult to plan them, but both sets of partners in fact produced substantively rich meetings.

Unfortunately, very few of the delegates came to hear them. In the case of the NGO "hearings", an effort was made to encourage attendance by setting up what was expected to be an active debate between NGOs and selected government representatives, to which delegates were expected to contribute from the floor. The overall theme was provocative enough: "coherence of the international financial and trading systems in support of development: national responsibilities and international obligations". The hearings were structured as a presentation by two NGO experts, followed by a critique and questions from two UN representatives. The United States, supporting this process, sent a Deputy Assistant Secretary of State as its commentator. The other commentators were the ambassadors of Jamaica, Pakistan and the European Commission (which speaks for the EU on trade matters). Very few representatives of other countries came into the room during the three hours of the hearings (most who did were from other European countries and a small number of developing country representatives who had been active in the FfD process in earlier years).

The problem seemed to be that FfD was no longer on delegates' "radar screens". They had no engagement at this time with the substance of the hearings. That cogent and provocative analyses were being presented by NGO experts and challenged by senior diplomats in a collegial yet critical atmosphere was a lost opportunity for the country representatives who did not attend (it was a valuable use of time for the Secretariat staff and NGOs who did attend).

Virtually the same reception was given to the business sector participants. If anything, there were even fewer government representatives in the room. The "business hearings" were structured differently, as the group of "business interlocutors" on FfD had organized a technical working group meeting the day before and wanted to report to government representatives at the UN on the results of their discussions. Some Governments had participated in the technical meeting, but from finance-related ministries or semi-independent official entities. A number of senior executives from the private sector and multilateral agencies drew from personal experience in discussing "critical information needs" and "risk-mitigation needs" of investors and in considering concrete mechanisms to help address them. The discussions were very rich. There was much to report to the UN representatives, but it fell on mainly empty chairs (again, Secretariat staff and NGOs learned from the presentations).

It appears, in other words, that the great efforts to institutionalize the strengths of FfD in the Monterrey follow-up did not take hold. Perhaps more than was realized, talented diplomats and top management of key institutions, plus momentum from business and civil society, along with a pressing political context accounted for the success of Monterrey. That combination would be hard to sustain. Many—but not all—of the diplomats who made up the core of interested parties in FfD have moved on to new postings, as have some of the key officials in the institutional partner organizations. Also, some of the issues from Monterrey have moved to the table for decision in Washington, as noted at the outset. Meanwhile, old methods of working on economic issues in the UN continued alongside the new FfD processes and, with the weakening of the momentum of Monterrey, the old ways appear to have captured FfD as well.

FfD in the year of the World Summit

These difficulties continued in evidence in 2005, although they were partly hidden by the activities associated with the UN World Summit in September which marked five years since the Millennium Summit that had launched the Millennium Declaration and its associated goals. Very many Governments accorded high priority to both the original Summit and the coming "plus 5". The Summits took the economic and social sides of the UN seriously, but they were broader in scope, and as 2005 progressed, it became clear that the future of the UN itself was going to be a major topic of the meeting. FfD was overwhelmed.

Discussions in the ECOSOC meeting in April and the FfD high-level dialogue in June were again at an extremely general level. It was as though both meetings had to be held owing to earlier commitments, while most delegations seemed primarily concerned about preparations for the Summit. Perhaps the FfD meetings could have been used as opportunities to help develop policy proposals for the Summit, but they were scheduled too close to the Summit itself to allow for this, and such an approach was probably also precluded by the very different scope of the two efforts. FfD's span of domestic and international economic policies and efforts to engage finance and trade ministries, as well as foreign affairs specialists, only overlapped in small part with the sweep of UN-oriented political, social and economic measures that were the Summit's main concern.

Indeed, there was tension through 2005 between the two processes. It had been a working assumption since 2002 that each of the high-level dialogues would be held during the regular session of the General Assembly, which is to say, September to December. The 2005 Dialogue was instead scheduled in June so as not to divert attention from the Summit, albeit with the compromise of devoting half of one day of the Summit to FfD, which time was filled with a sequence of set speeches. Financial policy announcements, when they were made, related mostly to issues also on the Summit agenda, in particular development assistance, on which there were substantial advances.

In this regard, the Summit served as the Monterrey Conference had in 2002, as a moment for Governments to respond to growing international expectations, in this case to announce new funding commitments to reach the Millennium Development Goals (MDGs). As had also happened in 2002, the main aid initiatives were developed outside the UN in donor forums. They were discussed in the FfD meetings as they were announced and developed, and they were taken to the Summit for formal unveiling. These included, in addition to the commitments to increase national aid flows, as noted earlier, a decision by the Group of 8 to press in the Bretton Woods institutions and the African Development Bank for the cancellation of almost 100 per cent of the debts owed those institutions by qualifying low-income countries. Moreover, a group of countries from North and South agreed to adopt innovative measures to raise additional financial resources for development, in the first instance through a tax on air passenger travel in their countries. A further initiative aimed at "front loading" assistance, in particular, for immunizations in developing countries as a pilot project, by borrowing funds on financial markets to be serviced out of future aid budgets. Coupled with a continuing focus on steps to raise the efficiency and effectiveness of ODA, these measures spoke to the crucial need to actually attain the MDGs.

Notwithstanding these advances, which related to one chapter of the Monterrey Consensus, FfD has always insisted on a perspective that is broader than development assistance, just as development is broader than the MDGs. It would be hard to identify areas in which the international community made large advances in any of those other policy areas or in their interrelationships in 2005.

On a different level, outside the arena of intergovernmental discussion, the FfD process facilitated important substantive work on several policy issues in 2005. That work took the form of multistakeholder consultations organized by the UN (FfD Office), by the private sector (World Economic Forum) and by civil society (New Rules for Global Finance Coalition).[16] Each of these efforts entailed a series of meetings in different parts of the world to bring together relevant "stakeholders" to consider concrete policy concerns that ranged from access to financial services by poor people in developing countries to reform of the global financial architecture. They dealt with private investment and experiences with public/private partnerships in the provision of clean water, health and education. They also considered ways of managing sovereign debt for sustained development and working out from debt crises. Many ideas and proposals emerged from these discussions, which included practitioners from the private and public sectors, academics and officials from national and multilateral policy-making institutions. These discussions have been a welcome addition to the FfD process (cf. General Assembly resolution 60/188, para. 10, which called for their continuation).

Conclusion: Lessons for continued dialogue

The Monterrey process can be reinvigorated. Whether or not that happens depends on whether the factors that accounted for its success come to operate adequately once again.

The first factor is leadership from among the country representatives to the UN. Unlike the BWIs, General Assembly initiatives in the economic and social area are typically led by country missions and not by the Secretariat. The Assembly processes allow capable and articulate leaders even from small countries to take initiatives and build coalitions around issues. FfD began as the initiative of a representative of a middle-sized, middle-income country. It spread first to enough of the members of the group of develop-

16 For a concise report on these activities see UN (2005). Reports of each of the consultations and related materials may be found on the FfD website at www.un.org/esa/ffd.

ing countries to win the G-77 endorsement and then garnered support of certain important developed and other relatively advanced countries. Participants in the coalition may have been seeking disparate ends, but one aspect of effective leadership in a parliamentary context like the General Assembly is that of helping them all see FfD as a promising path to their ends.

The second factor is that there be sufficient flexibility—even ambiguity—in the process and its goals so as to allow the leaders to hold the interested parties together. The explicit strategy in the FfD process to prevent the tabling of G-77 texts for negotiation used the fog from not tabling national positions to prevent defections from the supporting coalition of Governments from North and South. Positions of Governments that are written down for consideration by other countries, ipso facto, become matters for change through negotiation. It is best to leave this to the final stages of the process, when the starting positions will have come closer together. In addition, beginning that final negotiation with a "facilitator's text" relieves Governments of having to explicitly state and defend their national positions except insofar as is necessary in making comments on such a text. Moreover, participation of other multilateral institutions was contingent on not being trapped into negotiation over matters usually decided in their own intergovernmental forums. Premature specificity, especially through written texts, not only might have forced the institutions to withdraw, but it could have led their major shareholders to gut the entire prospect of potential positive results.[17]

The third factor is that a core group of officials needs to become committed to the project and fight for it, as it will have to overcome both active adversaries and the studied indifference of needed partners. In the case of FfD, a major challenge was to involve finance ministries and in some cases central banks in a UN exercise. As noted earlier, foreign ministries are responsible for country representation at the UN and while they have often engaged less powerful ministries in UN affairs (social, environmental, health, etc.), for FfD they had to engage the generally more powerful finance ministries. The core country representatives at the UN led in this effort in the FfD process. The core included, besides a number of government representatives, individuals in the staffs of the Secretariat and the BWIs, and important individuals in senior management of those institutions. Each helped to bridge the ministerial divide; without this the project would have failed. Some of those links have atrophied and need to be strengthened for a successful FfD future.

The fourth factor is the ability to maintain both the leadership and the core support group over time. While senior management of the UN and other institutions may turn over each decade and while staff members are usually on a long-run career path (albeit often with changing assignments), diplomats and governmental representatives in the UN and the financial and trade institutions usually change postings every 3 to 5 years. The core is thus bound to lose important individuals, and it needs to be big enough and have enough overlapping tenures to survive the departure of key individuals. In the case of FfD, core members from the UN missions were not necessarily elected into formal leadership positions in the intergovernmental structures. The core was informal and mainly discussed what should happen in the formal structures. Indeed, in order to better focus and sustain the core, the Secretary-General has repeat-

17 The range from ambiguity to specificity can be relevant at any level of an international discussion process, but it does not solve all problems. For example, the inability to agree before March 2004 on substantive areas of focus for the April 2004 ECOSOC meeting, as discussed in the text above, did not reflect a premature move to specificity. Whatever the topics selected, they could be expressed with more or less precision, which the wording in the topics actually chosen as cited above showed. The delay seemed rather to be about a lack of willingness on the part of some countries to enter into any discussion beyond the most inconsequential at that time in the FfD process.

edly recommended that an intergovernmental "FfD Committee" be set up, but the recommendation has gone unheeded.

The fifth factor is that non-official stakeholders be engaged in the process in a serious way. The FfD PrepCom facilitated this by establishing easy rules for engagement in official meetings by individual NGOs and business executives, and by offering many opportunities for interaction. The non-official actors have come to believe that their views are being considered as part of the work programme of the process, i.e., that it is worth their time and effort. In the case of FfD, both business and NGO groups also advocated in relevant ministries for their Governments to participate seriously and at a senior level. Keeping this flame alive (or rekindling it) is a major challenge today in the FfD process.

The final factor is that real-world developments should bolster the political value of effective international cooperation. FfD was born in the midst of the Asian financial crisis and "Afro-pessimism", and then the Millennium Declaration announced a new international commitment to development cooperation for global peace and security, as well as human solidarity over development. On top of this, a new level of urgency suddenly emerged after "9/11", when the feeling spread that a world forever divided into rich and poor was no longer feasible politically, let alone desirable. But there also needed to be a sense that multilateral processes could address the root causes of the security threats, or that it was at least worth gambling that multilateralism held the answer. The final factor, then, pertains to leadership at the most senior levels of Governments about the most fundamental aspects of international relations.

In sum, the main challenge facing those wishing to nurture the politics of inclusion in the Monterrey process is how to continue to engage the large and small countries of the world, the main international institutions and the non-official stakeholders. If anything, the 2005 World Summit and its Outcome document underline the necessity to realize the commitment to make the international system—and the UN at its centre—work effectively, efficiently and fairly. In the case of FfD, it is not a matter of better "enfranchising" developing countries and civil society in international processes that are otherwise dominated by the most powerful countries. That may be the political challenge in other international processes. FfD began as a developing country initiative among foreign affairs ministries represented at the UN. The challenge all along has been to engage first the foreign ministries of the North with the South, and then the finance ministries of the North and South, the relevant multilateral institutions and the non-official actors. This remains the challenge today.

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