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Chairman: Mr. Chowdhury (Bangladesh)

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Agenda item 95: Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development (*continued*)

Agenda item 96: United Nations Decade of Education for Sustainable Development (*continued*)

Agenda item 99: Training and research (*continued*)

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Agenda item 91: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*)

(g) Commodities (*continued*)

The meeting was called to order at 3 p.m.

Agenda item 91: Macroeconomic policy questions
(continued)

1. **Mr. Singh** (Observer for the International Union for Conservation of Nature and Natural Resources) said that the need for mutual supportiveness between trade and sustainable development objectives had grown steadily since the United Nations Conference on Environment and Development, most recently by the World Summit on Sustainable Development. Nevertheless, much remained to be done, as shown by the Fifth World Trade Organization (WTO) Ministerial Conference at Cancun. Before that Conference, the International Union for Conservation of Nature and Natural Resources (IUCN) had co-convened the 18th Session of the Global Biodiversity Forum (GBF) in which participants from both developed and developing countries had expressed growing concern about the need to mitigate the negative impacts of the current trade system on the communities and ecosystems on which their livelihoods depended.

2. The GBF had made recommendations in three important areas in which the international trade and international environmental agendas coincided: (i) trade and sustainable livelihoods; (ii) risk, precaution and biosecurity; and (iii) the relationship between the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) and the Convention on Biological Diversity (CBD). Those issues called for enhanced engagement between the WTO and a wide array of global, regional and national institutions in addressing coherence in international policy and law relating to sustainable development and trade.

3. In that context, IUCN commended the ongoing work in the United Nations Conference on Tariffs and Trade (UNCTAD), in particular as it related to viewing trade as a means to address poverty reduction – not as an end. Improving international support, including aid effectiveness and the content of poverty reduction strategies, was central to effective poverty reduction. The incorporation of trade and environmental aspects in those measures was essential, and constituted the basis of IUCN's ongoing work on the relationship between trade, aid and security.

4. IUCN welcomed the increased attention to the need to build capacity in trade and development. It

encouraged trade-related capacity-building initiatives to integrate environmental considerations into their work programmes, as highlighted in Agenda 21. Moreover, IUCN called on the Member States of the United Nations who were also WTO Members to work for a constructive resolution of the controversy over the observer status of international environmental organizations, in particular the United Nations Environment Programme (UNEP) and the secretariats of the multilateral environmental agreements, in order to ensure that important perspectives on sustainable development were available in the WTO deliberations.

5. Lastly, he said that achieving the common objectives would require the mobilization of all sectors of society, and pledged IUCN's support for the Committee's work in that regard.

(b) Science and technology for development

Draft resolutions A/C.2/58/L.6 and L.20

6. **Mr. Benmellouk** (Morocco) introduced, on behalf of the Group of 77 and China, draft resolution A/C.2/58/L.6 and draft resolution A/C.2/58/L.20

Draft resolution A/C.2/58/L.19

7. **Mr. Gilman** (United States of America) introduced draft resolution A/C.2/58/L.19 on behalf of the sponsors and said that, given the high importance of the issue to States in particular and the world in general, it was to be hoped that the other Member States would join the sponsors and that the draft resolution would be adopted without difficulty.

(c) Specific actions related to the particular needs and problems of landlocked developing countries

(f) Outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Draft resolution A/C.2/58/L. 16

8. **Mr. Benmellouk** (Morocco), on behalf of the Group of 77 and China, introduced draft resolution A/C.2/58/L.16, which proposed inter alia to combine the current agenda sub-items (c) and (f) into one in the agenda of the fifty-ninth session, although he considered the proposed title too long, and expressed

the hope that the draft resolution would be adopted as soon as possible.

(d) International financial system and development

Draft resolution A/C.2/58/L.17

9. **Mr. Benmellouk** (Morocco), introducing draft resolution A/C.2/58/L.17 on behalf of the Group of 77 and China, said that, although the draft resolution partly repeated the resolution adopted at the previous session under the same agenda item, it contained new details, in particular the activities of the international community, for instance the Bretton Woods institutions, the developed countries and some specific committees, in relation to the international financial system, and the role of the International Monetary Fund (IMF) and the World Bank in that regard. He also highlighted those institutions' work regarding the participation of developing countries in decision-making at the Washington-based institutions.

(e) External debt crisis and development

Draft resolution A/C.2/58/L.18

10. **Mr. Benmellouk** (Morocco), on behalf of the Group of 77 and China, introduced draft resolution A/C.2/58/L.18, in which some new elements stood out in relation to the resolution adopted under the same agenda item in the previous year, in particular the global economic situation and related signs of economic recovery, from which developing countries should benefit, and the connection between bilateral trade negotiations within the World Trade Organization (WTO) and issues relating to the debt crisis in developing countries. Note should be taken also of the activities of donor countries and international financial institutions in relation to the implementation of initiatives for heavily indebted poor countries (HIPC). Lastly, he highlighted the limits identified in relation to debt sustainability.

Agenda item 94: Environment and sustainable development

Draft resolution A/C.2/58/L.12

11. **Mr. Arrouchi** (Morocco), introducing draft resolution A/C.2/58/L.12 on behalf of the Group of 77 and China, said that, although it was based on the resolution adopted in the previous year, the operative part contained new elements. In particular, it urged the United Nations Environment Programme (UNEP) to

contribute to preparations for the twelfth session of the Commission on Sustainable Development and for the international meeting to review the implementation of the Barbados Programme of Action for the sustainable development of Small Island Developing States. It also invited the Governing Council/Global Ministerial Environment Forum to review periodically the consistency of its programme with the mandate of the United Nations Development Programme (UNDP) and reiterated the need for stable, adequate and predictable funding sources for UNEP. Lastly, his delegation sincerely hoped to engage in constructive cooperation with the other sponsors of the draft resolution.

(b) Implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

Draft resolution A/C.2/58/L.7

12. **Mr. Arrouchi** (Morocco), introducing draft resolution A/C.2/58/L.7 on behalf of the Group of 77 and China, said that his delegation was impatiently looking forward to the Global Environment Facility (GEF) playing an active role in the implementation of the process of the United Nations Convention against Desertification, particularly in Africa, as a tool for poverty reduction and education. He referred to the new details in the current draft resolution, which urged the international community to adopt effective measures for the implementation of the Convention through bilateral and multilateral cooperation programmes, and also urged the United Nations funds and programmes, the Bretton Woods institutions, the donor countries and other development agencies to integrate actions in support of the Convention in their strategies to support the achievement of internationally agreed development goals, including those contained in the Millennium Declaration. Further, it requested the Secretary-General to make provision for the sessions of the Conference of the Parties and its subsidiary bodies, including the seventh ordinary session of the Conference and the meetings of its subsidiary bodies, in his proposal for the programme budget for the biennium 2004–2005. His delegation hoped that the issue would be resolved in order to facilitate the organization of the Conference and help developing countries to participate.

Draft resolution A/C.2/58/L.15

13. **Mr. Arrouchi** (Morocco), introduced draft resolution A/C.2/58/L.15, which was based on the decision of the UNEP Governing Council to declare 2004 the International Year of Deserts and Desertification with the main objective of raising public awareness of the issue. His delegation hoped that all stakeholders would use that opportunity to step up the implementation of the United Nations Convention against Desertification in the countries affected by severe drought or desertification, particularly in Africa, and respond to the aspirations of the developing countries.

(c) Convention on Biological Diversity*Draft resolution A/C.2/58/L.11*

14. **Mr. Arrouchi** (Morocco), introducing draft resolution A/C.2/58/L.11 on behalf of the Group of 77 and China, said that his delegation hoped impatiently that the current pace at which biological diversity was being lost would be reduced considerably by 2010 and also hoped to hold constructive negotiations with its partners on the need for financial resources and capacity building in order to implement the Cartagena Protocol on Biosafety.

(e) International Strategy for Disaster Reduction*Draft resolution A/C.2/58/L.10*

15. **Mr. Arrouchi** (Morocco), on behalf of the Group of 77 and China, Japan and Mexico, introduced draft resolution A/C.2/58/L.10, based on the resolution adopted in the previous year under the same agenda item, and urged the international community to strengthen the scientific and technical infrastructure of developing countries in order to reduce vulnerability to natural disasters.

16. **Mr. Shimizu** (Japan) said that, as indicated in the Secretary-General's report, disasters continued to cause enormous damage in many parts of the world, particularly in the developing countries, and therefore their mitigation had been ascribed high importance among sustainable development issues. The Yokohama Strategy should be revised to reflect the results of the World Summit on Sustainable Development. Japan, in its capacity as initial sponsor of the draft resolution, hoped that it would be approved without difficulty and that joint action could be taken with other members of

the international community to ensure the success of the conference to be held at Kobe, Japan, in 2005.

(f) Protection of global climate for present and future generations of mankind *(continued)**Draft resolution A/C.2/58/L.14*

17. **Mr. Arrouchi** (Morocco) introduced draft resolution A/C.2/58/L.14 on behalf of the Group of 77 and China.

(g) Sustainable mountain development *(continued)**Draft resolution A/C.2/58/L.22*

18. **Mr. Chave** (Switzerland) introduced draft resolution A/C.2/58/L.22 on behalf of the sponsors, joined by Austria, Canada, Croatia, Ecuador, Ethiopia, Guatemala, Kazakhstan, Kyrgyzstan, Lesotho, South Africa and Tajikistan. The resolution highlighted the results of the International Year of Mountains and the prospects of the Mountain Partnership. Countries of all regions had participated in drawing up the draft resolution, and it was therefore hoped that it would receive broad support in the Committee.

Agenda item 95: Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development *(continued)**Draft resolution A/C.2/58/L.9*

19. **Mr. Arrouchi** (Morocco) introduced draft resolution A/C.2/58/L.9 on behalf of the Group of 77 and China and said that it was the first draft resolution since the Commission on Sustainable Development had defined, at its eleventh session, its multi-year work programme for the period 2004–2017. Accordingly, emphasis in the draft resolution had been placed on issues related to the forthcoming twelfth session of the Commission. It was a very important draft resolution and active participation in its negotiation process and its enthusiastic adoption by consensus were therefore expected.

Agenda item 96: United Nations Decade of Education for Sustainable Development *(continued)**Draft resolution A/C.2/58/L.13*

20. **Mr. Shimizu** (Japan) introduced draft resolution A/C.2/58/L.13 on behalf of the sponsors listed and the Philippines, who placed strong emphasis on education

as the basis for promoting sustainable development. He hoped that, as in the previous year, the draft resolution would be adopted by consensus with the broad understanding and support of developed and developing countries, all the regional groups and more international organizations active in that area.

Agenda item 99: Training and research (*continued*)

(b) United Nations System Staff College in Turin, Italy (*continued*)

Draft resolution A/C.2/58/L.21

21. **Mr. Bernardini** (Italy) introduced draft resolution A/C.2/58/L.21 on behalf of the European Union, the acceding countries and Kazakhstan and hoped that it would be adopted without difficulty.

Agenda item 91: Macroeconomic policy questions

(a) International trade and development (A/58/15 (Part I), A/58/15 (Part II), A/58/15 (Part III), A/58/15 (Part IV), A/58/15 (Part V)*, A/58/154, A/58/204, A/58/301, A/58/414 and A/C.2/58/9)

(g) Commodities (A/58/204 and A/58/401)

Resumption of the general debate

22. **Ms. Ndhlovu** (South Africa) said that her delegation supported the statement made by Morocco on behalf of the Group of 77 and China. The failure of the trade talks at Cancun showed that the developing countries would no longer engulf themselves in trade for trade's sake but were interested in trade for development. The multilateral trade system could not be effective if it could not take into account the concerns of all, particularly the developing countries. However, the protectionism of developed countries continued. The current state of the global economy made it necessary to step up efforts to open up markets. Any attempt to leave aside the multilateral trade system, which was the sole guarantee of equitable and significant benefits to all, represented a balanced and consistent approach to commercial reforms and ensured fairness and equity in commercial relations, fragmented the world markets to the detriment of all, particularly Africa.

23. Africa's dependence on commodity trade continued to be a major concern. In that regard, in order to obtain greater diversification of the African economies, it was necessary to be able to count on the

support of the development partners, particularly in relation to better access to markets and capacity building. The current preferential market-access schemes, such as the African Growth and Opportunity Act (AGOA) and the "Everything but Arms" (EBA) approach, were important contributions which should be strengthened to ensure broader use and greater predictability.

24. According to recent analyses by UNCTAD, the vast majority of exports from African countries consisted of commodities and semi-manufactured goods based on the exploitation of natural resources. As a result, the terms of trade of the continent had deteriorated and the main beneficiaries of the current global trade system were transnational enterprises. In that context, the marked decline of the incomes of coffee-exporting countries of the South and, as a result of the subsidies and other measures implemented by governments, of all cotton-exporting countries should be noted.

25. The forthcoming eleventh session of UNCTAD, to be held in Brazil in 2004, would be an opportunity to discuss the new global economy, exploit the results of the various summits and international conferences held since the tenth session and contribute to boosting confidence in the global trade system. The commitments made at the Millennium Summit and the Ministerial Conference at Doha were the cornerstone of what could be done for future generations.

* To be published soon.

26. **Ms. Hernández** (Cuba) said that trade liberalization initiated some years earlier had widened the gap between the North and the South. Under conditions of equality, trade liberalization would have boosted the economic growth and sustainable development of all countries, but while poor countries had implemented the necessary reforms rigorously, the wealthy countries had not liberalized their economies fully but had protected some sectors, the most evident example being the agricultural sector.

27. The extraterritorial implementation of national laws that hindered trade for political motives was another example of hypocritical use of the concept of free trade and of the manipulation that had characterized that process. It was obvious that there could be no talk of free trade when the strongest country in the world maintained and amplified an economic, commercial and financial embargo against a

small island State like Cuba and sought to implement laws that prevented Cuba from trading with third States, which constituted a violation of the sovereignty of those States and of the most elementary principles of international law.

28. The fragile consensus that had been achieved at Doha had brought hope to the poor countries, but the analyses and the formulation of specific proposals on issues of vital importance to developing countries had been underrated and delayed. Moreover, at the Ministerial Conference convened by the World Trade Organization (WTO) at Cancun, the developed countries had subordinated the beginning of negotiations on the Singapore issues to progress in the remaining negotiations that favoured their interests. The failure at Cancun had shown that drastic reforms to the multilateral system and WTO were required and that the urgent needs of the developing countries could no longer be disregarded. Those countries had maintained a constructive position and submitted many viable proposals on almost all issues.

29. Cuba believed that multilateralism should be promoted by drawing up and implementing international agreements and trade rules, that negotiations should resume and take into account all of the proposals submitted during the preparatory process and during the negotiations at the Ministerial Conference at Cancun, that the issue of development should become the centre of trade negotiations and that future negotiations should address the granting of preferential treatment to the developing countries, progress on issues such as the implementation of the agreements reached during the Uruguay Round, the implementation of measures to resolve the developing countries' external debt problem, the possibility of increasing technology flows towards those countries and assistance to promote trade. Cuba also believed that in the negotiations special attention should be paid to the agricultural sector, which was fundamental to the economy of many developing countries, particularly with regard to increased market access, the reduction of export subsidies and the reduction of internal aid, and that measures should be adopted to prevent commodity prices from falling. In that regard, the international community should implement the recommendations of the Group of Eminent Persons on Commodity Issues that had carried out a recent study on the issue. Furthermore, the accession of developing countries to WTO should be facilitated.

30. Lastly, Cuba recognized the central role fulfilled by the United Nations Conference on Trade and Development (UNCTAD) and supported the preparations for UNCTAD XI, which would be held in Brazil, confident that it would promote the initiatives in support of the countries of the South, particularly the least developed countries (LDCs).

31. **Mr. Ali** (Bangladesh) said that trade liberalization had exposed developing countries to a fiercely competitive environment, increased their vulnerability to external shocks and forced them to undergo painful adjustments. Few developing countries had gained from globalization, while many industrialized countries had manipulated market forces and trade policies to the benefit of their respective economies. The current global arrangements denied developing countries the policy instruments that the industrialized countries used to their advantage. Developing countries had recognized that trade could act as an engine of growth but had not suspected the limitations imposed by worsening terms of trade, quotas, and non-tariff barriers. As a result of those limitations, the share of least developed countries (LDCs) in world trade had been declining steadily for four decades.

32. Developing countries gained less from trade than did industrial countries. According to World Bank research, tariff peaks and tariff escalation, combined with other non-tariff barriers imposed by high income countries, cost developing countries much more in lost export opportunities than the US\$ 50 billion they received in foreign aid each year. Instead of facilitating the exports of developing countries, multilateral trade rules had undermined their policy autonomy. While the developing countries were dismantling trade barriers, developed countries were maintaining their subsidies, erecting new protectionist devices and closing doors in sectors in which developing countries had an advantage, for instance the service sector.

33. The process of financial market liberalization, if unaccompanied by an appropriate regulatory structure, was a recipe for economic instability. The current international financial architecture, which favoured private capital flows over official flows, exchange rate flexibility over stability and creditors over debtors, could not be relied upon to foster development objectives, and should therefore be reformed. UNCTAD XI would provide an opportunity to enhance coherence between national development strategies and global economic processes.

34. Many had attempted to establish a direct relationship between trade and poverty reduction, but no account had been taken of the fact that the developing countries needed a favourable external environment in order to develop and that it was necessary to fix the micro-problems of those countries in order to achieve macro-economic stability. Bangladesh hoped that, during the talks that would take place in Geneva with a view to resuming the negotiations of the Cancun Ministerial Conference, the developed countries would engage in real concessions and respect the Doha mandate. Otherwise, it was very possible that the Millennium Development Goals (MDGs), especially halving poverty by the year 2015, would not be attained.

35. **Mr. Snowden** (Australia), speaking on behalf of the Cairns Group, expressed deep disappointment at the failure of the Ministerial Conference at Cancun to advance the Doha agenda, particularly on the issues of agricultural trade reform. Agriculture was of key importance for the welfare and economic development prospects of the developing countries and the world's poorest countries. Of the world's poor, 73 percent lived in rural areas and depended on agriculture for their livelihood. They struggled to survive on less than US\$ 2 a day, at a time when rich developed countries spent nearly US\$ 1 billion a day on farm support. In 2002, total support and protection for farmers in OECD countries amounted to US\$ 318 billion, more than five times the amount (US\$ 57 billion) those countries spent on development assistance.

36. The Cairns Group urged all WTO Members, especially the major developed countries, to re-engage in the negotiations without further delay with a view to delivering substantial outcomes in line with the Doha mandate. That would require a date for eliminating all forms of export subsidies on all products, reductions in domestic support, improvements in market access for all products and effective mechanisms with respect to key elements of special and differential treatment of developing countries.

37. The countries primarily responsible for the distortions in world agricultural markets must bear the weight of the adjustment that they imposed on the other countries. Developing countries were prepared to make a contribution to that process, but some lacked the capacity to absorb adjustment shocks to their domestic markets. Those countries needed a fair and market-oriented agricultural trading system. Accordingly,

reforming the rules for agricultural trade was the essential pre-condition to improving the development prospects of millions of the world's people. It was necessary to grasp that historic opportunity for reform that would allow developing countries to unlock the full potential of their agriculture sectors, improve the welfare of their people and provide impetus to the world economy as a whole.

38. **Ms. Freudenschuss-Reichl** (United Nations Industrial Development Organization (UNIDO)) regretted the failure of the negotiations of the Ministerial Conference at Cancun and pointed out that, in September 2003, UNIDO had signed a Memorandum of Understanding with the WTO for the purpose of implementing the Doha Development Agenda (DDA), in which the WTO had undertaken to help to promote the understanding of trade rules and UNIDO had undertaken to promote the supply-side capacities of countries. UNIDO had taken that measure, because it believed that developing countries needed to improve their supply-side capacities in order to have an adequate volume and range of goods to sell on global markets, and to meet increasingly stringent conformity requirements. UNIDO had formulated special programmes to build those countries policy-making, institutional and industrial capacities and to help them to meet market requirements and international standards. Those programmes included a series of intersectoral activities, such as developing competitive manufacturing capacities for products with a high export potential, building the capacity of technical support institutions and associations, upgrading enterprises through technology acquisition, creating an enabling environment through training and the introduction of working methods, and upgrading marketing capabilities.

39. Recognizing that regional activities could help smaller countries and LDCs, UNIDO had promoted the establishment of regional calibration centres and regional accreditation authorities. Under that strategy, it would continue to build the capacities of the countries of Central America, the West African Economic and Monetary Union (WAEMU), the Mekong, the South Africa Development Community (SADC) and the South Asian Association for Regional Cooperation (SAARC). It would also organize activities in the areas of standards development, conformity assessment and metrology at the national level.

40. In response to the growth in the number and complexity of non-tariff barriers to trade, UNIDO planned to develop an early warning mechanism to alert export-oriented enterprises in developing countries to the establishment of new standards and procedures and to provide advice and technical assistance to identify technology and management solutions to overcome problems caused by the new regulations. Through all those activities UNIDO sought to increase the developing countries' participation in the global trade system and to prepare them to be competitive in a future scenario of trade conducted on a more level playing field.

The meeting rose at 4.30 p.m.