

PROVISIONAL

E/2003/SR.37
18 November 2005

ENGLISH
Original: FRENCH

ECONOMIC AND SOCIAL COUNCIL

Substantive session of 2003

PROVISIONAL SUMMARY RECORD OF THE 37th MEETING

Held at the Palais des Nations, Geneva,
on Wednesday, 16 July 2003, at 3 p.m.

President: Ms. RASI (Finland)
(Vice-President)

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GE.03-63338 (E) 031105 181105

In the absence of Mr. Rosenthal (Guatemala), Ms. Rasi (Finland), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

IMPLEMENTATION OF AND FOLLOW-UP TO MAJOR UNITED NATIONS
CONFERENCES AND SUMMITS (continued)

- (a) FOLLOW-UP TO THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT (continued) (A/58/77-E/2003/62 and Add.1 and 2, A/57/319-E/2002/85; E/2003/L.10)

Ms. SERWER (United States of America) said that an inordinate amount of time had been devoted in intergovernmental organizations to exegesis of the Monterrey Consensus. She pointed to the slowness of the United Nations Secretariat in setting up and funding an administrative support structure as a follow-up to the Consensus. The Department of Economic and Social Affairs must make it a priority to provide the Economic and Social Council and the General Assembly with the support and services they needed for the follow-up activities incumbent upon them. System-wide support should be provided for efforts at the national level to mobilize the resources needed for development, and a corresponding shift in technical cooperation activities, on the basis of precise directives from the Council, was required.

The initiative taken by the United States Government to establish a Millennium Challenge Account was in direct line with the commitments made at the Conference. That initiative would support the efforts of countries that showed determination to improve their policies and practices through development priorities that they themselves had set.

Mr. SKURATOVSKYI (Ukraine) welcomed the outcome of the special high-level meeting held in April by the Council with the Bretton Woods institutions and the World Trade Organization (WTO). Such collaboration should be continued and intensified in the future by clearly defining the areas that lent themselves to concerted action in order to facilitate implementation of the Monterrey Consensus. General Assembly resolution 57/270 B concerning the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields provided useful guidelines for United Nations bodies. His Government was particularly pleased that all the issues concerned with financing for development had been consolidated under a single item on the Second Committee's agenda.

At the national level, the application of the Monterrey Consensus called for strengthening horizontal partnerships between the various ministries concerned. It was essential for the international community to support the efforts of countries in transition, particularly in the area of trade. The enlargement of the WTO to include those countries was of great importance to Ukraine, which was currently engaged in negotiations with a view to its accession. The implementation of the Monterrey Consensus was an integral part of a broader process, aimed at achieving the development goals set forth in the Millennium Declaration.

Mr. SERGEEV (Russian Federation) said that the results of the special high-level meeting held by the Council with the Bretton Woods institutions and the WTO would facilitate the follow-up to the Monterrey Consensus through a more rational division of tasks between those bodies and the strengthening of their partnership. Russia, which was a country in transition, had begun implementing the Monterrey Consensus in numerous areas: it had now become a food assistance donor in the United Nations World Food Programme (WFP); it had made contributions to the Office of the United Nations High Commissioner for Refugees (UNHCR) and to the Global Fund to fight AIDS; the volume of its imports from developing countries to which it granted preferential tariffs represented, on average, an annual value of US\$ 5 billion; and debt relief granted to Heavily Indebted Poor Countries (HIPCs) totalled US\$ 35 billion. In that connection, his Government was of the view that debt forgiveness should be accompanied by measures on the part of beneficiary countries aimed at strengthening their national debt management institutions. Consideration should also be given to the means of resolving the problem of the indebtedness of medium-income countries and countries in transition, in particular through resort to innovative mechanisms.

With respect to the Brussels Programme of Action for the Least Developed Countries (LDCs) for the Decade 2001-2010, the Russian Federation had already taken the initiative of cancelling the bulk of debts to the Union of Soviet Socialist Republics incurred by LDCs in Africa. In the period 1998 to 2000, debts valued at US\$ 11.2 billion had been cancelled, and in 2002 debt relief had amounted to US\$ 3.4 billion. The Russian Federation applied preferential tariffs to a considerable number of products from LDCs in Africa. It did not

impose any quantitative limits on imports or apply any protectionist measures to those countries and advocated the development of barrier-free international trade with them. Russia welcomed the recommendation of the Brussels Conference that the Trade and Development Board should transform its sessional committee on LDCs into a permanent body, which would make it well equipped to monitor implementation of the Programme of Action.

Mr. BOULGARIS (Observer for Switzerland) said he hoped that the High-level Dialogue due to take place at the General Assembly in October would make for progress in implementing the Monterrey Consensus and greater coherence between policies adopted at the national, regional and international levels. His country welcomed the strengthening of the mechanism responsible, within the United Nations Secretariat, for providing support, particularly to actors in the private sector, for following up the implementation of the Consensus. In that area closer cooperation with the World Economic Forum would be desirable. The mobilization of domestic resources within developing countries depended on the strengthening of their financial institutions and tax administrations. In order to promote private foreign investment, those countries should establish central agencies that would provide the necessary information to potential investors and at the same time reinforce national investment networks.

The Swiss Government was concerned about the lack of progress in examining the provision of special and differential treatment to various categories of developing countries, as also in the agricultural negotiations, particularly in the areas of food security and rural development. It regretted the fact that the increase in official development assistance (ODA) promised at the Monterrey Conference was slow to materialize, but commended efforts made by donors to coordinate their policies better according to the guidelines set at the recent Rome Forum, which had brought together the international financial institutions, the Organization for Economic Cooperation and Development (OECD) and the United Nations Development Programme (UNDP).

Since the Initiative for Heavily Indebted Poor Countries had yielded modest results, Switzerland supported the current efforts of the International Monetary Fund (IMF) and the World Bank to find lasting solutions to the problems of those countries. In conclusion, it hoped that IMF member States would agree to the publication of surveillance reports.

Ms. HUA Liu (People's Republic of China) thought that the Economic and Social Council had an important role to play in creating a more favourable environment for development by continuing to explore ways of guaranteeing implementation of the Monterrey Consensus. The international community and the developing countries should intensify their efforts in various areas, including the transfer of technology, capacity-building, financial assistance and market access. Coordination between the United Nations system and all development partners should be strengthened so as to promote greater coherence in international cooperation policies. China considered it essential for developing countries to participate in decision-making in the area of cooperation. It hoped that the Cancún Ministerial Conference would respect its wishes in that regard and would genuinely take into account the interests of developing countries and their needs in the area of trade.

Mr. BALAREZO (Peru) spoke about the work undertaken at the regional level as an extension of the special high-level meeting held in April. In Latin America, a series of initiatives had been proposed to the Rio Group for the establishment of innovative mechanisms aimed at strengthening democratic governance and thus facilitating the mobilization of resources for development. Peru was a good example of the discrepancy between short-term results and long-term objectives. Despite sound macroeconomic policies, which had made it possible to lower inflation to an annual rate of 2 per cent and to contain the deficit, unemployment remained very high. The social consequences of economic stability had thus been slow to emerge, especially as the impact of direct foreign investment was neither guaranteed nor immediate.

Given such a context, efforts to reduce poverty and to achieve the United Nations Millennium Development Goals called for original solutions. The proposals under consideration by the special high-level meeting dealt both with increasing the available resources (for example, by establishing regional trust funds to promote private investment and by redirecting part of debt-service allocations to the financing of infrastructure projects) and with ways of introducing greater flexibility into the utilization of those resources by avoiding too rigorous a distinction between current and investment expenditure.

Progress in formulating those proposals was quite advanced and would be the subject of a technical paper. It would then be a matter of enhancing coordination so as to ensure that the way the proposals were implemented took into account the particularities of each country, thereby offering Governments an instrument for reaching their objectives: growth, equity and employment.

Ms. KANG Kyung-wha (Republic of Korea) commended the progress made since the International Conference on Financing for Development in terms of the mobilization and distribution of resources for development. She was gratified at the success of the special high-level meeting held in April 2003, at which the Council, the Bretton Woods institutions and the WTO had examined ways of enhancing consistency, coordination and cooperation with a view to implementing the Monterrey Consensus at all levels.

Convinced that international trade was one of the driving forces of economic growth, the Korean delegation believed that market access was the key to the advancement of the developing countries. In that respect, the WTO Ministerial Conference to be held in Cancún would provide an opportunity to take stock of what had been accomplished and what remained to be done in order to implement the Doha Development Agenda. The Conference should also provide an opportunity to address issues of concern to developing countries - especially the least developed countries - such as the elimination of trade-distorting subsidies and tariff peaks. The Republic of Korea had adopted a preferential scheme under which a large number of products from least developed countries were granted duty-free and quota-free access to its market. It favoured restructuring and debt relief to promote sustained economic growth in heavily indebted poor countries. Her country planned to contribute US\$ 10 million in 2003 to the Heavily Indebted Poor Countries Trust Fund and encouraged other countries to contribute to the Fund.

The Republic of Korea wholeheartedly favoured increasing the participation of developing countries in economic decision-making, particularly within the international financial institutions. To that end, she hoped that the United Nations system would help to promote greater transparency and accountability in the decision-making process within those institutions.

The High-level Dialogue on Financing for Development to be held soon at the General Assembly would provide an opportunity not only to evaluate the progress made in implementing the Monterrey Consensus, but also to determine the measures to be taken to reach the Millennium Development Goals.

Mr. WADA (Japan) reaffirmed the importance that his delegation attached to the Monterrey Consensus because it comprehensively addressed issues relating to the international financing of development. While welcoming the two high-level meetings organized in cooperation with the Bretton Woods institutions, Japan believed that implementation of the Consensus should now be reflected in tangible achievements. The international community must take practical measures that would yield measurable results. Since human and financial resources were limited, discussions in the United Nations should be constructive and not get bogged down in abstractions. Taking into account the role of trade in the financing of development, the Japanese delegation would strive to ensure that the WTO Ministerial Conference in Cancún was a success.

Mr. LORENZO (Mexico) reaffirmed his support for the commitments adopted at the International Conference on Financing for Development and expressed gratification at the holding by the Council of the special high-level meeting with the Bretton Woods institutions and the WTO in April 2003. The results of that meeting concerning the implementation of the Monterrey Consensus were an important contribution to the High-level Dialogue on Financing for Development that the General Assembly was to hold in October 2003. The Mexican delegation also welcomed the adoption of General Assembly resolution 57/270 B and the establishment of the Financing for Development Office within the Department of Economic and Social Affairs, which institutionalized the Secretary-General's support for the follow-up to the Monterrey Consensus.

Since international trade as a driving force for development was one of the pillars of the Monterrey Consensus, the WTO Ministerial Conference would provide an opportunity to ensure that the alliance for development forged at Monterrey was translated into concrete actions and measures that would benefit all countries.

Mr. CAMARA (Senegal) associated himself fully with the statement made by Morocco on behalf of the Group of 77 and China. Although the Millennium Development Goals did not incorporate all the goals and commitments produced by United Nations conferences, they did, together with the Millennium Declaration, provide a framework that the United Nations system could use to address shortcomings, clarify responsibilities and promote joint action, with a view particularly to reducing poverty, which was the main objective of the Monterrey Consensus. Although the commitments concerning increased official development assistance and debt reduction had not been included in the outcome document of the International Conference on Financing for Development, the Senegalese delegation hoped that those commitments would be respected and implemented.

The link established in the Monterrey Consensus between poverty, peace, security and sustainable development was a step in the right direction; it served to attract the attention of the international community to the vicious cycle of poverty in which a large proportion of the world's population was caught. The international community must ensure scrupulously that the commitments made at Monterrey in the area of international trade were met. The decisions taken by the European Union, the United States of America and Canada to open their markets almost completely to exports from the least developed countries, for example, constituted unequivocal support for the battle against poverty and the New Partnership for Africa's Development. The most important aspect nevertheless remained the comprehensive application and follow-up of the decisions adopted, which required coordination between the United Nations system and the beneficiary countries. For that reason, the Senegalese delegation fully supported the organization of forums with a wide range of development partners in order to launch and sustain new initiatives and partnerships. It also favoured the effective participation of the United Nations specialized agencies, developing countries and non-governmental organizations (NGOs) in the integrated and coordinated implementation of the outcomes of the conferences.

Since the Brussels Conference many least developed countries, including Senegal, had taken measures, some of them difficult, to implement the Programme of Action for the Least Developed Countries, particularly commitments one to six, but the constraints weighing upon those countries had grown considerably. If nothing was done, the Programme of Action, like the two programmes that had preceded it, would bring no improvement whatsoever to the fate of hundreds of millions of persons in LDCs who were affected by the most extreme poverty. For

that reason, LDCs should begin by making the first six commitments the basis of their Poverty Reduction Strategy Paper and enlist resolutely in the fight against the HIV/AIDS pandemic, which was jeopardizing the very future of some countries. For their part, the donor countries should give substance to the solidarity they so frequently proclaimed towards the LDCs. To that end, they should significantly increase the volume of their official development assistance and agree to ease, if not lift, the burden of debt that handicapped the LDCs.

Mr. ROJAS (Chile) said that the special high-level meeting held in April 2003 represented noteworthy progress towards harmonizing the activities carried out by the political, economic and financial organizations in order to implement the Monterrey Consensus. The coordination of those activities must be improved, and the Economic and Social Council was the most appropriate body to handle the task. In that process, which should be based on the consideration of specific proposals, three important elements should be borne in mind. First of all, the Council must have the necessary political will to determine in detail the procedures to be applied in discussions with the Bretton Woods institutions, the WTO and the United Nations Conference on Trade and Development (UNCTAD). Secondly, a cooperation and coordination mechanism should be set up within the United Nations system to compile a list of specific issues with a view to achieving the goals of the Monterrey Consensus. Thirdly, the Chilean delegation believed that a substantive debate on financing for development should be held annually. Innovative mechanisms should be set up to coordinate the action undertaken by United Nations organizations with the Millennium Development Goals in view and to promote a consistent follow-up to the various international meetings that adopted similar objectives, especially in the areas of trade, debt and investment. Lastly, the international community should be prepared to recognize the efforts of the developing countries to achieve progress.

Ms. ANDAYANI (Indonesia) associated herself with the statement of the Moroccan delegate on behalf of the Group of 77 and China. She underscored the need for prompt action to implement the recommendations of the major conferences and summits organized under United Nations auspices. In order to bring the Monterrey Consensus to life, international cooperation must be strengthened by building genuine partnerships between developed and developing countries and by strengthening follow-up mechanisms. In that connection, Indonesia attached great importance to the special high-level meeting that the Council had held with the Bretton Woods institutions and the WTO in April 2003 and to the

High-level Dialogue that would be held at the General Assembly in October. She recalled that the developed countries had pledged to increase their official development assistance and invited donor countries to follow the example of the United States of America and the European Union. As stated in the Monterrey Consensus, the attainment of the development objectives set at the international level required a considerable increase in financial resources.

Given the slow pace of implementation of the outcomes of the conferences and summits, Indonesia was prepared to explore all viable mechanisms that would produce positive results quickly. As recommended in the Monterrey Consensus, the time had come for developing countries to play a greater role in decision-making and standard setting within the international economic institutions and forums.

Mr. O'NEIL (Jamaica) said that in the absence of an intergovernmental monitoring mechanism, the Economic and Social Council must assume responsibility for the implementation of the Monterrey Consensus. The Department of Social and Economic Affairs should monitor fulfilment of the commitments undertaken at Monterrey. It was regrettable that in his report (A/57/319-E/2002/85) the Secretary-General had not listed the commitments that had not been met. While the Jamaican delegation commended the decisions taken by the donor countries to work towards the goal set for official development assistance, which was 0.7 per cent of Gross National Product (GNP), it regretted that such efforts had not been formulated into a plan. The Department of Economic and Social Affairs should monitor capital flows to developing countries as part of efforts to increase the number of countries benefiting from such investment.

Regarding trade, he stressed the importance of market access and hoped that the multilateral trade negotiations due to take place following the Doha round of negotiations would continue to focus on development. With regard to the general framework of cooperation for development, he pointed out that development assistance came with political conditions attached and was characterized by a selectivity that prevented the establishment of genuine partnerships.

On the subject of world governance, his delegation stressed the need to democratize the international financial institutions and to increase the participation of developing countries in economic decision-making. It was the responsibility of the Economic and Social Council, in particular, to monitor the progress made in that area.

Mr. CHAUDHRY (Pakistan) said it was vitally important to sustain the momentum generated at Monterrey, by showing a firm determination to attain the objectives set. The key to the success of the financing for development process was rigorous monitoring of implementation, with an eye in particular to the fulfilment by all Member States - both developed and developing - of their commitments; the adoption of a coherent and integrated approach that would bring all stakeholders together, and increased interaction between the United Nations system and the main institutions concerned. In order to ensure the effectiveness of those actions, an appropriate expert-level mechanism should be put in place to monitor progress, and the Pakistani delegation planned to stress that at the General Assembly's fifty-eighth session.

Pakistan welcomed the interesting discussion that the Council had held in the spring of 2003 with the Bretton Woods institutions and the WTO, and noted with satisfaction that UNCTAD would henceforth be included in those annual discussions. Pointing out that the documentation provided to facilitate the discussions was inadequate, he urged the Financing for Development Office to take whatever measures were necessary to ensure proper preparation for the High-level Dialogue due to take place at the General Assembly in October. He hoped that all parties concerned would participate actively not only in the discussion but also in the preparations. With regard to substantive issues, the Pakistani delegation fully subscribed to the statement made by the Moroccan delegate on behalf of the Group of 77 and China.

Mr. BRUN (International Cooperation for Development and Solidarity (CIDSE) and Caritas Internationalis) said that the follow-up to the Monterrey Consensus must not only focus on the allocation of more resources to development, but must also tackle the deficit in international coordination and coherence. To that end, it would be advisable to establish an Economic and Social Security Council which, in economic and social matters, would be the counterpart of the Security Council. Both bodies must be open, representative and accountable for their decisions. The Economic and Social Council should set up a commission comprising a

small number of representative members elected by all Member States on a transparent and accountable rotation system. That commission could meet more regularly than the Council, for one or two days, to discuss various questions and to recommend specific action whenever economic and social circumstances so required.

It would also be desirable for the Council, in collaboration with the Bretton Woods institutions and the WTO, to establish a widely representative, open-ended working group on debt as part of the financing for development process. Lastly, in view of the successful participation of NGOs and the business world in preparations for the meeting between the Council, the Bretton Woods institutions and the WTO, it might be worth considering institutionalizing that practice. At all events, it was to be hoped that the Monterrey follow-up process would result in action-oriented initiatives with specific timeframes.

- (b) REVIEW AND COORDINATION OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE DECADE 2001-2010 (continued) (A/58/86-E/2003/81; E/2003/L.15)

Mr. SAGNO (Guinea) said that his Government had undertaken a number of measures to honour the seven commitments contained in the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010. The Poverty Reduction Strategy Paper (PRSP) which had been drawn up and adopted served as a benchmark for all action by his country's development partners.

Under commitment 1 on fostering a people-centred policy framework, diverse policies had been framed on the advancement of women, on children, and on welfare and health. In addition, demographic surveys had been conducted and several fundamental human rights instruments had been ratified, in particular the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women.

In order to meet commitments 2 and 3 on good governance and building human and institutional capacities, his country had set up a national committee to fight corruption, introduced budgetary decentralization procedures to make it easier to keep track of public

expenditure, embarked upon a variety of good governance and capacity-building projects and launched the “Education for All” programme which had reduced the illiteracy rate and achieved a gross school attendance rate of 70 per cent.

As for commitment 6, his Government had created an environmental fund. It had as a matter of course assessed the environmental impact of all public and private investment schemes and had launched an awareness campaign aimed at environmental protection.

With regard to commitment 7 on mobilizing financial resources, Guinea, which had been in receipt of resources supplied to HIPC countries to combat poverty, was promoting microcredit schemes.

An interdepartmental technical committee would be set up in the near future to monitor activities in the field more closely and to assess their impact on poverty reduction. Lastly, his Government hoped that regional consultative meetings would be held at regular intervals between LDCs so that they could swap data and experience.

Mr. ABOUTAHIR (Observer for Morocco), speaking also on behalf of the Group of 77 and China, noted that the Secretary-General, in his report on the implementation of the programme of action for the least developed countries (A/58/86-E/2003/81), hailed the efforts made by LDCs to achieve the targets set in Brussels for mobilizing domestic resources and creating a favourable climate for investment. As no further progress could be made towards the implementation of the programme of action unless ODA was stepped up, it was gratifying to note that Denmark, Luxembourg, the Netherlands, Norway and Sweden had surpassed the 0.2 per cent target, that the United States had announced a new aid programme to help low-income countries, and that 8 member States of the European Union had already hit the 0.33 per cent target, with 10 others expected to do so in 2003.

His delegation also welcomed the European Union’s “Everything but Arms” initiative, which granted all products originating in LDCs, except weapons, duty-free, quota-free entry to the Union’s market and the adoption by the United States of the *Africa Growth and Opportunity Act*, and it hoped that those measures would increase the LDCs’ share of international trade. The international community must also help those countries to strengthen their capacity for economic diversification so that they could boost their exports, and it must substantially relieve their debt.

It was to be hoped that appropriate measures would be taken to strengthen the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. It was essential to facilitate the participation of LDC delegations in the substantive session of the Council, since the latter would be reviewing the execution of the Brussels Programme of Action. As cooperation between developing countries could play a vital role, a ministerial conference on south-south cooperation would be convened in Marrakech in December 2003.

Mr. SIMONETTI (Italy), speaking on behalf of the European Union, the acceding countries, the associated countries and Iceland, welcomed the first comprehensive report on the implementation of the Brussels Programme of Action for the Least Developed Countries, but said that the next report ought to be more analytical and results-oriented. The European Union reaffirmed its commitment to the implementation of the Programme of Action, believing that it fitted into the global strategy for poverty eradication, to which it was more attached than ever before. Although it did not class LDCs as a separate category, that did not prevent it from taking their needs into due account.

Although it was of prime importance that the poor should participate in the determination of their needs and in monitoring the implementation of the Programme of Action, the weakness of civil society in many LDCs had frequently impeded the requisite consultation. It was therefore necessary to improve the access of all components of civil society to the decision-making process. That presupposed a conducive environment where democracy, respect for human rights, good governance and the rule of law reigned, principles to which the LDCs belonging to the African, Pacific and Caribbean States (ACP) group had subscribed in the Cotonou Agreement and which it was highly desirable that other LDCs should likewise endorse. In the months that lay ahead, the European Union intended to start a debate on good governance in order to give substance to that concept and to ascertain what contribution donors could make. Moreover, it was taking practical steps to harmonize its procedures for action and it strongly supported the request of LDCs that poverty reduction strategies and priorities should be defined in a single analytical process controlled by the countries concerned.

A gradualist approach ought to be adopted to the integration of LDCs into the world economy, while at the same time due regard would have to be shown for countries' choices and

priorities. Its "Everything but Arms" initiative clearly attested to the Union's commitment in that regard, as did the principles adopted at the twenty-eighth session of the ACP-EC Council of Ministers, which stated that all economic and commercial agreements must take account of the development objectives, the constraints and the adaptability of the LDCs. The European Union was confident that, despite current difficulties in ongoing trade negotiations, progress benefiting the LDCs could be made on access to medicines and differentiated treatment and it suggested that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States should play a proactive role in expanding the influence of LDCs in those negotiations. Lastly, the European Union was proud to recall its collective commitment to raising its ODA to 0.39 per cent of gross national income by 2006 and to announce that it had already contributed 1.8 billion euros to the HIPC Trust Fund out of the 2.5 billion euros it had pledged.

Mr. COULIBALY (Observer for Mali) endorsed the statement made by the representative of Benin on behalf of the LDCs. Since Mali had begun to map out its poverty reduction strategy just as the Third United Nations Conference on Least Developed Countries was taking place, its strategy reflected commitments given in Brussels and above all the Government's determination to make poverty alleviation central to its development policies. The strategy rested on the need to promote education, health, housing, employment and occupational training, to pursue and consolidate adjustment measures and to provide all economic and social actors with a suitable framework for their activities. The goal was to reduce the national poverty rate from 63.8 per cent to 47.5 per cent between 2001 and 2005 and to achieve a strong, sustainable GNP growth rate of 6.7 per cent in the period 2002-2005. Several sectoral strategies, including one for agriculture, had been formulated to underpin growth. Since the industrialized countries' subsidies to the cotton sector considerably undermined developing countries' economies, the countries of West and Central Africa had presented a communication on that subject to the WTO.

The principal aims of the poverty reduction strategy were to narrow inequalities between regions and between urban and rural areas, to cut infant and maternal mortality rates and to improve school attendance and literacy, particularly for women. A project to support the advancement of women and poverty alleviation had been put in place. The strategy, which sought to achieve effectiveness, equity and institutional and financial viability, had three main

areas of concern: institutional development and better governance and participation; human development and greater access to basic social services, and infrastructure development and support for the productive sectors.

National resources would have to be mobilized in order to carry out the strategy. The Government was planning to devote CFAF 1,664 billion to it between 2002 and 2005 and expected international partners to contribute CFAF 1,043 billion. It estimated at some CFAF 75 billion the resources that would be made available under the HIPC Initiative, and which would be devoted to priority sectors such as education (46 per cent) and health (15 per cent). A round table on financing the strategy, scheduled for the end of November 2003, would bring aid donors together and his delegation thanked all of them in anticipation.

Mr. BOEHNKE (Common Fund for Commodities), by way of introduction, said that the Fund was an intergovernmental financial institution established by the United Nations with a mandate to finance projects enhancing the value of commodities in developing countries. The Fund had 106 member countries, including 42 LDCs. The 175 projects approved to date to a total value of US\$ 367 million, addressed the general commodity problems experienced by several countries, the emphasis being on LDCs and the poorer strata of the population in other developing countries. Since the commodities sector was the main source of employment and income in LDCs, no development project or poverty reduction strategy could be contemplated without paying due heed to that vital sector. For that reason, in response to the Brussels Programme of Action, the Fund had introduced aid programmes for LDCs which set out to improve productivity, open up markets, diversify products and supply loans. His organization looked forward to cooperating with all the parties concerned in order to help LDCs to meet the challenges facing them.

Mr. WU Dezhong (China) endorsed the statement made by the observer for Morocco on behalf of the Group of 77 and China. He commented that, notwithstanding some progress in the implementation of the Brussels Programme of Action, LDCs still had to contend with enormous obstacles, not the least of which was the difficult economic situation. Dwindling ODA and deteriorating terms of trade meant that they would have to struggle to achieve a growth rate of 7 per cent and break out of the vicious circle of poverty and underdevelopment. Donors must honour the commitments repeatedly given, start by granting debt relief to LDCs, and arrest

the fall in the prices of the commodities on which those countries so heavily depended. LDCs could find a way out of their plight only if their national policies were complemented by international policies.

Mr. da FONSECA (Observer for Cape Verde) said that the goals and recommendations of the Brussels Programme of Action had been incorporated into his country's development policies and strategies. Hence it had made poverty reduction its top priority and would rely on strategies to promote economic growth, social development, capacity-building and empowerment of the poor. Headway had been made towards achieving gender equality, good governance, democracy and decentralization. Nevertheless, the productive capacity of Cape Verde, like that of most LDCs, especially small island developing States, was very limited and the export base very narrow. The shortfall in agricultural production, coupled with lengthy droughts, was worsening the country's vulnerability. Special attention must be paid to the development of human resources and to capacity-building with a view to securing greater efficiency in the delivery of services vital to the economy. It would be desirable to give LDCs and small island developing States preferential treatment in international negotiations, especially at the WTO. The decline in ODA must also be reversed, or the objectives of the Brussels Programme of Action would be unattainable.

Despite the progress made, his country still depended on external resources and was not yet able to embark on the structural reforms which would make its achievements irreversible and permit strong, sustained growth. In those circumstances, it would be premature to remove Cape Verde from the list of LDCs, for loss of that status would mean that the country no longer had the means to maintain, let alone improve its level of human development.

Ms. BLANK (World Trade Organization), presenting the Integrated Framework for Trade-related Technical Assistance to LDCs, said that the programme was the fruit of a partnership between core multilateral agencies (IMF, the International Trade Centre (ITC), UNCTAD, UNDP, the World Bank and WTO), bilateral donors (the European Union and the Development Assistance Committee of OECD) and LDCs themselves. The revamped Framework had two objectives: to mainstream trade priorities into the development plans and poverty reduction strategies of LDCs and to contribute to the coordinated delivery of trade-related assistance. The Framework had been put into operation by means of a three-stage

pilot project consisting of a diagnostic trade integration study, an action matrix of policy recommendations and the definition of trade policy priorities. At the WTO Ministerial Conference in Doha, the Framework had been regarded as a viable model for LDCs' trade development. Experience showed that, apart from serving as a catalyst for mobilizing resources, it also alerted national authorities and donors to the role trade played in development. At their third meeting, held in Washington on 10 July 2003, the heads of the six core agencies had reaffirmed their commitment to assisting the effective integration of the LDCs in the multilateral trading system and the world economy.

Mr. KAZEMI (Observer for Afghanistan) said that his country's socio-economic situation had worsened over the previous three decades owing to the devastation caused by foreign aggression and the ensuing civil war. The total destruction of previous patterns of land use, the lack of housing, the severe shortage of water, energy and financial resources, the run-down state of transport and social services and, above all, the presence of anti-personnel landmines made life in the countryside particularly difficult. The recent return of millions of refugees had merely exacerbated the situation. Unfortunately, some of the fertile land still available was being used to grow poppies, which was having undesirable socio-economic consequences. Afghanistan, which had once been relatively self-sufficient as far as food was concerned, had become a net importer of foodstuffs and more than 6 million of its citizens, or more than 33 per cent of its population, depended on international food aid.

The private sector had a leading role to play in the revival and growth of the Afghan economy. It was therefore essential to create a propitious institutional and legal environment for mobilizing resources, especially foreign direct investment, transfer of appropriate technologies and development of entrepreneurship. Priority must go to the creation of small and medium-sized firms in the commodity-producing and services sectors, which could create many jobs and generate income. It was also essential to set up a financial management system based on adequate accounting and auditing standards so as to ensure transparency. His Government was still waiting for the aid requested from UNCTAD and had not yet received anything from the two trust funds set up for LDCs.

Mr. ALI (Observer for Bangladesh) endorsed the statement made by the representative of Benin on behalf of the LDCs and said that it was vital to promote coherence between national, regional and global policies in aid of LDCs. He noted with satisfaction that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, together with UNCTAD, was coordinating action to realize the Brussels commitments. The Office of the High Representative must continue efforts to heighten the international community's awareness of the concerns and needs of the LDCs. Those concerns included the drop in commodity prices and the difficulties of penetrating international markets. LDCs needed help to overcome their vulnerability and protect their environment better. They also hoped that their partners would raise the level of ODA, for without external support all national efforts to achieve development objectives would be vain.

The meeting rose at 6.15 p.m.