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## Second Committee

### Summary record of the 5th meeting

Held at Headquarters, New York, on Wednesday, 8 October 2003, at 10 a.m.

*Chairman:* Mr. Chowdhury . . . . . (Bangladesh)

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General debate (*continued*)

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*The meeting was called to order at 10.05 a.m.*

### **General debate (continued)**

1. **Mr. Kulyk** (Ukraine) noted the decision taken to be more rigorous in implementing the outcomes of United Nations conferences and to give the Organization a stronger leadership role in following up those conferences. The Committee must make sure that it was relevant in implementing the Millennium Declaration, the Monterrey Consensus resulting from the International Conference on Financing for Development, the Johannesburg Plan of Implementation resulting from the World Summit on Sustainable Development and the outcomes of other United Nations conferences on economic and social issues. The Committee must look for ways to rationalize its work and structure and reduce its growing agenda, by concentrating on the vision and commitments of the Millennium Summit, the Monterrey Conference and the Johannesburg Summit. The concerns of countries with specific needs, including countries with economies in transition, should remain high on the Committee's agenda.

2. The Committee could improve its working methods by making its debates more focused and dynamic and by involving other institutional stakeholders more actively. His delegation welcomed the Bureau's proposal to hold a series of discussions on topical development issues, involving senior officials and representatives of policy forums. Overlapping and duplication between the work of the Committee and that of the Economic and Social Council should be avoided by establishing a stricter division of labour between the General Assembly and the Council.

3. At the World Summit on Sustainable Development in Johannesburg, the international community had emphasized the importance of the regional dimension to promoting sustainable development. That was particularly true in Europe, where countries' development standards and resources varied, and a stronger partnership framework was needed. Ukraine had hosted the fifth ministerial Environment for Europe conference, the highest-level environmental forum of the Economic Commission for Europe, earlier in 2003. Building on the outcome of the Johannesburg Summit, the Conference had confirmed the resolve of the member countries of the Economic Commission for Europe to drive forward the

implementation of internationally agreed development goals and had resulted in some commitments that went beyond those assumed in Johannesburg.

4. The task of following up international conferences needed an environment conducive to development in all countries, starting with the mainstreaming of the Millennium Development Goals into national policies. In that respect, Ukraine was a leader in its region, having launched a policy document on the Millennium Development Goals for Ukraine for the period up to 2015. The document contained targets which were suited to local circumstances and often surpassed the Millennium Development Goals. However, Ukraine's sustainable development efforts could succeed only with international support. The Millennium Goal of establishing a global partnership for development would promote full integration into the world economy and provide equitable access to the international trading and financial systems. Ukraine welcomed the report of the Secretary-General on the Implementation of the United Nations Millennium Declaration (A/58/323), which had emphasized the importance of a supportive external economic environment and established three core elements: trade, debt relief and an improved financial system.

5. In the context of the Millennium Development Goals, there was a strong case for improving the multilateral trading system so that it could respond to the needs of economies in transition and developing economies. Ukraine believed that, despite the failure of the World Trade Organization (WTO) Ministerial Conference in Cancún, Governments would have the political will and flexibility to bridge the gaps between them. The World Trade Organization should be made truly universal, as the Monterrey Consensus had proposed.

6. Ukraine was pursuing two global partnership goals: accession to the European Union and accession to WTO. A strategic partnership between Ukraine and the European Union was particularly important, and Ukraine wished to ensure that the forthcoming enlargement of the European Union did not have a negative effect on the economies of its neighbours. Strong economic performance in Ukraine would contribute to that partnership: it was in its fourth consecutive year of growth, at a rate projected to be about 5 per cent in 2003, underpinned by prudent demand-management strategy, strong fiscal and monetary policy, an improved trade and services

balance and accelerated privatization. Efforts were continuing to further structural reforms, maintain sound macroeconomic policy, strengthen the taxation system, improve the investment climate and encourage the private sector.

7. **Mr. Mehairbi** (United Arab Emirates) said that development plans and programmes in the developing countries had been adversely affected as a result of the steadily declining global economy, which was attributable to a variety of factors, in particular wars and armed conflicts such as those in the Middle East region. Believing that economic development was a fundamental human right and a mainstay of international peace and security, he urged the international community to focus on the full and effective implementation of the Millennium Development Goals and the outcome of international conferences and summits, in particular the Monterrey Consensus, the Doha Development Agenda and the recommendations of the World Summit on Sustainable Development. He also urged the speedy adoption of policies aimed at alleviating the debt burden of the developing countries.

8. As a result of its economic, commercial and monetary successes achieved in spite of the volatile global economy, his country had gained the confidence of the international community and Dubai had been selected as the venue for the 2003 annual meetings of the Board of Governors of the World Bank Group and the International Monetary Fund, at which particular attention had been devoted to issues of development and debt reduction. His Government had also pursued a successful development policy to improve human resources, diversify income and create investment projects designed to boost the national economy. Information and communications technology was widespread in the public and private sectors, as well as universally accessible, and the country's careful efforts to develop its human settlements in such a way as to protect and enhance the environment had won it a total of 15 Arab and international awards. A firm believer in cooperation for global economic development, the United Arab Emirates had acceded to bilateral, regional and international agreements on matters of trade, economy and development. It had also provided material and other assistance to developing and least developed countries, as well as to countries which had suffered natural disaster or armed conflict, in which

connection he highlighted its membership of the Core Group on Reconstruction in Iraq.

9. **Mr. Shobokshi** (Saudi Arabia) welcomed the high-level meeting to be convened in 2005 in order to review the implementation of the development goals set at United Nations conferences and summits, the achievement of which was a high priority. Together with poverty eradication, the provision of wider opportunities for sustainable development was a moral and political responsibility which demanded the cooperation of the entire international community. It was vital to adopt a realistic approach towards the inevitable fact of globalization in order to gain from the advantages and rise to the challenges which it brought, in particular the burden caused by the gap in technological and other capacities between developed and developing countries. Without international peace and security, however, sustainable development would remain an unattainable dream for many. In the interests of prosperity for all, Saudi Arabia called for the establishment of a new cooperative partnership based on fair, equal and mutually beneficial economic relations, shared responsibility and a firm belief in multilateralism. Itself a developing country with increasing financial needs, it had contributed to social and economic development efforts in the developing countries over US\$ 76 billion, which amounted to approximately 4 per cent of its gross domestic product, thus exceeding the official development assistance goal set by the United Nations. It had also contributed its full share to the Heavily Indebted Poor Countries (HIPC) Debt Initiative, prior to the introduction of which it had already exempted a number of poor countries from debts owed for 1991.

10. **Mr. Kafando** (Burkina Faso) said that advancing economic globalization and the liberalization of world trade had widened the economic and social gap between countries and therefore between peoples. The world economy was more than ever under the control of a few countries which manipulated its rules to their own benefit and to the detriment of the many who remained marginalized. Developing countries had become poorer and poorer, with one and a half billion people, a quarter of the world's population, living on less than one dollar a day. While those countries suffered from poor food security, prosperous countries destroyed food stocks, on the pretext of stabilizing prices. The lack of services such as drinking water and medical treatment condemned one third of the world to

a life expectancy of under 40 years. Debt remained a constant burden, despite the Debt Initiative for Heavily Indebted Poor Countries.

11. The situation highlighted the challenge of the Millennium Declaration, particularly the goal of reducing by half the number of people living in poverty by 2005. Combating poverty should be a central concern of the international community, which should take account of the need for equitable income distribution, for equal access to economic resources, including land, education and micro credit, and for gender equality and the empowerment of women. Efforts to eradicate poverty should be improved through debt relief for the poorest countries, greater official development assistance and foreign direct investment to stimulate growth. Donor countries should coordinate their action more closely, and devote more resources to development.

12. In international trade relations, there was a gap between industrialized countries and developing countries. The structural imbalance in developing countries' trade with developed countries left them more and more vulnerable. The South in general, and Africa in particular, had not reaped the advantages of globalization. The failure of the WTO Ministerial Conference in Cancún threatened to harm the least developed countries' prospects of integration into the multilateral trading system, and of receiving special and differential treatment. The least developed countries lacked the resources to put their development plans into practice; consequently, the commitments made by bilateral and multilateral partners in the Brussels Programme of Action for the Least Developed Countries should be honoured.

13. All developed countries shared a goal of sustainable human development, which they would be unable to achieve without more justice and equity in international trade. That should be pursued by restoring the value of raw materials through stabilization of export revenue, eliminating protectionist measures in order to give goods from the South free and full access to the markets of the North, eliminating agricultural subsidies in the countries of the North and reforming the Bretton Woods institutions to adapt them to the needs and concerns of the developing countries.

14. The worldwide environmental deterioration was alarming. Although the international community had taken action, much remained to be done. The

comprehensive measures taken by the United Nations should receive support. Migration was another issue which affected a growing number of countries. Although migration was a source of inter-cultural dialogue and better understanding between peoples, it had caused demographic, sociological, economic and political problems for the international community, and thus for the United Nations. For that reason, Burkina Faso was in favour of a United Nations conference on international migration and development, which would provide an opportunity for valuable dialogue between civilizations.

15. The United Nations had contributed substantially to international development over the previous fifty years but, at the dawn of the twenty-first century, the international community faced new challenges and had made new commitments. Unless those commitments were translated into action, they would have no effect on the poorest countries. That explained the importance which Burkina Faso attached to implementation and integrated follow-up of United Nations conferences and summits. In that connection, many demands would be made on the resources of the Committee, which should strengthen its working methods in order to rise to the challenge.

16. **Mr. Šahović** (Serbia and Montenegro) said that the economic slowdown in 2002 and 2003 had given way to modest signs of an upturn in the global economic outlook. However, risks remained in many countries, and close international cooperation and decisive action were needed to foster a strong, broad-based economic recovery. For that reason, his Government was concerned at the breakdown of trade negotiations in Cancún. It was important to resume the Doha Round of talks as soon as possible, to promote global growth and fulfil development goals. The world needed not just open markets, but also more equitable trade, since trade was the engine of economic expansion.

17. Economic growth was vital to achieving the Millennium Development Goals: the report of the Secretary-General on the implementation of the United Nations Millennium Declaration (A/58/323) had emphasized that a sustained per capita income increase of 3 per cent a year was the minimum needed to halve the number of people living in extreme poverty by 2015.

18. The Millennium Declaration and the outcomes of major United Nations conferences and summits provided a basis for action at national, regional and international levels. The Millennium Development Goals and other internationally agreed objectives provided clear targets for action in the economic, social and environmental fields. The Member States, all international financial institutions, the private sector and civil society must have the determination and political will to fulfil those goals.

19. His delegation supported the process launched by the open-ended ad hoc working group of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields. General Assembly resolution 57/270 B, regarding the same issue, could help to strengthen the leadership role of the General Assembly and the coordinating role of the Economic and Social Council in the international development agenda, since better use could be made of the existing mechanisms of the United Nations in the field of development. As the Under-Secretary-General for Economic and Social Affairs had pointed out, a key event of the current General Assembly session would be the High-level Dialogue on Financing for Development, which would provide an opportunity to assess progress, shortcomings and future action.

20. The Declaration and Plan of Implementation of the World Summit on Sustainable Development held in Johannesburg had confirmed that sustainable development was a central element of the international agenda. The work of the Commission on Sustainable Development, which had approved a multi-year programme of work for 2004 to 2017, was important in translating the commitments made at the Summit into action.

21. The greatest test of success in fulfilling the goals of major summits and conferences was the achievement of improvements in individual countries. The international community should therefore focus on coherence of policies, national ownership of frameworks such as the Poverty Reduction Strategy Papers (PRSPs) and coordination mechanisms such as the Common Country Frameworks (CCF) and United Nations Development Assistance Frameworks (UNDAF).

22. Serbia and Montenegro had undertaken radical economic and social reform, with the goal of achieving macro-economic stability and the structural change needed for a stable market economy. It also sought closer integration with the European Union, with which it hoped to sign a Stabilization and Association Agreement in 2004. Because it was still in transition, it continued to need international assistance. Serbia and Montenegro strongly supported regional cooperation, and was involved in many regional initiatives to promote stability, which was the key to sustainable growth in all the countries of South-East Europe.

23. **Mr. Baja** (Philippines) said that the Committee was meeting against a backdrop of economic uncertainty, human suffering and environmental degradation. Over one billion people still lived on less than one dollar a day; every year, eleven million children aged under five died mainly from preventable illnesses, and forty million people were living with HIV/AIDS. The environment had also suffered the effects of man-made disasters, soil erosion, air and water pollution, greenhouse gases, climate change, destruction of ecosystems and disappearance of species.

24. Economic links between countries had deepened, so that overcoming poverty and promoting sustainable development had become a concern for developed and developing countries alike. However, many countries were becoming poorer in relative and absolute terms. The 2003 Human Development Report of the United Nations Development Programme had confirmed that 54 of the world's countries were poorer than they had been in 1990. Those levels of poverty were caused by an international economic environment which did not favour developing countries and did not reduce economic disparities between rich and poor countries.

25. Clear and measurable targets for action by the international community had been set out in the Millennium Development Goals, the Doha Development Agenda, the Monterrey Consensus and the Johannesburg Plan of Implementation. What was needed was political will on the part of developed and developing countries to implement such commitments. The forthcoming High-level Dialogue of the General Assembly on Financing for Development was an important part of the process of reviewing commitments.

26. The world trading and financial systems should be open, rule-based, predictable and non-discriminatory. Rich countries' barriers to agricultural exports from poorer countries were harming the global development agenda. The Philippines had been disappointed by the developed countries' lack of commitment at the WTO Ministerial Conference in Cancún, and called for development to be put at the heart of the WTO agenda. Migration was another issue which was gaining importance as globalization advanced. All aspects of the matter should be examined in the context of sustainable development.

27. In addition to focusing on the implementation of the outcomes of conferences and summits, Member States should develop clear approaches to the development-related issues on the agenda of the current session. Since the adoption of General Assembly resolution 57/270 B on integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, it had become even more important to strengthen the Assembly's role in promoting development cooperation.

28. **Mr. de Alba** (Mexico) said that, rather than make a formal address to the Committee, he simply wished to encourage it to hold a wide-ranging discussion on its working methods, including the usefulness of the general debate. A thorough review of those methods would be in keeping with the spirit of the Monterrey Consensus and of General Assembly resolution 57/270 B on integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields.

29. **Mr. Butagira** (Uganda) said it was regrettable that, despite the third United Nations Conference on the Least Developed Countries, the International Conference on Financing for Development and the Johannesburg Summit on Sustainable Development, current trends in resource flows to developing countries had fallen short of the level needed to attain the goal of halving poverty by 2015. Noting that external trade and resources were vital to the development of the poorest countries, he called on the developed countries to open their markets to the agricultural produce of developing countries and remove all trade-distorting subsidies. While initiatives such as the African Growth and Opportunity Act (AGOA) and the Everything But Arms (EBA) initiative

were important gestures of solidarity with the least developed countries and Africa, in order to achieve tangible results they needed to be cast within the context of clear rules in a multilateral trade regime that took into account the special circumstances of the weaker countries in the system. Uganda called for an urgent resumption of the Doha Round on the basis of a balanced agenda that responded to the development aspirations of developing countries.

30. His delegation appreciated the role played by the United Nations Conference on Trade and Development (UNCTAD) in the area of trade negotiations and in the building of related capacities in developing countries and urged donors to continue to provide UNCTAD with adequate resources to enable it to deliver services that developing countries needed in areas such as investment, technology and enterprise development. Uganda was one of seven countries to have reached the completion point for debt relief implementation under the Heavily Indebted Poor Countries (HIPC) Debt Initiative. Despite that success, Uganda and other developing countries lacked fair market access and commodity prices to sustain their debt. That problem was particularly acute for the least developed countries and landlocked least developed countries, whose problems were compounded by steep transport costs and vulnerability to fluctuations in the prices of the raw commodity exports on which their economies depended.

31. Uganda joined other landlocked least developed countries in urging international support to address their special infrastructure development needs and for the Almaty Programme of Action adopted in August 2003. Regional cooperation and inter-regional trade were part of the solution. In that regard, the Governments of Kenya, Uganda and the United Republic of Tanzania would form a customs union in November 2003. He called for the extension of trade preferences to those three countries, which depended heavily on a single commodity for their export earnings. He welcomed the Third Tokyo International Conference on African Development (TICAD III) and the New Partnership for Africa's Development (NEPAD), while recognizing the responsibility of African governments in their own development.

32. **Mr. Doryan** (World Bank) said that the development equation created in the Millennium Declaration, embodied in the Millennium Development Goals and targeted at Monterrey and Johannesburg was

the best chance for effective development. However, greater systemic coherence was needed to implement the development agenda. That could be achieved only through more streamlined support from international institutions to developing countries, enhanced harmonization among development partners at the country level and clear institutional, regional and global connections.

33. After defining and explaining the concepts of institutional-level coherence, country coherence and global coherence, he noted that systemic coherence was the synergy between the institutional, national and global forms of coherence. The recent annual meetings of the Bank and IMF had dealt with the overall issues of Monterrey and the Millennium Development Goals, emphasizing that it was urgent to build the necessary synergies to create a vibrant and effective multilateral system for development effectiveness, which would make the norms, policies and discussions a reality for all people in every country.

34. **Mr. Neill** (Jamaica) expressed doubts about the prospects for growth in developing countries: while the signs were positive in some cases, the general outlook was discouraging. The challenges of globalization outweighed the opportunities available. The overall strategy to stimulate development seemed to be to adopt policies based on the free market model, which his delegation and others had always questioned. The statement by the World Bank representative suggested that it was now understood that some of those policies did not work. Indeed, there was a need for a better understanding of the economic and social dynamics in developing countries. To benefit from liberalization measures, for example, a well-developed private sector was needed, which many developing countries did not have. It was still important for the State to play an important role in developing countries at certain levels of development, particularly when economic stimulation was needed. Part of the reason why developing countries were trapped in the wrong kind of development policy was that they did not have enough influence in decision-making to affect the principles governing international economic relations. In other words, decision-making in the Bretton Woods institutions was basically undemocratic.

35. Regarding resources for development, domestic savings were not available on the scale which would ignite development. Unfortunately, external resource transfers, which were already highly concentrated,

were contracting and did not give developing countries much hope for the future. Although trade barriers were coming down in developing countries, they did not enjoy the same ease of access to developed markets. The failure to reach agreement at Cancún had probably been a mixed blessing but it showed that more attention must be paid to the concerns of developing countries. Many of those countries had weak production sectors, which needed to be bolstered for them to be able to benefit from international trade. His delegation was disappointed with development cooperation both in terms of the quantum of resources, which were far from the ODA targets set, and the punishing conditionalities, which often stressed policy and governance issues, rather than poverty and capacity building.

36. **Mr. Ayari** (Tunisia) said that, despite the global consensus on poverty eradication and sustainable development, unfair global trade and economic policies thwarted progress in achieving the Millennium targets. The failure of the Cancún meeting showed the enormous obstacles that developing countries must overcome in order to improve their export sectors and become integrated into the world economy. It was imperative to improve access for the products of developing countries to world markets, which meant reducing agricultural subsidies and removing tariff barriers. In that regard, the Millennium Declaration, the Monterrey Consensus and Johannesburg Plan of Implementation and the United Nations conferences and summits held over the past decade, had drawn up the blueprint for combating poverty and promoting sustainable development. The international community should now take action by strengthening and boosting different types of cooperation and partnership. In that regard, he welcomed General Assembly resolution 57/270 and its provisions relating to the holding in 2005 of a summit on the implementation of the commitments undertaken.

37. The international community must seize the opportunity offered by the upcoming High-level Dialogue on Financing for Development to assess progress in implementing the commitments agreed at Monterrey, Johannesburg and Doha. The World Solidarity Fund, an outcome of the Johannesburg Summit, was an important new tool for poverty eradication. He expressed the hope that the United Nations Development Programme would speed up the operationalization of the Fund by setting up, without delay, the high-level committee responsible for

defining its strategy and mobilizing the necessary financial resources.

38. **Mr. Nikolov** (The former Yugoslav Republic of Macedonia) said that he was encouraged by the signs of world economic recovery, although the outlook had been overshadowed by macroeconomic imbalances. His country, which believed in the strong relationship between regional stability and economic development, continued to strengthen regional cooperation. The failure of the recent WTO negotiations in Cancún should not discourage the international community. Future discussions should be based on the need for an open, non-discriminatory and equitable multilateral trading system that would provide development opportunities for all.

39. Implementation of the Monterrey Consensus was vital to mobilizing financial resources for development in developing countries and countries with economies in transition. The upcoming General Assembly High-level Dialogue on Financing for Development would mark further progress in implementing the Consensus. His delegation expected that the Committee's discussions would give new impetus to the commitments undertaken under the Johannesburg Plan of Implementation. In that regard, it welcomed the adoption of General Assembly resolution 57/270 B and of the new programme of work of the Commission on Sustainable Development, which was particularly important in implementing Agenda 21 and the Johannesburg Plan. His delegation looked forward to the holding of a major event in 2005 to review the implementation of the Millennium Declaration.

40. **Mr. Blanco Dominguez** (Dominican Republic) said that his Government was implementing a national plan against poverty which entailed investing substantial amounts in education, health, food and housing. It was also working to solve the problem of environmental degradation. Sustainability was a basic element of his country's development plans, which were geared towards achieving the objectives set forth in the Millennium Declaration.

41. The international crises of the last three years had seriously affected the economy of the Dominican Republic, as it had those of the other Latin American and Caribbean countries. The cost of oil imports and external debt payments was a heavy burden which was weakening his country. His delegation appealed to the international community to energize development

efforts and to honour the commitments undertaken by world leaders at various summit meetings and conferences convened by the United Nations. Increased official development assistance, foreign direct investment, market liberalization, elimination of agricultural subsidies, debt rescheduling and technology transfer were crucial to the stability and well-being of present and future generations. The developing countries must be given a greater role in decision-making in the multilateral financial institutions and agencies.

42. His Government was confident that the Cancún experience would not jeopardize multilateral negotiations; in fact, the impasse might make it possible to forge more equitable international agreements within WTO. It was important not to lose sight of the development focus of the WTO programme of work as outlined at Doha.

43. In conclusion, he wished to express his delegation's satisfaction at the holding in late October of the High-level Dialogue on Financing for Development.

44. **Mr. Niang** (Senegal) agreed with those delegations that had suggested that the Second Committee should concentrate on the follow-up to the implementation of the Monterrey Consensus and the Millennium Development Goals. If current trends in Africa continued, the region would not be able to achieve the Millennium Development Goals. The continent's growth rate had fallen from 4.3 per cent in 2001 to 3.2 per cent in 2002; over 29 million Africans had HIV/AIDS, and 380 million were living in absolute poverty. That situation could be explained in part by political instability and armed conflict, but it was also a reflection of the world economic situation, the continuing deterioration of the terms of trade and the gradual marginalization of Africa from world trade in goods, services and capital. The situation was not hopeless, however, thanks to the New Partnership for Africa's Development (NEPAD), in the context of which the countries of the continent were determined to create favourable conditions for good governance and for the mobilization of domestic resources to finance their own development. That effort would be fruitless, however, without the backing and support of the international community, especially the developed countries. Senegal believed strongly that improvement of the external environment was just as important as the efforts of the African countries themselves. He



urged the partners in NEPAD to pay special attention to the needs of the continent with regard to official development assistance (ODA), debt treatment and trade.

45. He noted with satisfaction that ODA flows to Africa had increased since the Monterrey Conference. However, that many donor countries were far from achieving the goal of 0.7 per cent, and further problems were created by the unpredictability of and delays in disbursements, as well as the cumbersome procedures and the conditions tied to such aid. As far as debt was concerned, the seriousness of the situation in Africa could not be overstated. Although some encouragement could be taken from the HIPC initiative, it did not provide a long-term solution. That was why the leaders of the continent planned to organize a conference on the African debt, to be held in early 2004.

46. Turning to the Doha Development Agenda, he pointed out that many African countries had always been pawns in the confrontation between major agricultural countries of the North and the South. The effect had been devastating for some countries, as evidenced by the sharp drop in cotton prices brought about by the subsidies granted to thousands of farmers in the North. The survival of some 9 million people in western Africa, who depended on cotton farming for their livelihood, was at stake. In order to end that situation and enable Africa to take its rightful place in world trade, particularly in regard to agriculture, the President of Senegal had proposed that an "agricultural Davos" should be organized. The purpose of that meeting would be to put a human face on the work of WTO, so that the rules of world trade would no longer be a set of abstract principles that the weak were bound to follow and the strong could violate at will.

47. **Mr. Gallardo Aparicio** (Bolivia) said that the Committee should focus on ensuring implementation of the agenda outlined in the Millennium Declaration, the International Conference on Financing for Development and the World Summit on Sustainable Development. The existing economic, financial, trade and technological innovation systems were not meeting the needs of the developing countries. The principle of shared but differential responsibility had been reaffirmed at Johannesburg; indeed, the countries that exercised the greatest influence in the operation of the current system should bear the greatest responsibility for changing it. Only through a combination of domestic measures and international cooperation would

it be possible to achieve reasonable and sustainable levels of social and economic development.

48. Globalization had widened the gap between citizens within countries and between citizens of different countries. The weaker countries were now faced with greater challenges than ever before. His delegation welcomed the establishment of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which would follow up and implement the Brussels Programme of Action for the Least Developed Countries and the Barbados Programme of Action for the Sustainable Development of Small Island States. The international community had taken an historic step with the publication of a document devoted especially to the needs of landlocked countries, namely, the Almaty Programme of Action.

49. Given the experience at Cancún, it was essential that trade negotiations should be conducted with a view to enhancing development opportunities for all countries, by removing all tariffs, subsidies and non-tariff barriers to trade. His delegation commended those developed countries that had unilaterally opened up their markets to the least developed countries and hoped that such initiatives would be extended in the near future, at least for the main commodities of small and weak economies. Special consideration should be given to the landlocked countries whose competitiveness was seriously hampered by high transport and other costs.

50. Work relating to the linkage between foreign debt and trade should be continued; in particular, the highly indebted poor countries needed market opportunities in order to obtain foreign currency with which to alleviate their debt situation. Alternative means of financing should be sought for countries that had a limited capacity for indebtedness.

51. **Mr. Langmore** (International Labour Organization) stressed the centrality of employment to poverty reduction and to the creation of equitable and secure societies. At the beginning of the Second Committee's debate, the representative of the Department of Economic and Social Affairs had drawn attention to the disappointing performance of global economies in the first half of 2003. Employment had not yet begun to increase, and the situation was not likely to improve until 2004.

52. The International Labour Organization estimated that between 2000 and 2002 measured unemployment had increased from 160 million to 180 million people. That was only one part of the unemployment problem. There were also about 500 million people who had work of some kind but who were not able to earn enough to sustain themselves and their families. They were the working poor, whose earnings were below the poverty line. Many others were earning so little that they were only just above the poverty line. Unemployment and very low-income work were centrally important issues for the globe at present.

53. It was essential to find strategies for achieving the Millennium Development Goal of halving poverty. Growth of employment was perhaps the most important of those strategies. Without improved income-earning opportunities, there was no possibility of increasing incomes so as to halve poverty by 2015. A strategy for employment growth had been mentioned by a number of delegations, but it had not been a central part of the discussion at the United Nations. At the twenty-fourth special session of the General Assembly, held in Geneva in 2000, there had been agreement that employment growth and poverty reduction should be central parts of national macroeconomic policy. Many changes in national strategy and macroeconomic policy would be required to achieve that goal in all countries. It would be absolutely essential, for example, to increase the availability of credit at moderate interest rates. At present there was a tendency to use monetary policy for stabilization purposes, and it could play that role. But it also had the role of enabling entrepreneurs to access the credit they needed in order to invest and expand. Fortunately, in many countries, inflation was much lower than it had been for the last quarter of a century. It was very important to use that opportunity of lower inflation to ease monetary policy, increase access to credit, reduce interest rates and thus stimulate entrepreneurship. Many other policies would follow as well, but those were just examples.

54. One way of approaching the issue was to organize global and regional conferences. The International Labour Organization was working with the African Union to hold a regional conference in Burkina Faso in 2004 on employment growth and poverty reduction.

55. **Mr. Borith** (Cambodia) said that the world economy faced serious risks arising from geopolitical factors and the constraints imposed by globalization. Many developing countries, especially the least

developed ones such as Cambodia, ran the risk of being bypassed and marginalized from the mainstream of the global economy. The United Nations and other international organizations could play an important role in coordinating and strengthening cooperation between Governments, the international community and the international financial institutions so as to ensure that the benefits of globalization were fairly distributed among the nations and peoples of the world.

56. The Millennium Development Goals and the concepts developed during the Johannesburg Summit on Sustainable Development, the International Conference on Financing for Development and the Doha Round of multilateral trade negotiations should be translated into concrete action, with all countries acting together and advancing together. The crucial issue was how to make globalization work to the advantage of all countries. The General Assembly, in cooperation with the Economic and Social Council, had an important role to play in monitoring such efforts.

57. Cambodia had undergone dramatic changes in the last ten years. It had completed the transition from a centrally planned to a market economy, from a one-party to a democratic system of governance and from war and conflict to sustainable peace. Eradication of poverty had been the top priority in the development policy of his Government. The second socio-economic development plan, launched in 2002, focused on raising per capita GDP to around \$500 by 2010, halving the level of extreme poverty, raising life expectancy to 60-63 years and adult literacy to over 90 per cent, ensuring access to safe drinking water and adequate sanitation, and improving gender equality. Despite the slowdown in the global economy, the Cambodian economy had remained dynamic since 1999. Garment exports had increased, crop and livestock production remained robust, and international tourist arrivals had increased significantly.

58. While the alleviation of poverty was primarily the responsibility of Governments, international action was extremely important. Joint efforts were needed to deal with the decline in ODA, protection of the environment, debt relief and the HIV/AIDS pandemic. Official development assistance must be supplemented by foreign direct investment (FDI). Experience had shown that ODA and FDI together had played a significant role in the development and prosperity of many countries. Official development assistance remained an indispensable instrument for the growth of

the least developed countries. The question was how ODA could best contribute to bridging the development divide in the world, particularly in regard to human resources development, poverty alleviation and rural development.

59. **Mr. Sharma** (Nepal), commenting on the weak global economy, said that the effects of a slow recovery, when compounded by inherent political and economic problems, had particularly devastating consequences for developing countries. The international community must work in concert to propel the global economy to a higher trajectory of growth and equitable development for the benefit of all.

60. A successful round of talks at Cancún would have stimulated trade and economic recovery, but the uncompromising stance adopted by some countries to retain farm subsidies and barriers to trade had led to failure. It was imperative that the international community should now move forward in a spirit of flexibility and compromise. In spite of the importance of trade as a powerful engine of growth, developing countries had not been able to derive maximum benefits for two reasons. Firstly, the comparative advantages of developing countries were undermined by trade and non-trade barriers imposed by rich countries. Secondly, developing countries suffered supply-side constraints because of weaknesses in their level of technology, productivity and marketing.

61. The magnitude of poverty and underdevelopment was such that developing countries would not be able to grapple with them without increased ODA from their development partners. The plight of the least developed countries was particularly precarious and needed to be addressed with a greater sense of urgency.

62. The lack of access to sea-based resources and high transport costs were of particular concern to landlocked countries such as Nepal. In that regard, he urged Nepal's transit neighbours and development partners to ensure speedy implementation of the Almaty Programme of Action. Under the threat of Maoist insurgency, over the previous seven years Nepal's factories and businesses had been closed, income from tourism and overall growth had plunged, and poverty had increased. His Government had adopted a strategy to bolster its security apparatus, and had undertaken comprehensive reform to provide for

the basic needs of people living in poverty and underdevelopment.

63. Nepal needed more development assistance, debt relief, and duty- and quota-free access to markets, in keeping with the Brussels Programme of Action, and had recently established a national focal point for the coordinated implementation of the Programme of Action.

64. He reaffirmed Nepal's commitment to the promotion of free trade and concessionary access to global markets for least developed and other disadvantaged countries. South-South cooperation was as important as North-South partnership and Nepal would continue to work with other South Asian countries in the regional framework and seek to expand cooperation among countries from the South beyond the region.

65. **Mr. Abdalla** (Sudan) said that the failure of the Fifth Ministerial Conference of WTO in Cancún had sent a strong message about the vital need to review the principles on which international economic cooperation was based. It was now time to turn commitments into reality by carrying out the agreed objectives, in which connection his delegation was pleased to be taking part in the Committee's discussions during the current session. The wide discrepancy between the rising numbers of poor in the developing countries and the Millennium Development Goal of reducing by half the proportion of poor by 2015 posed an enormous challenge. In that regard, he hoped that the progress towards peace in the Sudan would have a positive impact on the allocation of resources to its anti-poverty and development programmes, particularly in the areas affected by armed conflict.

66. Special measures were needed to deal with the dire economic and trade situation in the least developed countries and their increasing marginalization in the globalized world. He consequently urged support for the welcome efforts of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing Countries to implement the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010. Without a package of measures designed to tackle the imbalances in the world economy and the increasing gap between rich and poor, the efforts, sacrifices and reforms of the developing countries would be wasted. He reiterated

the Sudanese commitment to the New Partnership for Africa's Development (NEPAD) and looked forward to the concrete support of the international community for that initiative on the part of the African continent to achieve sustainable development.

67. **Mr. Radzi** (Malaysia) said that recent economic statistics should serve as a reminder that the Millennium Development Goals could be achieved only if countries cooperated in a spirit of partnership. The International Conference on Financing for Development had provided new avenues and hope for intergovernmental and inter-institutional dialogue on finance, trade and development issues. It was important for all stakeholders to engage in the many facets of the process and create a mechanism for joint consideration of the issues concerned in an integrated and coordinated manner.

68. In that regard, Malaysia recognized the central role of the United Nations in implementation and follow-up. Governments played a key role through good governance, sound macroeconomic policies, financial discipline, rule of law and political stability to create confidence in their economies. However, without a sound international economic environment conducive to growth, many developing countries would have great difficulty in achieving sustainable development even if they fulfilled those criteria.

69. Sustained economic development for developing countries could not be guaranteed without a strong and firm commitment to reform the international financial architecture which, in its current form, was ill equipped to deal with the complexities and challenges of globalization and, in particular, to protect developing countries. Such reform was urgently required in order to prevent the recurrence of financial crises which had proved devastating to the economies of the developing countries and, to a lesser extent, the developed countries.

70. The High-level Dialogue on Financing for Development scheduled for October 2003 would provide an opportunity for reflection on progress made in the implementation of the Monterrey Consensus, and for action in the achievement of its targets. Similarly, Malaysia welcomed the plans for high-level discussions between the Economic and Social Council, the Bretton Woods institutions and WTO, and indications by the World Bank and IMF of their

intention to strengthen efforts in a number of important areas.

71. Malaysia attached great importance to the further implementation of Agenda 21 and the Johannesburg Plan of Implementation. The achievement of those targets and commitments was the greatest challenge faced by the international community in securing sustainable development. Bearing in mind that financial resources, technology and capacity building were essential to successful implementation, Malaysia looked forward to participating actively in the next session of the Commission on Sustainable Development. He joined other speakers in expressing regret for the failure of the WTO Ministerial Conference at Cancún. The impasse highlighted the widening gap between the developed and developing countries, and indicated that the developed countries were not yet prepared to provide greater access to their markets; nor were they focused on development and the improvement of well-being in the developing countries. On the contrary, they favoured the further opening of markets in the developing countries to serve their own interests.

72. The international community must sustain efforts to correct the disparity in the economic relationship between North and South. To that end, all parties should demonstrate their commitment to forging new partnerships for mutual benefit, and not waste the opportunity provided by the United Nations to bring progress and greater civilization to all peoples of the world.

73. **Mr. Leslie** (Belize), speaking on behalf of the Alliance of Small Island States (AOSIS), said that recent events had diverted international attention from the pursuit of a development agenda and the renewed engagement and partnership that had emerged since 2000. In addressing new challenges, it was important to remain responsive to the urgent needs of the wider community of developing nations.

74. The Alliance was reassured by the resounding commitment to multilateralism and the Charter of the United Nations expressed during the general debate at the present session of the General Assembly. Multilateralism was essential to inclusiveness and participation in global decision-making and underpinned the concept of collective security. It also permitted the pursuit of equity and justice within the new economic and trade paradigm. The recent WTO

Ministerial Meeting had illustrated the difficulty of attaining certain equitable trading agreements, but had also highlighted the collective strength of small States.

75. Issues of particular concern to small island developing States were those related to trade and development, commodities, science and technology, external debt, capacity building and institutional development, climate change and sea-level rise, and environmental protection. The small island developing States had already begun preparations for the comprehensive ten-year review of the Barbados Plan of Action, during which they would re-evaluate their progress towards the improvement of the quality of life and the extent to which their contribution to the process of achieving sustainable development had been effective. The review also afforded an opportunity for renewed engagement to secure the continued support of the United Nations system and the donor community in the implementation of the Barbados Programme of Action. Furthermore, it was anticipated that awareness would be raised within the international community of the uniquely vulnerable situation in which most small island developing States found themselves.

76. Empathy for their cause was often tempered by arguments that per capita income in most of their States was relatively high. However, in the majority of cases, high per capita income was a gauge of smallness and a symptom of underdevelopment. Indeed, it was because of the small size of their populations and highly skewed income distribution that the substantial wealth of a few often distorted the average for the whole. In conclusion, he urged Member States to stay the course, in active partnership with small island developing States.

77. **Mr. Martirosyan** (Armenia), touching on the impact of globalization, said that since 1991 Armenia had embarked on the road towards statehood based on the adoption of democratic values and a market economy. His Government had elaborated a Poverty Reduction Strategy Paper which attached great importance to the links between education, promotion of economic activity and poverty reduction. With the active participation of civil society and assistance of donor countries and organizations, Armenia had also adopted an integrated National Sustainable Development Strategy. The Government had received valuable assistance from relevant United Nations bodies in identifying linkages between poverty and

environment and in addressing those issues in the national programme.

78. In recent years Armenia's efforts in the area of institution building and market access for Armenian products had yielded positive results. Membership in WTO was expected to further enhance its integration into the world economy.

79. The social and economic problems common to all countries in transition were further aggravated in Armenia by the economic blockade imposed by two neighbouring countries, creating a serious obstacle to economic development for Armenia and the region as a whole. Armenia would remain a strong advocate of the development of regional cooperation in the South Caucasus, and was confident that the implementation of joint projects would promote beneficial interaction among countries in an atmosphere of trust.

80. His Government had declared the information and communication technology (ICT) sector a priority area, and had been collaborating successfully with pertinent international institutions. It had been recognized that ICT was central to the creation of a knowledge-based economy and could play an important role in accelerating growth in developing countries and in facilitating their effective integration into the global economy. In that regard, the United Nations could play a key role in promoting synergies and coherence of all efforts directed at expanding the development impact of ICT.

81. With reference to landlocked and transit developing countries, he said that the Almaty Programme of Action was the first promising global action plan of its kind recognizing the special needs of such States, which reaffirmed rights of access and freedom of transit, in accordance with rules of international law.

82. **Mr. Sengi** (Papua New Guinea) recalled that the focus of the international community was on implementation of the instruments that had been adopted to meet the many challenges facing the world today. His delegation was interested in the potential role of the Committee in the attainment of the Millennium Development Goals and the outcomes of major international conferences. The breakdown of the WTO Ministerial Conference was particularly disheartening. While there was no doubt that the developed countries were sincere in addressing the critical issues facing developing countries, greater

understanding and flexibility was needed to accommodate the interests of the developing world, and he called for renegotiation of the WTO Cancún agenda at the earliest possible juncture.

83. The ratification of the Kyoto Protocol was another issue of particular concern to Papua New Guinea. He again urged the developed countries which had not yet ratified the Protocol to do so, and to take firm steps to reduce greenhouse gases, assist in efforts to mitigate the effects of such emissions, such as adaptation measures and relocation of affected populations. The Committee should aim at enhancing understanding on the part of the countries concerned, especially the United States, the Russian Federation and Australia, so that they would ratify the Kyoto Protocol and provide meaningful assistance for small island developing States to address issues related to climate change and sea level.

84. Papua New Guinea attached great importance to the process of review of the Barbados Programme of Action, and he acknowledged the contributions of New Zealand, Australia and other stakeholders to the current regional preparatory meetings. He appealed to other developed countries and development partners to assist small island developing States in taking stock of their achievements and in identifying action to be taken.

*The meeting rose at 1.15 p.m.*