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Held at Headquarters, New York, on Wednesday, 14 November 2007, at 10 a.m.

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The meeting was called to order at 10.15 a.m.

Agenda item 60: Training and research: United Nations Institute for Training and Research
(continued) (A/C.2/62/L.34)

Draft resolution on the United Nations Institute for Training and Research

1. **Mr. Khan** (Pakistan), introducing draft resolution A/C.2/62/L.34 on behalf of the Group of 77 and China, said that it was aimed at ensuring that the United Nations Institute for Training and Research achieved a high standard in its activities and that it had the predictable resources required to do so.

Agenda item 61: Towards global partnerships
(continued) (A/C.2/62/L.33)

Draft resolution entitled "Towards global partnerships"

2. **Ms. de Laurentis** (Secretary of the Committee), noting discrepancies between the language versions of the draft resolution, said that the list of sponsors should include the Dominican Republic and Nigeria but should not include Nicaragua. Furthermore El Salvador wished to join in sponsoring the draft resolution.

3. **Ms. Gomes** (Portugal), speaking on behalf of the European Union, introduced draft resolution A/C.2/62/L.33, which updated and strengthened the language used in General Assembly resolution 60/215 to refer to the role of public-private partnerships for development.

Agenda item 53: Follow-up to and implementation of the outcome of the International Conference on Financing for Development (A/62/488 and A/62/507-S/2007/636)

(a) **Follow-up to and implementation of the outcome of the International Conference on Financing for Development** (A/62/71-E/2007/46, A/62/76-E/2007/55 and Corr.1, A/62/190 and A/62/217)

(b) **High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development**

4. **Mr. de Rojas** (Director, Financing for Development Office, Department of Economic and Social Affairs), began by introducing the report of the Secretary-General on the follow-up and implementation

of the outcome of the International Conference on Financing for Development (A/62/217). The report had already been the subject of a detailed presentation by the Assistant Secretary-General for Economic Development and had been discussed by the delegations during the High-level Dialogue of the General Assembly on Financing for Development, which had taken place earlier in 2007. He wished only to point out an important aspect of the report: it had been prepared in close consultation with staff of the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development, all of whom therefore agreed with its content.

5. He then introduced the report of the Secretary-General on the regional dimension of the follow-up to and implementation of the Monterrey Consensus of the International Conference on Financing for Development (A/62/190). The report had been prepared by the regional commissions.

6. The High-level Dialogue on the Monterrey Consensus had been very productive, although it had been suggested that more time should be allotted for the round-table discussions during future such meetings. The President of the General Assembly would issue a summary of the discussions shortly.

7. Preparations were under way for the Follow-up International Conference on Financing for Development, to be held in Doha in 2008, under the stewardship of the two facilitators. He was thankful that draft resolution A/C.2/62/L.37 included an appeal for contributions to the Trust Fund for the Follow-up to the International Conference on Financing for Development, which was quickly becoming depleted. The Trust Fund was used to finance travel by delegates from developing countries to meetings and to fund multi-stakeholder consultations. In addition, the draft resolution wisely requested an update on the Secretary-General's report in document A/62/217 rather than a new report, since greater attention could thus be focused on the preparations for the Doha Conference.

8. **Mr. Khan** (Pakistan), speaking on behalf of the Group of 77 and China, said that the High-level Dialogue for Development had catalysed preparations for a meaningful review of the implementation of the Monterrey Consensus and the work on creating a clear road map for future action. The Group of 77 wished to state its views on a number of points concerning the

draft resolution that had been circulated by the facilitators of the Follow-up Conference.

9. Finalization of the Conference dates should be left to the host, the State of Qatar, within the parameters set out in paragraph 1 of General Assembly resolution 61/191, which called for the meeting to be held in the second half of 2008. The Group had a strong preference for the Conference to be held at the summit level in order to give it the greatest possible political visibility and the highest level of engagement. With respect to format, it favoured a combination of general debate and round tables on the six themes of the Monterrey Consensus. Each participant must be allocated equal time during the discussions. The choice of chairpersons and panellists should reflect equitable geographical distribution, and a special effort must be made to ensure effective participation by the developing countries, particularly the least developed countries, landlocked developing countries and small island developing States.

10. The preparatory process should be inclusive and transparent. The regional economic commissions should be more closely involved and should contribute to the broader preparatory process from their respective regional perspectives. The Group of 77 favoured a negotiated outcome that was fully owned and shared by all participants, since that would facilitate implementation of the commitments made at Monterrey. The modalities for the participation of relevant stakeholders should be the same as those followed for the Monterrey Conference.

11. **Mr. Sorcar** (Bangladesh) said that the Monterrey Consensus had been a turning point in the approach to development cooperation. Despite some progress, however, huge implementation deficits remained. A quarter of the world's population still lived on less than \$1 a day and income inequality was rising both between and within countries. The most underprivileged were the least developed countries, a number of which were sliding towards further marginalization.

12. The harmful subsidies, non-tariff restrictions, artificial standards, worsening terms of trade and volatile world prices currently preventing the least developed countries from benefiting fully from trade must be addressed and their special needs and interests placed at the heart of the Doha Round, which should be concluded at the earliest opportunity. Developed

countries, and developing countries in a position to do so, should provide duty- and quota-free market access for all least developed country products without any restrictions. The Aid for Trade Initiative should also be operationalized without further delay and should assist the least developed countries in addressing their supply-side constraints and compensating for the erosion of preferences resulting from the Most Favoured Nation tariff reduction. Despite some positive results from the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative, the overall external debt situation of the least developed countries remained a source of concern. He called for the full cancellation of all outstanding least developed country debt.

13. Noting with concern the decline in ODA from countries belonging to the Development Assistance Committee of the Organization for Economic Cooperation and Development in 2006, he said that developed countries must honour their commitment to donate 0.2 per cent of GNP to the least developed countries. New and innovative sources of financing could supplement existing sources. Several projects already launched deserved further attention. The Bretton Woods institutions' governance regime also needed to be reformed. A doubling of basic votes would not significantly change the distribution of power. Voting reallocations must lead to a significant increase in the voting power of all least developed countries.

14. The High-level Dialogue on Financing for Development had generated significant momentum for the Follow-up International Conference on Financing for Development, which would be particularly important for countries at the bottom of the development ladder. A meaningful and objective review was needed to pinpoint constraints and design concrete actions aimed at ensuring the full and effective implementation of the Monterrey Consensus. In that regard, the preparatory process must be effective, open, transparent and inclusive. Noting the importance of the level of participation in the Conference, he said that his delegation supported a summit-level event. Developing country participation in both the preparatory process and the Conference itself was also important and should be supported through the Trust Fund for the Follow-up to the International Conference. Lastly, he expressed

appreciation to the Government of Qatar for agreeing to host the event.

15. **Mr. Al-Asmakh** (Qatar) said that efforts to improve the economies of developing countries were inadequate. Globalization had created unprecedented productive capacity and wealth, but its benefits were being unevenly distributed. Failure to correct unfairness in the system would pose a threat not only to the livelihoods of billions of people, but to international peace and security. If the developing countries were going to carry out the liberalization policies imposed on them, they should not be left out of decision-making, deprived of access to markets, or subjected to selective treatment when it came to unconditional assistance and debt forgiveness under the HIPC. He hoped that all parties would display the necessary flexibility at the concluding Doha Round negotiations.

16. The International Conference on Financing for Development had been an important landmark in moving development financing from a confrontational to a cooperative basis. It was in that spirit that Qatar had offered to host the first Follow-up Conference and it was hoped that a consensus could be reached on the preparatory process for that Conference.

17. **Mr. Pilot** (India) said that the High-level Dialogue on Financing for Development had clearly indicated that, despite promises made, progress on financing for development had been slower than expected and many of the objectives agreed in 2002 had not been met. Developing countries had made significant progress towards good governance and domestic resource mobilization, but international support had lagged behind. ODA flows were far below target; debt relief had not led to additional funds for development; private capital flows had not benefited all countries or promoted investment in social sectors; and trade-distorting agricultural subsidies and limited market access still negatively impacted developing economies. Most importantly, the restructuring of the international financial architecture had not been adequately addressed. Developing countries still lacked the necessary voice and participation in international financial and economic policymaking and norm-setting. At the Follow-up International Conference on Financing for Development, a comprehensive review of the implementation of the Monterrey Consensus must be undertaken and ways of enhancing the follow-up mechanism considered.

18. Turning to the Secretary-General's report (A/62/217), his delegation welcomed the emphasis on the need to restructure the international financial architecture and shared the concerns that had been raised regarding the legitimacy and effectiveness of international structures and policy approaches that still had the mark of the period immediately after the Second World War. The current structure of the Bretton Woods institutions did not allow effective voice and participation by developing countries. There was a need for time-bound action on their reform and United Nations oversight of their policies. He also welcomed the recognition in the report that private sector investment could not replace public sector investment in infrastructure and that private investment was closely linked to public investment in infrastructure and other competitiveness-enhancing activities. Public investment in social sectors and human resource development was particularly important. In that regard, the report had correctly noted the public sector's critical role in development and in sustaining growth. The public sector also played an important role in securing equitable and inclusive growth. He agreed with the report that overemphasis on fiscal balance and price stability should not detract from permitting public investment. Accordingly, ODA remained crucial for many developing countries.

19. The increase in social expenditures noted in the report clearly underlined developing countries' commitment to implementing the Monterrey Consensus. However, his delegation shared the concern about the ability of debt relief measures to provide additional resources and put all low-income countries on a sustainable debt repayment path and supported proposals for a discussion about what really counted as aid. ODA to write off debt arrears did not generate new and additional resources and should not count as aid. Furthermore, aid must assist national efforts and strategies. The report had correctly highlighted the importance of predictable and stable aid flows. Sudden increases or decreases in aid could have a negative macroeconomic impact.

20. His delegation also agreed that sustaining high levels of employment was an indispensable element of domestic resource mobilization. Accordingly, international capital flows must be channelled to sectors that had a multiplier effect on employment generation. Generating employment must be a key goal of development strategies, in addition to

macroeconomic stability. He welcomed the importance attached in the report to the need for policy space for undertaking employment-oriented macroeconomic policy. Countries also needed policy space to develop counter-cyclical funds and instruments and manage capital flows. Lastly, domestic resource mobilization required the development of financial systems that supported the financing of productive domestic industry, rather than promoting consumer credit and Government debt.

21. **Mr. Lim** Bae-jin (Republic of Korea), recalling that the Monterrey Consensus called for a new partnership between developed and developing countries and that participants at the recent High-level Dialogue on Financing for Development had agreed on the need to institutionalize and consolidate dialogue mechanisms between developed and developing countries, said that donor countries should pay attention to developing countries' needs. Progress towards ODA targets had been rather slow and FDI was at a seriously low level in low-income and less stable countries. Long-term debt sustainability was another significant issue for the least developed countries. A demand-based approach was needed to make development assistance more effective. Lastly, in view of the importance of open and inclusive exchanges of ideas among stakeholders, he welcomed the General Assembly's continuing preparations for the Follow-up International Conference on Financing for Development, which was expected to provide opportunities for further harmonization among stakeholders.

22. **Mr. Guillén** (Peru) said that the primary challenge was to revitalize multilateral cooperation and establish partnerships with the private sector, bilateral sources of cooperation and NGOs. Domestic resources were still the most important source of sustainable financing for development. International private and public resources, however, were also crucial. Hence the need to find an equilibrium between the market and the public interest through joint public/private sector initiatives. An effective operational strategy was needed to boost ODA. To that end, emphasis should be placed on reactivating debt for nature swaps or debt for investment in education, technology and innovation swaps as viable instruments for promoting development, particularly in middle-income countries; facilitating communities' and local and national Governments' access to innovative financing

mechanisms; and identifying how foreign investment could better contribute towards sustainable development and technology transfer.

23. A point of convergence must be found between United Nations efforts and the Bretton Woods institutions, the World Trade Organization, the private sector and civil society. It was also important to strengthen cooperation and consensus between industrialized and developing countries and agree on a road map in the key areas of the Monterrey Consensus. In particular, attention should be given to: strengthening the domestic financial system, financing small and medium-sized enterprises and generating greater equity; increasing the benefits of FDI and promoting private investment and South-South financial movements; concluding the Doha Round as a matter of urgency; and reducing ODA conditionality and transaction costs. The international community should also discuss including middle-income countries in the international cooperation agenda. That did not mean, however, that they would compete with countries poorer than themselves. In that connection, remittances should be seen as private flows to be used essentially by the sender's family and not as a way of boosting development in the long term.

24. Lastly, he stressed the urgency of reactivating the Doha Round. All developing country products and services must have better and more predictable access to all markets. Technical assistance under the Aid for Trade Initiative must be taken into account and must encompass not only productive capacity, but also improvement of trade-related infrastructure and social protection and adjustment programmes.

25. **Mr. Wagle** (Nepal) recalled that the High-level Dialogue on Financing for Development had highlighted the need to promote collaborative actions and suggested new ways of responding to emerging development needs and priorities. In order to ensure a comprehensive review of the implementation of the Monterrey Consensus, there must be a broad, inclusive and effective preparatory process characterized by consultation with, and the active participation of, all stakeholders. In order to bolster the development partnership, the international community should focus on progress made and constraints encountered, ways of achieving better development results and effective monitoring and follow-up actions. The partnership should also be mobilized towards supporting developing countries' efforts to attract foreign

investment, creating a favourable investment climate, reducing the cost of doing business, ensuring beneficial market access for the least developed countries and landlocked developing countries, enhancing the efficacy of ODA, implementing effective debt relief measures, ensuring effective participation in the international financial system and developing a technological base in poor countries. In that regard, he called on developed countries to meet their commitment to provide 0.20 per cent of GNP as ODA to the least developed countries by 2010.

26. There was an urgent need to improve aid quality and predictability, ensure donor coordination, support national capacity-building and development programmes, address structural vulnerabilities, explore avenues for strong and effective cooperation among the countries of the South, and foster new and innovative sources of financing. One way to ensure the effectiveness of aid and the success of development strategies was to promote country ownership and leadership in policy formulation and programme implementation. Coordinating development partners' contributions was equally important. The Doha Round must embrace the development dimensions of trade. Marginalized countries required assistance in removing their supply-side constraints, strengthening competitiveness, modernizing trade-related infrastructures, boosting agricultural productivity and adjusting to the new realities of market-based solutions. The further marginalization of the poorest countries of the world must be prevented. Furthermore, in view of the fact that climate change would hit developing countries particularly hard, urgent and collective action was needed with a focus on national and regional risk mitigation strategies. Additional development funding and research into country-specific impacts and needs would also be required.

27. His Government was committed to promoting sustained growth, inclusive development and a strong financial sector, while assuring continued macroeconomic stability and undertaking reform measures. As part of its current process of political transformation and economic restructuring, it was placing particular emphasis on creating the conditions for a sound and investment-friendly business environment; promoting rural infrastructure development, reconstruction and rehabilitation; and fostering emerging sectors of the national economy.

Increased international support would be crucial during that process.

28. Lastly, he expressed appreciation to the Government of Qatar for offering to host the Follow-up International Conference on Financing for Development. To invest in the development of the poorest segments of the world was to invest in the long-term peace and security, and advancement, of the entire world.

29. **Mr. Shaban** (Libyan Arab Jamahiriya) said that there had been no real progress in the six core areas of the Monterrey Consensus. Despite efforts by developing countries to mobilize domestic financial resources, many had failed to attract foreign investment in domestic production. Although the flow of funds from the developed to the developing countries had increased, it tended to go to countries that were exporters of raw materials or to unstable stock and bond markets rather than to productive sectors. All countries had a common interest in the success of the Doha round but many developing countries' share of global trade remained negligible because they depended on the export of basic commodities that were subject to price fluctuations and because they lacked access to global markets. ODA was expected to continue to fall short of targets, and debt relief included in ODA did not really represent additional resources for development. He urged donor States to meet the ODA target of 0.7 per cent of their gross national incomes and also to keep conditions to a minimum, and hoped that the high-level forum on aid effectiveness scheduled to take place in Accra in 2008 would take into account these concerns. Despite cancellation of the debts of some of the most heavily indebted poor countries, external debt continued to be an obstacle to development. The international monetary system was still in need of reform to give developing countries a greater voice in policymaking. Ensuring the flow of funds to developing countries so that they could make the best use of their resources was crucial both to sound economic development and to achievement of the Millennium Development Goals. It was hoped that the upcoming Doha Conference would produce solutions, including an intergovernmental mechanism to monitor implementation of the Monterrey Consensus.

30. As a developing State, his country was well aware of the value of South-South cooperation, and looked forward to the day when such cooperation

would no longer be merely a complement to North-South cooperation. The African continent suffered from special challenges to development, and the efforts of the African Union, the African economic communities and the New Partnership for Africa's Development (NEPAD) should be supported. African countries dependent on exports of basic commodities should be assisted in diversifying those commodities and strengthening competitiveness by increasing the production capacity of the agricultural sector. It was also important to support access to medicines to fight diseases that impacted human resources.

The meeting rose at 11.30 a.m.