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Held at Headquarters, New York, on Thursday, 3 July 2008, at 9.30 a.m.

President: Mr. Lima (Vice-President) (Cape Verde)
later: Mr. Mèrorès (President) (Haiti)

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In the absence of Mr. Mérorès (Haiti), Mr. Lima (Cape Verde), Vice-President, took the Chair.

The meeting was called to order at 9.35 a.m.

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development

(continued)

National voluntary presentations (continued)
(E/2008/70, E/2008/78, E/2008/79 and 86)

1. **The President** invited Mr. Hales, President of the College of the Atlantic, to act as moderator for the national voluntary presentations.

Lao People's Democratic Republic (E/2008/78)

2. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic) said that the National Socio-Economic Development Strategy (NSED) was designed to promote rapid and stable economic development, boost competitiveness, strengthen coherence between economic and social development, speed up the development of the socio-economic infrastructure and foster a viable market-oriented economy.

3. The implementation of the Strategy was based on a series of specific national development goals pertaining to the eradication of poverty and opium cultivation, the encouragement of environmentally sustainable agricultural practices, the attainment of the Millennium Development Goals (MDGs) and graduation out of its status as a least developed country by 2020. The Government had identified agriculture and forestry development, education, health, infrastructure, with cross-cutting priorities in various sectors, as its focus for development.

4. The sixth Socio-Economic Development Plan (2006-2010) was expected to stabilize growth, and yield a gross domestic product (GDP) of \$800 per capita by 2010. In that same period, enrolment in primary education should increase to 90.6 per cent, and drastic reductions in the infant and under-five mortality rates were expected.

5. The estimated cost of implementing the Plan was \$90 billion, and more than 80 per cent of the total public investment was expected to be derived from official development assistance (ODA), with over 60 per cent of private investment originating from

foreign direct investment (FDI). In sum, the Lao People's Democratic Republic still relied on the international community for ODA and FDI in order to achieve its national development goals.

6. Current indicators showed that the growth rate reached 7.5 per cent in 2007, and the per capita income was \$678. The poverty rate had dropped steadily from 46 to 28.7 per cent between 1992 and 2006, and net enrolment in schools and literacy had risen to 84 and 58 per cent, respectively. In the area of health, under-five, infant and maternal mortality rates had all dropped significantly. Much progress had been made in gender equality, especially since the adoption of a 2004 law on the development and protection of women. The enrolment rate of girls in primary education and the proportion of women in the National Assembly had both risen.

7. International cooperation and good neighbour diplomacy were the hallmarks of foreign policy. Regional economic integration was actively pursued through various mechanisms under the Mekong development and within the framework of community building in the Association of Southeast Asian Nations (ASEAN). The Government was committed to promoting regional connectivity in order to transform itself from being a landlocked State to a land-linked hub. The Lao People's Democratic Republic also aspired to becoming a supplier of energy for the region, and was building several hydropower plants to fulfil that role.

8. ODA receipts had amounted to \$432 million in 2007. In line with its commitment to strengthening ODA effectiveness, the Lao Government had endorsed a plan of action to ensure the effective implementation of the Vientiane Declaration on Aid Effectiveness. An enabling environment for foreign investment was supported by the domestic legal framework and through bilateral agreements. The expansion of international trade had produced a record trade surplus of \$61 million in 2007, and negotiations on the establishment of a free trade area were under way. Tourism had also increased steadily, generating \$200 million in 2007 alone.

9. In spite of those achievements, the Lao Government continued to face daunting challenges in food security, maternal and infant mortality and gender equality, and lacked sufficient financial resources in the social sector. However, during the process of

implementing the development strategy, it had learned that poverty and malnutrition could be reduced by enhancing sustainable agriculture, rural employment, and income generation, and by developing rural infrastructure. The Government had also recognized that universal access to quality health care and reproductive health education would reduce maternal mortality. In the same vein, efforts to reduce infant mortality must address the issues of malnutrition, improvement of maternal and neonatal care and the expanded immunization coverage.

10. Adequate resources must be allocated to education infrastructure throughout the provinces, and the quality of education would benefit from an improved curriculum and better training opportunities for teachers. Furthermore, institutional capacity should be built to ensure the enforcement of environmental regulations and action plans, and, as a matter of urgency, to increase public awareness on environmental protection and health.

11. **Mr. Lidén** (Sweden), commenting on the climate of vibrant economic growth and progress in the region, said that the process of harnessing the abundant natural and biodiversity resources could actually undermine the sustainable development of the Lao People's Democratic Republic. He anticipated the need for international assistance in the area of environmental protection, and invited comments on the Government's plans in that regard.

12. Recalling that Sweden had helped to train teachers and health professionals, he suggested that a skilled workforce was critical to the effective management of the country's resources. Referring to the challenge of reaching people in remote areas, he urged the Government to take all necessary human rights aspects into account during the implementation of programmes that involved the relocation of local population groups.

13. Recent innovations, undertaken in cooperation with the United Nations Children's Fund (UNICEF), had led to a network of "child-friendly" schools, which successfully formed an important link between health and education. Practical features, such as separate restroom facilities for boys and girls, and food incentives had encouraged the enrolment and retention of girls in schools. It could not be denied that the education of girls had a lasting impact on national development, especially on human resources,

reproductive health and paediatric health care. Lastly, he stressed that birth registration was not only necessary for the development and education of children, but it was also crucial to their legal empowerment.

14. **Mr. Ali** (Malaysia) recalled that, on a per capita basis, the Lao People's Democratic Republic was considered one of the poorest countries in Asia; yet it was well endowed with natural resources. Owing to its size and relatively small population, it had great potential for agricultural development. Further advantages were to be derived from the country's ethnic diversity, transport connectivity, political stability, an emerging market economy, and the Government's commitment to the National Socio-Economic Development Plan.

15. The Lao People's Democratic Republic was on course to attain the Goal targets on reducing poverty and infant mortality. In that vein, its efforts on the remaining targets were encouraging, as it had made considerable progress in containing certain diseases, and in strengthening the political representation of women. Pointing out some of the outstanding issues confronting the Government, he mentioned malnutrition, the lack of a proper education infrastructure and a shortage of teachers. He also highlighted gender disparity in education, the need for broader immunization coverage, and improved access to health care, especially reproductive health services. Although the current prevalence of HIV/AIDS was comparatively low, he feared that the increased movement of persons across borders would encourage the spread of the disease. Faced with those challenges, the Lao Government should be commended for recognizing the need for a coherent and integrated effort in generating resources and channelling them into key activities such as education, poverty reduction, public health services, employment income-generation and infrastructure development.

16. As a member of ASEAN, the growth and prosperity of the Lao People's Democratic Republic was intertwined with that of the Association as a whole. The Initiative for ASEAN Integration (ASEAN IAI) was specially designed to assist in economic development, largely through bilateral assistance in capacity-building and training. Benefits had also accrued from the Mekong Basin Development Cooperation forum, which included a rail link connecting Lao People's Democratic Republic to Viet

Nam and would eventually complement the highways linking it to ports in Viet Nam and Cambodia. He stressed the importance of land, air and sea connectivity for development, and the commitment and support of ASEAN neighbours and partners. For its part, Malaysia, was doing its utmost to assist the Lao people to build a better future. He was confident that the country would be able to graduate out of the least developed category, but the speed at which it did so would depend on the prevailing economic environment in the region.

17. **Mr. Shinyo** (Japan) said Japan was encouraged by the National Socio-Economic Development Plan, the determination of the Government to improve the country's status, and its achievements so far. Japan, the top donor to the Lao People's Democratic Republic, supported self-help efforts and fostered regional economic integration and sustainable economic development through trade and investment promotion and the Japan-Mekong region partnership.

18. With reference to the Lao Government's expressed desire to reduce its aid dependence, he asked how it would be possible to sustain economic growth with less foreign aid. Within the context of the upcoming midterm review of the Almaty Programme of Action, he wished to know how the Government was able to surmount its difficulties as a landlocked country to secure economic growth through trade and investment, and enquired how best the international community could assist in those efforts.

19. **Mr. Hill** (Observer for Australia) said that the National Socio-Economic Development Plan, and the National Growth and Poverty Eradication Strategy (NGPES) clearly demonstrated the Lao Government's commitment to the achievement of the MDGs. Australia was proud to be a long-standing development partner and had focused on priorities that had been identified jointly with that Government. The main ongoing programmes were related to education, capacity-building, trade facilitation, land titling and public financial management. Australia also supported community development programmes aimed at reducing the vulnerability of poor communities to unexploded ordnance and natural disasters.

20. The development of human capital was critically important, but the challenge for the future was the development of the country's capacity to provide a better life for its people in the medium to long term.

Harnessing the wealth of natural resources in a sustainable way would be a key issue. Australia recognized that the transition from a centrally planned to a market-oriented economy had been a significant factor for growth and poverty reduction. In order to maintain growth, the Government should continue to place emphasis on economic reform, focusing on the facilitation of private sector development, the expansion of rural and urban employment with special emphasis on agricultural development. The Australian Government looked forward to its continued work with the Lao Government in the development of the country's human and natural capital.

21. **Mr. Hales** (Moderator), in summarizing, said that one common theme raised by the development partners was the extent to which many of the actions identified in the report fell within the capacity of the decision-making structures of the Lao People's Democratic Republic. The partners also shared an interest in knowing how donors could best address the special challenges it faced as a landlocked country, assist in rural development and promote the environmentally sustainable use of natural resources.

22. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic) said that, since 1986, his Government had attached great importance to formulating a clear policy on environmental protection in tandem with economic development. The result was a national forestry programme which incorporated mechanisms to promote conservation. The Government had sought to eliminate disparities between rural and urban areas by improving road links to the poorest communities, boosting the agricultural sector and broadening market access for rural producers.

23. With respect to the displacements caused by mining activity, he assured the Council that generous compensation and modern amenities had been provided for households that had been relocated, and that the families concerned enjoyed a high standard of living. By 2015 the Lao People's Democratic Republic would be fully integrated into ASEAN. He believed that the best assistance neighbours and other partners could offer was opening their borders and airlinks, and helping with bridge and road construction.

24. His Government had sought to reduce its dependence on aid by focusing its strategy on ownership, self-reliance and self-mastery. In its relationship with the international community, the Lao

People's Democratic Republic had adopted an approach that combined domestic potential with external strength. It had deepened and expanded economic cooperation to far-flung regions, such as Europe and Latin America. At the same time, it tried to accelerate economic growth to a level beyond 8 per cent, maintain a balanced budget and lower the current deficit of 23 per cent, while promoting foreign investment.

25. He drew attention to four bilateral programmes undertaken in cooperation with Australia, underscoring the role those projects had played in boosting his country's hydroelectric capacity. As a result, the Lao People's Democratic Republic was in a position to supply energy to its neighbours.

26. *Mr. Mèrorès (Haiti), President, took the Chair.*

27. **Mr. Adams** (New Zealand), noting that in the area of ecotourism, the Lao People's Democratic Republic had a number of major attractions, by virtue of its landscape, history and cultural heritage, asked that country's representative to comment on the status of tourism in the Government's overall strategy on sustainable economic development.

28. **Mr. Loayza Barea** (Bolivia) wanted to know how, as a landlocked country, the Lao People's Democratic Republic carried out development initiatives such as health and education programmes for border populations. What were the challenges of implementing such programmes?

29. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic), responding to the question put by the representative of New Zealand, said that the abundance of natural resources and the small population in his country had made ecotourism a major type of tourism. Some 1.5 million tourists had visited the Lao People's Democratic Republic in 2007 and that figure was projected to increase to 2 million over the next several years. The Government had adopted a long-term strategy to promote tourism, with a focus on natural scenery in the northern regions of the country, and temples and monuments in the central and southern regions.

30. Turning to the question put by the representative of Bolivia, he said that being landlocked was no longer considered an obstacle to economic development; his country focused, instead, on being "landlinked" and on the opportunities offered by such a geographical

situation. Surrounded by five other countries, the Lao People's Democratic Republic had already built or was in the process of building bridges across the Mekong River and additional main roads to create economic corridors with other countries. Plans were being made to eventually connect his country with India.

Luxembourg (E/2008/70)

31. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that since the early 1990s, development cooperation had been a priority for his Government, which had allocated 0.92 per cent of gross product to official development assistance in 2007. Luxembourg's assistance was allocated solely in grant form and was entirely untied. Because Luxembourg attached great importance to quality and effectiveness, in addition to scaling up the amount of its development assistance, it had maintained a policy of geographical concentration on 10 countries, focusing on the primary goals of poverty eradication and sustainable development. In the context of the implementation of the Paris Declaration on Aid Effectiveness, adopted in March 2005, Luxembourg's cooperation programme promoted partnerships that took account of partner countries' priorities and that entailed mutual responsibilities.

32. Multi-year programming allowed for financial predictability, which was indispensable for the effective management of any country. Luxembourg had also expanded its regional cooperation bureaux in Africa and South America and was maintaining closer ties with other European development cooperation agencies.

33. Development cooperation initiatives must address the economic, social and environmental facets of sustainable development in order to be effective. Generally speaking, access to water and sanitation was of crucial importance for all partner countries. It had been recently decided that Luxembourg would step up assistance for developing countries' efforts to adapt to climate change and to mitigate the risk of natural disaster. Furthermore, the issue of adaptation to climate change would be taken into account for all future development programmes.

34. Regarding the food crisis, it was crucial to invest sustainably in the agricultural sector of developing countries by giving priority to food security, while taking biodiversity into account. At the same time, it

was important to respect all countries' approaches to agriculture as a matter of food sovereignty. Speculation on agricultural commodities must be condemned and prevented in future and developed countries' approach to biofuels must be re-examined. Finally, the issues of climate change and poverty eradication must be addressed jointly.

35. The MDGs were far from being achieved and the neglectful attitude of developed countries was unacceptable. He appealed to all donor countries to reaffirm their commitments to increase ODA to 0.7 per cent of GDP by 2015 according to specific timelines. Luxembourg would spare no effort to meet its commitments to its partners.

36. Luxembourg had in recent years extended its development work to microfinance, within the framework of a public-private partnership. It acted as a facilitator, encouraging stakeholders to get together and supporting the efforts of developing countries to create the conditions necessary for growth, in terms of administrative and financial structures and good governance.

37. With regard to progress on the MDGs, rich countries must fulfil their commitments, while developing countries must further incorporate the MDGs into their national policies, especially in terms of budgetary planning, good governance and capacity-building in order to increase their ownership of programmes.

38. **Mr. Lima** (Cape Verde) said it was important to emphasize that Luxembourg's development cooperation was based on the principles of solidarity, capacity and political will for dialogue, and mutual understanding with partner countries. Luxembourg's partnership with Cape Verde had benefited the people of Cape Verde directly: a drug rehabilitation programme launched by Luxembourg in Cape Verde thus not only helped drug addicts overcome their addiction, but enabled them to be reintegrated into society by teaching them a trade.

39. Development projects were carried out together with the authorities of Cape Verde, and according to their vision. Luxembourg had set a tremendous example for what a small country could do with commitment and vision. It had targeted essential areas of development pragmatically, for example by providing technical training to improve education. It was important to reiterate Luxembourg's call for

Northern countries to deliver on their commitments and for Southern countries to take leadership in projects.

40. **Mr. Heiskanen** (Observer for Finland) said that most donors were still struggling to reach the target of contributing 0.7 per cent of gross national product to overseas development assistance. It would therefore be helpful to know what strategies Luxembourg had used to gain such strong public support. Also, given that Luxembourg's development cooperation focused on a specific number of countries and sectors, he wondered how it would go about strengthening support for new sectors, such as agriculture. Finally, noting that the promotion of sustainable development required coherence in non-aid policies he wondered how Luxembourg ensured policy coherence for development.

41. **Mr. Hales** (Moderator) noted that Luxembourg, by moving away from annual budgeting of ODA, had increased the timeliness and predictability of such funding. Luxembourg also appeared to rely significantly on NGOs for delivery of services on the ground, in accordance with partner country priorities. He wondered if Luxembourg could elaborate on its experience.

42. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that Luxembourg did not favour the so-called budgetary support approach, but rather a programme or sector-wide approach. The bulk of his country's programmes were implemented by the Government agency Lux-Development, while other programmes were either run by NGOs or operated within the framework of multilateral aid projects.

43. Turning to the questions raised by the representative of Finland, he noted that political will and consensus had been key to achieving strong public support for development assistance in Luxembourg; such assistance was debated regularly by Parliament in its plenary sessions. Consensus was based not only on the dedicated commitment of Parliament, but also on the active involvement of civil society, including some 90 NGOs. Every year, his Government held two- to three-day meetings for all stakeholders, including civil society, in the area of development cooperation, to debate subjects of common interest.

44. Agriculture was made a component of any local development project, including, for example,

sanitation, education and housing. It was difficult to treat agriculture as a completely separate sector, since investment in many other sectors was linked. He was, in any case, in favour of a massive increase in investment in the agricultural sector of developing countries. To ensure policy coherence for development, Luxembourg relied on an inter-ministerial committee that met to discuss cooperation between ministries.

45. **Mr. Hadrami** (Mauritania) said that Luxembourg had set a wonderful example during its presidency of the European Union. He wondered if it would be possible to expand the number of countries Luxembourg was directly involved in.

46. **Ms. Hounbedji** (Benin) said that she was grateful for Luxembourg's continued commitment to development and, like Mauritania, wondered whether Luxembourg would envisage focusing on more than 10 countries for its development work. In addition, she wondered how Luxembourg would maintain its level of commitment in the future, given the challenges of climate change and the energy and food crises.

47. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that effectiveness was critical to Luxembourg's development work. There were, of course, natural limits on the amount of assistance Luxembourg could provide, given its population and territory. His Government's decision to focus its energies on a small number of countries and projects had been based on recommendations by the Organization for Economic Cooperation and Development (OECD), within the framework of the Paris Declaration on Effectiveness.

48. Any future discussions on development assistance would be based on a regional approach and vision. A number of country projects were well on their way to becoming self-sustaining, so that the resources involved could be transferred to other countries and projects in the future. Luxembourg's multilateral cooperation programmes were not limited to a small number of partner countries. Thus, school feeding programmes in West Africa, including Benin, were carried out by partnering NGOs.

49. Responding to the question raised by the representative of Benin regarding the new challenges facing development, he said that it was essential to promote cooperation between the North and the South. Climate change and development were interlinked and should be dealt with together; agriculture was one of

the issues inherent to development. It was critical, in that connection, for industrialized countries to honour their commitments.

The meeting was suspended at 11.35 a.m. and resumed at 11.50 a.m.

50. *A film on Kazakhstan's development strategy was shown.*

51. *At the invitation of the President, Ms. Sarsembaeva (Association of Businesswomen of Kazakhstan) took a place at the Council table.*

52. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that Kazakhstan, the ninth largest country in the world, with a multi-ethnic and multireligious population of almost 16 million people and vast reserves of energy and other natural resources, had a GDP of \$104.1 billion and a per capita GDP of \$6,700 in 2007. Indeed with an average GDP growth rate of 10 per cent over the past eight years, Kazakhstan's economy had doubled in size over the period 2000-2007. The Government intended to make the country one of the 50 most competitive in the world by diversifying the economy while also developing modern systems of education, health and social services.

53. Major socio-economic changes had been successfully implemented while the Government had also maintained political stability, peace and harmony in a multi-confessional society. Kazakhstan had studied and applied best international practices for resolving various social and economic problems and had been one of the first country members of the Commonwealth of Independent States (CIS) to implement market economy principles. The Government had carried out extensive privatization of State property and reforms of the banking and pension systems, housing and utilities.

54. A National Fund had been established in 2000 to ensure stable socio-economic development. Key elements of Kazakhstan's strategy for innovative industrial development until 2015 were diversification of the economy, implementation of international technical, financial and business standards, accession to the World Trade Organization (WTO), development of corporate management, transparency and accountability, development of education and science and reform of the administrative system. The Sustainable Development Fund (Kazyna) had been established to help diversify the economy.

55. Kazakhstan attached great importance to the concept of human development and had been producing annual human development reports since 1995 with support from the United Nations Development Programme (UNDP). In late 1997, Kazakhstan had adopted a long-term development strategy to the year 2030 which defined its development priorities, including the MDGs and associated targets.

56. His Government, together with the United Nations country team, had prepared three reports on the MDGs in Kazakhstan. The country had already achieved many of the MDG targets and had made significant progress towards the remaining targets, although a number of issues required further attention, including child and maternal mortality, HIV/AIDS and tuberculosis.

57. By 2004, Kazakhstan had halved the number of people living on an income below subsistence level and had therefore met one of the main targets relating to Goal 1, eradicating extreme poverty and hunger. As Goal 2, achieve universal primary education had already been met, the Government of Kazakhstan was working to modernize the education system and improve the quality of education.

58. Kazakhstan had also achieved some degree of success in relation to Goal 7, ensure environmental sustainability, as it continued its efforts to make the transition to sustainable development. Over the period 2004-2006 it had improved its international ranking for environmental sustainability. The plan for the transition to sustainable development (2007-2024) set a target for further enhancement of the index of ecological sustainability by 25 per cent by 2024. The Council on Sustainable Development was responsible for coordinating integration of the principles of sustainable development. The State allocated considerable resources to regions with unfavourable environmental conditions, including the Aral Sea region and the former Semipalatinsk nuclear testing site.

59. **Mr. Shokamanov** (Statistics Agency of the Republic of Kazakhstan) said that over the period 2000-2007, Kazakhstan had adopted two poverty reduction programmes, introduced the law on targeted State social assistance and set up a mixed system of social protection. In 2005, a basic pension scheme had been introduced for all those of pensionable age and, since 2006, the minimum subsistence level had been

the indicator used to calculate the minimum monthly wage, the minimum pension and basic social benefits. As a result of those measures, the poverty level had dropped, real wages had increased, and the unemployment rate had declined.

60. Despite such progress, Kazakhstan still faced challenges. First, targeted social assistance was currently available only to persons whose income did not exceed 40 per cent of the minimum subsistence level, although the cost of the food basket was 60 per cent of that level. Second, the minimum wage needed to be increased to twice the minimum subsistence level.

61. **Mr. Bekniyazov** (Department of Environmental Policy and Sustainable Development, Ministry of the Environment, Kazakhstan) said that Kazakhstan had adopted a new Environmental Code that harmonized environmental legislation with best international practice. With the participation of international organizations, scientists and experts, a plan for the transition of Kazakhstan to sustainable development had been prepared and adopted. It included 12 target parameters on economic, sociodemographic and environmental aspects of development and 36 intersectoral target indicators. Kazakhstan's active stance on environmental and sustainable development issues had helped to garner support for the holding of a conference on the environment and sustainable development for countries of the Asia-Pacific region in 2010 and of the all-European Conference of Ministers "Environment for Europe" in 2011 in Kazakhstan. At those conferences, Kazakhstan would promote the idea of bringing together the European and Asian processes on the environment and sustainable development.

62. Kazakhstan was making efforts to create transboundary areas of sustainable development on the basin principle, where the interests of neighbouring States, business and the local population were focused on conserving the sustainability of ecosystems. A pilot sustainable development area was the Ozero Balkhash basin, which bordered with China and the Kyrgyz Republic.

63. Kazakhstan had achieved significant success in its efforts to restore the northern part of the Aral Sea. Water from the Syrdarya river was again flowing into the once dry Aral Sea, the fishing industry had been revived and local inhabitants were returning to their abandoned villages. In order to preserve the unique

ecosystem of the Caspian Sea, Kazakhstan had established strict requirements for oil companies' activities and was working to mitigate the contamination caused by flooded oil wells and restore the affected lands.

64. The percentage of the population without access to drinking water had declined from 25 per cent in 1999 to 23.2 per cent in 2006. That low rate of access was due to ageing pipelines which had been in place for 40 to 50 years. The Government had therefore doubled the funding available for the drinking water programme.

65. **Ms. Sarsembaeva** (Association of Businesswomen of Kazakhstan) said that over the past 13 years, the Association had implemented a number of programmes for women, including programmes to reduce poverty, especially in rural areas of Kazakhstan, and to promote women's participation in business and politics. A few days previously, Kazakhstan had hosted the second Eurasian Women's Summit, which had been attended by 400 women leaders, managers and experts from over 20 countries. A resolution had been adopted to set up a development fund to assist in reducing poverty in the countries of Central Asia and Kazakhstan would be a donor for social programmes in the region.

66. As a result of close cooperation between civil society, the business sector and State and international organizations, Kazakh NGOs had achieved tangible results in relation to the MDGs, including the development of gender indicators to measure progress, the adoption of a strategy for gender equality in Kazakhstan for the period 2006-2016 and a programme for monitoring progress towards the Goals.

67. In relation to Goal 1, for example, an entrepreneurship programme for Oralman women — the Oralmans were ethnic Kazakhs who had returned to their historical homeland from Mongolia, China, Iran, Afghanistan, Uzbekistan and other countries — had been implemented in five regions allowing up to 1,000 women to open small businesses and improve their standard of living.

68. Oil companies had cooperated with an education programme for socially disadvantaged groups of the population, mainly women and girls, living in rural areas of the country. Training had been provided for 500 persons. In cooperation with international organizations and private agencies, a free telephone

service had been set up to provide information on anaemia and child and maternal health.

69. With respect to Goals 2 and 7, civil society had helped to draw the attention of the media to problems of environmental pollution, lack of drinking water and biodiversity issues. Civil society was the State's main partner in advancing efforts to implement the MDGs at the decision-making level.

70. **Mr. Tanin** (Observer for Afghanistan) noted that Kazakhstan's National Development Strategy had stimulated investment and economic growth, which had in turn allowed primary and secondary education to be expanded. He said that Kazakhstan's progress in implementing the MDGs had a special relevance for Afghanistan, which had launched its own Afghanistan National Development Strategy at the Paris Conference of 12 July 2008. Both countries were landlocked and faced common challenges. An integrated and coherent approach to development should therefore include regional initiatives to develop transport, infrastructure, energy cooperation, trade and border cooperation. In that regard, he wished to thank Kazakhstan for its involvement with such projects in Afghanistan, and in particular with the Termez-Kabul railroad.

71. The Second Regional Economic Cooperation Council held in New Delhi in 2006 had recognized Afghanistan's strategic location and the importance of a development strategy based on cooperation with the country's neighbours, which would in turn facilitate regional economic integration. The Government aimed to build on Afghanistan's historic role as a land bridge in order to create mutually beneficial trade and export opportunities. To that end, it favoured a non-protectionist, free market economy and hoped to draw on Kazakhstan's example.

72. **Mr. Churkin** (Russian Federation) said that the experience of Kazakhstan was a unique and valuable example of how a country could successfully overcome the many specific development problems facing its region. Kazakhstan was highly rated among the countries of Central Asia in terms of basic economic indicators and its achievements in the social area were also impressive. The Russian Federation, as a strategic partner of Kazakhstan, welcomed its achievement in halving the number of persons living below the minimum subsistence level.

73. Efforts would be made to further develop the already very high level of bilateral cooperation

between Kazakhstan and the Russian Federation. The value of trade between the two countries was close to \$17 billion and there was also intense cooperation with respect to fuel and energy issues, high technology, including the peaceful uses of outer space and nuclear energy, and the use of Caspian Sea resources.

74. The Russian Federation and Kazakhstan gave high priority to environmental safety. They were sharing their experiences in the rational use of natural resources, the application of ecologically sound technologies, and environmental protection and conservation. Both states were parties to the United Nations Economic Commission for Europe Convention on the Protection and Use of Transboundary Watercourses and International Lakes. They cooperated in the context of the Caspian Environment Programme, the commission on the water resources of the Caspian Sea, the Coordinating Committee on Hydrometeorology and Pollution Monitoring of the Caspian Sea and the Russian-Kazakh commission on the joint management and protection of transboundary water bodies. Environmental issues were also discussed at annual forums for the leaders of the border regions, which were attended by the Presidents of the Russian Federation and Kazakhstan.

75. **Mr. Khalilzad** (United States of America) said that Kazakhstan was an important partner of the United States of America, and drew attention to four areas of that country's development. First, strong economic growth had allowed it to reduce poverty and create a fully funded pension system. Second, expenditure on education had increased nearly sixfold since 2000. Third, Kazakhstan had worked with the Organization for Security and Cooperation in Europe (OSCE) to develop its democratic institutions, reform its election and media laws, and liberalize its political party registration laws by the end of 2008. Fourth, it had established its credentials for international leadership, deploying engineering troops to Iraq and providing assistance to Afghanistan. A strong, independent and democratic Kazakhstan would be a leader and anchor of stability in the region. The promising strategic partnership between Kazakhstan and the United States of America would help further the two countries' shared vision of regional cooperation and integration.

76. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that the progress that had been outlined was a result of his Government's strategic plans and the support of society. Kazakhstan's

cooperation with other regional States and with its major partners had also been vital, encouraging investment and hence enabling the implementation of the MDGs.

77. **Mr. Dapkiunas** (Belarus) said that he was pleased to see that Kazakhstan, a Eurasian member of the Commonwealth of Independent States, had made a voluntary presentation to the Council. Its contribution to the previous day's ministerial debate, as well as the national report on the achievement of Kazakhstan's strategic priorities to 2030 in the light of the Millennium Development Goals (MDGs) (E/2008/79) showed that the Government was paying increasing attention, in its long-term policies, to alternative, renewable and more effective energy sources and to achievement of the MDGs. That approach was in line with the General Assembly's concern to ensure that developing countries and economies in transition had access to advanced energy technologies.

78. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that the development of environmentally sensitive alternative energy sources was becoming more important in his Government's discussions with experts and investors. Regional cooperation and interaction with United Nations agencies made possible a more scientific, effective approach to the problems associated with development and to achievement of the MDGs.

79. **Mr. Bekniyazov** (Kazakhstan) said that although his country's energy resources were immense, his Government was seeking alternatives and had adopted legislation for that purpose, using the United Kingdom's green certificate system as a model for its alternative energy strategy.

80. **Mr. Ishize** (Japan) stressed his Government's strong support for various aspects of Kazakhstan's development. Since gaining independence in 1991, the income of its citizens had risen over fivefold. It would be interesting to know what the Government considered the greatest challenge to the nation's future development.

81. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that Japan was one of Kazakhstan's most important bilateral partners. The need to develop his country's human capital was one of the most important challenges in the context of the MDGs; for that reason, his Government was allocating funds to initiatives affecting young people as an

investment in the nation's future economic development and stability.

Finland (E/2008/86)

82. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland's development policy was based on a comprehensive view of sustainable development, including its interrelated economic, social and environmental dimensions, that built on the 1992 United Nations Conference on Environment and Development and subsequent international commitments and placed special emphasis on issues related to climate and the environment. However, since that Conference, international development policy dialogue had been conducted with a relatively narrow agenda. Discussion should focus on both the Southern and the Northern countries. The present economic model followed by the industrialized countries, and by a growing minority of people in the developing world, was not ecologically sustainable; changes in lifestyles and in patterns of production and consumption were needed.

83. The MDGs, with their strong focus on social development and human well-being, were at the heart of his Government's development policy. At the same time, it took a broader approach that sought to address all the development challenges arising from its partners' development strategies and to address issues of global survival such as climate change, food security and environmental sustainability. A national committee had drafted a sustainable development programme that focused on eco-efficiency and on forging new links between environmental and economic policies.

84. The nation's development policy targeted themes and sectors where Finland could give added value to global development. Its bilateral cooperation concentrated on areas where it had cutting-edge expertise, such as forest and water management and renewable energy, which were directly linked to several MDG indicators. For example, Finland's public-private Energy and Environment Partnership (EEP) with eight Central American countries sought to promote the use of renewable energy sources and clean technologies and to make energy services more accessible to the poor, particularly in rural areas, by supporting 162 projects that built on local ownership. The EEP had attracted 31 European and 36 Central American renewable energy companies and his Government was considering replicating the

partnership model in the Mekong region and in Indonesia.

85. Watershed management was key to the livelihoods of rural communities along the Nile river. Finland provided agro-forest and technical assistance to the World Bank's Integrated Development of the Eastern Nile (IDEN) project, an effort to stabilize the region's landscape and build a joint institutional water management mechanism. Community watershed management had a positive impact on land management and productivity, food security, livelihood diversification and access to water and biomass fuels. Furthermore, an estimated 1.6 billion people relied heavily on forests for their livelihood; Finland was promoting sustainable forestry in cooperation with the United Nations, the World Bank and the European Union. Lastly, the Governments of the United Republic of Tanzania and Finland planned to establish a regional centre for sustainable development in the United Republic of Tanzania in order to enhance capacity in the field of sustainable economic and ecological development.

86. The private sector, institutions, public-private partnerships and the promotion of trade were key to achieving both MDG 8 (development of a global partnership for development) and the development financing objectives of the Monterrey Consensus. The success of Finland's sustainability agenda was based largely on a multi-stakeholder approach at the national and international levels. It had recently adopted a cluster format in which universities, other research institutions, companies and NGOs worked together to develop and implement innovative sustainable development cooperation approaches.

87. **Mr. Fernie** (United Kingdom) said that, like the United Kingdom, Finland took responsibility for its own contribution to unsustainable development; he admired the manner in which it was reviewing its policies in a number of areas, including water management and forestry. Finland's National Commission on Sustainable Development, mentioned in its report on "Implementing the internationally agreed goals and commitments in regard to sustainable development" (E/2008/86), was an important public-private sector partnership. He would like to know how the Commission worked and, specifically, how it took the opinions of all stakeholders into account.

88. The report also mentioned that bilateral cooperation accounted for close to 60 per cent of Finland's aid flows. It would be useful to know on what basis the Government decided how to allocate its bilateral and multilateral spending, how its development partners viewed those choices and what improvements on the part of multilateral institutions might change the Government's approach.

89. **Mr. Sefue** (Observer for the United Republic of Tanzania) said that during their long-standing development partnership, his country and Finland had learned a great deal about how to improve efficiency and accountability and enhance national ownership with a view to development coordination. Finland's comprehensive approach to development was important to his Government, which believed that poverty eradication must be addressed on many fronts; he particularly welcomed the capacity-building provided in the forestry sector. That focus on human and social well-being had been instrumental in the progress reported in his own country's voluntary presentation on the previous day. However, both the developed and the developing countries, especially in sub-Saharan Africa, must make a greater effort to build capacities for growth through production and trade, entrepreneurship and private sector development. It was particularly important to ensure that the property rights of poor people were protected by law in order to ensure their integration into a market economy.

90. Finland's report made repeated mention of the Government's commitment to increasing its ODA flows. However, because such funding was derived from taxes on a nation's citizens, it depended not only on the will of governments but also on a broad constituency for development cooperation. He hoped that Finland would share its experience in that area with other OECD countries and that it would ensure that NGO participation in its development cooperation was consistent with the recipient government's priorities and that NGOs were prepared to be held to the same standards of accountability and transparency as governments. Lastly, he encouraged Finland to respect its commitment to meet the target of 0.7 per cent of GNI for ODA by 2015. The Group of Eight would hold its next meeting in Japan, and there were doubts in some quarters that its members' 2005 commitment to double their ODA to Africa by 2010 would be met. His Government was eager to see how Finland would use its influence with the European

Union, which accounted for half of the Group of Eight countries, to ensure that that promise was kept.

91. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland), replying to the representative of the United Kingdom, said that Finland's National Commission on Sustainable Development was the only national body with a specific mandate to ensure ecological sustainability, an issue to which — as he had stressed in meetings of the United Nations Commission on Sustainable Development — developing countries should pay particular attention. Both Commissions had been established following the 1992 Conference on Environment and Development. The National Commission's members included high-level officials from the ministries, labour and trade unions and NGOs. It was very useful, but vigilance was needed in order to ensure that its attention was not diverted to other forms of sustainability.

92. The percentage of Finland's ODA allocated to bilateral cooperation was closer to 55 per cent than to 60 per cent, the amount stated in the report. It focused on its main long-term development cooperation partners: Ethiopia, Kenya, Mozambique, Tanzania, Zambia, Nepal, Viet Nam and Nicaragua, as well as on several post-conflict partner countries: Afghanistan, Sudan, Kosovo, Bosnia and Herzegovina and the Occupied Palestinian Territories. His Government based its cooperation on the needs of and requests from its partner countries and tried to focus on areas in which it had special expertise and to emphasize genuine development cooperation between Finnish society and that of the partner country. It was increasing its ODA to its existing partners rather than adding new ones; however, it was also expanding the range of countries covered through its regional and thematic cooperation, including with Central America through the EEP on the issue of renewable energy.

93. In reply to the representative of the United Republic of Tanzania, he said that in 2005, the European Union had promised to devote .56 per cent of GDP to development cooperation by 2010; it had recently confirmed that commitment and he thought that the European Union would be close to meeting the target by that date. Finland's share of that amount was 1.51 per cent and he hoped that the next annual budget would include increased funding for that purpose. He believed that his Government would also reach the goal of allocating 0.7 per cent of GNI to ODA by 2015; it planned to increase its ODA by 30 per cent for the

period 2007 to 2011 and, as promised, at least half of that increase was earmarked for Africa.

94. **Mr. Sow** (Observer for Guinea) said that while he welcomed Finland's contribution to the developing countries, its five African partners were all located in the east of the continent. He wondered what the Government planned to do to expand its ODA to include other African States.

95. **Mr. Ali** (Malaysia) commended the OECD countries making voluntary presentations for their level of self-criticism. However, he had noted with concern that both Luxembourg and Finland channelled the majority of their ODA to a small number of primary development partners — 10 and 8, respectively — and that two of those partners were shared by both donor countries. The wider problem of “donor darlings” was not being addressed; as stated in paragraph 38 of the report of the Secretary-General on trends and progress in international development cooperation (E/2008/69), most donors had yet to establish an objective and transparent basis for allocating aid across countries. It would be useful to know what criteria the Government of Finland used in selecting its development partners.

96. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland distributed 45 per cent of its funding through multilateral channels, including United Nations agencies, the World Bank, the African Development Bank (ADB), the European Union and NGOs; thus, its ODA was not restricted to its bilateral development partners. In selecting those partners, the Government focused on the least developed countries; it had recently discontinued its cooperation programme with Namibia, which was no longer considered a least developed country and was planning to change the nature of its cooperation with Egypt for similar reasons.

97. Finland had two national languages — Finnish and Swedish — and although many of its residents also spoke English, few of them spoke French. For that reason, there were no Francophone African countries among its development partners. However, it spread its assistance more widely through regional cooperation programmes such as the EEP, in Central America, and in the Mekong region.

98. Finland had been involved in a European Union effort to develop common principles for addressing the problem of “donor darlings” and “donor orphans” by encouraging donors to transfer their aid to States which

were currently being passed over. The European Union's policies were, to some extent, limited by its desire to focus on the least developed countries. Finland had several policies that allowed for flexibility in allocating ODA to States other than the partners that he had mentioned.

99. **Mr. Batora** (Observer for Ethiopia), speaking on behalf of the Group of African States, expressed the Group's appreciation for the assistance that Finland provided to African countries. Speaking in his national capacity, he said that as one of Finland's main development partners, his Government supported its focus on bilateral cooperation.

100. **Mr. Hales** (Moderator) said that the report of Finland and the report of the Secretary-General raised the issue of how to strike a balance, in assessing aid effectiveness, between the process of development assistance and its outcome. He asked the representative of Finland to elaborate on that issue.

101. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland's new Government had announced its development policy in October 2008. He did not agree with those who had maintained that the policy placed too much emphasis on the environment at the expense of poverty reduction; in order to be effective, development policy must ensure economic, social and ecological sustainability. He hoped that the international community would recognize that linkage and that there would be greater convergence between the efforts of Southern and Northern countries in the field of development cooperation.

102. At present, 1.6 billion people worldwide were heavily dependent on the forestry industry. Ways must be found to exploit that resource sustainably in order to balance its economic importance with its potential to mitigate climate change. It was important for the international community to learn from its mistakes and to redirect its cooperation activities towards sustainability through discussions at the national and international levels in order to set new policies in that difficult area.

103. **Mr. Katjavivi** (Observer for Namibia) said that his Government maintained close bilateral relations with both Luxembourg and Finland and appreciated the manner in which they viewed the development challenges that Namibia faced. He hoped that middle-income countries such as his own would not be left to

their own devices so that the momentum of their achievements would not be lost.

104. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland would continue its development cooperation with Namibia but that changes in the instruments of that cooperation would make it more effective than in the past.

The meeting rose at 1.35 p.m.