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Held at the Palais des Nations, Geneva,
on Tuesday, 3 July 2007, at 3 p.m.

President: Mr. Mérorès (Vice-President) (Haiti)

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In the absence of the President, Mr. Cekuolis (Lithuania), Mr. Mérorès (Haiti), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

The PRESIDENT extended a warm welcome to the President of the General Assembly, Ms. Al-Khalifa (Bahrain). Her presence at the meeting testified to the personal interest she took in the work of the Council.

ANNUAL MINISTERIAL REVIEW: STRENGTHENING EFFORTS TO ERADICATE POVERTY AND HUNGER, INCLUDING THROUGH THE GLOBAL PARTNERSHIP FOR DEVELOPMENT (continued) (E/2007/71, E/2007/81, E/2007/84 and E/2007/CRP.5)

Mr. ZAICHENKO (Belarus) said that the main long-term objectives of Belarus's social policy were to ensure growth, improve living standards and develop human potential, and to reduce unemployment and inequality. The measures taken by the Government had made it possible to increase real income, narrow income gaps and augment social benefits for vulnerable groups, which had resulted in the poverty rate plummeting in the past six years from nearly 42 per cent to 11 per cent. Gross domestic product (GDP) had more than doubled between 1997 and 2007, and there had been a heavy investment flow into the economy. According to the Human Development Report 2006, Belarus was among the countries with the least disparity between rich and poor. While unemployment stood at around 1.1 per cent, down from 4 per cent in 1996, it was still a problem in small and middle-sized cities and in rural areas. To address that problem, new approaches were being taken, focusing on the development of small and medium enterprises with a view to spurring growth.

Much effort was made to ensure the population's health, in particular by reducing maternal and child mortality. Citizens had a constitutional right to health and to free medical treatment. Ensuring access to and the quality of education was a key to the sustainable development of human potential. The education sector had produced results, the literacy rate being among the highest in the world. The Government was now concentrating on further improving the quality of education. Its pursuit of a policy aimed at a socially-oriented market economy had been successful in large measure by bringing about improved economic performance. Belarus fully supported progressive initiatives aimed not only at reducing poverty, but at eliminating it altogether.

National voluntary presentations (continued)

The PRESIDENT invited Mr. Rubin (World Affairs Commentator, Sky News) to act as moderator for the national voluntary presentations.

Ethiopia

Mr. MANYAZEWAL (Observer for Ethiopia) said that poverty reduction had been the main focus of Ethiopia's policies and programmes since the beginning of the 1990s. It would continue to be at the centre of its current five-year Plan for Accelerated and Sustainable Development to End Poverty (PASDEP), designed to promote further progress on the basis of a 10-year assessment of projected development priorities, incorporating the Millennium Development Goals.

The main pillars of that strategy were capacity-building at all levels, strengthening of the private sector, increased growth and job creation, and more equitable distribution of the benefits of growth. Since the main source of income for the population was agriculture, priority had been given to strengthening and industrializing the agricultural sector and promoting rural development. Farmers were being encouraged to diversify their crops and devote more land to high-value and exportable produce, which was necessary to increase income levels and prosperity.

Meeting the population challenge was another pillar of the national strategy. The population was growing even if the growth rate had dropped from 3 per cent in 1990 to 2.5 per cent currently. Increased educational provision for girls and improved access to family planning and health services, leading to the empowerment of women and the promotion of gender equity, were essential for achievement of the Millennium Development Goals.

Infrastructure development was also crucial in many areas, and private investment was required if growth was to be sustained. Strengthening of the education and health systems was likewise critical to the overall goal of promoting human development. Risk management, including the internal factor of climate and the external factor of terms of trade, was another important consideration. Recognizing the development actions to be mutually reinforcing, his Government was concerned to bring about synergies between the different sectors concerned.

An estimated 5 billion dollars annually would be required to meet the development needs identified in the five-year plan. His country had tried to mobilize most of the resources domestically, using the available fiscal space to finance its programmes. Noteworthy in that connection were the increase in GDP and the rise in per capita income, due in part to growth in all sectors of the economy driven by public investment in infrastructure. A key factor in continued development would be increased exports.

With regard to poverty reduction, the proportion of government expenditure allocated to pro-poor programmes had increased from 43 per cent in 2000-2001 to 62.4 per cent in 2007. The poverty rate had dropped from 44 per cent in 2000 to 35 per cent in 2007, and was expected to fall to 29 per cent within three years; and the food poverty count had declined from 42 per cent in 2000 to 35 per cent currently. Child growth statistics, school enrolments, completion rates and gender ratios, vaccinations and other forms of disease prevention all showed significant and ongoing improvements. Access to family planning and primary health care was being expanded with the help of trained female extension workers being deployed in rural areas.

Such advances were bringing his country more closely into line with the targets for attaining the Millennium Development Goals. To that end, a comprehensive system for monitoring programmes and policies had been established to measure performance and results at the national, regional and sectoral levels.

Clearly, progress had been uneven and some areas of the country lagged behind. It was therefore important to harness all available resources so as to accelerate the pace of change. The opportunities for further progress existed: the programmes and nationwide institutional framework were in place; a capacity-building programme and tax reforms were under way; and sustained efforts were being made to coordinate development activities. He welcomed the commitment of international partners, such as the G-8, in support of his country’s endeavours.

His Government was working to foster a more positive business climate and to overcome natural handicaps such as water shortages, which were being addressed through irrigation and water management projects. He cited as a success story the recent development of a rose-exporting industry, which had created jobs for some 50,000 people, mostly women. Women were essential to the development strategy, and the national gender plan of action made equality of opportunity in health, education and professional life a priority. His Government's objective was to transform not only the economy but the State itself by devolving power down to the local level with a view to increasing accountability in order to better meet the needs of the population.

Ethiopia's efforts to overcome the challenges it faced and take advantage of every opportunity for development and poverty eradication enjoyed broad public support. That support was a valuable asset as it worked to achieve the Millennium Development Goals and promote democracy, development and empowerment.

Mr. RUBIN (Moderator) wondered what effect the security context - for example, Ethiopia's recurring conflict with Eritrea and involvement in Somalia and the war on terrorism - had had on Ethiopia's ability to meet the needs of its citizens and promote development.

Ms. HOUMGBEDJI (Benin) asked what effect the regional context, for example the need to protect long and porous borders, had on policy-making in Ethiopia.

Mr. CABRAL (Guinea-Bissau) welcomed Ethiopia's focus on poverty reduction but would have liked to hear more examples of both successes and failures to serve as models and lessons for other countries. More information would also be welcome on Ethiopia's efforts to overcome recurring drought and famine and the results obtained in areas such as increased food self-sufficiency, improved living conditions and poverty reduction, and on how it coped with the challenge of promoting development in a context of regional instability and conflict.

Mr. RAMDRIAMARISON (Madagascar) asked if any sectors in particular of the economy were responsible for the growth in GDP, what role fiscal policy played in that growth, and whether any effort was being made to ensure that the benefits of growth were redistributed to benefit the population as a whole.

Mr. JANNEH (Observer for the Economic Commission for Africa (ECA)) said that a number of factors had contributed to Ethiopia's success, despite the problems encountered and the instability in the region. They included: continuity in development policy; political commitment to national ownership of a development policy based on decentralization and widespread consultation; capacity-building focused on economic management and strengthening of the private sector; effective use of official development assistance (ODA); a deliberate policy of encouraging the Ethiopian diaspora to invest in Ethiopia; and development of relationships with new international partners, such as China, for investments in infrastructure - for example, roads and the energy sector.

Continued progress would however require further assistance from international partners. As the second largest country in Africa, Ethiopia's success was critical and temporary difficulties encountered should not be allowed to jeopardize international cooperation for development.

Mr. NERI NERI (Philippines) said that the thriving rose-exporting industry in Ethiopia was an example of knowledge transfer applied in a developing country. Knowledge transfer had the advantage that no interest had to be paid on that knowledge; unfortunately the developed countries and official development assistance tended to involve only transfers of funds, and supplier-driven ODA was frequently linked to expensive purchases of goods and services. It would be far more useful to transfer knowledge to foster new economic activities in the developing countries and open developed countries' markets to exports from the developing world based on that knowledge. He had often raised that issue with the Asian Development Bank (ADB) and the World Bank.

He nevertheless wished to thank donor agencies, including the United States Agency for International Development (USAID) and the Australian Agency for International Development (AusAID), for their role in promoting the development of disadvantaged areas, such as the mostly Muslim regions of the southern Philippines, where they had made a significant contribution in the areas of education and health and the development of rural infrastructure.

Mr. MANYAZEWAL (Observer for Ethiopia) said that Ethiopia had only one war to fight, and that was the war on poverty. His country had never been aggressive; it had never risen, and would never rise up, against others. However, when attacked, it had to take action to defend itself and protect its citizens, infrastructure, schools and roads. It sought to resolve disputes first through diplomatic channels, for example by making use of the conflict prevention mechanisms of the African Union and the Intergovernmental Authority on Development (IGAD). Ethiopia's defence budget accounted for just 2.5 per cent of the gross domestic product, and had not risen nominally in the past four years.

The cycle of drought and famine was a serious problem that had prompted the Government to focus on agriculture and food security. As subsistence farming was still prevalent, there was a need to inject technology into the agricultural system. The Government had established extension agents in all localities to assist farmers in raising crops and livestock and in managing resources, including water. They advised farmers to produce for the market by diversifying crops and raising produce with a high market value, thus driving growth in small- and medium-sized farms. In addition, a productive safety net programme was being set up with a view to identifying those regions that were particularly vulnerable to drought. In rural areas, small-scale agriculture was an engine for economic growth; countrywide, manufacturing, agroprocessing and infrastructure construction contributed to growth. Tax revenues had been increasing by about 20 per cent a year.

Ghana

Mr. GYAN-BAFFOUR (Observer for Ghana), having briefly described the background to Ghana's development policy, said that in 2000 the country had had a small, open and highly dependent economy with sluggish growth, weak State institutions, low private investment and a poverty rate of about 50 per cent. Inflation had stood at over 40 per cent, interest rates at 47 per cent and the national debt servicing had been an enormous burden. Faced with those constraints, the Government had applied for access to the enhanced Heavily Indebted Poor Country (HIPC) initiative, and had formulated the Ghana Poverty Reduction Strategy, which had been implemented from 2003 to 2005 and had focused on attaining macroeconomic stability, meeting basic needs and providing essential services. The strategy's objectives went well beyond the Millennium Development Goals, which had been treated as a bare minimum.

A great deal of progress had been made between 2000 and 2006. The revenue-to-GDP ratio had increased by about a third, inflation had fallen to 10.5 per cent, interest rates had declined to 22 per cent and the national currency had been stabilized. There had been significant investments in infrastructure and social services, including the sectors of health, education and water and sanitation. Ghana had established a business-friendly economic environment, and GDP growth had risen to 6.2 per cent. The poverty rate had nearly halved in comparison with the situation in the early 1990s, and both food security and the malnutrition rate had improved thanks to accelerated agricultural growth.

A second-phase Growth and Poverty Reduction Strategy (GPRS II) had been formulated for the period 2006-2009. The new strategy placed more emphasis on growth-inducing policies that would support wealth creation and poverty reduction. It integrated competing development and sectoral programmes into a single comprehensive development policy framework, consolidating Ghana's efforts under the various development and human rights instruments and initiatives and relying on four main pillars: macroeconomic stability, private sector competitiveness, vigorous human resources development and good governance. The objectives included the modernization of agriculture, developing the country's infrastructure and improving the quality of and access to education, health services and clean water supplies, while at the same time ensuring good governance, inter alia through decentralization.

Only about 30 per cent of the investment needs for the key sectors of the economy could be covered by government revenue; the rest must be filled by grant finance and budget support, concessional and non-concessional loans and scaled-up assistance from development partners. Ghana took part in the global partnership for development, and the Government therefore expected an increase in donor support over the next three years, with particular reference to budget support, which was easier to coordinate and manage than project loans.

While Ghana's development efforts had been successful, he noted with concern that bilateral and multilateral international financial institutions tended to punish rather than reward performance. He expressed the hope that the situation would change.

Mr. RUBIN (Moderator), noting that efforts to control corruption, encourage transparency and ensure good governance should be rewarded, called for representatives of the developed countries to offer some explanation as to how such a paradox could be prevented in the future.

Mr. FERNIE (United Kingdom) said that aid allocation was a complex issue that had been raised in each of the country presentations. It was well established that multilateral aid organizations such as the specialized agencies of the United Nations and the World Bank tended to have quasi-scientific, carefully designed models for the allocation of resources among different countries. Most bilateral donors, including the United Kingdom, had a more idiosyncratic approach that had been overly influenced in the past by historical links and geographic proximity to the detriment of criteria such as population and need. In the United Kingdom an attempt had been made to question such assumptions and to consider how, in accordance with the country's commitment to the Millennium Development Goals, aid allocations could best serve to lift more people out of poverty.

Bilateral donors had to take into account some other critical factors as well, including the marginal impact of aid. In purely numerical terms, the largest numbers of poor people were living in China and India, but discussions with the Governments of those countries had indicated that they had a more urgent need for relatively inexpensive programmes of technical cooperation, HIV/AIDS control and fiscal decentralization.

Another factor was public opinion, particularly as it affected parliamentary decisions concerning resources for development assistance that derived from the taxpayer. There had been lengthy debates about the advisability of applying economic conditionality to the granting of bilateral and multilateral aid. The British Government opposed such schemes, as they were ineffective and were in apparent contradiction with the principle of country ownership. Nonetheless, many parliamentarians wanted more oversight, especially of direct budget support, and called into question the accountability of receiving Governments and their human rights records. The meeting had heard that the Government of Barbados considered that the international community provided too little for small island and middle-income countries, that the Government of Ethiopia considered that it provided too little for large countries, and that the Government of Ghana considered that it provided too little for countries that had performed well. While some of those imbalances would hopefully be redressed over the coming years as official development assistance increased in fulfilment of donors' commitments, there was scope for the international community as a whole to look at the totality of ways in which aid - both bilateral and multilateral - was allocated. The United Kingdom would be happy to contribute to that discussion.

Ms. CARVALHO LOPES (Brazil) said that, in combating poverty, effective results could be achieved only through the permanent, regular and generalized provision of social services for the poor, independent of any changes in Government. In that regard, Brazil's experience had shown that large-scale programmes were most effective.

It was most important to establish institutional models with which to fight poverty, hunger and inequality in the world. In 2006 Brazil had adopted an organizational law on food security and nutrition, establishing the right to food and the obligation of the State to provide for that right. A national conference, the third of its kind, was currently being held in Fortaleza on that subject, with the participation of some 3,000 representatives of Government, civil society and international organizations. Apart from the financial resources required, there was a need to structure programmes and services in line with the Millennium Development Goals, ensuring that public social services were commensurate with the various needs. It would be useful to hear what models were used in other countries.

Mr. CABRAL (Guinea-Bissau) commended the impressive progress Ghana had made, which impacted significantly on poverty reduction and served as a shining example for other countries in Africa. Ghana's move from a regulated economy to a liberal market economy had been largely responsible for the country's success, but remarkable efforts in the area of good governance, educational investment and health-care provision had also played an essential role. He expressed the hope that Ghana would receive the budgetary assistance it required and would continue to attract the support of the international community, as it was important for those countries making progress to be encouraged to continue to do so in order for them to serve as models for other developing countries.

Ms. HOUMGBEDJI (Benin), noting that her subregion had recently experienced an energy crisis and that both Benin and Togo relied heavily on Ghana for energy supply, asked about Ghana's energy plans for the future. She wondered whether Ghana would still be in a position to meet the objectives it had set for the period 2007-2009 if it continued to experience energy difficulties.

Mr. JANNEH (Observer for the United Nations Economic Commission for Africa) said that Ghana's success showed what could be achieved through responsible economic management. Sustained efforts in the area of governance had also contributed considerably to the improved situation in that country: Ghana had been one of the first countries to adhere to the African Peer Review Mechanism, which was the most credible indicator of Africa's commitment to good governance. Ghana had also benefited from relative stability in its subregion, and was the major destination of interregional investment. Ghana had benefited considerably from overseas development assistance, and he shared the hope that it would not be penalized for its success.

Mr. FETZER (Germany) welcomed the innovative format of the national presentations within the Ministerial Review, which had enabled developing countries to present their success stories and had given other countries the opportunity to learn from them. It had occasioned a new spirit in the exchanges between donor and receiving countries, and he hoped it would continue to be a feature of future meetings. He requested more information on the reasons behind the impressive growth in Ghana's agricultural sector, which had had important impacts on food production and exports.

Mr. RAMDRIAMARISON (Madagascar) also congratulated Ghana on its achievements. He asked the representative of Ghana to share his country's experience and methodology in terms of monetary policy and tax collection. He asked whether Ghana would meet the Millennium Development Goals even if its budgetary deficit were not financed.

Mr. AKRAM (Pakistan) recalled that the achievement of the Millennium Development Goals was contingent upon both national efforts and global partnership. While it was encouraging that so many developing countries had agreed to present their plans for review by their peers at the current session, he noted with regret that no developed countries had in fact done so. He suggested that at the 2008 meeting there should be greater balance, with perhaps four developing and four developed countries making presentations.

In response to comments on the need for a correlation between a country's standard of governance and the level of development assistance it received, he stressed that the complexity of the issues of governance and corruption must be taken into account. Since corruption had a broader international dimension, there was a need for greater North-South cooperation in that area, particularly on the part of countries that facilitated capital flight. Although good performance by some countries should be rewarded in the allocation of overseas development assistance, fragile States unable to ensure strong governance should not be ignored.

Mr. SOW (Guinea) echoed others in congratulating Ghana on its success. He wished to know the current debt burden and the debt ratio. Noting that many countries had reportedly experienced deteriorated debt positions since reaching the completion point of the enhanced Heavily Indebted Poor Countries Initiative (HIPC), he wished to know whether Ghana had had the opposite experience.

He asked whether the current inflation level of 10 per cent was considered sustainable or would be an obstacle to the country's accelerated development. Noting that Ghana had curbed monetary devaluation, he asked what its position was with regard to the West African Monetary Zone.

Mr. FERNIE (United Kingdom), responding to the suggestion that donor countries should also be reviewed at the 2008 Ministerial Review, recalled that there was an Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee process of peer review, although many developing countries doubtless considered it an inappropriate mechanism. He expressed his personal support for the proposal, which should be discussed further. If such a review were to be undertaken by ECOSOC, it should not focus solely on OECD Development Assistance Committee members, as there were a number of other emerging donors whose activities also had a significant impact. Discussions would be required in the European Union before a formal position was adopted on the matter.

Mr. GYAN-BAFFOUR (Ghana) said that some of his country's debt had been forgiven under the enhanced HIPC Initiative and subsequently the Multilateral Debt Relief Initiative. The current debt-service-to-GDP ratio was 10 per cent, compared to 24 per cent in 2003. Therefore, although Ghana was still a very poor country, it was no longer heavily indebted.

In terms of inflation, the target was to reduce the figure from the current 10.5 per cent to a single digit by the end of 2007. The main anchor of the country's stabilization efforts was the debt-to-GDP ratio, particularly domestic debt. The law now stipulated that the Government should not borrow more than 10 per cent of the revenue collected in the previous year, and the Bank of Ghana had been made autonomous to decide on monetary policy without Government interference. It had been decided that 20 per cent of the savings made under the HIPC Initiative should be used to service the domestic debt, and government expenditure was restricted to prevent aggravation of the debt.

He gratefully acknowledged the direct budget contributions from the United Kingdom, the country's major bilateral donor, and cited Ghana's efforts to ensure the transparency of budget allocations as one of the reasons for its record in securing development aid.

He said he agreed with the representative of Brazil on the need to institutionalize the Government's poverty reduction efforts and welcomed the opportunity to learn from models in place in her country. He thanked delegates for their congratulatory remarks, but stressed that Ghana could not afford to be complacent. Responding to the representative of Benin, he noted that the West African Power Pool shared energy among neighbouring countries and that Ghana was constructing its highways to link with neighbouring countries. Noting that the language barrier occasionally posed a problem, he pointed out that Ghanaian parliamentarians were being encouraged to learn French to facilitate communication with Francophone countries in the region. Finally, he said that the main source of growth in the agricultural sector was cocoa production: in 2002 and 2003, the Government had provided free insecticide spraying to farmers, which had led to an immediate jump in productivity. In addition, since 2000, the percentage of land under irrigation had increased from 1.4 to almost 12 per cent.

The meeting was suspended at 5.25 and resumed at 5.40 p.m.

Cambodia

Mr. CHHAY THAN (Cambodia) said that in the past eight years, Cambodia and its people had enjoyed the benefits of peace, political stability and rapid economic growth. The Government had undertaken a process of reform within the framework of the Rectangular Strategy for Growth, Employment, Equity and Efficiency and the National Strategic

Development Plan, which had provided the impetus for rapid economic development. Between 2000 and 2006, there had been an average annual growth rate of 9.4 per cent, average per capita income had increased from $288 to $513, and inflation had remained at an average of under 3 per cent. Annual population growth had decreased from 2.49 per cent in 1998 to 1.81 per cent in 2004. Although progress had been made in reducing poverty in the past 10 years, 35 per cent of the population was still living in poverty and marginal mortality remained high. The Government recognized that such achievements would not have been possible without the generous contribution of its cooperation partners.

In terms of governance, the Government's priorities were to promote the capacity and efficiency of the public sector, including combating corruption, enhance the implementation of legal and judicial reform, improve public financial management and pursue public administration reform.

Implementation of the financial sector development strategy had resulted in Cambodia's financial system playing an important role in deepening the base of economic growth. Other medium-term priorities in that area included measures to strengthen banking system supervision and expand coverage of microfinance for the poor and microcredit for small and medium-sized enterprises. Although further efforts were required, progress had also been made in private-sector development reform, particularly by improving institutional mechanisms and the regulatory framework.

The Government was aware that an economy overly reliant on the government and tourism sectors, which faced tough competition and was subject to shock, could make Cambodian workers vulnerable to losing their employment. The national strategic development plan had therefore identified the promotion of agriculture and rural sectors a top priority since they provided the livelihood for more than 80 per cent of Cambodians. In recent years, the Government had allocated a considerable proportion of its limited resources to investment in water resources and irrigation systems. As there was also a great need to invest in developing socio-economic infrastructure, such as roads, bridges, power supplies and clean water supplies in rural areas, the Government welcomed the generous contribution of its development partners in supporting those efforts. It was conscious that natural resources, particularly land, were a key asset when it came to ensuring economic and social development and poverty reduction, particularly in rural areas, and was therefore concerned at reports of increasing land concentration and landlessness. To address the issue, the Government had taken steps to distribute land and land titles, including of sparsely forested or illegally encroached land, particularly to the landless living in remote areas.

The Government's long-term vision was to build a well-educated, culturally developed Cambodia free from poverty, illiteracy, diseases and living in harmony without discrimination based on gender, religion or social status. Although some major advances had been made, including reducing the HIV/AIDS prevalence rate, the Government recognized that there were still many challenges to be overcome in order to realize its Millennium Development Goals, which required the solidarity of the international community.

Mr. TSUVUOKA (Japan) said that over the past 30 years, Japan had made significant donations to Cambodia and Bangladesh in the form of loans, debt cancellation, grant aid and technical cooperation, and his delegation welcomed the development progress made in both countries. Japan would host a meeting on African development, which was due to take place in Tokyo in 2008, and would involve the participation of African heads of State and partners interested in African development. The meeting would be sponsored by the World Bank and the United Nations Development Programme (UNDP), and would include discussions on sustainable development, human security and environment, including climate change. His delegation recognized that Cape Verde was disciplined and well governed, and he expressed support for the Government's development efforts.

Mr. KIM Hak-Su (United Nations Economic and Social Commission for Asia and the Pacific) said that Cambodia, which was one of 14 least developed countries in the Asia-Pacific region, had made remarkable progress in recent years and had achieved an exceptionally high growth-rate in 2006 despite some formidable challenges. Cambodia had also set an example on reducing the prevalence rate of HIV/AIDS among adults from 3 per cent in 1997, to 1.9 per cent in 2003. Other countries were using Cambodia's programmes and policies as an example on which to base their own. Despite considerable progress, Cambodia still faced a number of challenges and required sustained development assistance, market access for its products and services, and significantly increased foreign direct investment. Assistance was needed to support the development of Cambodia's infrastructure and social resources in fields such as health, education, water and sanitation. Greater emphasis should be placed on harnessing the potential of the private sector, particularly in exploiting subregional and regional trade and investment opportunities to strengthen Cambodia's potential for reaching the Millennium Development Goals.

Ms. ESHMAMBETOVA (Office of the United Nations High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) said that her delegation was pleased by the high representation of least developing countries among those who had volunteered to make presentations. Least developed countries, landlocked developing countries and small island developing States were the most vulnerable groups of countries, and had low income per capita, low human assets indexes and were vulnerable to environmental problems. In 2005, Cape Verde had been recommended for graduation from the list of least developed countries and was currently undergoing a period of transition.

The success recounted in the country presentations bore testimony to the strength of leadership and development processes, as well as successful partnerships with civil society, the private sector, donor countries and international organizations. Countries developed successfully as a result of effective resource mobilization, through microcredit, remittances and tax collection. Efforts to diversify production to include products with higher value-added products had also resulted in economic growth. Even following the termination of the Agreement on Textiles and Clothing Bangladesh had maintained its output through a number of schemes and a competitive textiles sector had been developed.

Growth and sustainable development for landlocked countries were inhibited by lack of access to the sea and the resultant transport costs. Small islands were threatened by climate change and rising sea levels. In their presentations, the country representatives had emphasized that attaining the Millennium Development Goals was not in itself the main target, but rather a step towards implementing national long-term development strategies.

Mr. CABRAL (Guinea-Bissau) said that Cambodia was in the process of being reborn, following an atrocious period that should never be forgotten or repeated. Cambodia had always played an important role in the subregion and the Non-Aligned Movement was an important and inspirational partner for poor countries that hoped for a better future. He welcomed the progress made in Cambodia, particularly the efforts to control inflation, and to ensure that the rural population could benefit from development achievements. Donor countries should be generous towards Cambodia, and efforts should be made to ensure that it received the trust and support of the international community, not only to overcome its financial deficits but also to assist social development.

Mr. RUBIN (Moderator) said that the situation in Cambodia proved that aid could be effective. Regarding corruption, he noted that while Cambodia and Bangladesh were near the bottom of the Transparency International corruption perception index and Ghana was in the top half of the list, Cambodia and Bangladesh received twice as much aid money per day as Ghana. Was it not paradoxical that a country that was identified as being twice as transparent and twice as honest as others only received half the aid that they received?

Mr. CHHAY THAN (Cambodia) expressed his Government's appreciation for the continual support it received from other countries.

Cape Verde

Mr. BORGES (Cape Verde) said that Cape Verde - a small country in West Africa consisting of 10 islands, 9 of which were inhabited - had a continued need for investment to develop and maintain its infrastructure. The difficulties faced by small island developing States such as his own underscored the need for greater efforts to fulfil the commitments embodied in the Declaration of Barbados and the Programme of Action for the Sustainable Development of Small Island Developing States and the Mauritius Strategy. Cape Verde was particularly vulnerable in respect of its environment, economy and security. Only 10 per cent of its territory could be cultivated, and rapid desertification and erosion, coupled with low and irregular rainfall, caused significant hindrance to agriculture. The lack of natural resources meant that national agricultural production met only 15 to 20 per cent of national cereal needs. The population therefore suffered from a chronic lack of adequate nutrition. There was an overwhelming imbalance between import and export figures, owing to the lack of national production capacity.

Cape Verde, as a result of its geographic location, was exposed to many forms of trafficking, and to the associated economic, political and social risks. Measures to combat trafficking risked draining scarce resources from vital development sectors. There was therefore a significant connection between security and development in Cape Verde.

Cape Verde's development was marked by a strong dependence on external support, its sustained development since independence, and its successful transition to democracy. Three democratic electoral cycles had been completed at the presidential, parliamentary and municipal levels. Endeavours to ensure good governance included a commitment to attaining the Millennium Development Goals. In that regard, four instruments had been developed: a growth and poverty reduction strategy; a national food security strategy; a five-year food security programme; and a national strategy for agricultural development. Development management needed to simplified, since too much time was often invested in the development of instruments rather than their implementation, particularly when institutions were fragile. In its efforts to meet the Millennium Development Goals, the Government, political parties, and authorities elected at the national and local levels must fully assume their respective responsibilities.

The international community had entered into many commitments in respect of the Millennium Development Goals - the Paris Declaration on Aid Effectiveness being particularly significant in that regard. Yet outcomes had rarely lived up to expectations. There was a need in particular to overcome the contradiction between ownership and the frequently inflexible execution regulations established by donors. The issue of the credibility of pronouncements by the international community needed to be addressed more openly.

Cape Verde suffered from structural food insecurity and a lack of financial resources for food goods, without this amounting to a food crisis. Concerning poverty reduction, macroeconomic statistics - often based on extrapolations - should be treated with caution. Positive indicators for 1999-2002 tended to mask an increasing disparity between rich and poor, even if incomplete figures since then could indicate some reversal of the trend. The Government, municipal authorities and NGOs had developed activities for combating poverty, with particular regard to the crucial aspect of education, which impacted on all other facets of development. Targeted programmes had also been developed, resulting in marked progress with regard to access to drinking water, sanitation services, health care, housing and energy supplies, together with improvements in the levels of primary, secondary and higher education and near gender equity.

Cape Verde maintained its target of reducing poverty to 20 per cent by 2015. Some of the Millennium Development Goals had already been or nearly been attained. He called on donors to continue to assist Cape Verde, despite the fact that progress had already been made. The World Food Programme had been running a school canteen programme, which was exemplary, and had ensured adequate nutrition for children and assisted female heads of household. Unfortunately, since a certain level of development had been achieved, the World Food Programme had announced its forthcoming withdrawal from Cape Verde. Withdrawal criteria should be flexible, and in respect of food security programmes should be directly linked to agricultural capacity in the receiving country.

Cape Verde faced a number of challenges in respect of graduation from least developed country status, including the need to reduce its vulnerability, to secure financial assistance in order to maintain macroeconomic balances and service debt, and to pursue poverty reduction and the strengthening of social cohesion. His country accepted those challenges, yet found it contradictory to be quoted as an example while being penalized for its progress. It was not - he submitted - the moment to cut the fuel supply when an aircraft was taking off.

Mr. FEYDER (Luxembourg) wished to assure the Government of Cape Verde - which had demonstrated great will and determination in pursuit of the Millennium Development Goals - that his country did not intend to undermine such progress, and was privileged to be counted among the major partners of Cape Verde. Stressing the importance of ownership, he said that bilateral cooperation between Luxembourg and Cape Verde had been conducted under an indicative programme for cooperation that ensured transparency in the implementation of their joint projects. Both sides had held periodic consultations to determine the sectors that should receive priority attention, and to establish guidelines for the conduct of such activities. To date, emphasis had been placed on education, health and water, and he took the opportunity to inform the Council of the positive results that had been achieved through the establishment of a nationwide system of technical and vocational training.

Mr. OULD TOLBA (Mauritania) said that he was impressed by Cape Verde's efforts in the areas of poverty reduction and food security. The example of Cape Verde had highlighted the relationship between good governance and sound development and had demonstrated to other countries of the region what could be achieved through determination and constructive partnerships.

Ms. HOUMGBEDJI (Benin) said that the experience of Cape Verde was an inspiration to all the least developed countries, providing them with the reassurance that they were not fated to remain at low levels of development. Cape Verde's partners could also be proud of the fact that, with their assistance, the country had been able to raise its status. She hoped that the meeting might return to the fundamental questions posed by the representative of Cape Verde on the paradoxes attaching to its successful development efforts. She suggested, finally, that it might be useful for Cape Verde to make a follow-up presentation in a few years' time to report on its experience since its graduation from LDC category.

Mr. CABRAL (Guinea-Bissau) praised the achievements of Cape Verde, which had not resigned itself to its situation of vulnerability but had faced up to the challenges confronting it with courage and determination. It was indeed not the moment when development in Cape Verde had taken off for assistance to be withdrawn. The procedures illustrated by the WFP's action merited further scrutiny: it was crucial in the case of Cape Verde for school feeding programmes to be continued in order to ensure that children received a basic level of nutrition.

On the issue of clandestine immigration and other security threats to Cape Verde, European partners and the international community must act to ensure that the problems concerned were collectively managed in the interest of all.

Mr. ANGULA (Observer for Namibia) said that it was important that Cape Verde's success story should be told, as a testimony to the triumph of the human spirit over adversity. Every effort should be made to maintain the current trend, and it would be regrettable for the process to be reversed due to adverse external factors.

Welcoming Cape Verde to the group of middle-income countries that included Namibia, he advised that members of that group had sometimes appeared to have been penalized for their achievements. The international community had a collective responsibility to ensure that upward trends in development were sustained. While it was essential to reallocate resources to the countries that were most in need, it was equally desirable to ensure that countries that had embarked on a positive course did not revert to their original status. The international community must examine the relevant instruments for sustaining and boosting economies in transition.

Mr. RAUBENHEIMER (South Africa) said that the national voluntary presentations had highlighted the extent to which the reporting countries had assumed primary responsibility for their development, within the framework of international partnerships. He believed that subsequent Annual Ministerial Reviews (AMR) should include inputs from the other side of the partnership. The discussion should not be reduced to a mere donor-recipient debate; it should be about effective partnerships, South-South cooperation, what countries did for themselves and what others did to contribute. In that connection, he believed that future ministerial sessions of the Council should focus more on the global challenges faced by countries. They should not take the form of a peer review, but should rather be concerned with sharing experiences and best practices with a view to addressing common problems.

With reference to the comment made by the Moderator on the findings of Transparency International, the apparent discrepancy between good governance and the allocation of aid might actually demonstrate that, while extremely important, good governance and the fight against corruption should not be made the ultimate goals, as some countries were inclined to do.

Mr. STEEGHS (Netherlands) said that his Government would welcome the broader participation suggested for future ministerial reviews. The Netherlands, which set store by its cooperation with its development partners, was pleased to note that 4 of the 6 countries that had made presentations were among the 36 countries on which the Netherlands had targeted its development assistance. Further to various comments by the Mediator, he agreed with the representative of the United Kingdom that the targeting of bilateral assistance was essential to its effectiveness. On the other hand, one of the reasons his Government was such a staunch supporter of the United Nations was because the organization was in a position to respond to the whole spectrum of development needs. The Netherlands also attached great importance to the goal of a global partnership for development and welcomed public scrutiny of its development assistance record.

He took the opportunity to affirm his country’s continued support for Cape Verde’s development efforts and would welcome further information concerning its current transition to graduation status.

Mr. DOS SANTOS TARRAGO (Brazil) was interested to know what role international aid had played in the success of Cape Verde, and to what extent its Government anticipated the need for such aid in future. He also wondered what impact Cape Verde’s increased prosperity would have on emigration, since remittances had so far been a source of valuable revenue.

Mr. SEALY (Barbados), praising the achievements of the people of Cape Verde, shared the concern of previous speakers regarding the commitment of donors and asked whether their previous undertakings remained valid. Certain aspects of the graduation procedure appeared contradictory, and he hoped that the concept would be reconsidered in due course by the Council.

Mr. MILLER (United States), congratulating Cape Verde on the level of progress it had achieved, agreed that the issue of graduation from least developed status was controversial and thought that the situation should be reviewed. It was illogical for success to be penalized, and countries going through transition should not be subject to abrupt disruptions in their aid flows. In that regard, he hoped that all commitments previously made to Cape Verde would be honoured. In his view, it might be advisable for countries such as Cape Verde to look for increased external support away from traditional ODA, in the form for example of resources linked to trade or foreign direct investment. There was also a case for the international community providing more assistance along the lines of aid-for-trade and investment promotion programmes.

On the question of whether aid flows should be based primarily on need, he wished to draw a distinction between humanitarian and development assistance. The United States tried to provide virtually unlimited resources on the basis of acute humanitarian need, but in the case of development resources the criterion of effectiveness had to be taken into account.

Mr. MARQUES (Portugal), commending the achievements of Cape Verde, reiterated his Government's support as a partner, particularly in Cape Verde's attempt to face ongoing challenges such as food security and water resources.

Mr. BORGES (Cape Verde) acknowledged that Cape Verde had overcome many difficulties against the odds, but he was conscious that numerous challenges remained. While appreciating the generous comments made by a number of speakers, he was somewhat disturbed by the suggestion that Cape Verde could serve as an "example" or "lesson" to other countries. He preferred to think of his country as being involved in a process of sharing its experience with others.

On the question of graduation, he said that the concept posed a challenge not only to Cape Verde but also to the international community at large. Cape Verde accepted the risks inherent in transition, but wished to stress that development partners and the wider international community should assume their responsibilities, in keeping with the recent Declaration on the effective and sustainable graduation of Cape Verde adopted by the United Nations consultative Transition Support Group.

In response to the question on the scope of international investment, he said that 90 per cent of the investment budget of Cape Verde had been financed by external sources. Continued public investment was necessary if the country was to diversify its sources of external financing. It was clear, for example, that private investors would not be inclined to invest in Cape Verde in the absence of an efficient and comprehensive infrastructure base. There was a direct link between the strengthening of public aid and the creation of conditions conducive to diversified investment.

The meeting rose at 7.30 p.m.