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PROVISIONAL SUMMARY RECORD OF THE 38th MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 17 July 2003, at noon.

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

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

The meeting was called to order at 12.20 p.m.

IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTIONS 50/227 AND 52/12 B (agenda item 8) (E/2003/74)

The PRESIDENT drew the attention of the Council to the report of the Secretary-General on progress in implementing the Council's agreed conclusions 2002/1 and related provisions of General Assembly resolution 50/227 (E/2003/74). She took it that the Council wished to take note of that report.

It was so decided.

IMPLEMENTATION OF AND FOLLOW-UP TO MAJOR UNITED NATIONS CONFERENCES AND SUMMITS (agenda item 6) (continued)

(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. ACHARYA (Nepal), having associated his delegation with the statement made by the observer for Morocco on behalf of the Group of 77 and China and that made by the representative of Benin on behalf of the Group of Least Developed Countries (LDCs), said that the Secretary-General had made some very frank admissions in his report (A/58/86-E/2003/81) about the extent of implementation of the Brussels Programme of Action for the LDCs, which, despite the trumpeted benefits of globalization, continued to be plagued by poverty and underdevelopment. Lack of resources, enduring capacity constraints and a host of other vulnerabilities continued to hamper progress.

Three quarters of the world's poor lived in rural areas and it was essential to seek their support in formulating policy. It was imperative to expand education and health services and also to provide incentives for poor people to engage in economic activities. Rural employment and income generation should be heavily promoted through microfinance, integrated rural development and targeted income-generating activities.

His Government had consulted widely with the national stakeholders to develop its Tenth National Plan, which was also the country's poverty reduction strategy paper (PRSP). The Plan aimed at reducing poverty from 38 to 30 per cent within five years. Without an appropriate international enabling environment, however, national efforts would come to nothing. Aid, trade and debt relief should all be geared towards promoting development and progress in the LDCs. Increased Official Development Assistance (ODA) was an absolute necessity, and the developed countries should therefore ensure that 0.7 per cent of their gross national product (GNP) was earmarked for that purpose.

Multinational organizations and other international financial institutions should continue their efforts to help build national capacities, and initiatives to reduce LDC indebtedness were also very welcome. Almost all LDCs were weak trading partners in the multilateral trading system, and should therefore be given unrestricted access to markets and the necessary support to enhance their ability to trade.

The Council's recent discussions had brought into sharp focus the need for greater coherence and coordination among all actors and partners at the national, regional and international levels. An enhanced level of ownership, accountability and good governance were essential to implement and sustain development programmes in the LDCs. The High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States had an important advocacy and outreach role to play in respect of the implementation of the Brussels Programme of Action, and his Office should consequently be strengthened.

Mr. TAKANA (Observer for the Sudan), having associated his delegation with the statements made on behalf of the Group of 77 and China and the Group of LDCs, respectively, said that the High Representative had provided some extremely valuable data on the implementation of the Brussels Programme of Action, and he hoped that it would be possible in future to incorporate such material directly into the Secretary-General's report. His Government was anxious to include elements of the Brussels Programme and the Millennium Development Goals (MDGs) in its poverty-reduction policies. Public spending on poverty reduction had been increased to 30 per cent of the national budget. An ambitious 25-year strategy had been drawn up to integrate the Sudan into the world economy and tackle the country's economic and social woes. Natural disasters such as drought and desertification exacerbated poverty and inhibited development, but the Government's efforts to tackle those problems had been undermined by lack of funds and inadequate local capacities. At the institutional level, the Government had established a high-level forum involving the private sector and civil society to pursue the programme of work for LDCs, and a technical committee had been formed to monitor progress.

All those efforts would come to nothing, however, unless the Sudan's development partners pulled their weight and undertook to address issues such as declining ODA, closed markets and debt relief. Recognizing that peace and stability were prerequisites for development, his Government had invested considerable efforts in peace negotiations with the rebel movement in the country. Lastly, it wished to make a plea for facilitated or flexible transition arrangements for countries emerging from LDC status, i.e. an assurance that their economies would not be penalized owing to the change in their circumstances.

Ms. GRINDLAY (Australia) said that her delegation wished to make an observation of a general nature on agenda item 6. The previous year, it had called for a moratorium on United Nations conferences and summits. The excessive number of special processes had congested the international calendar and reinforced the Council's weakness. Summit fatigue had set in, both among the general public and in many Governments.

In recent times, a number of reform initiatives had improved the Council's operations and boosted its capacity to review major conference outcomes. Its work had become more clearly defined according to themes, and the regular dialogue with the Bretton Woods institutions had made possible a more focused high-level consideration of the economic and financial issues affecting global development. Despite those changes, however, the Council had yet to play the crucial role envisaged for it in the Charter of the United Nations. The reason, in part, was that it had been eclipsed by its activist functional commissions which, however, lacked the expertise, time or mandates to coordinate across thematic areas. Moreover, they could not provide guidance on important policy issues outside their respective remits. The Council should thus act more decisively in the coordination sphere. Furthermore, the Council's agenda needed to be dramatically streamlined. The elimination of overlapping and repetitive items would expand the opportunities for Council members to devote more attention to the reports of the functional commissions, thereby ensuring that the Council's guidance to its subsidiary bodies was more effective and focused. Too much time and energy was still being spent on considering routine reporting matters at the expense of strategic planning.

That being said, the review processes for major United Nations conferences were best handled through the Council or its functional commissions, although, if necessary, the Council, or the General Assembly, could decide to hold such reviews at the ministerial level. It was imperative, however, to avoid the unmanageable timetable that the Council had imposed on itself in recent years.

Mr. IRUMBA (Uganda) said that the Brussels Programme of Action was vitally important for the sustainable economic growth of LDCs and their integration into the world economy. To ensure success, however, all parties must honour their commitments. The LDCs must continue to implement policy reforms, while the developed countries must undertake to create a supportive international environment. Among other things, that meant making progress in the Doha Round, because it was in the trading arena that the developed countries defended their interests most ferociously. Subsidies paid to producers in developed countries and the depressed state of world commodity markets were two of the biggest obstacles to the economic development of the LDCs. For its part, his Government had integrated elements of the Brussels Programme into its PRSP and focused its efforts on securing national ownership of development projects and building national capacity.

Mr. WADA (Japan) said that, as a first step in following up the Brussels Programme of Action, the Secretary-General's report and the statistical information provided by the High Representative clearly indicated what needed to be done to assist the development of LDCs. Such efforts needed to be well balanced so as to garner maximum support. His delegation had noted some technical errors in the documents currently before the Council; the Secretariat should therefore explain its methodology in greater detail. It was fair to say, however, that the errors did not detract from the overall value of the documents. His delegation hoped that the LDC theme could be included in the high-level segment for 2004.

Mr. LIED (Observer for Norway) said that, since the Third United Nations Conference on the Least Developed Countries, there had been some positive developments in the

LDCs but economic growth remained weak in most of them and peace and security continued to elude a number of them. The most important deliverable to emerge from the Conference had been the clear understanding that development could not occur unless certain basic domestic conditions were in place. The international community could provide a conducive environment for economic growth and development, but the prime responsibility for eradicating poverty and for development lay with the Government of each individual LDC.

His delegation supported most of the recommendations contained in the report of the Secretary-General (A/58/86-E/2003/81) and remained convinced that, by implementing the Brussels Programme of Action, LDCs would be able to create a more enabling environment for investment, private-sector development and ODA transfers. The international community had made some progress in meeting its commitments under the Programme of Action, but needed to make greater efforts to reach the agreed ODA targets, enable LDCs to utilize new market opportunities and untie development assistance.

The international community and the LDCs themselves must do more if the countries concerned were eventually to graduate from the exclusive group in which they found themselves. The Programme of Action could not be implemented in isolation, however, but needed to be implemented alongside the outcomes of all the major conferences and summits of recent years in an integrated way, as such events increasingly addressed closely related issues.

Ms. WAKANA (Burundi) said that, although civil war had set back economic and social progress in her country by 15 years, her Government was making determined efforts to implement the Brussels Programme of Action. It was in the process of negotiating a permanent ceasefire and, in cooperation with civil society and with the assistance of the World Bank, had already prepared an interim PRSP. It was also preparing a new constitution and electoral code and was hoping to hold a general election by mid-2004. A special ministry had been set up to combat HIV/AIDS and several new vaccination campaigns had been launched. With the help of non-governmental organizations (NGOs) and other partners, the Government was rebuilding schools, health centres and the water-supply infrastructure, as well as making efforts to bridge the “digital gap”. Again with the assistance of the World Bank, it had embarked upon a series of public works as part of a job creation programme. It was also studying ways to diversify agricultural and industrial production, boost direct investment and broaden its range of exports. At the regional level, it was committed to joining the free trade area of the Common Market for Eastern and Southern Africa (COMESA).

The objectives of the Programme of Action could not be met unless considerable domestic and external financial resources were made available. Her Government had therefore taken steps to improve its taxation and customs administration so as to increase its revenues and had organized round tables for donors, but, unfortunately, the sums promised by the donors had not materialized. She called on the international community as a whole to support her country and on the Council in particular to establish an ad hoc advisory group on Burundi.

Mr. DORJI (Bhutan) said that the High Representative was to be commended for his tireless efforts to carry out his mandate and should be provided with adequate financial and human resources to do so. The decision by most of the organizations in the United Nations system to mainstream the Brussels Programme of Action in their work programmes was very welcome.

His Government had incorporated all the key areas of the Programme into its current development plan, in which high priority was given to rural development, with special emphasis on rural infrastructure, land reform, increased microcredit facilities, private-sector development and strengthened local government. At the national level, far-reaching political, legislative and administrative changes had been introduced. Trade liberalization initiatives had been taken, and Bhutan was in the process of acceding to the World Trade Organization (WTO).

His Government gave high priority to prudent fiscal management policies and environmental protection. The development of its immense hydropower potential had significantly boosted domestic revenue but Bhutan continued to rely heavily on the support of its development partners, as its domestic market was not large enough to attract sufficient foreign direct investment (FDI) and the capacity of its private sector was limited. He therefore called on those partners to continue to support his Government in its efforts to ensure the full and timely implementation of the Programme of Action.

Ms. SERWER (United States of America) said that her Government was carrying out the commitments it had made at the Third United Nations Conference on the Least

Developed Countries and strongly supported the coordinated implementation of the Brussels Programme of Action. The implementation of the Programme of Action depended first and foremost on robust poverty reduction strategies, which should be developed in consultation with all the stakeholders and should reflect best practices tailored to meet the specific needs and capacities of each country. The Office of the High Representative should serve as an advocate for the least developed, landlocked and small island developing States. One of its critical tasks was to oversee the mainstreaming of the Programme of Action within the work of the United Nations system.

The Programme of Action complemented other international development plans. Its implementation should reflect the principles of national responsibility, good governance and aid effectiveness. Emphasis should be placed on trade and the role of private investment and the private sector in promoting development, as underlined at Monterrey and Doha. Existing tools, such as PRSPs, the indicators developed for internationally agreed development goals and multilateral development bank publications of economic and social indicators should be used to monitor progress.

When the Office of the High Representative had been established, her Government had expressed concern that there would be some confusion about its mandate, as compared to the mandates of the Department of Economic and Social Affairs (DESA) and the LDC office in the United Nations Conference on Trade and Development (UNCTAD). It was equally concerned about the proposal to establish a special office for Africa and that of the High Representative's Office for a unit to work on policy development as well as the coordination and implementation of the Brussels Programme of Action. Policy development should take place in other United Nations organizations. The entities dealing with LDC issues should work to strengthen coordination, avoid duplication and ensure that their activities were mutually supportive. She welcomed, however, the fact that the High Representative had established working relations with other multilateral organizations and had promoted linkages with civil society.

Mr. MTESA (Observer for Zambia), after commending the Secretary-General for his report (A/58/86-E/2003/81), said that his delegation endorsed the statement made by the representative of Benin on behalf of the LDCs. His Government agreed with all the recommendations contained in the Secretary-General's report. As the report indicated it was very important for the LDCs to establish a focal point at the national level for the implementation of the Brussels Programme of Action. His Government had, therefore, established such a focal point within its Ministry of Finance and National Planning. There was a need, however, for technical assistance in terms of capacity-building through staff training and workshops.

While he welcomed the fact that the Office of the High Representative was gathering momentum by recruiting new professional staff, he urged the Office to take into account the question of equitable geographical representation during the recruitment process. The fact that 34 of the 49 least developed countries were African should be reflected in the staff of the Office.

In Zambia, as in many other least developed countries, high-level debts and debt service payments were draining away the resources for development and poverty eradication. The debt burden continued to hamper his country’s capacity to participate in the globalized economy. His Government thus called on the international community to find a lasting solution to the debt problem. Indeed, it was to be hoped that the development partners, NGOs and the private sector would all play their part in the implementation of the programme of action.

Mr. SEIFU (Ethiopia), thanking the Secretary-General for his report and expressing his support for the recommendations it contained, said that his delegation wished to associate itself with the statement made by the observer for Morocco on behalf of the Group of 77 and China and that by the representative of Benin on behalf of the LDCs. All socio-economic indicators revealed that the LDCs suffered from deep and widespread poverty and were in a deplorable state. As a result, they faced growing marginalization in an increasingly globalized world economy. Their problems were compounded by debt overhang and by constantly declining export earnings as a result of dwindling commodity prices. Transforming their economies was a daunting task.

Although the primary responsibility for transforming the economies of the LDCs lay with the countries themselves, they could not achieve such a transformation on their own. For instance, achieving the 50 per cent poverty reduction goal by 2015 would require an annual growth rate of gross domestic product of 7 per cent and that, in turn, required an increase in the investment-GDP ratio of 25 per cent. Given their low income levels and resultant low levels of saving and investment, the LDCs would continue to be dependent on external support. Therefore, he called on the development partners to allocate more ODA to improve debt reduction measures, to facilitate FDI flows and to improve market access. He congratulated all those who had already made progress in that direction and encouraged others to do likewise. The outcomes of such actions would also serve the interests of the development partners themselves by preventing the social and economic decay, and the attendant political turmoil and massive migration that would inevitably have an effect on the rest of the world, and also by providing them with alternative investment destinations and market access opportunities.

To minimize the negative consequences of underdevelopment and to maximize the benefits of development, the industrialized countries should forge a genuine partnership with the LDCs. As a result of such a partnership, the North-East Asian countries had been successfully integrated into the world economic system. All that was needed to create a similar partnership with the LDCs was the political will. He therefore urged the development partners to translate their commitments into action.

Ethiopia was committed to the implementation of the Brussels Programme of Action, the elements of which had been mainstreamed into the national poverty reduction and sustainable development strategy. It would do its utmost to advance the implementation of the Programme.

Mr. AHMAD (World Tourism Organization (WTO)) said that tourism's contribution to wealth creation, poverty alleviation and sustainable development could be a decisive one in the countries that needed them most. To date, tourism had not been accorded a substantial role in the majority of poverty reduction strategies drawn up by developmental aid organizations. However, that was an oversight, as tourism represented the biggest, and undoubtedly the most diversified and creative, economic activity of all.

The strong and sustained rise of tourism over the previous 50 years fully justified its inclusion. The number of international tourist arrivals had grown from 25 million in 1950 to 715 million in 2002. The revenues generated by those arrivals had reached US$ 480 billion in 2002, making tourism one of the largest categories of international trade.

In all developing countries, tourism had proved to be a highly labour-intensive activity that opened up opportunities for small businesses. Its impact was particularly strong in the local farming and fishing industries, handicrafts and even the construction industry.

Over the previous decade, the annual growth of tourist arrivals in developing countries had doubled, bringing about a significant growth in their international tourism receipts. Tourism had become the main source of foreign exchange revenues for the 49 LDCs after the oil industry which, in any case, was concentrated in only three of those countries.

Unfortunately, however, much of the tourism potential of many LDCs remained untapped due to limiting factors such as the lack of infrastructure and communications systems and deficiencies in the organization of public services, new information technology skills and human resources development. Considering the speed with which the tourism industry was developing throughout the world and the potential of the developing countries in general, and the LDCs in particular, it was possible to improve substantially on the results obtained.

In order to guarantee its long-lasting success, tourism expansion had to be carried out in accordance with sustainable development. Ecotourism and sports, nature and cultural tourism made it possible to respond to the human thirst for discovery and travel without unacceptable consequences.

Since the Johannesburg Conference, WTO had strengthened its links with financial institutions such as the World Bank and the Inter-American Development Bank, as well as with the European Union. It had recently signed an agreement with UNCTAD to implement the Sustainable Tourism for Eliminating Poverty initiative. The transformation of WTO into a specialized agency of the United Nations would contribute to the progress of tourism in developing countries and help to achieve the objectives of the Brussels Programme of Action.

Mr. SHIHAB (Observer for the Maldives) said that his delegation associated itself with the comments made by the observer for Morocco on behalf of the Group of 77 and China and the statement made by the representative of Benin as coordinator of the LDCs. He shared the concerns that had been expressed about the weak implementation of the Brussels Programme of Action. Conditions had yet to improve in the vast majority of LDCs and, when they did, the countries were faced with graduation which meant a sudden withdrawal of support, leaving them unable to overcome their remaining structural handicaps. Only five countries had achieved the target of a 7 per cent GNP growth, and only nine had reached the target of a 25 per cent investment-GDP ratio.

Despite the fact that its growth rate had declined to approximately half the target set by the Programme of Action, his country was still facing the threat of graduation. His Government remained fully committed to its national development plan, which focused on private sector development, and to promoting the participation of civil society in development efforts. However, it faced enormous challenges, such as deficient skill levels, exorbitant transport costs, and a narrow economic base. Heavy investment was required to sustain the viability of the national economy, and particularly the fisheries sector, upon which 65 per cent of the population depended. The loss of LDC status would make it impossible for the Maldives to meet those structural challenges, and would plunge the country into a deepening debt crisis. He called for the objectives of the Programme of Action to be respected, even in the case of countries which, like the Maldives, were technically eligible for graduation.

Mr. OUEDRAOGO (Rural Reconstruction Nepal) said that his organization was a founding member of the LDC Watch NGO network, which played an active role in monitoring the implementation of the Brussels Programme of Action. With the exception of a very few positive initiatives, the Governments of LDCs and their development partners had failed to attach sufficient priority to the Programme of Action. The Office of the High Representative should be given additional resources so as to carry out its mandate more effectively. At the same time, a series of urgent steps should be identified, with a view to speeding up the implementation of the Programme of Action. They should include the establishment of a national follow-up forum in each of the LDCs, the appointment of an LDC focal point in every donor country, and the formation of a genuine partnership between the Government and civil society in the LDCs.

The LDC Watch network would be consolidated at all levels, and improved relationships with other institutions, donors and organizations fostered. The network had three major objectives: to publicize the Brussels Programme of Action in all the LDCs, to mobilize support from civil society in monitoring its implementation, and to strengthen the capacity of civil society actors to work effectively with the Governments of the LDCs and the development partners.

Mr. AMEHOU (Benin), Moderator of the panel on “Dialogue with Civil Society - How to Advance the Implementation of the Brussels Programme of Action”, held in Geneva on 15 July 2003, gave an account of the panel’s main conclusions. The Brussels Conference had been the third conference in as many decades to address the problems of LDCs and yet, during that time, the number of LDCs, as well as the number of people living in poverty, had continued to rise. Governments and NGOs must overcome the mutual suspicion that hindered the development of an effective partnership between them. To start with, they could focus their collaboration on just a few thematic issues, such as HIV/AIDS.

Serious human rights violations continued to occur in a number of LDCs, exacerbated by the harmful impact on workers’ rights of enforced liberalization. The highly indebted poor countries (HIPC) initiative was not sufficient to reduce the debt burden of the LDCs, which continued to hamper economic development. Enhanced technical and financial assistance was required to enable the LDCs to keep pace with the decisions adopted at United Nations conferences and summits. NGOs should refine their organization and coordination so as to improve their annual progress report on the implementation of the Programme of Action. At the same time, the developed countries should endeavour to coordinate their various missions and programmes in LDCs to a greater extent. The young LDC Watch network should be supported and enabled to assist the NGOs to play a more effective part in the implementation of the Programme of Action.

Ms. ACHARYA (Nepal), Moderator of the panel on “How the United Nations system can support the Brussels Programme of Action for the LDCs at the national level”, held in Geneva on 15 July 2003, gave an account of the panel’s main conclusions. The primary responsibility for implementing the Programme of Action lay with the LDCs themselves, with the support of the international community. LDCs were encouraged to set up the national monitoring and reporting mechanisms provided for by the Programme of Action. Only 9 of a total of 49 LDCs had contributed to the first report of the Secretary-General, which underlined the difficulties they faced in coping with the multitude of programmes and demands from the United Nations system and their development partners. Further technical assistance should be provided to enable them to develop coherent national implementation strategies.

The declining trend of ODA should be reversed, and development assistance should be untied and not subject to any conditions. The United Nations system could contribute by enhancing its advocacy role in attracting resources from development partners. In the context of the HIV/AIDS pandemic, the issue of government losses should be addressed, as well as the more commonly discussed dimensions of care and prevention. In relation to good governance, with the cooperation of United Nations agencies, LDC Governments could agree to set up a system of peer evaluation, based on indexes for tracking progress. While LDCs should be accountable to donors for proving that aid was used effectively, a framework should also be established to monitor the progress of commitments by development partners. Lastly, countries should be allowed a transition period when graduating from the LDC category.

The meeting rose at 1.55 p.m.