

Catalysing partnership for development

Marginalisation of developing countries, especially the LDCs, has been long felt. Reducing marginalisation and bringing the marginalised countries into the mainstream of development process are only possible when developed and developing countries move hand in hand. Realising that partnership is necessary to boost the development process, UNCTAD XI has underpinned 'partnership for development' as one of the four sub-themes. Ensuring coherence and catalysing national development efforts call for the participation of not just the governments and international organisation, but also of civil society and the private sector. This is one of the basic necessities for the realisation of Millennium Development Goals (MDGs). Developed countries have a significant obligation to ensure the achievement of the MDGs. They took on this responsibility at the UN Millennium Assembly in 2000, and have reiterated it at numerous conferences afterwards. The question now, however, is if the developed countries are really willing to put their money where mouth is. And if they are truly committed to create a global partnership for development, are they even willing to back track from their protectionist stance and allow greater market access to products of developing and least developed countries? These two issues are important since assistance and market access both are vital for the growth of any developing economy. Statistics on Official Development Assistance (ODA) flow does not portray an optimistic scenario. Certainly, during the last two years, the amount of ODA from the rich countries in OECD has increased, both in nominal and real terms. In 2003, they provided 0.25 percent of their combined gross national income (GNI) in ODA, up from 0.23 percent in 2002 and 0.22 percent in 2001. However, a large part of ODA increase in 2003 can be attributed to the reconstruction aid to Iraq. One can even fear that ODA that should have been given to poorer countries would be diverted to Iraq in coming years. The global ODA level has fallen lately. Back in 1992, developed countries provided 0.33 percent of their GNI on an average. Encouragingly, there seems a tendency in Europe to increase the ODA level, albeit slowly. For some years, five countries have met the UN ODA target of 0.7 percent of GNI. A promising sign is that three other countries have committed to reach the 0.7 percent target – Ireland by 2007, Belgium by 2010, and France by 2012. The European Commission reports that the EU (including the new 10 member states which have little tradition of contributing to ODA) is well on track to meet its commitment made during the Monterrey Conference on Financing for Development. The EU is to provide 0.39 percent of its GNI in ODA by 2006. The EU has, however, not been able to develop a common road map for meeting the 0.7 target. NGOs should demand that such a plan is developed before next year's global conference on progress towards the MDGs. Similarly, pressure should also be put on the US. The superpower contributed only 0.14 percent of its GNI to ODA in 2003. However, fact remains that while ODA is desirable, market access and better trade conditions are necessary. Rich countries have time and again committed themselves to develop an open, fair and non-discriminatory trading system. Developed countries have gone to the extent of saying that they would place the needs and interests of the developing countries 'at the heart' of the negotiations in the new WTO round. Such a pledge was explicitly made at the Doha Ministerial of the WTO. Euphoria amongst the developing and least developed countries had heightened following the Doha Ministerial. It appeared that the developed countries, especially the EU, would reform their trading regime for agricultural products. However, failure to move ahead on agricultural front proved costly, causing the Cancun Ministerial to collapse. Recently though, the EU Commission sent a letter to WTO members urging to further trade talks. The EU offered to negotiate on the date for phasing out all export subsidies on agricultural products. But in return, it asked other countries to give in to EU demands on domestic support and market access. That, in essence, is not fair for the developing countries. Development through partnership is only possible when all concerned are cognisant of the ground realities. Developed countries must realise that developing and least developed countries need more support than is currently available. They should also realise that most of the developing countries are finding hard to market their produce, which is essential if development is to take place. Global partnership for development must be based on principles of necessity and non-reciprocity. UNCTAD XI provides an opportunity for the

developed countries and their developing counterparts to analyse their past mistakes and move forward as partners for development. The failed talks at Cancun and the ambitious MDGs must work as a catalyst to forge new levels of understanding.

Mr Nordbo is Coordinator of the Danish 92 Group – Danish Forum for Sustainable Development, Copenhagen.