

Statement to the Committee on Development Policy

Statement by Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs to the Committee on Development Policy New York, 9 March 2009

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I am happy to see many of you again at this 11th session of the Committee for Development Policy. I would also like to welcome the two new members, Professors Adil Najam and Vladimir Popov.

The world is facing the most serious economic challenge since the Great Depression. The financial meltdown that erupted in 2008 is affecting every part of the world. This so-called “financial tsunami” is now reaching the real side of the global economy. Already, millions of people have lost jobs. And the ILO is predicting that more than 50 million jobs will be lost from 2007 to 2009. Meanwhile, the international community is still searching for new mechanisms of fiscal and monetary cooperation to contain the damages.

Unfortunately, this economic crisis comes at a time when the world is still struggling to cope with the higher food prices and volatile energy prices, which have pushed hundreds of millions into poverty. According to World Bank estimates, these developments have increased the global poverty headcount by as much as 155 million people in 2007.

The predicted decline of the world economy in 2009, with growth rates between negative 0.5 per cent and plus 1.0 per cent according to our United Nations estimates, will only increase the ranks of the poor in developing countries. The World Bank shares our concern and is likewise raising the alarm.

So, the challenges are enormous. But they also present a unique opportunity for the United Nations and, in particular, the Economic and Social Council, to provide leadership in addressing the crisis and in forging a new partnership for governance of the world economy. The quality and relevance of the work of ECOSOC need to be strengthened further. In this effort, your expert advice is indispensable.

We also need to think strategically and beyond the MDGs. Even if some of the goals will be achieved at the national level in a good number of countries, there will be regions and particular social groups within countries where the achievements will remain far behind. And as the recent experience shows, a significant number of countries and people will remain vulnerable to economic crises.

The deadline of the MDG agenda is quickly approaching. A successor global development project – which will continue to galvanize the aspirations of all for the benefit of all – must be conceived. New and emerging trends, which were not fully anticipated at the turn of the millennium, need to be addressed. The Annual Ministerial Reviews provide valuable lessons and insights into what has worked, what needs to be changed, and what needs to be incorporated into the international development agenda.

This coming July, the Council will focus on the implementation of internationally agreed goals in global public health. Many developing countries have recently made significant strides towards achieving the health-related MDGs. And the donor community has created new funds and programmes to support their efforts.

But with their fragile national health systems, undeveloped capacity and insufficient financial resources, developing countries still confront large gaps between what has been achieved and what still needs to be achieved. We must find a way to quickly bridge these gaps. This includes a focus on the gaps I mentioned earlier, among regions and socio-economic groups within countries, and on their vulnerability.

In my view, the Committee's focus on the persisting inequalities in health is very timely. Progress in achieving health goals cannot be accelerated, and will not be completed, if the poor and other disadvantaged groups are not reached. It is not acceptable that a child has a significantly higher probability of dying before reaching the age of 5 simply because he or she was born to a poorer family or in a poor country.

I am eager to hear from you about how the donor community can assist developing countries in their quest to provide basic health care to all. In particular, how can new approaches to development cooperation help to strengthen national health systems and reduce existing health inequalities?

Turning to the topic on the 2009 triennial review of the list of Least Developed Countries, I would personally like to thank the Committee for its tireless efforts in identifying the low-income countries that would be eligible to join the LDC group and those countries on the list that are ready to exit the category.

Both joining and exiting the category seem to provoke a great deal of agitation, which I understand, as this is a very important, sensitive issue. So, I am pleased to see that the Committee has engaged in a dialogue with the countries potentially affected by its recommendations. I understand you held successful consultations with the delegations of Equatorial Guinea, Kiribati, Tuvalu and Vanuatu.

Graduation from the category can be unsettling due to uncertainties regarding the transition process. I would invite you to further consider and propose ways by which development partners, including the United Nations system, could further facilitate transition from the category, by reducing uncertainty on the phasing out of those special support measures available to LDCs, in order to ensure that they do not slide back. In other words, their vulnerability must be reduced and their graduation must be durable.

In closing, let me mention that the Committee has made significant contributions to the work of the United Nations beyond the two areas I just mentioned. The Committee's continuing work on "climate change and sustainable development" and on the implications of the current financial turmoil for developing countries are two important examples.

I look forward to your advice and recommendations. I trust that this week's meeting will bring innovative and practical proposals that can assist the Council in effectively performing its functions. I wish you success in your deliberations.

Thank you very much for your attention.

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