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CHOGM-Declaration

C'WEALTH TO HELP DEVELOPING COUNTRIES BENEFIT FROM GLOBALISATION

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EDINBURGH, Oct 26 (Bernama) -- A Trade and Investment Access Facility under the Commonwealth umbrella will be established to assist developing countries adjust to and take advantage of the globalisation of the world economy.

The new facility, an attempt to manage the inherent risks of globalisation, will provide technical assistance to help countries identify and manage potential economic and social impacts of trade in goods and services and investment liberalisation, identify new sources of revenue and market opportunities and help countries fulfil the World Trade Organisation (WTO) requirements.

The proposed establishment of the facility was among decisions pertaining to trade, investment, development and environment reached at the 31st Commonwealth Heads of Government Meeting (CHOGM) which entered its third day today.

In a six-page declaration issued at the end of the third executive session, the summit directed the Commonwealth secretariat to report before the next summit in 1999 the scope and possible system and mechanisms to further enhance trade relationship among member countries.

They agreed to launch a Commonwealth action programme to remove obstacles by simplifying and harmonising custom procedures, disseminating information, and eliminating bureaucratic and technical hurdles.

They agreed to examine the growing importance of 'electronic commerce' in trade and the developmental implications of the use of cyberspace for commercial financial transactions, and to promote Commonwealth Export Training Centres for management training in exporting and other trade-related skills.

The Edinburgh Commonwealth Economic Declaration said the summit agreed to encourage investment flows by establishing an open and transparent investment regimes for business activity and encourage capital exporting countries consider relaxing restrictions on institution investors to enable them to take advantage of portfolio diversification opportunities in emerging and new markets.

The leaders agreed to support regional and multilateral arrangements and infrastructure that take into account the realities of developing countries, and that could help to facilitate private capital flows.

They endorsed the recommendations of the Commonwealth working group on the role of national and international policies in promoting private capital flows and called for the rapid finalisation of the Commonwealth Code of Good Practices for national policies that attract and sustain capital flows.

The meeting decided to study the "lessons to be learned" from the recent development in currency markets which was emphasised by Prime Minister Datuk Seri Dr Mahathir Mohamad during the executive sessions of the meeting, and study how countries could be protected from the destabilising effect of market volatility including those resulting from speculative activities.

They agreed to look into how the effectiveness of the early warning system could be improved and support the global and regional mechanisms to help countries handle capital market volatility.

The meeting agreed to launch a Commonwealth investment promotion programme which would help establish environments for attracting private

investment flows, encourage the creation of new mechanisms for risk insurance and guarantees, provide assistance for strengthening supervisory and regulatory framework, and improve flow of information on investment opportunities.

They decided to encourage "smart partnership" involving the private and public sectors, the declaration said.

On development, the Commonwealth leaders, in expressing concern over the persistence of extreme poverty in many countries, resolved to work to halve the proportion of people living in extreme poverty by the year 2015.

They seek to reverse the decline in Official Development Assistance (ODA) flows, recognising the role of ODA as an essential instrument of partnership for development and poverty reduction particularly in least developing countries, and for helping to create conditions for increase trade and investment, including skills and infrastructure development.

They agreed to work towards the comprehensive solution of the debt problem, and pursue vigorously the rapid implementation of the Highly Indebted Poor Countries (HIPC) Initiative, in line with the Mauritius Mandate, which has the aim of enabling HIPC countries to embark by the year 2000 on securing a sustainable exit from their debt burden.

In underscoring the importance of good governance including increased openness in economic decision-making and the elimination of corruption through greater transparency and accountability, they endorsed the request by the Commonwealth Finance Ministers to set up an expert group to work on those issues.

In discussing issues on the environment, the Commonwealth leaders said the cost of protecting the environment, a global resource in which all countries have a stake, should be borne in accordance with shared and differentiated responsibilities.

"It is therefore incumbent on the global community to strengthen co-operation to achieve sustainable development, so that we can protect our planet for future generations," the declaration said.

They look to a successful outcome at the Kyoto Conference of Parties to the UN Convention on Climate Change and endorsed the Programme for the Further Implementation of Agenda 21 as agreed by this year's UN General Assembly Special Session, particularly in respect of freshwater, forest resources and the transfer of environmentally sound technologies to developing countries.

In underlining the importance of a successful outcome at Kyoto, they said all countries should play their part within the Berlin Mandate, with developed countries pursuing vigorously an outcome that would produce significant reductions in their greenhouse gas emissions through the adoption of a protocol or other legal instrument.

They called on the conference to recognise that, after Kyoto, all countries will need to play their part by pursuing policies that would result in significant reductions of greenhouse gas emissions if they were to solve a global problem that affects everyone.

They said the Kyoto agreement should provide arrangements to monitor the reduction of emissions regularly and initiate action in the international community to strengthen disaster relief response and mechanisms for the provision of urgent and adequate assistance to small states that suffer the effects of natural disasters which are increasing in frequency and magnitude.

Leaders from 51 of the 54 member countries which include 42 heads of government comprising rulers, presidents and prime ministers flew to St Adrews, 80 kilometres north of here for the traditional retreat for informal discussions without the presence of their aides.

This is the first time the Commonwealth summit recorded a full

attendance. The meeting saw the re-entry of Fiji while Nigeria, which was suspended, did not attend.

Naurau and Tuvalu, the two smallest states, are special members and do not attend Commonwealth Heads of Government Meetings. -- BERNAMA

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