United Nations A/C.2/63/SR.11

General Assembly

Sixty-third session

Official Records

Distr.: General
10 November 2008

Original: English

Second Committee

Summary record of the 11th meeting

Held at Headquarters, New York, on Thursday, 16 October 2008, at 10 a.m.

Chairperson: Ms. Ogwu . . . . (Nigeria)
later: Mr. Hoppe (Vice-Chairperson) . . . . (Germany)

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Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference

08-55260 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference (A/62/921, A/63/80-E/2008/67, A/63/123, A/63/179 and A/63/345; A/C.2/63/2 and A/C.2/63/3)

1. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) introduced the report of the Secretary-General on the latest developments related to the review process on financing for development and the implementation of the Monterrey Consensus (A/63/179) and highlighted its salient points.

2. He then introduced the note by the Secretary-General on the proposed organization of work of the Follow-up International Conference on Financing for Development to review the Implementation of the Monterrey Consensus (A/63/345). He informed delegations that the calendar of special events would be made available at the Conference site and would also be posted on the official Conference website.

3. **Mr. Heidt** (United States of America) said that the Secretary-General's note contained considerable information on the logistics and protocol of the Conference, but little on its substance, particularly with regard to the round tables, which appeared to repeat the themes of the Monterrey Consensus. Since the event promised to assemble a large number of very senior officials, it would be desirable to propose more imaginative and relevant themes for the round tables, giving panellists the opportunity to discuss real solutions to real problems. For example, one panel could consider in detail the difficulties faced by small developing countries and island States when seeking financing and discuss possible solutions.

4. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) said that the Secretariat had been constrained by the content of General Assembly resolution 62/187, which decided that the conference would include plenary meetings and six interactive multi-stakeholder round tables on themes based on the six major thematic areas of the Monterrey Consensus. However, that did not preclude panellists being asked to focus on the most useful issues within those topics; moreover, the Secretary-General's note made it clear that they should look towards the future. It was the responsibility of the President of the General Assembly to prepare the round tables and the Secretariat was in the process of exploring the availability of high-level experts as panellists. Delegations would be advised of the composition of the round tables at a later stage.

5. **Mr. Blake** (Antigua and Barbuda) said that General Assembly resolution 62/187 had been adopted in a specific context, but the international economy was dynamic and recent weeks had seen a significant change in circumstances. Nevertheless, it was for the General Assembly to take action on the situation, and to make sure that the Conference examined current challenges so that the outcome would be really useful. The General Assembly should therefore ensure that the round tables were not merely discussion panels but took into account the critical global financial situation.

6. **Ms. Thorpe** (Australia), speaking on behalf of the Cairns Group, said that the Group would also welcome a creative approach to the Conference programme. In addition, it would be useful to have information on the high-level participants in the Conference.

7. **Mr. Sumi** (Japan) asked whether each delegation could register for as many round tables as it wished, and whether the meeting of the main committee mentioned in the Secretary-General's note (para. 14) would be necessary, since it was hoped to complete the Conference outcome document in New York prior to the event.

8. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) said that there would be no need to register for the round tables; delegations could attend as many as they wished. The main committee meeting had been included on the programme merely for planning purposes, and would only be required if the outcome document could not be completed before the Conference.

9. Regarding the composition of the delegations, the Secretariat would make the information available on the Conference website in a timely manner.

10. **Mr. Heidt** (United States of America) said that there was a link between the substance of the

Conference and the level of participation. An interesting and topical programme, announced ahead of time, was required in order to attract senior-level participants.

11. **The Chairperson** invited the Committee to engage in a general discussion on the item.

12. **Mr. Blake** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the Doha Review Conference was a critical event taking place at a critical time. The international community should therefore ensure that participants approached it with the determination to take the international economy forward successfully, focusing in particular on the developing countries. It was also important that the decisions reached in Doha were properly followed up.

13. **Ms. Asmady** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that, while there was room for optimism about the long-term resilience of the global economy, the short-term prospects had dimmed significantly. The deterioration of financial markets, the worsening of financing and credit cycles and inflationary pressures due to high food and energy prices threatened to roll back past achievements. The crisis of confidence must be addressed and thought should be given to helping the global economic system adapt to the complex challenges of the day. There was also an urgent need to revive the Doha Round of trade negotiations as soon as possible, since its success would open up new markets, especially for developing countries. ASEAN believed that the best way to achieve sustained growth and development was through regional economic integration. As a 10-member bloc, it represented a market of 550 million people, with a combined gross regional product and total trade of $1 trillion. ASEAN would continue to integrate and liberalize its economies with a view to attracting investment, particularly in the areas of energy, finance, property and agriculture.

14. The Doha Review Conference would provide a timely opportunity to examine critical issues in international economic development and cooperation. The outcome should reflect progress made, lessons learned, obstacles identified and constraints encountered in implementing the Monterrey Consensus. It should also contain initiatives on ways of meeting financing needs to overcome new global challenges, such as the food, fuel and financial crises and climate change, and re-energize efforts to address systemic issues and the reform of the global financial architecture. Improved regulations and supervision and fuller participation by developing countries were required.

15. **Mr. Muburi Muita** (Kenya), speaking on behalf of the African Group, said that, since the United Nations International Conference on Financing for Development (the Monterrey Conference), most African countries had markedly improved their governance and their macroeconomic and fiscal management. External debt indicators had improved and there had been an increase in the flow of private resources, economic and financial reform and greater economic stability. The countries most in need of capital, however, had often been bypassed by investors because of structural challenges requiring international action. The Doha Review Conference should focus on Africa's needs by supporting the implementation of the recommendations of the MDG Africa Steering Group, the political declaration on Africa's development needs and the programmes and projects under the New Partnership for Africa's Development (NEPAD).

16. Agriculture and primary commodities remained the backbone of Africa's exports. The stalling of the trade negotiations of the Doha Round was therefore hurting Africa's exports, by denying African countries the opportunity to benefit from a multilateral rule-based regime and thus the capacity to meet development challenges through trade. All countries, particularly the developed countries, should demonstrate the necessary flexibility and political will to move the negotiations back on track.

17. The Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) had benefited in a number of countries on the African continent. The improvement in the debt situation was, however, driven partly by the performance of a few countries, so that debt ratios were due partly to favourable external conditions. The current financial crisis in the developed world therefore had the potential to reverse the current trend and wipe out any gains made. Moreover, many low-income and other African countries with unsustainable debt burdens still did not benefit from any of the debt initiatives. In some cases, that was due to failure fully to implement reform programmes sponsored by the International Monetary Fund (IMF), but a number of

decisions on qualification for relief had unfortunately been based on political considerations rather than the development needs of the countries concerned. A comprehensive solution to Africa's debt burden would require the mobilization of additional resources to cover the cost of debt relief for countries with protracted arrears of debt to multilateral financial institutions.

18. Rapidly rising demand for commodities had led to price increases in recent years. More than half the commodity trade of developing countries was South-South trade and African countries also represented a fair share of the growth in world commodity demand. Such developments, and new trends such as biofuel production and the growing variety of specialty products and uses, had opened up new opportunities for African countries. The Review Conference should support aid for trade for the purpose of further diversification.

19. According to some reports, total official development assistance (ODA) had grown in real terms over the past decade. A significant part of that increase reflected debt relief, which contributed significantly to countries' financial resources. There was, however, a concern that total ODA had declined in real terms in 2006. The pledges made in 2005 to double aid to Africa by 2010 had not yet been translated into increased donor resources for programmes on the ground. It was to be hoped that action to salvage the world's financial markets would not dampen the prospects of increasing assistance or meeting commitments already made to Africa.

20. With regard to climate change, financing should be found for both adaptation and mitigation. New financing modalities should be evolved to stabilize greenhouse gas concentrations at a level that would prevent a catastrophic impact. Developing countries, especially in Africa, the least developed countries and small island developing States were particularly vulnerable in that respect. The issue of financing would undoubtedly arise at the Review Conference, but it should not be used as a reason to reduce the quantity or quality of resources for other development activities.

21. **Ms. Jahan** (Bangladesh), speaking on behalf of the least developed countries, said that the Monterrey Conference had resulted in specific pledges to provide development assistance; the developed countries had undertaken to set aside 0.7 per cent of their gross national income for developing countries and 0.15 to 0.2 per cent for the least developed countries, provide them with free market access, find a durable solution to the debt problems of developing countries, provide technology and technical support and reform the international financial architecture. Little progress had been made in any direction.

22. The Doha Review Conference was taking place at a critical juncture. Sustained economic growth, poverty alleviation and sustainable development in developing countries were at risk from the crisis in the world's financial markets, the collapse of the World Trade Organization (WTO) negotiations and the rapid pace of climate change. The international community must agree on an ambitious action plan for the full implementation of the Monterrey Consensus and provide additional resources to deal with new and emerging issues. The least developed countries were the most vulnerable, mainly owing to their structural weaknesses. Financing for development was thus critically important for them. A well-crafted outcome of the Review Conference must focus on the special needs of the least developed countries. Their participation in the Conference was also of great importance and should be supported through the Trust Fund for the Follow-up to the International Conference on Financing for Development, as provided for in General Assembly resolution 62/187.

23. **Mr. Labbé** (Chile), speaking on behalf of the Rio Group, said that, in addition to emerging issues, the elements contained in the Monterrey Consensus should also feature in the outcome of the Review Conference. The Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned, identify obstacles and constraints encountered and introduce action to overcome them.

24. There were two issues of vital importance that should be reflected in the outcome of the Conference. The first was the follow-up mechanism to be adopted. Biennial high-level dialogues and the meeting of the Economic and Social Council with the Bretton Woods institutions, the WTO and the United Nations Conference on Trade and Development (UNCTAD) had not achieved the expected results. A formula should be found to improve the existing mechanism, whereby commitments made in Monterrey and in Doha could be properly followed up. The Rio Group's formula, which advocated the creation of a forum that would follow up the Doha Review Conference,

replacing the high-level dialogues and the spring sessions of the Economic and Social Council. The forum would comprise a number of members of the Economic and Social Council and representatives of the main international organizations, regional development banks, civil society and the private sector. It would review progress in the implementation of commitments and identify obstacles and emerging issues, focusing its discussions on proposals for recommendations that would then form the basis of General Assembly resolutions. It would meet at least once a year, prior to the spring meetings of the Bretton Woods institutions. Its principal outcome would be a summary similar to the one that emerged from the existing mechanisms, with emphasis on recommendations and actions. The summary would be considered within the framework of the General Assembly's discussions and transmitted to the Development Cooperation Forum of the Economic and Social Council for consideration.

25. Another issue of vital importance to the Group was the situation of middle-income countries, which were home to over 40 per cent of the world's poor. Countries in that category had special development financing needs. The international community's support was crucial, especially during times of crisis. The international community must endorse the main conclusions of the three intergovernmental conferences on middle-income countries, held in Madrid, San Salvador and Windhoek. The emphasis placed by the Rio Group on middle-income countries should not, however, imply any disregard for the needs of other categories of country.

26. **Mr. Briz Gutiérrez** (Guatemala) said that, paradoxically, the crisis afflicting the financial systems of the world's principal economies had much in common with the difficulties formerly faced by the developing countries, which had been reprimanded by the industrialized countries and the multilateral financial institutions for defective microeconomic management or inadequate banking oversight. As it turned out, many developing economies would thus be better prepared to deal with the global crisis than the countries in which the crisis had originated. Nonetheless, given that all countries benefited from economic expansion and would suffer from recession, "no country could contemplate the oncoming" perfect storm without considerable apprehension. It was therefore encouraging that the main industrialized economies had managed to work out a joint response to the crisis, which his delegation was confident would at least contribute to mitigating the effects both on financial systems and on the real economies of the countries involved.

27. The crisis would have an extremely significant impact on financing for development. Policymakers had been distracted by the need to deal with the crisis, so that development might become less of a priority. Moreover, bailing out the international financial system would require massive public expenditure, at least at the outset, which would have an adverse effect on the resources available for development. Thirdly, there would be less room for political manoeuvre, since financing for development was easier to obtain in an expanding global economy than in a contracting or recessive economy. Lastly, reform of the international financial institutions was clearly more necessary than ever. Meanwhile, it was to be hoped that IMF would seek to mitigate the effects of the crisis on middle-income countries, such as his own, which had not resorted to it for help for many years but might need to do so in the coming months.

28. All the issues mentioned could be reflected in the outcome of the Doha Review Conference. Many aspects of the Monterrey Consensus remained relevant, including its provision for a real pact between partners for development. The pact was only halfway to completion and faced obstacles even more pressing than had been the case in 2002.

29. However, the Review Conference gave the international community an opportunity to find answers to its questions on the state of the international financial system. As the developing countries of the Second Committee had always maintained, the General Assembly could put a human face on globalization and the international financial system. Delegations should be as flexible as possible in negotiations on the outcome of the Review Conference, which should be a blueprint for the future. He was confident that that could be achieved.

30. *Mr. Hoppe (Germany), Vice-Chairperson, took the Chair.*

31. **Ms. Tang** Mengxiao (China) said that a shortage of financial resources had long been a serious impediment to the economic and social development of the developing countries. The global partnership for development advocated by the Monterrey Consensus

had become a guiding principle in the international community's efforts to eradicate poverty and promote development cooperation. Although some progress had been made in implementation, there was still not yet a favourable external environment for the development of developing countries. Indeed, a host of new challenges had emerged, including the financial, energy, food security and climate change crises.

32. The task of obtaining the necessary domestic and foreign funding was becoming ever more daunting. The total volume of ODA had declined, the debt burden of some developing countries remained onerous, the WTO trade negotiations had broken down again and the international financial system was beset with serious problems. The international community must therefore not miss the opportunity presented by the Doha Review Conference to make substantive progress in mobilizing development resources. All parties should intensify their efforts to implement the Monterrey Consensus, advance the global development partnership and deliver on the international cooperation that had been pledged. The developed countries should adopt a realistic timetable for the achievement of their target of allocating 0.7 per cent of their gross national income for ODA, increase technical assistance to developing countries, particularly the least developed countries, provide debt relief, expand market access, promote direct investment and cooperate with the developing countries in addressing global challenges.

33. Under the current circumstances, the international community should further promote reform in the international financial and trade systems and work to achieve coherence in development, trade and financial policies. Governments should enhance coordination of macroeconomic policy, jointly assume responsibility to fend off financial risk and maintain stability in the world economy.

34. **Mr. Al-Enazi** (Qatar) said that, although it was generally recognized that development was both a desirable end in itself and a crucial factor for global peace and security, the North-South divide continued to widen. Hunger and disease remained widespread, and half of the world's population lived on less than one dollar a day. Even as they made great efforts to fulfil their commitments under the Monterrey Consensus, many developing States still found that foreign direct investment (FDI) was distributed unevenly. Innovative new funding mechanisms, while commendable, should be a supplement rather than a substitute for the agreed ODA percentages. At the Monterrey Conference, Governments and the international financial institutions had shown genuine political will at the highest levels to establish a unique international partnership on development financing. As the host of the upcoming Doha Review Conference, his country hoped that a successful final outcome would be reached there.

35. **Ms. Blum** (Colombia) said that the upcoming Doha Review Conference marked the beginning of a new phase in the intergovernmental process begun in Monterrey. The Conference would take place at a critical moment for proposing multilateral actions aimed at sustaining and increasing financing for development. The current global climate called for an ambitious outcome. The length of the outcome document was, therefore, irrelevant; what mattered was that it broadened the scope of the Monterrey Consensus, did more than simply reaffirm the commitments made in 2002 and responded with concrete measures to the considerable challenges facing developing countries. In that regard, she welcomed the efforts made thus far to draft the document that would serve as a basis for negotiations at the Conference. The inputs provided by the informal review sessions on each of the six thematic areas of the Monterrey Consensus and the interactive hearings with civil society and business sector representatives must be put to good use in that regard. The substantive contribution made during the first half of the year must not be diluted by purely political considerations.

36. In her delegation's view, the outcome document of the Doha Review Conference must address issues relating to the current economic climate, such as regulation of financial and capital markets and mechanisms for providing emergency liquidity in times of crisis and preventing an excessive accumulation of risks; must reaffirm the international community's commitment to promoting additional measures to address illicit capital flows, in particular money-laundering and capital flows for financing terrorism; must incorporate the progress made in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action; must stress the continued importance of ODA to middle-income countries; and must address South-South cooperation, an increasingly important source of international technical and financial assistance.

37. Lastly, her delegation attached great importance to the establishment of a strengthened follow-up mechanism to the Monterrey and Doha Conferences. For international action on financing for development to be effective, the international community must work together and conduct a substantive and self-critical periodic review of the implementation of shared responsibilities. Only with better institutional arrangements would the international community be able to increase the impact of its work.

38. **Ms. Midaoui** (Morocco) said that rising food and fuel prices had generated a serious crisis in many net food- and energy-importing developing countries, thereby jeopardizing their efforts to attain the Millennium Development Goals. The situation had been exacerbated by the international financial crisis. Recent events demonstrated the need for a more predictable and transparent international financial system and better international financial governance. Such a climate required all countries to create a national environment conducive to financing for development.

39. While developing countries had, on average, seen an increase in gross domestic product (GDP) in recent years, the situation differed from region to region. Specific strategies were needed to reduce poverty and the major human development deficits in Africa, the only continent not on track to meet the Millennium Development Goals. In that connection, her Government welcomed the results achieved and the projects undertaken with other African countries thus far, and reiterated its commitment to taking a participatory approach and promoting the achievement of the Goals. Indeed, Morocco had hosted a number of events in recent years, most importantly the first African Conference on Human Development in 2007.

40. The Monterrey Consensus, the Johannesburg Plan of Implementation and the 2005 World Summit Outcome all underscored the essential role of FDI. Such a perspective was, however, compromised by debt, which placed a strain on developing countries' budgets and undermined their development efforts.

41. The objectives set out in the Monterrey Consensus concerning the multilateral trading system had still not been fully met and were unlikely to be, given the current global economic slowdown. As noted in the Secretary-General's report (A/63/179, para. 24), trade growth had fallen from 8.5 per cent in 2006 to 5.5 per cent in 2007 and was projected to fall to 4.5 per cent in 2008. International trade would thus be unable to meet developing countries' expectations, particularly in view of the Doha Round's recent collapse. WTO members had a moral responsibility to ensure that multilateral trade negotiations were concluded successfully by the end of 2008.

42. She noted with concern that, despite the ambitious targets set by most bilateral donors, ODA had been on the decline since 2005. Indeed, there was a considerable gap between the amount of ODA provided and the amount needed to implement measures aimed at attaining the Millennium Development Goals. In addition, the global partnership for development faced new challenges relating to climate change adaptation and mitigation.

43. Participants in the Doha Review Conference must adopt a precise timetable for implementing recommendations aimed at improving global economic, financial and monetary governance structures, strengthening the follow-up mechanisms to the Monterrey and Doha Conferences and consolidating the role of the United Nations in that regard.

44. **Mr. Sumi** (Japan) said that his Government attached great importance to financing for development and, therefore, to the upcoming Doha Review Conference. His delegation had complete confidence in the leadership of the co-facilitators of the preparatory process for the Conference and was participating actively and constructively in ongoing negotiations on the draft outcome document. In particular, he believed that the co-facilitators would ensure that the draft outcome document maintained a ministerial tone and was balanced, brief and precise.

45. While financial resources from the international community were a major building block in the development process, there should also be a strong sense of national ownership. Resources should be used to improve human security in developing countries, empower individuals and communities, and ensure inclusive economic growth. Nation-building was people-building. The Monterrey Consensus placed emphasis on involving all relevant stakeholders. Synergies between public and private funding could lead to job creation, technology transfer and trade-and-investment-driven growth, which could not be achieved by ODA alone. Public funding played a catalytic role in mitigating risks and encouraging private sector

investment, particularly in the area of infrastructure development.

46. Development partners should work together to promote good governance and sound macroeconomic policy and to create a business-friendly environment. By the same token, development partners and investors should comply with relevant international norms and act responsibly.

47. In the new international aid architecture, non-traditional donors contributed roughly one fourth of global aid flows and South-South investment flows constituted 25 per cent of all FDI inflows to developing countries. Assistance should be provided in line with the Paris Declaration on Aid Effectiveness, FDI should be made in a socially responsible manner, and creditors should respect international frameworks and give due consideration to debt sustainability through responsible lending.

48. There was a risk that the recent deterioration of financial markets would seriously damage developing country economies. The contraction in global credit would be detrimental to private sector investment. Spending on education and health and investment in infrastructure would decline, and it would become harder to mobilize the resources needed to develop social safety nets for the poor. Addressing global financial crises and helping member countries cope with such crises were the raison d'être of IMF, which should be responsible for providing financial assistance. If additional resources were required, his Government stood ready to supplement needed funds. The World Bank, meanwhile, should actively and creatively consider all possible options, without being constrained by existing frameworks, in order to minimize the adverse effects of the crisis on developing countries.

49. Since the international financial situation was changing daily, it would be inadvisable for the review process on financing for development to focus solely on the urgent short-term agenda. Moreover, if language addressing the current financial crisis was to be added to the draft outcome document for the Doha Review Conference, it should be added later in the negotiations, so that account could be taken of latest developments.

50. **Mr. Benfreha** (Algeria) said that, in view of the current global slowdown and the international financial, food and energy crises, the international community must redouble its efforts to revive the spirit of Monterrey. The current crises demonstrated the global economic system's impact on efforts to mobilize external and domestic resources. He feared that the current climate might cause progress made thus far to be reversed.

51. The United Nations must make every effort to create an environment conducive to sustainable development through adequate domestic and external financing. Implementation of the Monterrey Consensus was mixed. Many developing countries had honoured their commitments and were making progress towards good governance; development partners, however, had reneged on many of their promises. Implementation was particularly poor where the stability of international private capital flows was concerned. The macroeconomic policies of many developing countries, while successful in mobilizing financial resources for development, were insufficient to mitigate the impact of volatile capital flows, particularly in the current climate. Development challenges would not be met unless the international community helped countries achieve the internationally agreed development goals, including the Millennium Development Goals, and created a global environment conducive to growth. Developing countries' needs were not currently being met.

52. The quantity and quality of financing for development were closely linked to the international financial and economic environment. The Doha Review Conference must build on progress made thus far and help countries move forward on development resource mobilization. Despite the various debt relief initiatives undertaken thus far, heavily indebted countries were still unable to achieve debt sustainability and obtain the financing needed to attain the Millennium Development Goals. In addition, ODA was on the decline and development partners were falling short of the 0.7 per cent target. He feared that the current financial crisis would cause the situation to deteriorate even further.

53. A successful conclusion of the Doha Round was essential if international trade was to become an engine for development. Developing countries needed time to develop their production capacity, so as to benefit from the possibilities that global market access offered and reduce the cost of trade reform-related adjustments; such factors should be taken into account during WTO accession negotiations. His Government was following

with interest the ongoing consultations on reforming the Bretton Woods institutions. Such reform must result in greater developing country participation in decision-making and norm-setting.

54. The outcome of the Doha Review Conference must define reliable and permanent mechanisms for implementing the decisions taken at the Conference and place the United Nations at the centre of the follow-up process. In that regard, the intergovernmental follow-up mechanisms to the Monterrey and Doha Conferences should be strengthened and the partnership between the United Nations and financing for development stakeholders enhanced.

55. **Ms. Zemene** (Ethiopia) said that the timely implementation of the Monterrey Consensus was essential to attaining the internationally agreed development goals, including the Millennium Development Goals. While many developing countries had improved the way in which they planned and used domestic resources and while development partners had worked hard to meet their commitments and ensure the quality of aid, the pace at which goals were being met left much to be desired. The degree of ownership, alignment and harmonization of partnerships was thus far inadequate. Declining ODA flows and sustainability, meanwhile, were a matter of serious concern, particularly in the current economic climate. National ownership required collaborative participation frameworks at all levels, meaningful developing country participation in the development financing framework, and clear policies and strategies to address challenges. Developing countries should be able to choose their own development path, while receiving support from their development partners.

56. For low-income countries to benefit from trade, duty- and quota-free market access should be realized fully, the Doha Round concluded successfully and Aid for Trade increased. Such initiatives would help low-income countries address supply-side constraints. Efforts to minimize trade-distorting measures must also continue. At the same time, developing countries should strive to create an environment conducive to FDI by investing in human resource development and promoting people-centred policies. That said, the flow of FDI into critical infrastructure must be scaled up considerably.

57. As a strong supporter of national ownership and global partnership, Ethiopia was shaping its national development goals, expanding its financial resources, broadening the tax base, diversifying exports and nurturing an accountable system of governance. As part of its efforts to attract large-scale FDI and technology transfer, it was also investing in human resource development and infrastructure and creating an enabling policy environment.

58. Many African countries would be affected by the recent fall in the price of primary export products. Ethiopia was already feeling the strain of having to redirect resources away from areas key to growth and development towards food and fuel subsidies. As a result, Ethiopia’s recent growth was expected to be reversed and its efforts to attain the Millennium Development Goals hindered further. She hoped that the Committee would pay particular attention to the challenges faced by countries with special economic needs and that the upcoming Doha Review Conference would produce timely and responsive initiatives that could play a key role in addressing current development challenges.

The meeting rose at 12.35 p.m.