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Held at the Palais des Nations, Geneva,
on Thursday, 8 July 1999, at 10 a.m.

President: Mr. MANGOELA (Lesotho)
(Vice-President)

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In the absence of Mr. Fulci (Italy), Mr. Manqoaela (Lesotho) Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT
COOPERATION

- (a) POVERTY ERADICATION AND CAPACITY-BUILDING (agenda item 3 (a))
(E/1999/55 and Add.1 and 2; E/1999/CRP.1)

Mr. DESAI (Under-Secretary-General for Economic and Social Affairs), introducing the item, said that certain areas of the operational activities for development of the United Nations system were in need of urgent attention. A major process of reform and reconstruction of operational activities had taken place in the past five or so years. There had been a substantial strengthening of mechanisms for coordination at both the country and global levels. Capacity for monitoring and evaluation had also been substantially improved. More work had been done on harmonization between the various funds and programmes and on the organization of joint programmes.

The picture with regard to resources, however, was very different. Despite the substantial improvement in the extent to which the United Nations was able to operate at the field level in a systematic and coordinated fashion, the resources available for operational activities had continued to decline. The first and most important point that needed to be addressed, therefore, was that, unless resources increased, the whole process of reform aimed at bringing about better coordination would suffer.

There were some signs of a change for the better on the funding side. Important advances had been made in the various executive boards on new funding arrangements, the so-called multi-year funding frameworks (MYFFs). Those arrangements had all been discussed separately, but the Council itself had not taken a coordinated look at the valuable advances made by the executive boards. The test of the MYFFs would be how far they succeeded in mobilizing more resources for development, rather than their success in coordination.

He hoped that the Council would also be able to address the question of the many new types of demand being made on operational activities for development. The focus should be on what needed to be done to pursue the coordinated approach at the country level and what could be done to secure better linkages, for example, between humanitarian assistance and

reconstruction and rehabilitation. At the same time, the earlier area of technical cooperation remained important. A major challenge would be to meet all the requests received at a time when the resource picture was bleak.

He would also stress the growing importance of coordination between the work of the United Nations system and that of the Bretton Woods institutions, especially with regard to grant-based technical assistance. Coordination processes at the country level had become more important as the financial institutions became more closely engaged in issues of the kind previously handled within the United Nations system.

Many references had been made to the fact that the world conferences organized by the United Nations in the 1990s had provided a new basis for development coordination as well as a programmatic structure for coordination at the country level. The question that arose was how a better link could be secured between the functional commissions of the Council, which were responsible for the follow-up to the world conferences, and the system of operational activities for development. A good dialogue had been established between the operational entities and the Council itself, as was demonstrated by the operational activities segment of the agenda, but there was still not the same type of close connection between operational activities and the functional commissions. The Secretariat would welcome any suggestions from the Council in that regard.

Turning to the documents before the Council for the agenda item, he said that the report on progress in the implementation of General Assembly resolution 53/192 (E/1999/51/Add.1) gave a profile of the way in which it was proposed to implement that landmark resolution. The Council's views in that connection would be appreciated. A report had also been prepared on the specific themes of the operational activities segment: poverty eradication, capacity-building, resources and funding, and the executive boards of the United Nations funds and programmes (E/99/55). Paragraph 78 of that document contained a set of suggestions and recommendations in that regard. He emphasized that the work of the United Nations system on poverty eradication began with the national strategies formulated by national Governments. Examples of the support offered to those national strategies were given in the report. There was also a review of the work done with regard to capacity-building. It was suggested in paragraph 141 that the Council might wish to review the resource situation currently facing the funds and

programmes. He noted that a seminar had been held recently, under the auspices of the Consultative Committee on Programme and Operational Questions (CCPOQ), on the issue of capacity-building. He hoped that the organizers would be able to make a short presentation to the Council on the outcome of the seminar.

In conclusion, he pointed out that the Council would need to address the question of the operational activities segment for the year 2000, the themes of which were to be resources and simplification and harmonization. Any guidelines from the Council on those two topics would be very helpful to the Secretariat in making its preparations. He trusted that the very short time set aside for the segment at the current session would not impose too great a burden on Council members in terms of arriving at clear conclusions which could provide guidance in all the areas concerned.

Mr. INSANALLY (Observer for Guyana), speaking on behalf of the Group of 77 and China, said that the eradication of poverty was the greatest challenge of the twenty-first century. Three years into the first United Nations Decade for the Eradication of Poverty, progress was far from adequate. Diagnoses and prescriptions abounded but real remedies were in very short supply. At the same time, it was clear that humankind possessed the resources and capacity to overcome poverty and, by so doing, release the natural endowment and potential of millions of human beings for the benefit of themselves, their communities and the world. The Council's task was thus to continue to address the root causes of poverty and build capacity for development in developing countries.

Special attention had already been paid to the vulnerability to poverty of women, particularly rural women. It was increasingly recognized that sustainable development was possible only through the improved status of women. Attention must therefore be given to realizing the goals of the Beijing Platform for Action, aimed at enabling women and men to participate fully and equally in the formulation of macroeconomic and social policies and strategies for the eradication of poverty.

The Group of 77 and China firmly believed that capacity-building and poverty eradication were indispensable elements of the development process. Accordingly, the design of programmes and initiatives at the operational level must take into account their interrelationship and must be based on a careful assessment of national priorities and needs. During the operational

activities segment, the Council should seek to promote practical support by the United Nations system and other relevant entities for action on the ground in response to national priorities and needs. More specifically, particular emphasis should be laid on strengthening support for national leadership in the formulation and execution of anti-poverty policies and programmes, for increasing investment in human capital, and for sustaining capacity-building initiatives.

Strengthening national leadership in the development and implementation of policy was essential to ensuring national ownership of the development process. Strengthening national leadership could also serve to guarantee the effectiveness of operational activities over the medium and long term. That objective should become a primary focus of United Nations operational activities and be fully supported by all development partners. A dedicated and sustained effort, based on a multidimensional approach, was vital for progress in the fight against poverty. In practical terms, continued support to Governments would be required in all phases of development policy, including policy analysis and decision-making, priority setting and strategic targeting of areas with potentially high multiplier effects.

As far as increasing the investment in human capital was concerned, considerably more needed to be done to empower people living in poverty through policies and measures aimed at improved access to education, health care, sustainable livelihoods and the creation of employment. That would entail, among other things, the closer involvement of local communities in the implementation of development activities and the provision of various forms of direct support to such communities. The Group of 77 and China welcomed the many initiatives taken by organizations of the United Nations system to support community initiatives for poverty eradication and to enhance their participation in decision-making at different levels.

Sustaining capacity-building initiatives was equally important to developing countries, particularly where there was not sufficient improvement in general economic conditions to retain skilled and highly trained personnel. Clearly, the problem posed a challenge not only to the countries concerned but also to those development agencies working to support capacity-building at the national level. In that context, the Group of 77 and China strongly supported the call in General Assembly resolution 53/193 for capacity-building to be made an explicit objective of programmes and projects supported by the

United Nations system. They also agreed with the emphasis in the report on the need for stronger integration of capacity-building measures in all United Nations programmes. At the same time, they wished to stress that such initiatives should be flexible enough to cater to the particular priorities and needs of recipient countries and should also lead to the greater use of available local capacity in programme execution. It was also important to promote greater sharing among developing countries of experience and best practice in that area, for their common benefit.

Clearly, the ideas put forward could not be successfully pursued in isolation from efforts at both the national and international levels to create a supportive international environment. The Group of 77 and China therefore viewed with grave concern the current decline in support for development in general and for operational activities in particular. They called for a careful evaluation and assessment of the reasons for the decrease in the core resources available for the operational activities of the United Nations system. They also urged that an analysis should be made of the effects of the decline on the effectiveness of operational activities and their impact on economic growth and sustainable development. Such a review could not only help to place the funding of operational activities on a predictable and assured basis but could also render them increasingly responsive to the imperatives of poverty eradication and capacity-building.

Mr. ANTTOLA (Observer for Finland), speaking on behalf of the European Union, the associated countries of Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and also of Iceland, said that the European Union shared the view of the Secretary-General that poverty eradication constituted the principal challenge facing the entire international community at the dawn of the new millennium. The United Nations summit meetings and conferences had provided a good framework for an international development strategy for the twenty-first century, as well as a basis for assessing overall progress, building political will and establishing a common purpose in international development efforts. The Union was fully committed to reaching the internationally agreed development target of halving the number of people living in extreme poverty by the year 2015.

Poverty was more than a lack of income. It was also a denial of choices, participation and decision-making power, as well as exclusion from

social life, and occurred in all societies. Extreme poverty was a violation of human dignity and an obstacle to the enjoyment of all human rights. An active human rights policy and emphasis on the right to development were important factors in the fight against poverty.

Although it might be difficult to define a global solution to poverty eradication, broad agreement had been reached, within the framework of the world summit meetings and conferences, among all the actors regarding the elements of appropriate strategic approaches to poverty reduction, including structural reforms at the macro level and explicit pro-poor policies. Currently, the major challenge was to implement those strategies. The United Nations had a key role to play in translating into action the global mandates of the United Nations system regarding poverty eradication.

While developing countries were responsible for their own development, the international community had a responsibility to assist their national efforts. Political will was needed, at both the international and national levels, for the systematic integration of social considerations into policy design and decision-making in all areas. The active support and participation of civil society was also needed. The Union believed strongly in the importance of empowering the poor and increasing their access to resources. Measures and initiatives should be tailored to the needs of specific groups, the higher obstacles facing women in overcoming poverty being taken into account.

The Union acknowledged the significant efforts made by the United Nations funds and programmes to reform and adapt to the new challenges of development cooperation. They welcomed their endeavour to narrow the focus of operations in order to address poverty more forcefully and to focus on the least-developed countries. At the same time, they acknowledged that poverty occurred in other countries and societies as well.

The Union shared the view of the Secretary-General that, through system-wide participation by the United Nations, poverty could be addressed in a comprehensive way. The resident coordinator system provided a good field-level coordination mechanism and should be supported by all United Nations agencies. The system-wide impact evaluations of 1998 had endorsed that view, suggesting that coordinated and coherent approaches by the United Nations agencies within specific sectors improved the sustainability and ownership of capacity-building efforts.

The Union supported further implementation of the United Nations Development Assistance Framework (UNDAF), which should become a major coordinating framework at country level. It should respond to national development priority needs and have full government participation and ownership. The Union encouraged all UNDAF participants to consider ways of promoting joint programming action and called on the United Nations Development Group (UNDG) to give those efforts every support.

The Union welcomed the fact that the World Bank's Comprehensive Development Framework (CDF) had been taken into account in the revised UNDAF guidelines. The CDF was an interesting and important concept that should be further elaborated, taking into account the UNDAF experience and the specificities of the different channels of development cooperation. The increased and continuing interaction between the United Nations and the World Bank was encouraging. All actors, the specialized agencies, the World Bank and International Monetary Fund (IMF), national authorities and bilateral donors, should work together towards a coordinated development process under the leadership of the countries concerned.

The complexity of capacity-development issues meant that responses must be flexible, acknowledging their interlinkage. Capacity-building was a dynamic process in which individual and organizational learning and ability to change was important. The system-wide evaluation of the impact of capacity-building, and the UNDAF pilot phase evaluations, pointed out that national ownership and increased confidence on the part of the stakeholders were essential to the sustainability and success of the process. Social development and capacity-building in poverty eradication were intimately linked. The Union agreed with the Secretary-General that there was a need to create a favourable policy environment for poverty eradication which included the appropriate allocation of resources to social development. A notable international initiative in that regard was the 20/20 initiative, on which the United Nations was working together with the World Bank. The Union supported that initiative and welcomed the efforts by the United Nations Children's Fund (UNICEF) and the United Nations Development Programme (UNDP) to promote the implementation of expenditure reviews in individual countries. It also welcomed the understanding reached between UNDP and the World Bank on the partnership for capacity-building in Africa.

United Nations operational activities should tackle the root causes of poverty and address such issues as economic growth that favoured the poor, employment creation and the promotion of equitable income distribution. Capacity-building in good governance and human rights, elements already integrated into the programmes of many United Nations agencies, was an important basic tool. High priority should be placed on capacity-building in the areas of economic policy, education, health, food security, shelter and access to safe drinking water and sanitation. The involvement and empowerment of the poor, and women in particular, was fundamental.

The Union would like to see the United Nations become a learning organization with strong monitoring and evaluation capabilities, which should be gradually integrated into the regular work and budgets of the United Nations system, eventually developing into independent evaluation functions. The Council might wish to encourage the funds and programmes to cooperate in evaluating specific sectors or themes in any one country. It was also essential to build up the capacities of the programme countries.

The Union recognized that financing for development came primarily from domestic resources, but for that purpose a sound macroeconomic framework, which could attract foreign direct investment (FDI), was required. Many developing countries found it difficult to integrate into and benefit from the worldwide economic system, in part because of their structural weaknesses and the burden of external debt. In that regard, the Union recognized the recent positive initiatives to address the unsustainable debt burden of the heavily indebted poor countries (HIPC). The funds released through debt relief should be used for social development and poverty alleviation. Official development aid (ODA) was also very important, especially for the least-developed countries. All donor countries should redouble their efforts to reach the target of 0.7 per cent of gross national product (GNP). A reversal in the downward trend of ODA was therefore required, and the slight increase achieved in 1998 was encouraging.

The Union welcomed the development of the multi-year funding frameworks, which were based on an understanding by the United Nations funds and programmes of the relationship between funding and objectives and results. The Union proposed that, in the year 2000, the Council should be informed of the status of such funding arrangements, with a view to considering the future of the pledging conferences.

The Union welcomed the joint meetings of the boards of the operational agencies and other bodies. Such meetings should become fully action-oriented, resulting in joint recommendations on issues of common interest. As for the reports of the funds and programmes to the Council, the Union wished to keep open the possibility of a decision that took account of the issues raised in the UNDG consolidated list.

The Union attached great importance to simplifying, harmonizing and rationalizing the procedures of programmes and funds. The operational agencies would carry out their tasks most efficiently by mutually supportive efforts and by eliminating overlapping administrations and activities.

Ms. KING (United States of America) said that poverty alleviation and capacity-building were inextricably linked, a linkage that represented the main comparative advantage of the United Nations funds and programmes in development cooperation, but unfortunately one that appeared to have been neglected in the Secretary-General's report (E/1999/55). The Council seemed to be considering poverty as one theme and capacity as another.

Poverty and extreme poverty had existed long before the advent of a globalized world economy and the long-term problem of poverty alleviation should not be confused with temporary crises. Her delegation questioned the wisdom and utility of the concept of the "new victims" of globalization and the economic crisis; the passive psychology of victimhood was simply not part of an enabling environment for poverty alleviation. Pragmatic strategies constituted a better approach; when countries and people refused to play the role of victims, they assumed the primary responsibility for their own development.

She commended the report for its effort to demonstrate continuity, following the 1996 agreed conclusions on the coordination of the United Nations support for poverty eradication, although her delegation had hoped to focus more on implementation through capacity-building than on coordination. However, the clear references to the need for empowerment, education and a gender perspective were useful illustrations of how the United Nations development system supported the strengthening of capacities in accordance with the broad agenda agreed at the world conferences of the 1990s.

The impartial and multilateral character of United Nations activities were essential elements of an enabling environment for development empowerment and poverty alleviation. The funds and programmes should focus on those areas

and, by implication, de-emphasize areas where the comparative advantage of their special relationship with the Member States was lacking. The growing level of programme country resources channelled through the funds and programmes in the form of host Government cost-sharing was a positive sign of the confidence that developing countries had in the United Nations. Indeed, it was closely tied to the expansion of United Nations work in the area of governance and was important to building the capacity of developing economies to weather the pressures of an interconnected world economy.

There were grounds for cautious optimism. Never before had there been such a widespread consensus on empowering the individual in a context that balanced strong social policies and sound economic policies at the national level, while recognizing the elements of a supportive international enabling environment. There were indications that growth was returning to countries affected by the financial crisis. It was time to learn the lessons of the economic dislocations of late 1997 and 1998 in order to avoid a recurrence of such problems. Capacity-building was essential for economic growth, stability and sustainability. It should be made the hallmark of United Nations development work.

Lastly, in response to the remarks of the Under-Secretary-General, she said that her delegation would welcome a real discussion, in a more informal setting, on the linkage between the work of the operational agencies and the mandates of the functional commissions to follow up the world conferences.

Mr. DE ICAZA (Mexico) said that the great paradox of the age was the marginalization of significant sectors of the population and the inequalities in income both within and between countries, in parallel with the growth in economic and technological resources. It was a phenomenon that transcended national boundaries and affected the development of all nations. It was therefore a major challenge for the international community and his delegation believed that a new approach to international cooperation should be formulated. The world had the resources and the capacity to confront the challenge of eradicating poverty, but practical and ongoing action was required. Operational development activities should adhere to the principles of universality, neutrality, multilateralism, non-conditionality and full respect for national priorities, if they were to fulfil their important function of supporting the developing countries.

The United Nations reform process should revitalize international cooperation and improve the efficiency of operational development activities. It should be a priority to orchestrate the agreements reached at the triennial comprehensive policy review, but that would require a guarantee of the necessary financial resources. The role of national Governments should, however, remain paramount. The support role of the resident coordinator was useful in that connection. The regional dimension was also of great importance: South-South cooperation, including technical and economic cooperation between developing countries, should be complementary and consistent with North-South cooperation.

His delegation noted with particular concern that basic development funding continued to show a downward trend. The questions posed in paragraph 111 of the Secretary-General's report (E/1999/55) were most pertinent in that regard. It was imperative that the decline should be reversed.

The fight against poverty on a global scale required the mobilization of more resources to strengthen the national capacity of developing countries in strategic sectors. That conviction informed Mexico's national policies and its approach to international cooperation. Mexico was one of the 14 countries which had explicitly indicated poverty eradication as a priority area of intervention for the United Nations system.

His Government's policy was to help the most disadvantaged sectors of the population by raising their levels of economic and social welfare and establishing the necessary conditions for a permanent improvement in their participation in the development process. The main planks of its policy were to develop the capacities of individuals and families; to construct a basic social infrastructure; and to generate employment and income opportunities.

He urged the international community to make a real commitment to development cooperation. In particular, the United Nations system should undertake flexible activities in line with the specific requirements laid down by national Governments in accordance with their national development plans and priorities.

Mr. ORATMANGUN (Indonesia) said that the adverse effects of industrialization, globalization and liberalization, together with the decline in multilateral cooperation, made it even harder to improve the work of the operational agencies in supporting the efforts of developing countries to

combat poverty. Yet operational activities for development had a critical and formidable role to play. His delegation had the fullest confidence in United Nations operational activities, not least because of their universality, their voluntary and grant nature, their neutrality, their multilateral orientation and their emphasis on Government ownership.

For them to be successful, however, a number of conditions had to be met. There must be recognition of the primary responsibility of national authorities in the eradication of poverty; there should be system-wide coordination of United Nations activities; and operational activities should be adequately funded. With regard to the first point, he recalled that agreed conclusions 1996/1 of the Council emphasized that, while operational activities should take into account broad common objectives, such activities were expected to be based on country-specific circumstances and decisions made by national authorities. His delegation also welcomed activities channelled directly to the poor, particularly for their demonstration effect, yielding lessons for possible wider application. Indeed, the United Nations should increase its assistance with the formulation, coordination, implementation, monitoring and assessment of national poverty strategies.

With regard to the second point, it was of crucial importance, given that most United Nations agencies addressed the question of poverty eradication in one form or another, that coordination should be strengthened. He commended the initiatives by the Administrative Committee on Coordination (ACC) to bring coherence and linkage to the numerous intergovernmental decisions on poverty eradication and to try to ensure integration at the country level. There remained, however, some overlapping in the implementation of development and humanitarian activities. As the system's main coordinating body, the Council should help to clear up any ambiguities.

Thirdly, on the question of funding, his delegation drew some hope from the initial results of the new funding strategy based on the multi-year funding framework and looked forward to a fuller report on its progress in 2000.

His delegation had always attached great importance to the inclusion of capacity-building in development programmes and projects, without which their impact and sustainability would be greatly diminished and the principle of a Government's primary responsibility would be eroded. It should therefore be integrated into all operational programmes and funds. To that end,

all relevant information on the best ways and means of incorporating capacity-building into national strategies should be available, together with assistance in adapting the capacity-building component to the different circumstances facing individual developing countries.

The Council had a key role to play in overseeing United Nations funds and programmes, ensuring that funding strategies and targets were implemented by all Member States in a consistent and equitable manner. It was to be hoped that the report on the consolidated list of issues would help to improve the Council's capacity to monitor the coherence and impact of United Nations operational activities.

Mr. UEDA (Japan) said that the "human security" aspect of international cooperation required policies to be formulated and implemented in such a way as to protect the interests of individual human beings. To that end, Japan was to contribute ¥500 million for the establishment of the "Human Security Fund" within the United Nations Secretariat. In the same perspective, his Government had hosted an international symposium focusing on development and human security. One of its main themes had been poverty eradication, since it could be said that, from the standpoint of human security, poverty was the fundamental problem: a person who could not obtain enough food, basic medical services or education was deprived of the opportunity of a fulfilling life. Moreover, poverty was a source of conflict which could in itself deprive people of their lives and cause great pain and hatred.

To eradicate poverty, Governments should pursue economic growth through good governance and stable economic management, while the individual should try to overcome poverty by making use of the solid foundation thus created. To facilitate the process, capacity-building, at both the State and individual levels, should be promoted.

Japan had been the world's top donor for the past eight years. Despite experiencing grave economic difficulties of its own in 1998, the country had still managed to provide some US\$ 10.68 billion in ODA, namely, one fifth of the world total for that year. The funds were used to provide comprehensive assistance for capacity-building, notably in the economic and social fields. It was a matter of concern, however, that a major proportion of donor assistance was being utilized by recipient countries for debt repayment. In that context, the new debt relief measures adopted as part of the HIPC

initiative were a step in the right direction. Japan was also pressing for the establishment of social safety nets for persons who would still remain in absolute poverty.

Poverty-eradication measures must share a common sense of purpose. To that end, there must be effective cooperation between partners at all levels, with emphasis on promoting the self-help efforts of developing countries and local ownership of programmes. The Council had both the responsibility and potential to act as coordinator of such international development activities. In that connection, the ongoing dialogue with the Bretton Woods institutions was most welcome and should be furthered as a matter of priority.

Poverty eradication required a range of actions which should be country-specific and should draw upon individual creativity and traditional culture. Human security must not be imposed on developing countries by developed ones; rather, it should be sought in a spirit of true partnership and on the basis of the collective value of their respective wisdoms.

Mr. KOLBY (Norway) said that development expanded people's choices, whereas poverty denied the opportunity to make choices. While much could be accomplished with development assistance, assistance in itself would not suffice. The international framework conditions for debt and trade were crucial, since they affected the degree of choice available to individuals and Governments.

Norway had been one of the first countries to launch a national debt strategy for the poorest developing countries. Revision of the HIPC initiative, with a view to enhancing its efficiency and flexibility was to be welcomed; thus far, implementation of the initiative had been too slow, and arrangements for financing and burden-sharing were as yet unclear.

In view of the complexity of the international trade policy framework, his delegation strongly supported the establishment of an independent legal advisory centre to help developing countries resolve trade disputes, as well as a special fund to assist the poorest countries in using the rules of the World Trade Organization (WTO) to their best advantage. Many such countries currently lacked the necessary expertise and capacity in that regard.

Given that the goal of universal access to basic social services was a fundamental human right, the note presented to the Development Committee

of the World Bank on principles of good practice and social policy had his delegation's endorsement. The broader support accorded to the 20/20 Initiative also constituted a step in the right direction.

A flourishing private sector provided the best means of reducing poverty, of counteracting aid dependence and of coping with debt. In that regard, framework conditions for private sector investment should be improved and private sector development programmes promoted.

Donor and developing countries had a shared responsibility to live up to commitments made at the major world conferences. Nevertheless, the main responsibility for the implementation of those commitments rested with Governments, with support, where necessary, from the international community. To maximize the impact of such support, all actors must coordinate their efforts more closely. Mechanisms such as the UNDAF and the UNDG had an important role to play in the ongoing reform process. The holistic approach to sustainable development envisaged in the CDF was, indeed, crucial. A strategic approach must also be devised for coordination with the Bretton Woods institutions. Well-coordinated multilateral development assistance would be more likely to attract donor funds. The decline in global ODA remained an issue of deep concern.

It was encouraging to note concrete progress at the country and Headquarters levels in implementing the Secretary-General's reform programmes. The Council should further elaborate guidelines on those aspects of the reforms which had yet to be addressed. It was also the appropriate forum for considering issues relating to the implementation of the reforms as experienced by the specialized agencies.

The growing technical cooperation among developing countries noted by the Secretary-General in the addendum to his report (E/1999/55/Add.1, paras. 104-106) was most encouraging. It was imperative that South-South cooperation be mainstreamed into the activities of the United Nations system.

His delegation was in favour of discontinuing the United Nations Pledging Conference for Development Activities, since experience had shown that the exercise did not provide an accurate indication of Member States' support for the subsequent year. It was to be hoped that the multi-year funding frameworks and result-based reporting mechanisms being introduced by UNDP, the United Nations Population Fund (UNFPA) and UNICEF would provide greater stability and predictability for programme funding. Despite

significant differences between funds and programmes, the specialized agencies would benefit from continuous consultation with a view to sharing ideas, solutions and best practice.

Mr. LAHIRI (India), having endorsed the statement by the observer for Guyana on behalf of the Group of 77 and China, said that it was most encouraging to note from the report (E/1999/55, para. 71) that, in all countries in which an UNDAF had been completed, poverty eradication figured as a central priority of the United Nations system. As the thirteenth summit of Non-Aligned Countries had underlined, the United Nations must support the developmental objectives of developing countries through greater emphasis on technical assistance.

If poverty eradication was to succeed, development strategy must combine efforts to stimulate general economic growth with programmes to address specific population categories, such as the rural poor, unemployed young people, women and children. The full realization of women's rights must be secured through relevant programmes, and their economic empowerment furthered with a view to eliminating inequality born of centuries of male dominance in society.

In India, development aims were being furthered, inter alia through programmes to promote small business enterprises, to deliver integrated services to infants and pregnant and nursing mothers, to provide access to fair price shops for essential commodities and to empower women to gain control over their own resources through a government-subsidized savings scheme in rural areas.

The United Nations system had a catalytic role to play in mobilizing energies and resources for poverty eradication. His delegation agreed broadly with the elements for a shared strategy outlined in paragraph 17 of the report. The term "good governance" was somewhat ambiguous, however. Value-neutral terms would be more appropriate; the World Summit on Social Development had spoken of governance which was "participatory, decentralized, accountable and responsive to the needs of those it served".

Also with regard to poverty eradication, the importance attached in the report to the Office of the United Nations High Commissioner for Human Rights (Box No. 1) was a cause for surprise, since the debate about a rights-based, as opposed to a development-based, approach was as yet inconclusive. His delegation's position was that the eradication of poverty was a prerequisite

for respect of other human rights, and not vice versa. As for the 20/20 Initiative (Box No. 2), his Government continued to view the Initiative as a voluntary compact between interested donor and recipient countries rather than as a prescriptive benchmark.

His delegation was unable to support recommendations to seek ways of collaborating with the World Bank on the UNDAF and CDF. Although complementarity between the two organizations was desirable, that did not mean that institutional priorities should be integrated. The World Bank CDF model, which was based on a twenty-year time frame, raised a number of issues for borrowers. It was unclear whether the developing countries, or even the Bank itself, possessed the necessary long-term planning capacities.

The need for coordination was frequently raised with respect to operational activities. Coordination was useful, and even essential under certain circumstances, but it should not be made an end in itself or be allowed to obscure other more important objectives. Moreover, since coordination was largely required at the country level, it was best undertaken by national Governments themselves.

Immediate steps must be taken to place the funding of operational activities on a secure, predictable and assured footing commensurate with the increasing needs of recipient countries. India, as one of the largest voluntary contributors from among developing countries to the core resources of United Nations funds and programmes, was contributing positively to that endeavour.

Mrs. NANDI-NDAITWAH (Observer for Namibia) said that, on the eve of the second millennium, mankind was celebrating major scientific and technological breakthroughs and even "victory at war". There had been little or no effort, however, to fight poverty, which was the most challenging war of all. Namibia was among the majority of the world's countries which were faced with the task of building a sustainable economic system and combating abject poverty. Political independence had been achieved; the "second struggle", was to achieve economic independence through the eradication of poverty.

Namibia was constrained in its development efforts by, inter alia, a weak agricultural resource base. HIV/AIDS constituted a further major challenge, with Namibia being one of the four worst-affected countries. Given

that any meaningful development strategy must begin with concerted efforts to counter the epidemic, the Government had implemented a comprehensive five-year plan to deal with the issue.

In addition to establishing inter-institutional coordination mechanisms and a National Development Plan, the Government had also initiated monitoring activities to determine the effectiveness of national poverty-reduction programmes with a view to developing an informed strategy to maximize the benefit obtained from the limited resources available. A human-centred approach to national development was being adopted, with investment in education, health and other social services and promotion of participatory approaches. Sustainable development policies currently being implemented included: the promotion of a stable political environment; the establishment and maintenance of an efficient system of government administration and gender mainstreaming in all aspects of life.

Although a scientific analysis of poverty was worthwhile, limited resources should not be diverted away from implementation to yet another statistical exercise. The 20/20 Initiative (E/1999/55, Box No. 2) was an important benchmark in the fight against poverty, but her country's experience had proved that 20 per cent of the national budget was insufficient for the provision of basic social services at the level required to eradicate poverty.

Unless the trend was reversed, profit-driven globalization threatened to marginalize the poorest countries by further hampering their integration into the world system of economic interdependence. Struggling economies in sub-Saharan Africa had been particularly affected. In order to bridge inequalities and promote sustainable development, the development agenda must be country-driven and implemented in accordance with national development plans and priorities. Strategies must be designed at grass-roots level and be flexible enough to respond to the specific needs of countries and regions. Global development activities must also be conducted on a multilateral level with funds allocated on the basis of need rather than political expediency. System-wide coordination within the United Nations was crucial to maximizing efficiency and promoting transparency and accountability at the international level.

Her delegation welcomed the progress made in introducing the UNDAF and the Common Country Assessment (CCA). Further progress on harmonizing programme cycles was also necessary. Lastly, it was clear from the report of

the Secretary-General (E/1999/55) that the world had the resources and capacity to eradicate absolute poverty and that the political will alone was lacking. It was high time that that will were found.

Mr. RYCHLY (Czech Republic) having endorsed the statement delivered on behalf of the European Union, said his delegation shared the view that poverty eradication was the world's main challenge for the new millennium and was the responsibility of the individual countries themselves with assistance from the international community. He commended the United Nations system's support to national Governments in accordance with the targets set by the global conferences.

The Czech anti-poverty strategy - framed in the early 1990s when the transition from a planned to a market economy had increased the risk of poverty and racism - assigned a crucial role to employment policy. Proactive employment policies had initially kept unemployment at under 3 per cent until 1997, after which it had doubled as a result of the economic recession. The authorities had recently approved the new National Employment Plan which, while primarily reflecting national economic needs, echoed the European Union's policy of targeting employability, entrepreneurship, flexibility and gender equality.

Accompanying that employment policy was a comprehensive social safety net based on social protection, social insurance, and social support of families and the welfare scheme. The system was centred on a minimum income below which families - some 3 per cent of citizens - were granted ongoing subsidies to protect the vulnerable from poverty. However, unless the ratio of social income to work income was strictly maintained, the system would become a poverty trap rather than a preventive expedient.

His Government attached the utmost importance to capacity-building for development and the United Nations role therein. In the light of the consensus attained at the global conferences that anti-poverty strategies should include structural macroeconomic reforms and explicit pro-poor policies, it commended the United Nations system's significant efforts - including those of the World Bank - to promote national capacity-building. The Czech Republic's macroeconomic reforms had only partially resulted in the desired technology transfer, structural adjustment and economic growth. Privatization, liberalization and finance-sector development had not secured effective performance on global markets, thus indicating the importance of the

role of the Government, good governance, law enforcement, sustainable industrial and trade policies, and internal capacity-building.

His delegation welcomed the fact that, in countries in transition, the United Nations system - in cooperation with the Bretton Woods institutions - focused on the difficult balance between economic reform and the need for a "credible State" which, in addition to its important market-development support, protected human development. According high priority to capacity-building in economic and social policies, education and the law, the United Nations should make full use of all aspects of technical cooperation among developing countries (TCDC), particularly the triangular modalities, in which his country was eager to participate.

His delegation fully supported the Secretary-General's recommendation to articulate explicitly capacity-building as a goal of all United Nations operations, in respect not only of human resources but also of institution-building and improving the legal and regulatory framework. Countries attempting to eradicate poverty and succeed in the globalized economy would greatly benefit therefrom. It was unfortunate therefore that ODA resources were on the wane.

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme (UNDP)) praised the Secretary-General's comprehensive, user-friendly and analytical report (E/1999/55). Its theme was particularly important to UNDP, poverty eradication having been deemed an overriding priority by its Executive Board. The role of UNDP was to help countries build capacity in accordance with national, regional and global targets.

The central purpose of capacity-building was to create institutions and mechanisms whereby those in programme countries would be self-reliant in their attempt to address poverty and be better equipped to cope with adversity of all kinds. Accordingly, the emphasis was placed on "assets", in the broadest sense, which affected the livelihoods of the poor.

UNDP's poverty-reduction programmes centred on a number of corporate goals: fostering an enabling environment for pro-poor economic growth; securing sustainable livelihoods for the poor through access to productive assets; advancing gender equality and the status of women; ensuring sustainable food security, including regeneration of vital environmental resources; and supporting capacity-building for pro-poor governance, including empowerment of the poor which was so crucial to poverty eradication. Its

recent Strategic Results Framework authorized the resident representatives worldwide to earmark 70 per cent of programme resources for capacity-building based on the countries' own priorities.

Transparent and participatory political and administrative institutions, and organization of the poor into an array of possible associations to ensure that their voices were heard were two genuinely pro-poor elements of governance. UNDP strove more specifically to link its governance activities to poverty eradication, advising Governments on decentralization and devolution so as to ensure responsiveness and accountability. It also aided civil society by building up grass-roots organizations and facilitating their access to local and national decision-making. That was the vital micro-macro link that UNDP sought to strengthen in the interests of more democratic and participatory forms of governance which would assign the poor a more active political role and win popular support for poverty eradication.

Over 30 per cent of UNDP core and non-core resources were devoted to national poverty eradication. The proportion of core resources was 37 per cent, rising to 50 per cent if account was taken of activities - such as food security and anti-desertification measures - which, although classified differently, benefited the poor. Least-developed and low-income countries, home to 90 per cent of the world's poor, received over 80 per cent of UNDP country-programme resources. There, some 41 per cent of its core resources were directly committed to poverty reduction. Those figures - for 1997-2000 - represented a substantial increase over the 1994-1997 cycle.

UNDP was looking forward to the Council's resolution on poverty eradication and capacity-building, in the hope that it would provide guidance and support for national formulation of strategies for eradicating poverty and empowering the poor through education, sustainable livelihoods, health care and job creation.

He endorsed the previous speaker's exhortation to mobilize resources for capacity-building. Poverty eradication would come to nought if programmes were jeopardized for lack of finances for providing first-class services. The financial commitments called for at the current session should be urgently undertaken.

Mr. JORDAN PANDO (Bolivia), having endorsed the statement made on behalf of the Group of 77 and China, said that poverty eradication should be more interdependent and less selfish and adopt a more humanistic ideology: in

other words, a new Utopia, an idea which UNDP and the regional economic commissions would do well to consider. His delegation viewed with alarm the way in which UNDP was being transformed from a financial development agency into a grant administrator and assigned tasks that were not really projects or programmes, while development was being turned over to the World Bank which - even though it was part of the system - was a Bank and not to be confused with a United Nations international service agency.

That approach was counter-productive for the smaller, poorer countries since donors often financed what interested them, rather than what countries needed. Donor countries wishing to fund activities in a specific region could do so through a special regional programme for, say, Africa without banishing countries of other regions from UNDP's ambit, including its anti-poverty programmes. If countries like Bolivia no longer enjoyed easy access to development funding, they would cease to be full owners of economic and social rights. Without social-capital formation and accumulation for vital social action in national economies and the global economy, poverty could never be alleviated nor eradicated.

The Council must recognize the constant decline in development financing, with the resultant widening, over the four development decades, of the income gap between developed and developing countries. No corrections had been made, owing to a total lack of periodic evaluation, and that was the responsibility of the United Nations and its Member States. While the more favourable situation of the developed countries could have resulted in an increase in ODA it had decreased instead. Only the Nordic countries had reached or exceeded the target of 0.7 per cent of GDP for international cooperation. Indeed, most other countries had reduced their contributions.

Current economic measurements should be extended to the rapidly increasing informal and "black" economy and also to poverty, employment and unemployment, wages and other factors in order to determine whether only monetary stability had been achieved or growth and development also.

There was an irrational proliferation of NGOs. That, too, was directly connected with the vertical policy of using donations. In the developing countries, there was a lack of adequate legislation for registering and controlling NGOs and the United Nations lacked institutional norms for

harmonizing national legislation with its own regulations. He proposed that the Council should address that situation when considering the report of the Committee on Non-Governmental Organizations.

Countries must not be excluded from the information revolution, for information meant development and a lack of information meant marginalization of individuals and countries alike. He advocated the establishment of a world policy on science and technology and education in science and technology at all levels and, to that end, he urged the Council to strengthen its Commission on Science and Technology for Development.

Ms. SAINT-CYR (Canada) said she welcomed the fact that the cross-cutting issues of poverty eradication and capacity-building had been jointly addressed, although in a less integrated manner than was desirable.

Poverty reduction was universally recognized as the main objective of development - but there was a need for clearer definitions and strategies and a better understanding of poverty and gender dynamics in order to identify the poor and the vulnerable. While economic growth was acknowledged to be important for poverty reduction, provided it was pro-poor or broad-based, there was much uncertainty as to what pro-poor growth actually was.

Another requirement was the mainstreaming of poverty reduction into the development institutions' operations, but the necessary monitoring systems were seriously constrained by the lack of baseline surveys and rigorous evaluation methodologies. There was a need for better coordination of efforts to develop databases and measurement indicators to ensure that they embraced a broader segment of the stakeholders.

The efforts of the United Nations system and the development community to eradicate poverty in the developing countries should be more clearly focused in that direction. They should beware of being diverted into myriad development activities and neglecting their primary objective.

Although national capacity-building was not a new concept, the means of achieving it had changed over time. For instance, the Canadian International Development Agency (CIDA), which had formerly emphasized the end-product, with heavy reliance on technical assistance and technology transfer, was currently returning to fundamentals, in its conviction that the beneficiaries should take the lead, with donor support. Otherwise, technical cooperation could result in donor dominance and undermine the very ownership it was designed to promote.

While Canada supported the Council's role of overseeing United Nations funds and programmes, it understood that role to refer to guidance on policies for better coordination of its operational activities, as established in resolution 50/227. In that event, it would strengthen rather than hinder other intergovernmental bodies' policy-guidance activities.

Concerning the annual reports to the Council from each of the United Nations funds and programmes, her delegation favoured their integration into a single report prepared by the United Nations Development Group Office (UNDGO) for discussion by a joint meeting of the four executive boards prior to their submission to a substantive session of the Council. While the change would necessitate adjustments and the cooperation of all United Nations institutions, it would benefit the funds and programmes as well as the Council. The various executive boards' main decisions and issues discussed should continue to be submitted to the Council to keep it aware of institutional concerns.

While commending the report on progress in the implementation of General Assembly resolution 53/192 (E/1999/55/Add.1) her delegation requested consistency in the annual reports for purposes of comparison and the assignment of, even tentative, "action" target dates.

She wished to know the views of the Department of Economic and Social Affairs (DESA) concerning the fact that, despite notable progress in decentralization and the delegation of authority by the funds and programmes, the specialized agencies with offices in the field seemed to be lagging behind, and asked what measures were being envisaged.

The meeting rose at 12.30 p.m.