

**Draft programme for a Progressive Governance Conference on  
"Debt Relief, Poverty Reduction and Trade"  
to be held in Florence on 1-2 March 2001**

**29-08-2000**

**Objectives and contents of the Conference**

The goal of this conference is to discuss policies for the reduction of poverty in developing countries within the framework of the progressive governance network.

The policies adopted by the international community to support poor countries' development have been revised very substantially over the last few years. A new policy approach has been conceived in order to focus particularly on extreme poverty in very low income developing countries. Policy instruments are being redefined for such purpose, transferring decision making back to the receiving countries so as to implement country owned strategies.

The HIPC Initiative (Highly Indebted Poor Countries), conceived to cancel foreign debt in the poorest countries, starts from the necessity to remove a major obstacle to development and poverty reduction. Nevertheless the HIPC Initiative alone is not sufficient to create in these countries a sustainable and stable growth environment, whose benefits are to be distributed evenly across the population. Furthermore, the HIPC initiative is not designed to produce any benefit for non HIPC poor countries.

We need therefore to set up a more comprehensive approach to development policies, focusing on one side on policy coherence and on the other on a stronger effort, concerning both the amount of international aid provided and the conditionality for its provision. An acceleration of economic growth in poor countries remains the fundamental condition for effective poverty reduction.

Several measures can be adopted, but they should all be implemented as parts of a comprehensive framework based on internal consistency and coherence

Such components should include:

- 1) Free trade and sometimes asymmetric trade opening policies in favour of the poorest countries (not only HIPC)
- 2) The creation of an environment favourable to Foreign Direct Investment and to private sector's involvement in development initiatives.
- 3) Retargeting of international assistance instruments (ordinary, debt relief and private contribution), towards social goals (Health care, education, social safety nets)

- 4) Reconsideration of the role of the international community in support of institution building and improved governance in poor countries, in order to support peace, stability and high quality public sectors.
- 5) Property rights support, stronger incentives for technology transfers, especially in the health care sector.

#### **Promoting institution:**

- Millenium Foundation (Florence European Centre on Progressive Governance)

#### **Language**

The official languages of the conference could be Italian and English or English alone.

#### **Venue**

To be decided (Palazzo dei Congressi of Florence?)

#### **Participants**

Experts and independent specialists would participate to the conference, as well as political and economic advisers. A special session would be dedicated to a debate between heads of governments.

The conference will be open to the public.

#### **Sessions**

##### **1. Thursday 1 March: experts and advisers**

9.30-11.00:

11.30-13.00:

14.30-16.00:

16.30-18.00:

##### **2. Friday 2 March: heads of progressive governments**

9.30-12.00

#### **Sessions' titles**

- 1) The role of Trade and Foreign Direct Investment in Poverty Reduction
- 2) Education, Health and Social Expenditure: how to redirect foreign assistance and the benefits of debt relief to reduce poverty
- 3) Intellectual property rights and technological transfer in a development strategy aimed at poverty reduction
- 4) Governance and institution building

#### **Experts and intellectuals (to be invited)**

- Joseph Stiglitz (former chief economist World Bank).
- Jeffrey Sachs (Harvard)
- Amartya Sen (Cambridge)
- Frances Stewart (Oxford)
- Representatives of the World Bank
- Representatives of the UN and the European Union