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Chairman: Mr. Mbayu (Vice-Chairman)..... (Cameroon)

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

Agenda item 106: Third United Nations Conference on the Least Developed Countries (A/56/222-S/2001/736, A/56/306 and A/56/358)

- (a) **Third United Nations Conference on the Least Developed Countries** (A/56/297 and Corr.1, A/56/306, A/56/434, A/56/645 and Add.1 and A/C.2/56/5)
- (b) **Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010** (A/56/208 and A/56/306)

Introduction and general debate

1. **Ms. Brandwayn** (United Nations Conference on Trade and Development (UNCTAD)) said that pursuant to General Assembly resolution 52/187 the Third United Nations Conference on the Least Developed Countries had been held in Brussels from 14 to 20 May 2001. The Assembly had designated UNCTAD as the focal point for its preparation. The Conference had reviewed the progress achieved in the least developed countries (LDCs) in the 1990s and the strengthening of international support measures during that decade, and had adopted a Programme of Action for the Least Developed Countries for the Decade 2001-2010.

2. In its resolution 55/214, the General Assembly had requested the Secretary-General to submit a report to it at its fifty-sixth session on the outcome of the Third United Nations Conference on the Least Developed Countries. The report prepared in response to that request (A/56/297) contained an assessment of the outcome of the Conference and an account of its preparatory process.

3. In paragraph 15 of its resolution 55/214, the General Assembly had noted the level of current regular budget resources available to the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries, and had requested the Secretary-General to ensure that sufficient resources were made available throughout the remainder of the current biennium, through judicious management of the resources at its disposal, and to report on the matter at its fifty-sixth session. The report prepared in response to that request (A/56/434), contained information on the resources allocated to the

Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries for the biennium 2000-2001.

4. In paragraph 103 of its resolution 54/249, the General Assembly had requested the Secretary-General to submit a report on the effectiveness of the functions of the Unit for Landlocked Developing Countries and Small Island Developing Countries before the end of the biennium 2000-2001. The report prepared in response to that request (A/56/208), indicated that the Unit had been re-established and was fully functional.

5. **Mr. Asadi** (Islamic Republic of Iran), speaking on behalf of the Group of 77, reiterated in clear terms the solidarity of the Group of 77, the sole international entity representing the developing South, with the LDCs. The Group welcomed the fact that the Third United Nations Conference on the Least Developed Countries had been held in Brussels; the Group had been fully engaged in the preparations for and work of the Conference. The Conference should have achieved more, however, and henceforth efforts had to focus on the implementation of its Programme of Action.

6. The Programme of Action contained a range of measures in various areas. Modest though it was, its implementation and the establishment of a follow-up mechanism would require new resources. It was therefore urgent for deeds to match words, and the Group was once again calling on the developed countries and on the United Nations system and other multinational organizations to do what was necessary to live up to their commitments.

7. The political will to make progress must be sustained and must provide the basis for a supportive international environment which would facilitate the implementation of economic development programmes in LDCs. It would mainly be a question of building up their productive, human and institutional capacities, enhancing their market access and promoting an increase in flows of official development assistance (ODA) and foreign direct investment (FDI). Also, special measures should be taken for the LDCs to prevent a further deterioration in their situation.

8. The United Nations system had a major role to play in the development of the LDCs. The discussions which had taken place prior to and during the Brussels Conference had underlined the need for better coordination within the system. The report of the Secretary-General (A/56/645) covered the main aspects

of that question and contained recommendations which deserved attention. The central idea was the establishment of an Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which the Group of 77 unreservedly supported. The Office would be responsible only for coordination, advocacy and reporting, while analysis and technical cooperation functions would continue to be carried out by other organizations in the United Nations system, including UNCTAD, in accordance with their mandates and comparative advantages. It was worth emphasizing that within the United Nations system, UNCTAD was a body which had exceptional experience of questions relating to LDCs and that it would continue to have a special role vis-à-vis the Office. Furthermore, the Ministerial Conference of the World Trade Organization, held in Doha, Qatar, had increased its responsibility for providing technical support, especially in the field of trade.

9. It was to be hoped that the negotiations on the draft resolution, which would follow the general debate, would enable the Committee to arrive at a consensual outcome that would ensure the long-term interests of all the LDCs. The recommendations contained in the report (A/56/645) must serve as a basis for its work and must make it possible to strengthen the coherence of the Organization's activities for the development of the LDCs without negatively affecting the institutional and programmatic capabilities of any of the constituent elements of the system.

10. **Mr. Van der Pluijm** (Belgium), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, and Turkey and, in addition, Iceland, said the European Union had been honoured to host the Third United Nations Conference on the Least Developed Countries in Brussels in May 2001. The European Union welcomed the progress made at the Conference, emphasizing that the Programme of Action and Declaration which it had adopted had made it possible to establish specific commitments. The principle of partnership, coupled with mutual shared responsibility, constituted the backbone of the Programme of Action. The commitments entered into would only be valid if implemented, and by taking the initiative to open its markets and undertaking to untie

its assistance, the European Union had shown that it was prepared to assume its responsibilities in that respect.

11. With regard to the follow-up to the Conference, the implementation of the Programme of Action at the national and regional levels was fundamental, and Governments must henceforth convert the Programme into national development plans. The European Union was relying on all organizations in the United Nations system, particularly UNCTAD, to assist Governments to do so, especially through the Common Country Assessment and the United Nations Development Assistance Framework. In almost all the LDCs, the national development plan would take the form of a poverty reduction strategy paper. It was also important to preserve the continuity of the discussion begun in Brussels, in order to enhance the profile of the LDCs and their cause.

12. The Economic and Social Council must likewise play a central role, and the European Union welcomed its decision to place on its agenda an item on coordinating the implementation of the Programme of Action, a decision which he hoped the General Assembly would soon endorse.

13. As for the introduction of a follow-up mechanism, the European Union supported the appointment of a High Representative directly accountable to the Secretary-General, and the transformation of the current United Nations Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries into a High Representative's Office. It was pleased to note the redefinition of the respective roles of UNCTAD and the Office. The High Representative should play the role of coordinator for the problems of the LDCs, whereas UNCTAD, in view of its experience, should be responsible for more ad hoc duties. The budgetary aspects of the mechanism should be clarified.

14. **Mr. Stanislavov** (Russian Federation) said that in the era of globalization, it was more urgent than ever to solve the problem of the poverty and marginalization of the LDCs, an aim which could only be achieved through enhanced cooperation within the framework of the United Nations, and in partnership with the private sector. Accordingly, his country had contributed actively to the fruitful work of the Third United Nations Conference on the Least Developed Countries. The commitments made at the Conference would help

to alleviate the social and economic situation in the LDCs, provided sufficient efforts were made to implement them.

15. Eradicating poverty in the LDCs and preventing their marginalization depended on their being more deeply involved in world trade, and on increased investment in the production sector and in infrastructure. That was why his country supported the Generalized System of Preferences and the “Everything but Weapons” initiative. Its support was not merely political; it was also reflected in concrete measures. Most of the products entering his country from LDCs were imported duty free and were not subject to quotas or protectionist measures of any kind. His country was prepared to extend that principle to all goods imported from LDCs, except weapons.

16. The debt burden was an obstacle to poor countries overcoming their backwardness. The measures agreed internationally, within the framework of the Heavily Indebted Poor Countries Initiative (HIPC), to reduce the burden, should be viewed by all as a priority. His country had supported the Initiative from the very beginning and intended to comply with the relevant agreements. It planned to reduce by \$28 billion the total debt owed to it by the HIPC.

17. The success of the Programme of Action would depend on the effective functioning of the mechanisms for implementation and follow-up to be established at all levels, through the organizations of the United Nations system. It was important for the Economic and Social Council to play an active role in that regard. UNCTAD had drawn the “road map” for the LDCs, and henceforth it would be a matter of implementing the Programme of Action.

18. The High Representative would also have a special role to play, mainly by mobilizing support in the international community for the LDCs and contributing to the implementation of the Programme of Action. The Russian Federation would be cooperating with him, and intended to study carefully the proposals relating to his functions, his level and his Office contained in documents A/56/645 and Add.1, in order to be prepared for discussions of the question.

19. **Mr. Hirata** (Japan) said that during the second half of the previous century, development had advanced at a pace never equalled in history, bringing many benefits to humanity. However, in the developing countries and especially in the LDCs, much remained

to be done in order to catch up. To achieve the development targets fixed by the major United Nations conferences and summit meetings, such as those on poverty reduction, the LDCs and their development partners needed to make concerted efforts in applying the Programme of Action adopted at the Third United Nations Conference on the Least Developed Countries.

20. Japan was actively supporting the LDCs in a variety of areas, including trade, ODA, and debt relief, so that those countries did not lag behind. Recognizing the important contribution of trade to the development of LDCs, Japan was improving their preferential access to its markets by admitting 99 per cent of their mining and industrial products free of duty and quotas. It was also implementing technical assistance programmes to build trade-related capacity in those countries. Japan had allocated over one billion dollars of ODA to LDCs in 2000. It had been the largest donor country vis-à-vis the LDCs in 1998 and 1999. In 1999, 47 of the 49 LDCs had received ODA from Japan. Lastly, to reduce the debt burden of the HIPC, Japan was contributing to the implementation of the enhanced HIPC Initiative. It had decided to reduce by 100 per cent its ODA claims and other official claims, and to contribute to the trust funds of the World Bank.

21. Turning to the follow-up to the Programme of Action, he said it was important to allow the LDCs and their development partners sufficient time to honour their commitments before convening review meetings. One should take heed of the fatigue that had set in among Member States as a result of having too many meetings to review the outcomes of the major United Nations conferences and summits. His delegation was ready to consider any proposal for the creation of a new mechanism in the Secretariat for following up the Programme, provided first, that such a mechanism would improve the efficiency and effectiveness of the work done without duplicating the work of the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries in UNCTAD, or that of the Office of the Special Coordinator for Africa and the Least Developed Countries; and second, that the creation of a new structure had no budgetary implications.

22. The international review meetings and the follow-up mechanism in the Secretariat could certainly contribute to the implementation of the Programme, but national implementation in each LDC was the key to success. The LDCs should assume ownership of

designing and formulating appropriate national policies of their own will and choice to create conditions conducive to development, and should continue to have primary responsibility for the effective implementation of those policies and measures.

23. **Mr. Kolby** (Norway) said that his Government attached great importance to the outcome of the Third United Nations Conference on the Least Developed Countries; the Brussels Declaration and the new Programme of Action for the Least Developed Countries were manifestations of a more vigorous partnership in promoting the economic and social development of those countries. He particularly appreciated the constructive contribution of the LDCs to the preparatory processes and to the Conference itself and the active role played by the United Nations agencies concerned, the Bretton Woods institutions and the World Trade Organization (WTO).

24. The Brussels Conference had delivered on its promises: the Organisation for Economic Cooperation and Development (OECD) countries would make every effort to open their markets to products originating in LDCs, and that had been confirmed by the participants in the WTO Ministerial Conference in Doha, who had committed themselves to duty-free, quota-free market access for products originating in those countries. Although the OECD countries were far from achieving their ODA targets, they had made important pledges and, in particular, had decided to untie aid to LDCs and to improve the quality of ODA. The international community had also committed itself to taking new debt relief measures for those countries and to promoting productive investments and private partnerships therein. Most important, the LDCs had assumed responsibility for their own development and for the creation of the basic conditions for such development. The international community could help them to reach their development goals, but they alone should control that process.

25. However encouraging those decisions, they would have little value if they remained empty promises. All parties concerned should therefore do their utmost to meet their commitments at the national and international levels and, as the European Union had proposed, to link those efforts to national development plans, including the Poverty Reduction Strategy Paper, the Common Country Assessment and the United Nations Development Assistance Framework. The LDCs would need more international

support if those targets were to be met, but the Programme of Action could not be implemented unless the private sector was included in that effort and unless the LDCs fostered an environment conducive to the mobilization of national and international resources. The United Nations agencies and other international organizations must also demonstrate commitment to the LDCs. The Doha Development Agenda was an important breakthrough for their integration into the multilateral trading system; also noteworthy were the recent ODA commitments made at the meeting of the Development Committee of the World Bank and the International Monetary Fund (IMF).

26. It was important to stay on the right track in implementing the Programme of Action; he therefore welcomed the UNCTAD proposal that indicators to monitor the seven commitments of the Programme of Action should be developed. Follow-up must operate primarily at the country level, but it was also important to promote active involvement by the international community. He was pleased to note that the Economic and Social Council would be given an important role in that area in the years to come.

27. He was also pleased that the Secretary-General, in response to a request made at the Brussels Conference, had proposed to appoint a High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States; the problems of LDCs should be given higher visibility in the inter-agency system. While he endorsed the various elements of the Secretary-General's proposal for the High Representative's mandate, the location of the Office of the High Representative should be determined by the LDCs; however, health, HIV/AIDS and labour issues must remain high on the agenda and would require the High Representative to maintain a presence in Geneva.

28. It was necessary to establish closer links with the United Nations Development Group and bodies such as UNDP and the Bretton Woods institutions; however, the analytical capabilities of UNCTAD would still be required. The annual report on the Least Developed Countries should continue to be an essential point of reference for follow-up on matters of interest to those countries. Furthermore, if the establishment of the new mechanism was not to entail additional costs, an existing institution must be weakened. He wondered if it would serve the interests of the LDCs to deprive UNCTAD of resources since, while it admittedly had

not lived up to expectations with respect to previous programmes of action, the international community as a whole must share the responsibility for that failure.

29. Although his delegation had several questions to raise, it was ready to participate in the upcoming consultations on the new follow-up mechanism with an open mind and hoped that the mechanism would serve the interests of the LDCs.

Agenda item 95: Macroeconomic policy questions

(b) International financial system and development (*continued*) (A/C.2/56/L.33)

Draft resolution A/C.2/56/L.33

30. **Mr. Zarie Zare** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/56/L.33 entitled “Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity”. As the Committee had decided, the draft resolution was purely procedural in nature; he therefore hoped that little discussion of it would be required.

(d) External debt crisis and development (*continued*) (A/C.2/56/L.32)

Draft resolution A/C.2/56/L.32

31. **Mr. Zarie Zare** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/56/L.32 entitled “Enhancing international cooperation towards a durable solution to the external debt problems of developing countries”. The Committee had decided to adopt only draft resolutions of a procedural nature under agenda item 95; thus, the primary purpose of the draft resolution was to ensure that the item remained on the agenda of the General Assembly at its next session on the understanding that the Preparatory Committee for the International Conference on Financing for Development would discuss the matter and the Conference would consider it in greater depth. His delegation hoped that little discussion of the draft resolution would be required.

Agenda item 105: Globalization and interdependence (*continued*) (A/C.2/56/L.34)

Draft resolution A/C.2/56/L.34

32. **Mr. Zarie Zare** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/56/L.34 entitled “Role of the United Nations in promoting development in the context of globalization and interdependence”. As the Committee had decided, the draft resolution was purely procedural in nature; its purpose was to ensure that the item remained on the agenda of the General Assembly at its next session. His delegation therefore hoped that little discussion of it would be required.

Agenda item 107: High-level international intergovernmental consideration of financing for development (*continued*) (A/C.2/56/L.31)

Draft resolution A/C.2/56/L.31

33. **Mr. Zarie Zare** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/56/L.31 entitled “International Conference on Financing for Development”. As the Committee had decided, the draft resolution was purely procedural in nature; his delegation therefore hoped that it would be the subject of a brief, constructive discussion and that consensus would be reached as quickly as possible.

The meeting rose at 11.20 a.m.