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Chairman: Mr. Olhaye (Djibouti)

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

General debate (*continued*)

1. **Mr. Jayanama** (Thailand) said that, on the eve of the new millennium, one must take stock of the current state of the world economy and its future direction. According to the *World Economic and Social Survey 1999* published by the Department of Economic and Social Affairs, the world economy was not expected to grow by more than 2 per cent in 1999, a rate lower than the average of 2.7 per cent recorded between 1981 and 1990. The gross domestic product (GDP) of the developing countries was expected to grow by only 2.5 per cent, less than half of the rate prior to the financial crisis in Asia, and the development gap between developed and developing countries continued to widen.

2. The economic recovery in Asia had been aided by the robust health of the economy of the United States and its willingness to import from Asia and elsewhere. The benefits had flowed both ways: United States trading partners, especially the countries affected by the crisis, had benefited from export growth while the United States had had the advantage of cheaper imports and could therefore maintain a low inflation rate. It could not, however, be expected that the world's largest economy should continue to be the sole engine of global economic growth. Other key economic centres such as the European Union and Japan should play their part in revitalizing the world economy by, for instance, boosting their domestic demand and offering greater market access to the developing countries. The forthcoming Ministerial Meeting of the World Trade Organization (WTO) in Seattle could be expected to lead to the strengthening of a rules-based trading system and an increase in special and differential treatment for the developing and least developed countries. Closer cooperation among the World Bank, WTO and the International Monetary Fund (IMF) would also be desirable.

3. Globalization could help accelerate a sustained and human-centred development, but it also brought a risk of increased inequity, greater marginalization of economies and a neglect of the human side of development. Unfortunately, the Asian financial crisis had demonstrated that, for many developing countries, the risks outweighed the benefits, leading to an unbalanced global growth. It was therefore necessary to ensure that globalization did not benefit only certain segments of the world community.

4. The rapid liberalization of financial markets that had resulted in exchange rate fluctuations and uncontrolled capital flows had endangered the stability of the developing countries. Admittedly, some of the instability had been caused by the failure of the countries receiving the capital to deal effectively with liberalization, but, in a highly interdependent world, it was important to strengthen the international financial system so that it could cope with any financial disorder. There had been some progress in reforming the international financial structure, but not as much as had been hoped. Nevertheless, the enhanced cooperation between IMF and the private sector in monitoring and restricting short-term capital movements, particularly by curbing the activities of hedge funds, had been a positive first step.

5. In the area of trade, market access remained the fundamental obstacle for developing economies. To compensate for the negative consequences of globalization, it was important to maximize its positive effects so that the developing countries could profit from them. Better access to modern science and technology was essential to enable the developing countries to reduce their exposure to the risks of globalization. Thailand urged developed countries to play an active role in that regard. Since globalization was an irreversible process with multifaceted implications, a comprehensive solution had to be found that would harness the benefits of globalization with minimal risk. The tenth session of the United Nations Conference on Trade and Development (UNCTAD), which would be held in Bangkok in February 2000, should allow a consensus to be reached on that issue.

6. Concerning financing for development, it should be recalled that official development assistance and the multilateral aid of the United Nations system were dwindling, while private capital flows had become the most important source of financing for development. Many countries had had to adjust their policies and economies to private sector demand. Since there were many types of developing economies, it was only natural that there should be different forms of financing for development. There was a strong need for the members of the international community to come together and reflect on new approaches to the mobilization of resources. The question of holding an international conference on financing for development was thus timely. Thailand would give its full support to holding such a conference outside New York, because to do so would better highlight the problem. In that connection, it supported the establishment of a joint task force of representatives of the United Nations and the Bretton Woods institutions, to find ways of engaging the

latter in the process of financing for development. The task force could be expanded to include other actors, among them the private sector. Thailand also supported the establishment of a preparatory committee that would also be responsible for a substantive discussion of issues such as the outcome and follow-up of the conference. Regional meetings would no doubt provide useful ideas in the course of the preparatory process.

7. Thailand commended the efforts by United Nations agencies to support development programmes despite their own financial constraints. Regrettably, their financial outlook was expected to deteriorate further in 1999 and 2000. If nothing was done to reverse the situation, the partnership between donors and recipient countries would weaken and multilateral assistance would be under threat. Since financial resources were principally concentrated in the hands of the private sector, Thailand supported the Secretary-General's effort to forge an enduring partnership with it. It welcomed the convening of the high-level meeting of the Economic and Social Council with the executive boards of IMF and the World Bank, and the exchange visits between United Nations officials and World Bank executives. In the same manner, it would like to see stronger contacts between the Economic and Social Council and WTO.

8. Migration was a very complex issue to which Thailand, as a sending, transit and receiving country, attached great importance. It had organized the International Symposium on Migration, held at Bangkok in April 1999, with the collaboration of the International Organization for Migration (IOM). As a follow-up to that symposium, UNFPA, UNITAR and IOM would convene, in November 1999, at Bangkok, courses on migration law and policy for Asian and Pacific countries, which would address national and regional problems, the overall dynamics of migration, the main international and regional commitments, and legal standards in the field of migration. The courses were meant to provide the necessary tools and mechanisms for national and regional migration management and cooperation. Thailand supported the convening of a United Nations conference on international migration and development. Its success would, however require adequate preparation, including discussions on technical matters at the regional level.

9. Environmental issues were an integral part of people-centred development. Sustainable management and conservation of the environment were key elements in Thailand's domestic and foreign policy, and the new Constitution recognized the right to a healthy environment. In order for developing countries fully to achieve

environmental goals, developed countries must provide financial and technical assistance and promote the transfer of environmentally sound technologies. In that regard, Thailand upheld the principle of common but differentiated responsibilities.

10. **Mr. Calovski** (The former Yugoslav Republic of Macedonia) said that, although his country was aware that development and economic cooperation largely depended on the performance of the large economies such as those of the United States of America, the European Union and Japan, the United Nations could play an important role in ensuring that all economies advanced and in preventing the marginalization of small countries.

11. According to estimates, the performance of many developing and developed countries had improved in 1999. Nonetheless, in many countries, conflicts and natural disasters had had a negative impact on the economy. Efforts must be made to ensure that all countries benefited from the growth in the world economy.

12. All countries were preoccupied by the effects of globalization, regional integration and economic reforms. They were attempting to achieve sustained growth, to ensure sustainable development, to resolve the problem of access to markets, capital, and technologies, to enhance their economic integration, to fight unemployment and to find a solution to the problem of global warming. Each country had its own priorities, which depended on its level of development. The international community had not succeeded in narrowing the development gap, which continued to widen although the world economy had never been so prosperous. Such differences in developmental levels were a source of poverty, instability and social stagnation. Poverty was still the main problem of most Members of the United Nations.

13. His country was especially concerned about its integration into the European Union, unemployment, the effects of the Kosovo crisis, the markets it had lost and the means of attracting more foreign investments, while at the same time continuing its programme of economic reform. It could not solve its problems without external assistance, simply because most of them were of an external nature. That was why it accorded such importance to its integration into the European Union, as well as to stability, reconstruction and regional development.

14. Globalization could and should be managed, as many speakers had affirmed during the general debate of the General Assembly. For example, problems related to international economic cooperation should be examined at the WTO Ministerial Conference in Seattle, and by the UNCTAD meeting in Bangkok. It was important that all

actors in the United Nations system took part in efforts to manage globalization and to attain certain goals. Realistic measures and commitments should be taken at the global, regional and national levels.

15. Within the context of efforts to promote development and to enhance international cooperation, it was essential to strengthen regional and global integration, to reduce unemployment and to create jobs, to widen access to markets, especially those of developed countries, to resolve the debt problem, to enhance investments in developing countries and countries in transition, and to implement Agenda 21.

16. The eradication of poverty, the improvement of education and the elimination of all forms of discrimination should be part of every global endeavour to create a better future. Special efforts should be made to stem the decline of official development assistance. Success meant the achievement of sustained growth and sustainable development, which could not be achieved without peace, stability, democracy, respect for human rights, good governance and the rule of law.

17. The time had come to address the concepts of, *inter alia*, interdependence, developed and developing countries, countries in transition and rich and poor countries, which had been created in an environment of confrontation. In an era of cooperation and globalization, there was no more room for those misleading concepts, which divided countries instead of uniting them.

18. **Ms. Morake** (Botswana) said that recent trends in the world economy had had very adverse effects on the economies of developing countries, particularly in Africa, exemplified by falling commodity prices, increasing unemployment, rising poverty, the decline in official development assistance, decreased flows of foreign direct investment and the debt burden overhang. The situation had been further exacerbated by natural phenomena such as El Niño, the HIV/AIDS pandemic and the resurgence of tuberculosis and malaria.

19. Bleak as the situation was, there were nevertheless a number of positive elements. The forthcoming WTO Ministerial Conference in Seattle would provide an opportunity to address obstacles which inhibited the integration of the developing countries in the world economy on the basis of the post-Uruguay Round agreements, in particular protectionism and the possibility of affording preferential treatment to goods from the weaker economies. Moreover, global conditions continued to offer prospects for economic growth and prosperity thanks to the efforts being made throughout the world in

favour of peace, democracy and good governance, the increasing exchange of data and new technologies and the interdependence of countries in all areas of human life, which contributed to forging a common destiny for all. In that context, the international community should combine its resources and exploit its full potential to ensure a better quality of life for individuals and societies.

20. The reality was that the world was fraught with stark inequalities due to the uneven distribution and utilization of wealth. Africa was a case in point, even though some of the serious difficulties it faced were due to mismanagement and poor policies. In its *Trade and Development Report* for 1999, UNCTAD had predicted that, in the wake of the Asian financial crisis, economic performance in 1999-2000 would be inadequate. For example, in the countries of the Southern African Development Community an average growth rate of 3 to 3.5 per cent was expected, whereas the growth rate required to reduce poverty in the subregion was 6 per cent.

21. By and large, poverty remained a rural phenomenon. In order to alleviate poverty through a cross-cutting approach, her country had launched an Accelerated Rural Development Programme for the creation of basic infrastructures in all the key sectors of the rural economy and had put into effect a financial aid policy on behalf of entrepreneurs in rural areas, particularly women. Important as such initiatives were in the rural environment, growth could only be generated by the export-oriented industrial sector. In order to increase its capacity, her country needed larger amounts of official development assistance and concessional financing and needed to attract more foreign direct investment. In that connection, the work of the General Assembly's ad hoc open-ended working group on financing for development, which had identified a cluster of issues on globalization, trade and finance that impacted on development was to be welcomed. In order to ensure a concrete outcome, it was essential that the Bretton Woods institutions and all other stakeholders should participate fully in the development process.

22. There was no disagreement that the problem of underdevelopment was a serious threat to peace and security throughout the world. The United Nations system must therefore be adequately financed in order to carry out its role fully in that connection; that applied particularly to UNDP and UNFPA, whose level of resources was continuing to decline. The five-year review of the implementation of the outcome of the International Conference on Population and Development had indicated that population issues were closely related to socio-

economic issues as a whole, and that a comprehensive approach was called for. That was why it was important to provide adequate resources to UNFPA to enable programmes addressing the dynamics of population and development to be implemented.

23. Finally, as the participants in the special session of the General Assembly on small island developing States had emphasized, the effects of global warming had begun to take their toll. In southern Africa, two factors had had a serious impact on the economy, the El Niño phenomenon, which had affected the agricultural sector, and drought, which was exacerbating the process of desertification. For that reason, her country attached great importance to the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.

24. **Mr. Rosenthal** (Guatemala) suggested that the Committee shall adopt a global approach to its work during the current session to introduce a sense of coherence. During the general debate of the General Assembly, numerous representatives had pointed out that the globalization of the economy had had very dissimilar effects on different categories of countries; its benefits seemed to be inversely proportional to the level of development. The gulf separating the economically disadvantaged countries from the more advanced countries tended to become deeper, just as it did between the poorest and the wealthiest developing countries. The conventional wisdom had long been that globalization would be of benefit to all countries, provided there was a level playing field. The fact was, however, that the more disadvantaged countries still needed some differential treatment in order to enable them to become more competitive in the international market.

25. The United Nations was well equipped to contribute to the creation of conditions whereby the gulf could be reduced, both through its normative and analytical work and through its operational activities aimed at strengthening economic, institutional and organizational capacities. On the eve of the next millennium, the world community should promote development for the benefit of all.

26. Another tendency, which was outside the jurisdiction of the Committee, had also emerged during the general debate; the clash between State and individual sovereignty, and the rules through which sovereign nations would coexist in the future. It would be difficult to maintain peace between and within nations if extreme poverty, marginalization and social injustice associated with

economic backwardness persisted. Security and development were therefore linked.

27. His delegation attached great importance to macroeconomic policy questions (item 97 of the agenda) and particularly the financing of development because that item would provide an opportunity to revisit the main questions that were of concern to the Committee from the vantage point of finance and to better define the economic role that the United Nations should play. For the financing of development, some sort of partnership should be established with the World Bank. Such an alliance would force the two bodies to consider their comparative advantages, that of the United Nations clearly being linked to its capacity to convene international conferences.

28. **Mr. Wibisono** (Indonesia) said that at the present session, the last in the twentieth century, the Committee should reflect on the level of development achieved in the past few decades and assess the successes and failures in fulfilling the purposes set forth in the Charter of the United Nations. Unfortunately, on the eve of the new millennium, those objectives were far from having been attained: a billion and a half people lived in abject poverty and there were ever-widening gaps between the developed and developing countries.

29. The world economy, although it had emerged from a devastating financial crisis, was still caught in the grip of vast uncertainties and dysfunction, as indicated in the *World Economic and Social Survey* of 1999 and the *Trade and Development Report*. Growth had fallen to 1.7 per cent in 1998 because of the crisis in Asia, which had cost the world economy a total of 260 billion dollars in 1998. Although a turnaround was taking place, growth rates in the majority of countries were short of what was necessary to ensure a substantial improvement in living standards or a significant reduction in poverty levels, and prospects for 1999 did not promise any major improvement.

30. Those trends were taking place in an economic era dominated by globalization, liberalization and interdependence, which had unleashed tremendous opportunities but in a very uneven manner, causing turbulence in the developing countries. The lessons were clear that open markets and competition did not automatically foster growth and development and did not automatically reduce inequality. Hence the need for the international community to harness the tremendous power of globalization and liberalization.

31. The limited signs of recovery should not divert attention from the problem of the volatility of the global financial system. Capital markets, especially short-term

private capital flows, should be subjected to rigorous surveillance and regulation. Domestic, regional and international financial institutions should be strengthened, and capital flows should be supportive of growth and development. The Committee had the means to respond to those critical challenges by intensifying international partnership and solidarity in order to improve the management of an increasingly interdependent global economy. The high-level meeting held at the fifty-third session on renewal of the dialogue on strengthening international economic cooperation for development through partnership had constituted a step in the right direction. The Committee should maintain the spirit of dialogue which had presided over that fruitful event in order to create a true partnership for development rooted in mutual interests and shared responsibilities. The exchanges within that framework should address the concerns common to both developed and developing countries by giving emphasis to financing for development, external indebtedness, international trade and commodities, and the transfer of knowledge and technology.

32. While globalization had caused an exponential increase of financial flows, in particular private investments, such flows bypassed most of the developing countries. Aggravated by the decline in ODA, the shortage of financial resources constituted the most debilitating constraint facing development. A welcome must therefore be given to the efforts of the Ad Hoc Open-ended Working Group on Financing for Development which advocated the delivery of a regular and predictable volume of resources for development. It was essential for the developed countries to achieve the 0.7 per cent target for ODA and to reform the international financial system in order to ensure greater coherence between the financial, monetary and trading systems, with a view to reducing volatility and preventing financial crises.

33. The chronic shortage of funds compounded the perennial issue of foreign debt. In that connection his delegation welcomed the Cologne initiative for the heavily indebted poor countries and hoped that it would be rapidly translated into action; it was also grateful to the countries which had initiated a debt-relief programme and hoped that arrangements would be put in place to include other heavily indebted countries in that type of initiative.

34. The international trading system, like financial resources for development, was a powerful engine of economic growth and development. If the developing countries could more easily export their goods, their external earnings would be largely sufficient to fund their

development. The promises of the Uruguay Round, such as the establishment of a rule-based, secure and predictable multilateral trading system, had not been realized owing to a number of obstacles: for instance, the developing countries lost their comparative advantage when their products were subjected to extraneous conditions (compliance with environmental standards, labour regulations, human rights) or when they were hit by disguised protectionist measures (anti-dumping, subsidies and countervailing duties). In order to reverse those trends the international community must find ways of regulating the multilateral trading system better and rendering it more equitable and transparent. It was to be hoped that the preparations for the third WTO ministerial conference in Seattle would help to improve the implementation of the Uruguay Round agreements and that the preparations for the tenth United Nations Conference on Trade and Development would be given increased impetus. Attention must be drawn to another meeting forming part of the debate on growth and development: the South Summit to be held in Cuba in 2000. Lastly, in the context of North-South cooperation the widening gap between developed and developing countries in terms of technological research and development and human resources must be reduced. Such action could start at the high-level segment which the Economic and Social Council was to hold in 2000 on the theme of information technology and its impact on the developing countries. On the threshold of the new millennium the international community was offered a historic opportunity to harness the powerful forces of globalization in the service of mankind.

35. **Ms. Vargas** (Costa Rica) said that the elimination of poverty and the promotion of development were priority tasks for the United Nations, and indeed for its Member States, for the principal goal must be to create conditions to guarantee the material well-being of peoples and the personal and spiritual development of human beings.

36. Unfortunately that goal was far from being attained in a world in which 1.5 billion people lived on less than a dollar a day and 830 million suffered from malnutrition. Of course it was the duty of every State to take the necessary action at the domestic level, but international solidarity must also play its part. In fact, the challenge of poverty was a multidimensional one. It concerned all sectors, be it food, health, housing, education, vocational training, employment or productivity. It required the elimination of the structural obstacles accompanying the phenomenon of poverty, such as financial imbalances, the lack of capital for productive investments, limited access

to international markets, and the natural disasters which ruined the most vulnerable economies.

37. In view of the enormity of that task Costa Rica believed that the only possible solution was to introduce an ambitious social investment plan; it would be necessary to cut military budgets and allocate the resources thus saved to education and health. By giving priority to social investment for the past 50 years Costa Rica, although its resources were limited, had education and health indicators similar to those of the developed countries. Its population's quality of life was high and its political and economic stability admirable.

38. It was nevertheless true that poverty could not be reduced without resources. The fight against poverty must therefore be accompanied by the promotion of sustainable economic development. The international order must be recast in a more equitable and balanced mould to enable all countries to benefit equally from the advantages of globalization, trade and investment must be turned into engines of development within the framework of an open trading system, and a new international financial system must protect the developing countries against the financial crises which devastated their development.

39. The international community must also take action to protect natural resources because such action was indispensable for national and global development. Environmental protection was not only an economic imperative but also a fundamental humanist undertaking, for future generations had a right to dignity, a sound environment, development and health. Costa Rica had written the right to a sound environment into its Constitution and had taken various measures to safeguard its rich biological diversity and encourage a kind of development which respected the environment. It advocated the introduction of an international system of incentives and penalties which would distribute the costs of pollution more fairly and share out more fairly the advantages of the protection of natural resources; Costa Rica therefore called for the comprehensive implementation of the Kyoto Protocol.

40. Against that background attention must be given to the vulnerability of the developing countries with regard to natural disasters and the effects of climate change, which were jeopardizing the progress made in their struggle against poverty and for sustainable development. In Central America Hurricane Mitch had caused great loss of human life and material damage and had left deep scars in economies. It was true that where vulnerability was concerned the inequalities were worsening, so that it was

the countries with the most fragile economies and the least resources which suffered the most from the effects of natural disasters. It was therefore essential to create international financial mechanisms to provide rapid and effective responses to the various types of crisis which struck the developing countries.

41. In view of all the structural obstacles to the elimination of poverty and the maintenance of sustainable development the international community must shoulder its responsibilities and demonstrate a spirit of common cause and solidarity.

42. **Mr. Aujali** (Libyan Arab Jamahiriya) said that on the threshold of the third millennium, it was useful to take stock of the action taken by the United Nations to give expression to the hopes raised by the great principles enshrined in the Charter of the United Nations, especially in the area of international cooperation, in order to resolve economic, social, cultural and political problems. While the Organization had scored definite victories in the political arena by strengthening the bases for peace, security and stability in various regions, its achievements on the economic front left much to be desired. Most developing countries were still grappling with the same problems, namely external debt, poverty, unemployment and diseases, and were expecting the Organization to take specific action. Despite the unprecedented economic and technological strides achieved in the industrialized countries and in some countries of the Third World, economic recession was affecting over 100 countries, where more than 1.6 billion people had suffered declines in their earnings. Of the six billion inhabitants of the planet, half lived on less than \$2 a day, while 1.3 billion lived on only \$1 a day. According to the World Bank, those figures would rise to four and 1.8 billion, respectively. The efforts made by developing countries to improve their situation through reliance on their own resources were frustrated by obstacles and difficulties created by the behaviour of certain developed countries, including enforcement laws and measures, economic embargoes, declining commodity prices, protectionism and difficulties in securing access to markets, external debt, declining official development assistance (ODA), difficulties relating to the transfer of technology and the failure by donor countries to honour their commitments. Moreover, certain developed countries were putting pressure on United Nations development agencies by making the granting of assistance subject to certain conditions, which tarnished the Organization's credibility and neutrality and offended the dignity of potential recipient countries. Aid was thus made conditional on the restoration of democracy, good

governance, capacity-building and respect for human rights, instead of focusing on economic development proper, in conformity with the 1993 Vienna Declaration and Programme of Action and the Copenhagen Declaration on Social Development, which was considered as being an integral part of fundamental human rights. Every United Nations body should focus on the mandates assigned to it by the General Assembly. It was unacceptable that external offices should be transformed into political bodies at the service of human rights organizations. Certain countries which flouted human rights were using the question of human rights to justify interference in the political affairs of other countries.

43. Civil society and the private sector played an undeniable role in development. However, the State alone was in the best position to undertake certain tasks by including social welfare in its policy and strategy, especially since the World Bank had forecasted that the situation of developing countries would worsen over the next few decades as a result of globalization. He hoped that United Nations bodies would not succumb to attempts aimed at restricting the State's role in the sustainable development process and limiting the right of developing countries to strengthen their capacities and institutions in order to meet the challenges of globalization and economic and trade liberalization. Africa's economic situation continued to deteriorate despite the efforts of African countries to solve their development problems. Notwithstanding those difficulties, some regional conflicts had been settled and his country had been involved in those efforts through a number of initiatives, including the Peace Agreement for the Great Lakes Region signed at Sirte.

44. The economic and social consequences of the occupation by Israel of Palestinian territories, Jerusalem and the Syrian Golan constituted a violation of the relevant United Nations resolutions. The international community should therefore strengthen its solidarity with the Palestinian people and the Arab population of the occupied Syrian Golan. The United Nations was fully aware of the devastating consequences of embargoes and economic sanctions imposed arbitrarily against developing countries, either unilaterally or by the Security Council. The international community must put an end to that policy, which was aimed at hindering the trade of developing countries and imposing specific economic and political models on them. All the embargoes must be lifted and all the developing countries that had been subject to such embargoes should be compensated for the losses suffered.

45. **Mr. Kumalo** (South Africa) said that the primary responsibility for the development of Africa lay with the

African countries themselves, which were faced with deteriorating terms of trade and had extremely limited access to foreign direct investment. There were many regional initiatives aimed at pooling resources to eradicate poverty, resolve conflicts and ensure economic growth and sustainable development. It was therefore a source of concern that Africa accounted for only 5 per cent of the total international financial flows to developing countries, and that ODA and other development assistance continued to decline sharply. While the declaration by the Group of Seven of their willingness to address the indebtedness of poor countries was welcome, the debt relief measures should be well designed and take into account the economic interests of the debtor countries.

46. Poverty eradication continued to be a major problem for developing countries, especially least developed countries. The crisis of funding facing the United Nations Development Programme was a source of deep concern, as it threatened to undermine the Programme's universality and capacity to meet its mandates. South Africa reaffirmed the importance of convening a high-level conference on Financing for Development before 2001, which would make it possible to reach an international consensus; the process should include all stakeholders, especially the private sector.

47. The world economy had been undergoing profound changes as a result of globalization, especially in the area of science and technology. Transfer of technology must be intensified and more attention should be paid to new technologies, particularly environmentally sound technologies, and the capacity of developing countries in that regard should be enhanced.

48. The upcoming ministerial meeting of the World Trade Organization (WTO) was of considerable significance. It should address the implementation of agreements reached in previous negotiations, especially in the areas of agriculture, textiles and clothing. In the context of trade liberalization, it was urgent that subsidies, particularly in the agricultural sectors of developed countries, should be removed in order to level the playing field.

49. As far as sustainable development was concerned, the assessment of the follow-up to the Rio Conference was mixed. While developing countries had made efforts to integrate environmental, social and economic objectives into decision-making, international commitments had hardly been fulfilled. Attention needed to be focused on the conservation and sustainable use of biological diversity. South Africa supported the conclusion of a balanced

biosafety protocol on the prevention of biosafety risks. Adequate financial resources should be provided for the implementation of the Convention to Combat Desertification.

50. **Mr. Myint** (Myanmar) said that in the twenty-first century the United Nations would confront new challenges to multilateralism in the era of globalization. One of the topics put forward for the Millennium Summit — the issue of poverty eradication — directly concerned the Committee. Disparities of income and wealth were unacceptable, and it was the duty of the international community to find practical ways to alleviate the problem. Uncontrolled flight of capital had placed some nations and Governments in jeopardy, and the recent financial crisis had shown that the international system suffered from a serious flaw, the lack of an institutional framework to regulate international financial flows. A new international financial architecture was needed, but now that the crisis had passed, momentum in that direction had waned. Existing institutions, whether national or international, were inadequate to deal with financial globalization, and reform was essential in order to prevent costly new crises.

51. The Heavily Indebted Poor Countries Debt Initiative launched in 1996 has been lauded at the time for its boldness. Since then, the Group of Seven countries had developed bilateral initiatives for debt relief. At the Cologne Summit, they had adopted a programme to write off about one third of the total debt of poor countries; it was a step forward, but fell short of the expectations of the indebted countries, which had been hoping for more. Proposals to cancel the entire debt, such as the Jubilee 2000 initiative, had yet to be realized. Relieving the debt burden of poor countries, where 60 per cent of government spending went to service the debt, was a moral obligation.

52. In its resolution 53/169 on the role of the United Nations in promoting development in the context of globalization and interdependence, the General Assembly had recognized the urgency of working together in developing a global approach to mitigate the negative consequences of globalization and interdependence. There was one universal solution to the problems arising in different countries or regions; situations must be addressed on a case-by-case basis. The international community could, however, take action in such areas as financial flows, technical and technological assistance, creation of a favourable global economic environment and promotion of a partnership for growth and development. It should also provide appropriate assistance to efforts on the national level to face the costs of globalization.

53. With regard to the role of women, the importance of whose contribution has been underlined at the Fourth World Conference on Women, Myanmar was proud to have adopted many positive measures, entailing, among other things, the creation of institutions for the advancement of women and the implementation of the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women, to which it had acceded in 1997.

54. **Mr. Gangkhuyag** (Mongolia) said that, while globalization opened up new opportunities for economic development, it also entailed a risk of marginalization for many developing countries. The adverse effects of globalization could not be prevented solely by unilateral measures; that required a global approach combining the concerted efforts of the international community and greater participation by the private sector, which possessed abundant development experience and technical and financial resources. A nation's development depended on good governance in a context of open, transparent and accountable public institutions and a relationship of trust with the private sector and civil society.

55. The most crucial issue for developing countries was financing; most were dependent on external sources of financing. The burden of external debt, the drop in commodity prices, the worsening of the terms of trade and the decline in official development assistance were some of the factors preventing those countries from financing their development. Mongolia therefore attached great importance to the forthcoming high-level intergovernmental forum on financing for development.

56. Lack of access to the sea was also a serious handicap to development. Landlocked developing countries were in danger of further marginalization in the face of growing globalization. Prohibitive transportation costs were a grave impediment, hence the importance of timely implementation of the transit transport framework agreement and the decisions of the trilateral meetings on the issue. The support of the international community was more urgent than ever in order to integrate the 29 landlocked developing countries into the global economy. As one of those countries, Mongolia attached great importance to the draft resolution on their specific problems, which was to be submitted to the General Assembly during the present session. It was eager to cooperate actively with its foreign partners in different fields, including the development and improvement of the transit transport infrastructure, in particular through the creation of a subregional legal framework.

57. The debt burden was a major impediment to the economic and social progress of many developing countries. Although the Heavily Indebted Poor Countries Debt Initiative was important, debt relief was required on a much more comprehensive scale, through innovative approaches, and not on a case-by-case basis. South-South cooperation and economic and technical cooperation among developing countries were of vital importance; his country looked forward with interest to the South-South summit to be held in Cuba in April 2000. On the issue of sustainable development, Mongolia would like to see implementation of Agenda 21 accelerated so that all dimensions of development — economic, social and environmental — would be taken into account.

58. Ten years earlier Mongolia had begun its transition to a market economy and a democratic society. It had enjoyed five consecutive years of economic growth; the inflation rate had been brought down to the single-digit level; and dynamic private companies were operating in key sectors of the economy. However, many serious problems remained: the terms of trade had deteriorated sharply because of the fall in the prices of the country's main exports, copper and cashmere; the banking sector was still very weak; and some important sectors of the economy were still State-controlled. Mongolia had initiated a medium-term economic and social development strategy with the main aims of promoting and diversifying exports, introducing modern technologies, and improving the management of human and financial resources; another vital task was to improve the efficiency and coordination of foreign aid, in the hope that donor assistance could be gradually reduced.

59. **Ms. Taddei** (San Marino) said that her country was concerned by the widening gap between industrialized and developing countries and concurred that in an increasingly interdependent world development required well-planned, coordinated and adequately funded international action. For some time the United Nations had been playing an important role in that regard by putting into practice various methods of cooperation for development. The United Nations Development Group, for example, had undertaken interesting initiatives to explore the possibility of private sector participation in various development issues. The United Nations Children's Fund (UNICEF) had launched a global campaign in collaboration with the private sector to eliminate polio in many parts of the world.

60. It was important that the international institutions dealing with economic and human development should join forces to reach common goals. Her delegation welcomed the enhanced cooperation between the United Nations and

the international financial institutions through various initiatives, such as the participation of representatives of the World Bank at meetings of the General Assembly and the Economic and Social Council. The United Nations had also cooperated actively with regional development banks regarding the Asian financial crisis.

61. Poverty eradication remained one of the international community's most urgent tasks. She therefore welcomed the initiatives recently taken by the United Nations in order to raise awareness of the subject through research, publications and debate. Poverty meant not only lack of access to consumer goods, but also on inability to make choices and thus a lack of freedom. The recent financial crisis, natural disasters and new outbreaks of war had aggravated the problem in recent years.

62. The United Nations should devote particular attention to the African continent, where 44 per cent of the population lived in absolute poverty and over 30 million people were affected by acquired immunodeficiency syndrome (AIDS). In order for Africa to halve the absolute poverty rate by 2015, its annual gross domestic product (GDP) must rise by 7 per cent; at present, it was rising by between 3 and 3.5 per cent. One of the primary obstacles to the achievement of that goal was the heavy debt burden, which was equivalent to 300 per cent of exports in goods and services by countries of the region. Various initiatives had been launched by the donor community during the past few years in order to alleviate the debt burden of developing countries; *inter alia*, the Group of Eight had undertaken an initiative to mobilize the funds needed for implementation of the Cologne agreement and several countries had decided to cancel bilateral debt. The United Nations should become the main forum for discussion of that matter. Her delegation associated itself with all the delegations that had called for a durable solution to the debt problem and would be among the sponsors of a draft resolution on that issue.

63. It was important for the savings deriving from debt reduction or cancellation to be used to foster economic and social development and, in particular, to improve education and health care. However, finding a solution to the debt problem was only the first step; other measures to promote development must be taken. It was also important to bear in mind the close link between democracy, the rule of law, respect for human rights and sustainable development.

64. There was increasing awareness that environmental degradation knew no borders and that the international community had an obligation to future generations. Her Government had recently acceded to the United Nations

Convention to Combat Desertification and had previously ratified the Convention on Biological Diversity and the Framework Convention on Climate Change. Although San Marino was not directly affected by drought or desertification, her Government was aware that certain patterns of production and consumption, generally followed by the industrialized countries, could have an impact on countries affected by that problem. Her Government would make every effort to increase awareness of the issue, particularly among young people, and to identify types of behaviour that would help to mitigate the problem.

65. The advancement of young people should become one of the Organization's main tasks, one that would benefit both human development and human rights. In that regard, She welcomed United Nations efforts to build partnerships and strengthen its commitments to supporting young people around the world.

66. **Mr. Özügergin** (Turkey) said that development was a global concern that should transcend ideologies and short-term interests. It was primarily the responsibility of each country and required sound, sustainable management of human and natural resources, good governance, transparent legal and regulatory frameworks and an outward-looking, rule-based market economy; however, sustainable development also required international cooperation.

67. It was imperative for developing countries to be provided with the necessary financial and technical assistance and for efforts to be made to ensure the integration of those countries and, in particular, of the least developed among them, into the global financial and trade system. The international community should take into account the needs of those countries in order to reverse the growing marginalization of the poor and to make progress towards human development. In that regard, he welcomed the initiatives taken in Cologne and Washington.

68. Efforts should be made to revitalize the mechanisms designed to ensure follow-up to decisions taken at the major conferences organized under United Nations auspices during the current decade, which had elaborated a global agenda for sustainable development in the 21st century.

69. In a recent *World Development Report*, the World Bank had identified globalization and localization as two forces that would alter the development landscape in the early decades of the next century; local communities were becoming far more involved in their own development processes. Those two trends underscored the growing interdependence of countries and suggested that nation-

States would gradually cease to be the sole agents for development.

70. The Committee should continue to provide the necessary political support for the strengthening of the international financial system, including its adaptation to global needs. In that regard, the question of worldwide poverty eradication should be addressed constantly.

71. While the United Nations was not the proper forum for discussion of issues relating to the international financial architecture, it was nevertheless responsible for generating the necessary will to bring about change.

72. The Committee, through its deliberations, could make a useful contribution to the international debate. The renewed dialogue within the United Nations system was an encouraging indication that all groups of countries had decided to reaffirm the centrality of development and to address poverty as its most urgent component.

73. **Mr. Bhattarai** (Nepal) said that at the dawn of the new millennium, the developing countries were still faced with serious social and economic problems. While the various conferences organized under United Nations auspices had shown how the quality of life of those countries' people could be improved, implementation of the resulting recommendations had not met expectations and the gap between the levels of development of the developed and developing countries had further widened. For that reason, the international community should mount a collective effort and launch a new strategy to combat poverty in a time of increasing globalization. In particular, it should endeavour to meet its commitment to halving global poverty by 2015 and should forgive fruitful partnerships to that end.

74. The development cooperation established during the twentieth century had made it possible to address some of the serious problems of development, but the development process had not gained sufficient momentum, primarily owing to a lack of sufficient private partnerships. The marginalization of the least developed countries was a consequence of the low rate of foreign direct investment and of dwindling official development assistance (ODA). The case of landlocked countries such as Nepal was even bleaker; the country's mountainous topography and sparsely distributed population made it difficult to provide services, however basic. In particular, high transit and in-country transport costs must be reduced; the mechanism of the tripartite high-level meeting between landlocked and transit developing countries and representatives of donor countries and institutions could be extremely useful in that regard.

75. **Mr. Pradhan** (Bhutan) said that one of the major problems facing the global community was severe poverty. During the 1990s, several international conferences had addressed such issues as child welfare, environmental protection, the advancement of women, trade, debt and finance. The decisions and action programmes adopted at those conferences showed the path that should be followed at the national, regional and global levels towards sustainable development. Those decisions must be implemented collectively in order to achieve the desired goals.

76. A vital issue before the Committee was financing for development. Preparations were already under way for the convening of a high-level intergovernmental conference on that topic in 2001. That meeting would have profound repercussions in the new millennium, and it was therefore imperative that it should yield tangible results.

77. The developing countries had been meeting on the fringes of the fifty-fourth session of the General Assembly to consider their positions on the various agenda items. Bhutan endorsed the ministerial communiqués of the Movement of Non-Aligned Countries, the Group of 77 and China and of the least developed countries, outlining the thrust that the international community must give to its activities to tackle the serious social and economic problems of developing countries, in particular the least developed countries.

78. By 2001, Bhutan would have completed four decades of planned socio-economic development. Significant progress had been made in every area of development, including communications, health and education, trade and industry and environmental protection, by pursuing a self-reliant, sustainable and people-centred approach that valued the quality of life. Bhutan still faced resource constraints in financing its development expenditure and required the continued support of the international community. The imperatives of globalization had accentuated the problem, and he emphasized the need to increase ODA and the core resources of the multilateral development agencies of the United Nations system, in order to prevent the failure of development and poverty eradication programmes.

79. **Mr. Bocoum** (Mali) said that one of the major concerns of developing countries was financing for development on the basis of a true spirit of partnership between rich and poor countries.

80. Experience had shown that the amount of resources allocated to development did not always have a proportionate effect on human development and poverty

reduction. Projects were not always sustainable, resulting in a clear preference for programme assistance. The complexity of the procedures set up by donors and the proliferation of parallel structures made it difficult to manage assistance well and weakened national institutions. National capacity to manage development strategies was insufficient, and the lack of transparency and information was detrimental to the system. The multiple layers of decision-making and the gap between theory and practice had also limited the effectiveness of the measures taken. Moreover, tied aid was often detrimental to the relationship between quality and price and sometimes led to the use of inappropriate technology, with the ensuing problems of maintenance owing mainly to lack of skills and replacement parts.

81. It was impossible to motivate a people to produce more when they could not enjoy the fruits of their efforts because of an unfair distribution of the profits, debt overhang or unfair competition. It was essential to demonstrate greater equity in international relations. The development of Mali and of Africa as a whole was a guarantee of growth for Europe, Asia and the Americas.

82. The true challenge that the international community must face was social development. The debate on that issue was focused on exclusion, whether of individuals, social groups or nationalities. Humanity could not accept the growing impoverishment of the majority at a time when scientific and technological advances gave hope for universal social well-being. It was high time for the international community to acknowledge the need to form a true global coalition for the good of humanity.

83. **Mr. Murat** (Haiti) said that, although the financial crisis of 1997 and 1998 had not led to a widespread economic recession, it had worsened the situation of developing countries, in particular the least developed. Despite the efforts of the United Nations system, the goal of poverty eradication was still far off. One and one-half billion people lived on less than a dollar a day; one billion adults were illiterate; and half the population of sub-Saharan Africa lived in absolute poverty. Haiti was concerned by that situation, it nevertheless continued its efforts to enhance its own economic development, which required the support of the international community.

84. The Committee should devote particular attention to the subject of international cooperation for development. In that regard, the United Nations Development Assistance Framework was a valuable tool enabling it to contribute to country development efforts.

85. The Haitian Government was concerned at the shrinking budget allocations among the major donors for international cooperation. Indeed, ODA had declined from \$2.3 billion to \$1.8 billion in less than 10 years. That tendency must be reversed, as such assistance was essential to the majority of developing countries.

86. Once again the Committee must consider the relationship between external debt and sustainable economic development. The realization that resources allocated to debt servicing were choking off efforts to meet the needs of the people was the basis for the Cologne debt initiative for the highly-indebted poor countries, intended to relieve their debt burden and thus encourage their economic development.

87. While welcoming that initiative, the Committee should call on the major global creditors to reduce or eliminate the conditionalities placed on that initiative, to allow all developing countries to benefit fully.

88. The many challenges inherent in globalization required a review of development policies. His Government was taking steps to increase the involvement of civil society in economic development. It also welcomed the initiatives of the United Nations Development Group, which was considering forming partnerships with civil society in tackling a number of development problems.

89. His Government reiterated its support for technical cooperation among developing countries, the cornerstone of South-South cooperation. The South Summit to be held in Havana in 2000 would help to enlarge the scope of such cooperation activities.

90. Urgent measures were also needed to revitalize international cooperation for development in the area of technology transfer.

91. The gap separating developed and developing countries continued to widen, as confirmed by the *Human Development Report 1999*. That imbalance led to increased migratory flows, environmental degradation, conflicts and other problems related to poverty and inequality. In order to close the gap and mitigate its serious social consequences in the developing countries, it was essential to strengthen international cooperation in trade and development.

The meeting rose at 1 p.m.