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PROVISIONAL SUMMARY RECORD OF THE 17th MEETING (FIRST PART)*
Held at the Palais des Nations, Geneva, on Wednesday, 4 July 2007, at 9:30 a.m.

President: Mr. ČEKUOLIS (Lithuania),
then: Mr. HANNESSON (Iceland)

CONTENTS

* The summary record of the second part of the meeting appears as document E/2007/SR.17/Add.1.

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The Meeting was called to order at 9:35 a.m.

HIGH-LEVEL SEGMENT (*cont.*)

ANNUAL MINISTERIAL REVIEW:

STRENGTHENING EFFORTS TO ERADICATE POVERTY AND HUNGER, INCLUDING THROUGH THE GLOBAL PARTNERSHIP FOR DEVELOPMENT (Item 2 (b) of the agenda) (*cont*.) (E/2007/71, E/2007/81, E/2007/CRP.5)

Mr. AKRAM (Pakistan), speaking on behalf of the countries in the "Group of 77" and China, said he was pleased the first annual ministerial review was being held, an initiative of which his country happened to be one of the authors, and that he hoped that, together with the Development Cooperation Forum, such a review would give the Council added momentum. Recalling that achievement of internationally agreed development goals, especially the Millennium Development Goals, was still a priority, he noted with regret that while developing countries were sincerely endeavouring to achieve them, their development partners did not appear to share their zeal.

The countries in the Group of 77 and China, which had continually called for effective monitoring of progress toward the achievement of the Millennium Development Goals, deplored the fact that, despite clear progress in monitoring the first seven goals, there were still no precise criteria for gauging attainment of the eighth and other internationally agreed goals. Hopefully, the United Nations and multilateral financial institutions would fill this gap by helping to put together a global matrix of the commitments undertaken with respect to those objectives and then developing precise criteria. It was to be hoped that during its current session the Council would take a decision to that effect and that the ministerial declaration it adopted at the end of the ministerial review would contain not just an appraisal of the extent to which development goals had been achieved but also recommendations designed to expedite progress.

The Under-Secretary-General for Economic and Social Affairs, in his speech the day before, and the Secretary General's report (E/2007/71) had delivered an excellent account of actions undertaken to eradicate poverty and hunger. While the share of the world population living in extreme poverty was expected to fall to 12 per cent by 2015, from 29 per cent in 1990, it was equally clear that 40 per cent of developing countries and all countries in sub-Saharan Africa would not succeed in halving extreme poverty by 2015. The healthy state of the world economy could have been an apt time for development partners to keep the promises they made in respect of the global partnership for development. The fact was, however, that official development assistance (ODA) was declining, net financial flows to developing countries were negative, and global finances were still unstable and fragile. The Doha negotiations had stalled, and even if they were to succeed, the gains for developing countries would be minimal. In addition, the constraints imposed on technology transfer were increasingly burdensome for those countries, so that a detailed analysis should be conducted of the rules of the TRIPS Agreement, a new effort should be made to draw up a code of conduct for technology transfer, and research and development should focus to a greater extent on the problems faced by the poor. The Pakistani delegation hoped that the ministerial review under way would breathe new life into efforts to achieve the development goals in such a way as to relegate extreme poverty to history.

Mr. GOMES CRAVINHO (Portugal) took the floor on behalf of the European Union, the candidate countries (Turkey, Croatia, and the former Yugoslavian Republic of Macedonia), the stabilisation and association process countries and potential candidates (Albania, Montenegro and Serbia), and the Ukraine, the Republic of Moldova and Armenia.

The European Union was pleased that the ministerial review was dealing with ways to achieve the paramount and cross-cutting goal of reducing extreme poverty and hunger and it hoped that a balanced action-oriented ministerial declaration on the subject would be adopted. It remained determined to help developing countries implement national strategies geared to meeting internationally agreed development goals, especially the Millennium Development Goals. The eradication of poverty was linked to the attainment of the other goals and therefore required an integrated social, economic, and environmental strategy for sustainable development, geared to pro-poor growth. The European Union regarded the Programme of Action of the World Summit for Social Development, held in Copenhagen, as a solid framework for poverty reduction. Insofar as increased income alone does not suffice to eradicate poverty, it was advisable to facilitate the participation of the poor in the national economy by adopting social inclusion measures. It was also necessary to set about preserving the environment, bearing in mind that the poor were the first to be hit – and the hardest-hit – by environmental degradation. Action was also needed on a global scale to combat the consequences of climate change.

At the same time, health systems needed to be improved to secure universal access to reproductive health care and to programmes to prevent and treat HIV/AIDS. The European Union would allocate 400 million Euros to the Global Fund to Fight Aids, Tuberculosis and Malaria for 2007 to 2010, in addition to the individual contributions by member states. In the area of education, the European Union was determined to expedite realisation of Goal 2 (Achieve universal primary education): the European contribution to education totalled 1.7 billion Euros under the 10th European Development Fund (2007-2010) and the Commission budget, to which should be added the 22 million Euros earmarked for the Education for All-Fast Track Initiative.

Promoting productive employment and decent work was also essential for poverty reduction, as indicated in the conclusions on the promotion of decent work adopted in December 2006 by the Council of Ministers of the European Union. Strategies in that area needed to be directed toward generating jobs and growth in sectors in which poverty was particularly manifest. That was the case in the agricultural sector, for which the European Union and the African Union had developed joint strategies. As for efforts to eradicate hunger and malnutrition, the European Union reiterated its commitments and would continue to implement the instruments needed to help the least developed countries overcome the food crisis. The European Commission had adopted a Global

Humanitarian Aid Plan to combat malnutrition in the Sahel Region of West Africa, to which it had allocated an additional 25 million Euros.

The European Union currently provided 57 percent of official development assistance and was determined to reach the goal of 0.7 per cent of Gross National Income (GNI) prior to 2015. It was also determined to implement the Paris Declaration on Aid Effectiveness and to achieve the internationally agreed development goals. The European Consensus, which defines the European Union's development policy, emphasized that poverty reduction involved striking a balance between activities relating to human development, protection of natural resources, the guaranteeing of means of subsistence in rural areas, and wealth creation. In addition, the ministers of development of the European Union had examined the application of a code of conduct on division of labour in development policy.

While action by the international community was an important factor in furthering the sustainable development of developing countries, it was incumbent upon the latter to establish mechanisms for good governance and transparency, combat corruption, and promote the rule of law and more equitable social development. The European Union remained resolutely committed to contributing with its partners to the achievement of the development goals, particular the goal of eradicating hunger and poverty, and it underscored the importance of the ministerial review.

Mr. SANTOS (Observer from Nicaragua) said that, given the extent of poverty, the international community had no choice but to reaffirm its willingness to stick by its commitments, if it did not want to admit being incapable of alleviating the suffering of millions of human beings. The fact that a country like Nicaragua had not managed to emerge from poverty despite its abundant natural resources, its privileged geographical location, and the external assistance it had received, suggested the need for a reorientation of development policies to take into account the real circumstances of the countries euphemistically referred to as "developing." In order to create the wealth needed to reduce poverty, an equitable trade regime was required, free of the subsidies that created unfair competition between producers in rich countries and those of poor countries. It was important, too, that developed countries, which had the power to decide, recognize the interests of developing countries in multilateral trade negotiations. Nicaragua's Government of Reconciliation and National Unity had committed to promoting the right to education and health and to fighting hunger and poverty by implementing a national development strategy, which also addressed environmental issues, including climate change. It sought to find ways for the poor to participate in the quest for solutions to the problems that beset them and to contribute to the country's development. It had set itself clear goals within the framework of a national solidarity and social inclusion programme aimed at empowering women and young people to combat malnutrition, illiteracy, unemployment, and marginalisation. It had also developed a "Zero Hunger" programme designed to fight poverty and achieve food security and sovereignty for Nicaragua. To perform these tasks successfully, Nicaragua needed the solidarity of donors and international organisations.

Nicaragua was pleased to announce that it had finally submitted its reports to the human rights convention organs, after more than 15 years delay. Its election to the United Nations Human Rights Council reinforced its determination to promote and defend human rights at the international level. On June 25 and 26, 2007, it had welcomed a regional high-level consultation, organized with the help of the Netherlands, on the system-wide coherence of the United Nations in the context of development. It was essential, in that regard, that the countries of the region actively participate in control of the resources earmarked for their development. Concluding his remarks, the representative of Nicaragua called upon the world's leaders and the peoples of all nations, in the North and in the South, to strive together, in a spirit of equity and solidarity, to bring about without delay the changes needed to complete the immense task of eradicating poverty and achieving sustainable development.

Mr. NERI (Philippines) said that his country was on track with respect to meeting most of the Millennium Development Goals before 2015, particularly those relating to poverty, nutrition, infant mortality, HIV/AIDS, malaria, and access to drinking water, but progress was unequal from one region to another. Each of the country's 17 regions had recently drawn up its first regional report on realisation of the goals, which should be met by most of them.

The goal of halving extreme poverty by 2015 had been reached in 2003, because the rate had fallen by then to 10.2 percent from 20.4 percent in 1991. However, there were still marked differences between regions. National poverty reduction efforts had been boosted by a number of factors. First, domestic policies, such as the national medium-term development plan, had established poverty reduction as the top priority. Second, an integrated national strategy had been put in place to support, in particular, employment generation, social protection, and participatory governance. Third, with the help of international donors, the Government had launched several projects and programmes aimed at expediting poverty reduction measures. In addition, pro-poor initiatives had been financed at the local level, while the Government had launched a fast-track programme to eradicate hunger and a national nutrition plan of action designed to solve the problems of hunger and malnutrition by intervening on both the supply and demand sides. The Government had also updated surveillance tools in order to improve its ability to identify and locate poor populations and reach a better understanding of their needs. The share of households suffering from hunger had fallen from 69.4 per cent in 1993 to 56.9 per cent in 2003. Today it looked highly likely that the established goal would be met in 2015.

Realisation of the Millennium Development Goals should be assured by – above all – the mobilisation of domestic public and private resources, foreign direct investment, international trade, ODA and resources freed up by debt forgiveness. With that in mind, the Government of the Philippines is conscious of the need for partnerships with local authorities, the private sector and civil society as a whole.

Mr. de DONNEA (Observer from Belgium) pointed out that not long ago Belgium had played a very active part in efforts to streamline the Council and turn it into a true engine of economic and social development. His country was a member of the Commission on Sustainable Development and attached great importance to its activities, which had become paramount in certain areas such as energy and climate change. In that connection, Belgium had recently organized a conference on sustainable forest management in the Democratic Republic of the Congo and would strive to ensure that due importance be attached to sustainable management of resources for development. During its term as President of the Security Council, Belgium had also taken the initiative of organising a debate on natural resources and conflicts, and in July 2007 it would host the first Global Forum on Migration and Development, in which emphasis would be placed on the role of migration in development in the hopes that a true partnership could be developed in that field.

In the partnership for development framework, Belgium had committed to devoting 0.55 per cent of Gross National Income to ODA in 2007 and 0.7 per cent in 2010. It had signed the Paris Declaration on Aid Effectiveness and had drawn up a National Plan for implementing that Declaration. It was currently examining sound practices with respect to humanitarian and multilateral assistance.

It was worth recalling that countries benefiting from assistance should put effective governance tools in place to ensure transparent management of resources, as well as the internal mechanisms required to establish the rule of law and to combat impunity. In that area, Belgium, together with the OECD and the World Bank, had organised an international conference on governance and public-private partnerships. The private sector, which, like civil society, indeed had an important part to play, had expressed genuine interest at that conference in contributing to good governance, particularly in the natural resources sector.

Mr. OULD RAIS (Mauritania) said that Mauritania had recently established, for the first time in its history, institutions founded on democratic principles and the separation of powers. In developing countries, policies aimed at reducing poverty and achieving the Millennium Development Goals had difficulty creating strong economic growth and distributing the fruits of it equitably. The lack of sufficient resources and the difficulty of accessing external financing posed a major obstacle to the attainment of those goals.

Mauritania had developed a national anti-poverty strategy for 2000-2015, geared to the following: faster growth and macroeconomic stability; anchoring that growth in sectors that would benefit the poor; developing human resources; and good governance and capacity-building. In the framework of the second plan of action under that strategy, the new authorities were attempting to expedite growth and curb inflation by taking better advantage of petroleum activities and other lead sectors; reforming the financial system; creating a more supportive environment for business and SMEs; and strengthening the infrastructure needed for growth. The Government also aimed to ensure that the poor received a larger share of the benefits of that growth by boosting socio-economic infrastructure, promoting access to specially tailored financial services, providing professional training, and raising productivity. Finally, being aware of the importance of human resources for sustainable growth, the Government planned to embark on a reform of the national education system geared to ensuring a match between the education provided and market needs.

Mr. WAKASON (Sudan) recalled that the principal goals set at the World Summit for Social Development, held in Copenhagen 12 years earlier, had been to place people at the centre of development, eradicate poverty, and foster social integration. Despite the overall progress made since then, poverty and extreme poverty were still alarming in numerous parts of the world, especially sub-Saharan Africa.

Based on the peace agreements that had been signed, the Government had adopted a national strategy and policies aimed at ensuring decentralisation of spheres of competence in the institutional domain and in the distribution of national wealth in the framework of a three-tiered system of governance that included the Government of South Sudan. Expenditure on poverty reduction totalled 5.6 per cent of GDP in 2007 and should account for 40 per cent of national expenditure by the end of the 2007-2011 five-year programme. This progress had been achieved in connection with the joint evaluation mission, but with only a limited contribution from the donor community.

The principal poverty reduction strategies were the national budget social assistance fund, the Savings Bank for Social Development, the Zakat micro-credit funds, the community development funds, subsidies for food security-related agricultural activities, health insurance, free hospitalisation in state-owned hospitals, and comprehensive maternal-child health care coverage. Although these were major advances, they alone would not suffice to meet the Millennium Development Goals.

The reforms that followed the peace agreements aimed to achieve a high rate of economic growth, more equitable distribution of income, and gradually reduce poverty. The 2007-2031 Strategy envisaged a veritable transformation of the economy along those lines and sound economic management that should lead to two-digit growth in 2006, along with strong FDI flows into the country. However, tax revenue and the Oil Revenues Stabilisation Account would not even remotely offset the increased expenditure resulting from implementation of the Comprehensive Peace Agreement and that shortfall would be exacerbated by the country's external indebtedness, which was not viable despite the strong oil revenues projected for the next 25-30 years.

While social development was indeed a national responsibility, it could not come about with the assistance and concerted efforts of the international community. It was to be hoped that the developed countries devote 0.7 per cent of their gross national income (GNI) to ODA, in line with the internationally agreed goal.

Ms. CARVALHO LOPES (Brazil) said it was unthinkable that there could be economic progress without social advancement, or sustainable and equitable growth without investment in people. That was why President Lula da Silva had made economic growth founded up income distribution and education for all the top priorities of his second term. Although Brazil was among the top 10 economic powers in the world, a large segment of its population still lived in poverty, with major income disparities among its inhabitants. Given the size of the country and its geopolitical, cultural and ethnic diversity, the fight against poverty and inequalities required concerted efforts by the authorities and society in every sphere. The establishment of the Ministry of Social Development in January 2004 had been a major step forward in terms of the coordination of social policies. The Ministry was currently building an integrated network of social protection and advancement that would act on three fronts: social assistance, food and nutritional security, and revenue transfers. In the area of social assistance, it was working to set up a single social assistance system based on reorganized social services and unified management of social assistance policy throughout the national territory. There were some 3, 300 social centres providing social and psychological guidance services for families, as well as specialized centres mainly to care for victims of violence and sexual exploitation and vulnerable people, such as street children. As for food and nutrition security, considerable progress had been made with the promulgation of a law establishing a national food and nutrition security system and the fundamental right to be properly fed. A core feature of Brazil's social development strategy was the allowances programme which benefited more than 11 million poor families with monthly incomes of less than US$60. There were also programmes providing incentives for impoverished families to keep their children at school and in good health. Other measures were in place for the poorest families, particularly in relation to adult literacy and education for young people. In the next few days, further initiatives would be launched to increase investment in the social sector.

Brazil was also working to promote equal opportunities and employment generation for the poor, particularly through professional training, support for family farming, and microcredit. Over the past four years, the Brazilian economy had experienced strong growth, geared to the promotion of social justice. Between 2003 and 2005 the economy had grown 4.8 per cent per year and the income of the poorest 10 per cent of the population had increased by 8.4 per cent, compared to a 3.7 per cent increase in the incomes of the richest ten percent. In that same period, nearly seven million people had emerged from extreme poverty. While Brazil was aware of the long road still ahead, the results obtained thus far testified to the effectiveness of its strategy. It had taken up the challenge of providing better living conditions for poor families so that they could lead decent and independent lives and participate fully in social life.

Mr. FFRENCH-DAVIS (Chairman of the Committee for Development Policy) was pleased that, since the adoption of the Millennium Declaration in 2000, poverty had declined and health had improved in many countries, particularly in Asia. In addition, several European countries had provided ODA in excess of the target of 0.7 per cent of gross national income (GNI). Despite that, in some areas the outlook was not promising: several large donor countries were far from meeting the 0.7 per cent of GNI target, the Doha Round had stalled, and many extremely poor countries, above all in sub-Saharan Africa, were far from achieving the Millennium Development Goals.

The Committee for Development Policy noted with satisfaction that the Global Partnership for Development had become stronger, especially since the introduction of Poverty Reduction Strategy Papers (PRSPs). Furthermore, important debt relief measures had been taken under the Highly Indebted Poor Countries (HIPC) Initiative. However, the Committee had also noted a number of gaps in the current system. First, the PRSPs appeared not to be achieving their original objective of contributing to a marked reduction of poverty in developing countries. Second, assistance flows were still too unpredictable. The PRSPs had been conceived as a means of helping developing countries agree on medium- and long-term development goals for the beneficiary countries, which was by no means yet the case. Third, the goal of inducing countries really to take development strategies in hand had not been attained. The donor community had a tendency to become too involved in the drawing up of the PRSPs and in the organisation of consultations. In addition, the financial contributions of bilateral donors came with conditions that, politically, were far too stringent.

The Committee recommended the international community to work towards a more effective partnership by leaving the beneficiary countries more room for manoeuvre and imposing fewer conditions for the provision of external financial assistance. Donors should boost their technical cooperation in such a way as to help countries design and implement effective poverty reduction strategies.

For its part, the Economic and Social Council should facilitate consensus-building between the member countries of the United Nations and the Bretton Woods institutions regarding the best ways to enhance the effectiveness of poverty reduction strategies and development assistance. It should urge its members to ensure that the outcomes of the Doha Round are in sync with the principal development goals, whereby the main issues were the abolition of agricultural subsidies in the developed countries and the reform of the rules governing intellectual property rights. In the framework of the Development Cooperation Forum, the Council should supervise implementation of the commitments undertaken in the Paris Declaration. Finally, it needed to pay more heed to climate change, which constituted a new challenge in poverty reduction activities.

The Committee for Development Policy welcomed the efforts undertaken by the Cape Verde islands, which had managed to emerge from the category of least developed countries, and it urged the international community to continue supporting that country's development initiatives.

Mr. YAKOVENKO (Russian Federation) declared that Russia had endorsed the development goals put forward at the major world conferences of recent years, particularly the Millennium Development Goals. Poverty reduction was first and foremost the responsibility of the country concerned and in Russia achieving those goals was still a current challenge in some areas, such as poverty eradication and the reduction of infant mortality. He noted, however, that the overall poverty rate had been nearly halved in recent years.

The Global Partnership for Development had a key role to play in poverty reduction because national efforts needed to be supported by the concerted actions of the international community. It was still indispensable today because numerous developing countries, and especially the least developed, were lagging with respect to attainment of the established goals. Particular attention should be paid to Africa's needs. United Nations agencies had to be at the forefront of an expansion of international cooperation for development, in cooperation with all the other multilateral institutions.

For many decades, Russia had contributed to the development of numerous countries with which it shared a historic destiny and laid the foundations for their subsequent industrialisation. After it had completed its transition and begun to experience sustained economic growth, Russia had been able to boost its official development assistance (ODA), especially by contributing to debt relief for developing countries. In 2006, its ODA was double that provided in 2003-2004 and amounted to over US$200 million a year. In 2006, it also doubled its voluntary contributions to United Nations funds and operational programmes. Its ODA had also increased both regionally and under bilateral agreements.

During its presidency of the G-8, Russia had also committed itself to financing several initiatives totalling US$600 million over the next four to five years to combat infectious diseases, promote education, and overcome energy shortfalls. In June 2007, President Putin had established the political principles, objectives, and broad outlines for Russia's participation in international development assistance, the idea being to provide between 400 and 500 million dollars of assistance in the coming years and eventually to devote at least 0.7 per cent of GDP to ODA.

Mr. GIMENEZ (Paraguay) said that poverty was not predestined, but rather the result of an inequitable distribution of wealth. Despite the regional and global economic growth posted in recent years, there were many whose standard of living continued to decline. Adjustment programmes, globalisation, unstable financial markets, and the failure of both developed and developing country markets to open up had resulted in a lack of sustainable economic growth in the most vulnerable countries. Furthermore, global economic growth had not really helped to generate jobs and more and more people were being excluded from the system.

Sustainable development had to include protection of natural resources, the creation of productive and decent jobs, the adoption of less harmful forms of production and consumption, and rational use of available resources. What was needed were rational and viable cooperation policies rather than welfare policies that failed to get at the roots of poverty.

In Paraguay, as in the rest of Latin America, poverty was a matter of grave concern. To overcome it, all development partners, in both the North and the South, had to join forces and international and regional financial institutions had to honour their commitments. It was also important to expand the liberalisation of international markets, improve debt relief programmes, and re-direct ODA by removing the conditions attached to the provision of that assistance. The private sector also had an important role to play in development and employment generation.

Conscious that it was primarily incumbent upon the countries concerned to eradicate poverty and hunger, Paraguay had decided that it was a priority to address essential needs in education, health, and financing and assistance for small producers and entrepreneurs. However, its efforts to achieve the goals set forth in the Millennium Declaration could be undermined if all countries failed to meet their international commitments, especially in the area of development financing. The Economic and Social Council had to ensure that international development activities were well coordinated.

Paraguay wanted the Economic and Social Council to focus on the special situation of landlocked developing countries, which were highly vulnerable inasmuch as the high cost of transporting numerous products to international markets made it difficult for them to be competitive. It was important to enhance their integration into international trade. Paraguay depended on access to export markets in order to sustain its population, guarantee food security and promote sustainable development and was therefore deeply concerned at the proliferation of obstacles to South-South trade. If trade was to drive development, it was important to remove such obstacles.

Mr. KAZYKHANOV (Kazakhstan) said it was necessary to re-think approaches to poverty and hunger reduction and to acquire the political will needed to reach the Millennium Development Goals. Individual countries' effort had to be supported by measures aimed at creating a propitious international environment.

As the principal engine of development, trade facilitated sustainable growth, employment generation, and the eradication of poverty. The Global Partnership for Development required the establishment of an open, regulated, predictable and non-discriminatory financial and trade system. Kazakhstan, which hoped to join the WTO on terms that would not jeopardize its development priorities, intended to restructure national output of goods and services in such a way as to stimulate sustainable economic growth.

Kazakhstan intended to defend the interests of landlocked developing countries in the organs concerned with economic development, international trade and inter-regional cooperation. The integration of those countries in the global trade system was crucial for economic growth poverty eradication. As the host country for the 73rd session of the Economic and Social Commission for Asia and the Pacific (ESCAP), held in Almaty, from May 17 to 23, 2007, Kazakhstan was proud to announce that the member countries of the Commission had agreed to take concrete steps to eradicate poverty and hunger, especially within the framework of regional and global partnerships for development.

The eradication of poverty depended on a series of inter-related factors, such as economic growth, employment, decent work, and the empowerment of vulnerable groups. Education was also particularly important for economic growth. Available evidence indicated that economic growth alone was not enough to reduce poverty. It was also important to safeguard social justice, control the quality of growth, and guarantee equitable distribution of the benefits derived from it.

Given that 41 per cent of people living on less than 2 dollars a day inhabited middle-income countries, the international community had to help those countries make the most of their potential, especially in connection with technology transfer and South-South cooperation. Kazakhstan was a middle-income country that had already met a number of the Millennium Development Goals. In particular, in five years it had managed to half the number of those living in extreme poverty. The authorities had also implemented a national sustainable agricultural development program through to the year 2010. Promotion of the private sector, microcredit and the development of small enterprises, especially enterprises run by women, also figured among it poverty reduction priorities.

Kazakhstan endorsed the recommendations set forth in the report entitled "World Economic and Social Survey 2007: Development in an Ageing World" (E/2007/50), regarding the need to address the needs and improve the living conditions of the elderly. In conclusion, Kazakhstan was convinced that the United Nations had a key role to play in establishing a more effective global partnership for development and in the fulfilment of commitments entered into internationally.

Mr. GYAN BAFFOUR (Observer from Ghana) said that, with a few worrying exceptions, especially in sub-Saharan Africa, numerous developing countries were sparing no efforts to achieve internationally agreed development objectives. Ghana's economy was buoyant and sustained by a policy geared to curbing inflation and fiscal consolidation. The World Bank had rated it among the top 10 countries that had managed to create favourable conditions for businesses and investors. Ghana hoped to achieve its long-term objective of becoming a middle-income country. That said, much remained to be done. While poverty was declining overall, it was still far too prevalent in urban areas and among young people. Moreover, infant mortality rates were still high and malaria was still the main cause of death and disease in the country. The situation had also been exacerbated by the mass exodus of doctors and health professionals, who had gone to other countries.

At this stage of globalisation, external developments had a direct impact on the effectiveness of national development strategies and their room for manoeuvre. In the global partnership for development framework, it was necessary to support countries' efforts to ensure that growth benefited the poor. Unfortunately, little heed was paid to the in-depth issues that worry developing countries. The Doha Round, for instance, had failed to meet expectations that it would forge an equitable and development-oriented trade system. Trade-distorting subsidies, tariff and non-tariff barriers, and access to markets were just a few of the problems that could, for the most part, only be solved by the political will of the developed countries.

Developing countries were dismayed by the decline in ODA. They hoped that the international community would look seriously at the problem of the predictability and expansion of aid flows. Half-way on the road to 2015, it was important to expedite attainment of the Millennium Development Goals. Ghana very much hoped that developed countries would boost their assistance to developing countries as part of the poverty reduction effort.

Mr. FERNÁNDEZ (Bolivia) outlined the main thrusts of policies developed in Bolivia between 1985 and 2005, especially the coca leaf eradication program (at the instigation of the United States of America) and the structural reform program completed in 2000, aimed at privatising the country's natural resources. At that time, a poverty reduction strategy had been formulated that did not take into account the fundamental divide in Bolivia between people of European descent (colonists) and the descendants of native peoples. In 2005, the winner of the general elections was the party of a coca farmer, Mr. Morales, Since then, in its first 16 months, the Government had implemented the promises it had made during the election process, reversing the privatization of basic services, such as water distribution, renegotiating 44 petroleum contracts (as a result of which government revenue had quadrupled and international reserves had reached record highs), embarking on an agrarian reform which redistributed land to Andean peasant farmers, and establishing a Constituent Assembly (to pass a Constitution that would take into account the rights of the native peoples). The State had recovered its pivotal role in the implementation of poverty eradication measures. An anti-drug trafficking strategy had been put in place that takes into account the fact that the coca leaf is an essential part of Andean native culture. It did not penalise coca farmers but opposed the importation and use of the chemical precursors needed to convert the leaf into a narcotic and it opposed the money laundering associated with them. A structural transformation of that kind naturally met with strong resistance by those who had formerly profited from the system. The Bolivian Government’s position was that it was paramount to maintain the unity of the country and that differences ought to be debated democratically in the bodies established for that purpose. It counted on members of the Council to support the democratic and cultural revolution under way in Bolivia. For its part, Bolivia was working hard to consolidate regional alliances, especially the Andean Community and Mercosur. It also adhered fully to the statement delivered by Pakistan on behalf of the Group of 77 and China. Furthermore, Bolivia thanked the international community for condoning its debt, an action that should enable the country to look forward to a better future.

Mr. PIBULSONGGRAM (Thailand) said he was convinced that development was a matter of universal concern, for both developed and developing countries, and referred to Thailand’s experience as a new middle-income donor country, that had assisted other developing countries through South-South cooperation in the framework of various initiatives (particularly, the Initiative for ASEAN Integration, the Ayeyawady-Chao Phraya-Mékong Economic Cooperation Strategy and the Bay of Bengal Initiative). More than 80 per cent of the ODA provided by Thailand – 0.3 per cent of Gross Domestic Product – took the form of concessionary loans to support grassroots infrastructure projects in neighbouring countries and other developing countries, rest being assigned to technical assistance and training. Thailand was also exploring new forms of partnership with developed countries, under trilateral North-South-South initiatives.

Mr. Pibulsonggram mentioned the Doi Tung development project that had existed for 19 years and was aimed at enabling population groups to help themselves. It was expected that, by 2017, management of the project would be handed over to the population of the region, which would then decide what to make of it and the social enterprises it will have established by then. The lesson taught by this project was that the development of new sustainable means of subsistence through the establishment of social enterprises was an effective tool for fighting poverty and building a brighter outlook.

In conclusion, through the general elections scheduled for December 2007, Thailand should consolidate its political institutions. That would enable it to perform a more dynamic role in the partnership for development.

Mr. Hannesson (Iceland), Vice-President, took the Chair.

Mr. FUST (Observer from Switzerland), said he agreed with the Secretary General regarding the multidimensional nature of efforts to combat poverty and hunger, but that he had his doubts about the list in the Secretary General's report of progress made in all the areas concerned. He said that he mistrusted aggregate data in general and regional totals in particular, because development indicators varied so much within a region and within a country. In order to ensure that appropriate policies were formulated and implemented, all action-oriented studies should use disaggregated data.

Switzerland was convinced that economic growth was not enough: it had necessarily to be combined with pro-poor policies and effective national redistribution mechanisms. The establishment of enterprises and employment generation, thanks to investment, was an essential ingredient of sustainable development, and the quality and viability of such investment were more important than quantity. Political reforms designed to attract those investments had to conform to both the rights of the investors and political constraints in the developing countries.

Mr. Fust was worried by the lack of a mention in the Secretary General's report of mobilisation of domestic financial resources for development, a core component of the Monterrey Consensus. It was important to boost domestic tax revenue in order to lessen dependence on external financing. Donors were therefore duty-bound to uphold governments' efforts to reform the tax and tax withholding system.

Reminding the Council that participants in the Monterrey Conference had agreed on the importance of good governance as a prerequisite for sustainable development, the Swiss delegation said that it was necessary to join forces in the fight against corruption. In that connection, Switzerland had set up the International Centre for Asset Recovery, which helped developing countries to develop the capabilities needed to locate and obtain the restitution of illicitly acquired assets

Mr. ANGULA (Observer from Namibia) said that he adhered to the statement of Pakistan on behalf of the Group of 77 and China. He described the situation in his country, which, overall, resembled that of the other countries in sub-Saharan Africa. Namibia was making slow progress towards certain goals and more sustained progress toward others. All development activities in the country were in line with the development objectives set out in Vision 2030, the national development master plan.

In order to overcome poverty, the authorities had adopted measures on behalf of the most vulnerable citizens, including social pensions for those over 60 years of age and the handicapped and aid for orphans, especially those orphaned as a result of AIDS. As for the achievement of Goal 1 of the Millennium Development Goals, progress in Namibia had been spectacular. Surveys conducted in 1994 and 2004 showed that in 10 years the share of households living in relative poverty had fallen by 10 per cent, while that of households living in extreme poverty had dropped 55 per cent. However, reducing poverty was one thing; eradicating it was another. Inequalities had also been reduced and the Gini coefficient had been brought down from 0.701 to 0.606 over the same period. Participatory assessments of poverty had been conducted in 2003-2005 and the results showed that, despite the progress made in the fight against poverty, the population still endured hardship due to unemployment and insufficient resources, which were exacerbating the consequences of HIV/AIDS.

For historical reasons, Namibia attached particular importance to equality in the work place. The tripartite commission on equality in employment, which had been established in order to eradicate discrimination based on race, sex, and disability had expanded the scope of its activities to impose on all enterprises with 25 or more employees the obligation to adopt positive discrimination measures. Real but still insufficient progress had been made, as a result of which the Commission had deemed it necessary to bring criminal charges recently against a number of employers that had not met their obligations. Namibia was also in the process of mainstreaming the issue of sustainable job creation in all spheres of economic activity.

The increase in ODA was principally due to forgiveness of the debt of a small number of developing countries and in fact disguised a fall in the volume of assistance granted most countries, including Namibia, which, for all that, was not benefiting from a an increased flow of foreign direct investment or improved access to markets. Consequently, the Namibian authorities called upon the country's development partners to honour the commitments they entered into in various international bodies, it being understood that developing countries and the industrialised countries should both see to it that the assistance granted is used as effectively as possible. The aid for trade initiative was a step in the right direction, but it could never replace official development assistance. International trade, and especially developing country access to markets, remained, moreover, one of the principal instruments for eradicating poverty, and the Doha Round appeared to have stalled. It was vital, therefore, for all States to show enough flexibility to allow that round of negotiations to reach a successful conclusion. It would be impossible to overstate the need to have developing countries participate in the decision-making and policy-formulation process in international economic and financial institutions.

As the leading United Nations organ for coordinating development assistance measures, the Economic and Social Council needed to be strengthened and the Namibian Government was delighted at the two new functions assigned to it. It was evident that, for the Millennium goals to be achieved, all developing countries – and not just the least developed – should receive increased assistance. Indeed, if the so-called middle-income countries, especially those in sub-Saharan Africa, which have poverty rates comparable to those of the least developed countries, were not allocated sufficient international assistance, they were at great risk of regressing to the LDC category. With that in mind, the Namibian delegation reaffirmed that the international financial institutions needed to put in place a transition mechanism to assist those countries that had moved from the ranks of the least developed countries to middle-income status.

Mr. BORGES (Cape Verde islands) was proud that his country had given a national voluntary presentation. He had reached three major conclusions: first, that national commitment – including good governance – was decisive; second, commitments undertaken by the international community had to be implemented as swiftly as possible;

and third, there was no automatic link between macroeconomic growth and poverty reduction.

The representative was conscious, however, that the voluntary presentation exercise had its limits and that, precisely because it was voluntary, that type of presentation did not lend itself to extrapolations that might be valid for all developing countries. Furthermore, the Cape Verde islands were a very special case. Being a small island state not only entailed costs that it was important to take into account when programming assistance, but also a degree of vulnerability and complex issues that few other countries were in a position to assess. The Cape Verde islands were determined to share responsibility for poverty reduction with the international community, within which the United Nations and the Economic and Social Council in particular had an important part to play, especially in monitoring the process of emergence from the LDC category, while eschewing in future, if possible, overly statistics-oriented or bureaucratic procedures. The declaration recently adopted by the Transition Assistance Group established by the Cape Verde islands authorities to accompany this process and its insistence, in particular, on capacity-building for all economic sectors, regardless of programmes, as well as on synergies between public investment, foreign investment, and official development assistance, gave grounds for optimism. That being so, while it welcomed the debt relief granted to highly indebted poor countries because that would facilitate attainment of the Millennium Development Goals, the Cape Verde islands called upon donors and creditors to make, in addition, a gesture on behalf of those countries that had taken on a reasonable amount of debt and made an effort to honour their debt servicing obligations, while at the same time meeting their international human-rights-related obligations, and all that in difficult circumstances characterised, for instance, by the absence of natural resources.

The summary record of the second part of the meeting appears as document E/2007/SR.17/Add.1.
