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## Second Committee

### Summary record of the 7th meeting

Held at Headquarters, New York, on Wednesday, 6 October 2004, at 5 p.m.

*Chairman:* Mr. Balarezo. . . . . (Peru)

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General debate (*continued*)

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*The meeting was called to order at 5.05 p.m.*

### General debate

1. **Mr. Badji** (Senegal) drew attention to the Action against Hunger and Poverty initiative promoted by Brazil, Chile, France and Spain and targeting millions of people worldwide, especially in sub-Saharan Africa, and said that economic growth had been progressively consolidated in Senegal, reaching 6.5 per cent in 2003; prices were stable and the financial deficits had been reduced to sustainable levels. The country had also launched the national good governance programme to promote an environment favourable to private initiative, as well as the reform of the State financial management system in order to achieve efficiency and transparency. Nonetheless, the poverty rate among Africa's population continued to be high and many countries on the continent would be unable to attain the Millennium Development Goals. Consequently, the international community must urgently assume its responsibilities regarding official development assistance, external debt and trade. In that regard, he welcomed the establishment of the Millennium Challenge Account and the proposal for an international finance facility, as well as the proposals of the Technical Group on Innovative Financing Mechanisms.

2. In Africa it was vital to fight corruption, red tape and waste and to demonstrate better absorption capacity for official development assistance. The partners, for their part, must continue their efforts to harmonize their policies, untie their aid and make grant flows more predictable. There were plans to hold an international conference in Dakar in order to address the serious debt problem. Since the debt burden of African countries was clearly unsustainable, the benefits of the Heavily Indebted Poor Countries Initiative and of the attitude of donors that had recently cancelled part of Senegal's debt were undeniable. But it must also be acknowledged that a poor country's level of sustainable debt must be compatible with attainment of the Millennium Development Goals. In that regard, the World Bank and International Monetary Fund (IMF) were working on finding an acceptable definition of that concept. With regard to trade, it was essential to remove the obstacles to the access of African products to the markets of the developed countries and to diversify exports. Since the share of the African countries in the global flow of

trade in goods and services was paltry, their exclusion would continue as long as international trade mechanisms were not radically redefined in order to end that implacable logic of injustice and inequality so patently illustrated in the "cotton scandal". In that connection, the "July 2004 package" contained constructive proposals concerning cotton and the Dakar Agriculture Agreement proposed by the President of Senegal could be a forum in which political leaders, the scientific community, agro-industry and the financial institutions could study ways of integrating Africa into global trade. It would also afford an opportunity to contribute to reducing the disparities existing in regard to agriculture and to secure the means to combat the plague of locusts that had attacked some four million hectares of crops in Senegal and the Sahel region.

3. **Mr. Belinga-Eboutou** (Cameroon), after endorsing the statements made on behalf of the Group of 77 and China and the Group of African States, noted with concern that sub-Saharan Africa would not be in a position to fulfil most of the Millennium Declaration Goals by 2015, despite an annual growth rate of 4.5 per cent. Given that fact, it was necessary to consolidate the New Partnership for Africa's Development (NEPAD) as an instrument for mobilizing resources to promote sustained economic growth and sustainable development. It was also necessary to settle the debt problem once and for all and strengthen the Heavily Indebted Poor Countries Initiative, which had not yielded the results expected of it, owing to the rigorous conditions imposed for reaching the completion point, the sole parameter on which a significant debt reduction was based.

4. Genuine development was, first and foremost, endogenous; accordingly, countries must pursue the path of good governance, anti-corruption measures, democracy, and the strengthening of domestic savings and investment practices. At the same time, in the modern world, despite the amount of accumulated and available wealth, misery and poverty were the order of the day and, despite technical, medical and pharmaceutical advances, pandemics such as malaria, tuberculosis and AIDS claimed millions of lives. Notwithstanding the expected panacea from globalization and liberalization, it was vital that global relations should be founded on justice, equity and solidarity.

5. **Mr. Bossina** (Congo) observed that, in the current context of economic growth, the relative increase in official development assistance continued to be insufficient to enable the developing countries to achieve the Millennium Development Goals. As a result, the developed countries must pursue economic policies that took the developing countries into account and fulfil the commitments they had undertaken in Monterrey and Johannesburg. The international financial institutions, for their part, must ensure a balanced and stable global economy. The political will to address the problems inherent in the financing of development and in poverty and hunger had recently begun to emerge. IMF intervention in the resolution of financial crises should be geared to increasing the resources earmarked for the developing countries and to supporting innovative financing mechanisms.

6. The persistent problems of debt and debt servicing continued to impede the developing countries' growth. Praise was due for the efforts of the heavily indebted poor countries that had reached the completion point and so could benefit from the Initiative, although 11, including the Congo, would not meet that requirement if the Initiative came to an end in 2004. The Congo therefore supported the extension of the Initiative and thanked the international community, especially the donors, for their support. At the same time, the forecasts of 7 per cent growth for 2004 should not obscure the enormous disparities that persisted among regions and countries or the fact that the developing countries, exporters of raw materials, continued to be extremely vulnerable. The outcome of the eleventh session of the United Nations Conference on Trade and Development, held in São Paulo, as well as the decision adopted by the General Council of the World Trade Organization (WTO) on 1 August 2004, in which the framework for future negotiations had been defined, could give new impetus to the themes of the Doha programme, following the Cancún debacle.

7. As for the specific situation in Africa, the support being provided by the international community through NEPAD and the work of the Special Envoy of the Secretary-General in Africa were welcome. The commitments made with regard to the financing of NEPAD must likewise be implemented and more resources should be provided to help the continent achieve the Millennium Development Goals and progress towards sustainable economic development. On the other hand, risks such as international terrorism,

political instability, geopolitical tensions and oil prices caused major imbalances and posed a threat to the world economy. International cooperation and multilateral efforts to promote development must therefore be strengthened and the commitments made at the summits and conferences held in recent years must be implemented.

8. **Ms. Al-Mulla** (Kuwait) associated herself with the statement made on behalf of the Group of 77 and China and said that regional and international efforts must be coordinated with a view to creating an environment which promoted the achievement of development goals. In order to do so, the needs of the developing countries must be taken into account, they should be actively involved and realistic time frames should be set and followed by all. To that end, the international community must eliminate current disparities in the international financial system, increase the involvement of national and regional mechanisms in decision-making processes and give due recognition to trade as the principal source of financing and growth. In other words, it must establish an open, fair and non-discriminatory multilateral trade system based on the principles of the Doha Declaration.

9. Many developing countries, in particular in Africa, still lacked the necessary resources to implement their development plans. The international community must meet its commitments and encourage foreign direct investment in those countries. In the context of its long-term solidarity policy with the developing countries, Kuwait allocated more than 0.7 per cent of its GNP to development financing in more than 100 countries through various channels, such as the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development. The slowdown in the world economy was due to a number of very complex factors, including political instability, climate conditions and debt levels; in order to deal with that situation, the fundamental causes of the slowdown must be studied in depth with a view to coordinating all the relevant practical measures. Problems related to the environment and climate should not, however, be forgotten. In a globalized world driven by information and communications technologies it was important to concentrate on creating resources which directly benefited peoples and to promote planning and human development.

10. **Mr. Buffa** (Paraguay), having associated himself with the statements made on behalf of the Group of 77 and China, the Rio Group and the Group of Landlocked Developing Countries, expressed the hope that, in accordance with the Almaty Programme of Action, the landlocked developing countries would receive strong support in the World Trade Organization (WTO) multilateral trade negotiations as well as in other forums, that their agricultural and non-agricultural products would receive special and differential treatment and that they would finally achieve access to markets. The landlocked countries therefore welcomed the recent agreement within WTO to continue the trade negotiations within the framework of the Doha Round. As a result of its geographical and historical handicaps, Paraguay had to make a greater effort to ensure real access for its products to regional and international markets. For example, it had to pay a transport surcharge of some 40 per cent for oil imports, added to the already high fuel costs. It therefore advocated substantial reform of agriculture in three main areas: improved access to markets, elimination of export subsidies and reduction of domestic support.

11. On the other hand, the awareness-raising initiatives adopted recently with a view to implementation of the Millennium Development Goals should be highlighted, in particular efforts to reduce hunger and poverty promoted by the President of Brazil and the special event on fair globalization organized by the Presidents of Finland and the United Republic of Tanzania. The São Paulo Consensus, adopted in June 2004 at the eleventh session of the United Nations Conference on Trade and Development (UNCTAD), had focused attention on the needs of the landlocked developing countries and the surcharges that they had to pay in foreign trade, which hindered their economic and social development. International development and financing organizations and donor countries must provide the necessary support to mobilize more resources on preferential terms and using innovative mechanisms, which would promote the building of the infrastructure needed to physically connect the various means of transport in the landlocked developing countries as well as develop transit routes to seaports.

12. **Mr. Zenna** (Ethiopia), having associated himself with the statements made on behalf of the Group of 77 and China and the African Group, said that globalization had brought into stark contrast the gap

between developed and developing countries, although it had also brought with it unprecedented opportunities. The fact that most African countries might not achieve the Millennium Development Goals should be of serious concern to the international community as a whole, which to a great extent was responsible for implementation of the agreed goals. Preparations for the high-level event in 2005 for the comprehensive review of the progress made in the fulfilment of the commitments contained in the United Nations Millennium Declaration provided the Second Committee with an opportunity to make an important contribution, including the internationally agreed development goals and the global partnership required for their implementation.

13. The Committee should likewise promote the provisions of the Monterrey Consensus, although he acknowledged that the developing countries must assume ownership of and responsibility for their development through the creation of an investment-friendly environment, sound policies and investment in human and physical infrastructure. That would, however, require partnership on the part of the developed countries. The international community should adopt a number of measures: first, speedy conclusion of the Doha Round without losing sight of its developmental aspects. To that end, market access initiatives should be complemented by capacity-building for trade and removal of supply-side constraints, in particular in the least developed countries, without neglecting the issue of commodities, which should be discussed with a view to mitigating the impact of international price volatility and the resulting decline in terms of trade on commodity-dependent countries. Second, the developed countries should double their current levels of official development assistance so that the developing countries could achieve the Millennium Development Goals. Third, the debt sustainability of the highly indebted poor countries should be linked exclusively to the achievement of the Millennium Development Goals in those countries, with a view to the substantial reduction or total cancellation of their bilateral and multilateral debt. Fourth, foreign direct investment from the private sector should be encouraged as the most viable long-term source of external financing for development and the best means of transferring the know-how and technology needed for increased productivity and sustained economic growth to the developing countries. Fifth, the international

community should seize the opportunity of the Summit on the Information Society in 2005 to bridge the digital divide. Finally, the Committee should bear in mind General Assembly resolution 56/201 when considering the triennial comprehensive review of operational activities for development of the United Nations system with a view to improving coordination among United Nations funds and programmes at the field level, enhancing ownership by programme countries, further simplifying and harmonizing procedures and increasing the resources available to the operational arm of the Organization.

14. **Mr. Manis** (Sudan) associated himself with the statements made on behalf of the Group of 77 and China and the Group of African States. When considering the items on the agenda, all Member States should seek consensus in a spirit of collaboration that reflected the desire of the international community to ensure global prosperity through economic cooperation. To that end, it was necessary to reduce the differences between poor and wealthy countries, meet the needs of millions of people in the developing world who aspired to a dignified life, and correct the imbalances in the global trade and economy that adversely affected developing countries and international stability. It was also necessary to rekindle the political will of the leaders who had supported the Millennium Declaration and had been present in Monterrey and in Johannesburg, so as to liberate developing countries, particularly the least developed countries, from the continuing scourge of hunger and poverty. To that end, it was fundamental to act before 2015, supporting family values by appropriate policies and specific measures, and facilitating access to education and health care.

15. The Sudan welcomed the useful initiative of the President of Brazil to find new ways of financing poverty eradication activities and hoped that his recommendations would be followed through. Given the existing imbalances and disparities, an increase in official development assistance and foreign direct investment was needed to help resolve the external debt problem, open up markets and build the capacity of developing countries. Without that assistance, the Sudan's sacrifices and its political and economic reform efforts would have been in vain. He therefore appealed for the General Assembly to generate the political will that would allow the most appropriate

ways of fulfilling development commitments to be identified.

16. **Mr. Sopoaga** (Tuvalu), speaking on behalf of the Alliance of Small Island States (AOSIS), associated himself with the statement on behalf of the Group of 77 and China, and said that the high-level event in 2005 to assess progress in complying with the commitments contained in the Millennium Declaration should focus on the adoption of approaches to achieve peace and development and should elaborate effective strategies to address the new challenges. The international community and the donor community should fulfil the pledges made in Monterrey with regard to official development assistance, which had been in constant decline in real terms since 1990. The heavy debt burden and debt servicing, as well as the inadequate flows of foreign direct investment, were further constraining the ability of developing countries, particularly the least developed ones, to achieve the Millennium Development Goals.

17. In Rio, in Barbados and, more recently, at the Johannesburg Summit, the international community had recognized the special case of the small island developing States. Those countries acknowledged their responsibility to build an environment conducive to sustainable development, but also realized that they required assistance from the international community to achieve their goals. However, over the past 10 years, there had not been any significant improvement in the level or quality of the assistance received to implement the Barbados Programme of Action. Accordingly, it was to be hoped that the commitments assumed by the international community would translate into specific measures at the International Meeting on Small Island Developing States to be held in Mauritius in 2005, and that all the Member States would send high-level representatives and participate in the preparatory process. The specific geographical characteristics of the small island developing States made them particularly vulnerable to natural disasters, and their small, open and highly trade-dependent economies made them extremely vulnerable to the realities of the new, competitive global marketplace. In different forums, the AOSIS member States had repeatedly stressed that their economies could not survive unless, during the current Doha Round, the preferential market access arrangement was protected and the erosion of the margins of preference was ended.

18. **Mr. Al Shamsi** (United Arab Emirates) associated himself with the statement on behalf of the Group of 77 and China and said that, despite the slight recovery of the world economy during the second half of 2003, the expansion process had slowed down during the first half of 2004 owing to several factors, such as armed conflicts, foreign occupation, expansion of terrorist acts and the spread of diseases such as HIV/AIDS, malaria and tuberculosis. That had contributed to eroding the resources for financing development and had affected the economies of many regions of the world. Although official development assistance granted to poor and developing countries was appreciated, the progress achieved in that respect had not reached a level that would enable those countries to improve their economic conditions. Consequently, it was important to find sustainable solutions, and accelerate the implementation of the outcomes and recommendations of international summits and conferences that constituted a solid foundation for achieving the Millennium Development Goals. In that respect, it was also important to reform financial and commercial systems so as to improve economic development and the access of developing countries to world markets, and reach an agreement on debt relief strategies that would enable them to use their resources to achieve sustainable economic growth and access information technologies. Moreover, the developing countries should fulfil their obligations to strengthen and reform their economic and social institutions so as to create an environment favourable to development and foreign investment.

19. The United Arab Emirates had achieved sustainable economic development owing to its political stability and the implementation of strategies aimed at human resource development through education and the promotion of social and health services, use of oil profits to diversify national income, strengthening of the economy by investment and development projects, promotion of the private sector, protection of the environment and biodiversity, combating desertification, and application of the latest information and communication technologies. Convinced of the importance of regional and international cooperation in promoting the growth of the global economy, the Emirates had entered into economic and developmental bilateral, regional and international arrangements, had made contributions to most of the United Nations development agencies, and had opened up its labour market to foreign workers,

mostly from developing countries, who had sent back to their countries of origin remittances totalling \$11 billion. Also, the Government had granted assistance, in cash and in kind, to many developing countries and contributed to reconstruction operations in Kosovo, Afghanistan, Palestine and Iraq.

*The meeting rose at 6.20 p.m.*