



*Permanent Mission of*  
**Malaysia**  
*to the United Nations*

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**Statement by Ms. Shazalina Zainul Abidin, Representative of Malaysia on Agenda Item 59:  
'Operational Activities for Development: (a) Operational Activities for Development of the  
UN System (b) Triennial Comprehensive Policy Review and (c) South-South Cooperation'  
at the 2<sup>nd</sup> Committee of the 62<sup>nd</sup> Session of the United Nations General Assembly,  
New York, 18 October 2007**

Thank you, Madam Chair.

I would like to support the statement delivered by the representative of Pakistan on behalf of the G77 and China. Malaysia extends its appreciation to the Secretary General for his reports under this agenda item.

2. For many of us in the developing world, the United Nations is most visible and relevant in its developmental and development-related work. Across continents and in all spheres of human activity, the UN development system has shown that it can – and it does - make a difference to the lives of millions. And the fact that these self-same millions are oblivious to the UN's voluntary and grant nature, its neutrality and multilateralist principles, does not in any way detract from it being translated into the activities on the ground. These bedrock principles of the United Nations are not mere words in the obscure realm of abstractions.

3. The task that is before us, as delegates from the developed and developing world alike, is to ensure that the UN continues to deliver better in this regard. This can only be achieved if these bedrock principles continue to form the basis of the UN's developmental activities. Achievement of this goal is also dependent on the creation of a political consensus between the developed and developing world. Therefore, Malaysia firmly believes that it is critical that discussions on this vital issue are not polarized along North-South lines. We must view it as a common venture for the sake of our shared humanity.

Madam Chair,

4. The negotiations on the TCPR are to begin in a matter of days. We are all aware of its complexities. Beyond the intricacies associated within the twelve issues identified in the Secretary General's report on the subject, the complexities are compounded by the fact that there are other processes which are also discussing these same issues. Uppermost of which is the System-Wide Coherence.

5. We therefore strongly believe that it is critical that we have clarity on the entire process itself. In this regard, Malaysia believes that the main organizing principle must be that the TCPR process must only discuss those issues which have direct linkage with the UN's operational activities for development. It should not involve those issues which are reflected in the High Level Panel's Report on System-Wide Coherence but are not related to these activities.

6. At the same time, we are aware that the HLP Report has resulted in the establishment of pilot programmes in selected countries, and that the lessons learnt will have a bearing on UN's operational activities. We have yet to have a full picture on the advantages and disadvantages of the Delivering as One approach and the measures that are needed if the UN system as a whole is to benefit from the lessons learnt. Therefore, the resolution on the TCPR must include a reference to the evaluation of this approach and the modalities of how to implement the lessons learnt, taking into full account national particularities and priorities. This can then be fed into the mid-term review process. In the interim, information on this important issue should be channeled into ECOSOC's Annual Ministerial Review (AMR) and Development Cooperation Forum (DCF).

Madam Chair,

7. UN operational activities for development – like any other type of activity – requires funding if it is to assume its rightful role in assisting developing countries. This is why we are concerned at the following developments:

- 7.1 First – despite the growing levels of overall funding, the increment in non-core funding is far outstripping the growth in core funding;
- 7.2 Second – the decline in the share of core funding as compared to the total contributions received by the UN system. In the UNDP for example, core funding only constitutes 21.7 percent of the total contributions received; and
- 7.3 Third – following an upward trend in overall contributions to the UN system for operational activities from 2002 to 2005, the figure dropped in 2006, by 1.8 percent in nominal terms and 4.3 percent in real terms.

8. The Secretary General's report on the TCPR indicates that the increase in non-core funding is one of the main reasons for increased fragmentation. Further, the rapid increase in non-core funding risks jeopardizing the voluntary and grant nature, as well as principles of neutrality and multilateralism of the UN's operational activities. As overcoming this situation requires the rapid increase in the levels of core-funding, we strongly urge the developed countries to rescind their zero-growth policies with regard to assessed contributions to the regular budgets of the UN's specialised agencies. This would enable the UN system to respond better not only to the new demands of the UN developmental agenda, but also to the national plans and priorities.

9. Given the critical importance of funding and the increasing complexity of funding for the UN's operational activities, it is important that DESA continues their efforts to build a comprehensive and sustainable financial data and reporting system. In this context, we note with interest that there are important differences in the way the UN and the OECD Development Assistance Committee (DAC) define, classify and report contributions to the UN system. For example, in the UN statistics, both core and non-core funding from governments to the UN system are classified as contributions to the UN for its operational activities. The DAC on the hand, classifies only core contributions from governments as multilateral aid, while non-core contributions are classified as bilateral aid.

10. We would therefore encourage UN DESA and the DAC to continue to work closely in this regard. Further, we believe that it is critical that once effort at harmonization has matured, the findings should be brought to the intergovernmental process for further deliberation, discussion and action if so required. What is important is for governments to have a common standard to assess the levels of funding.

Madam Chair,

11. Malaysia views with interest the increasing incidence of cooperation between countries of the South as well as the enhanced flows between continents as a result of these activities.

12. However, the Report itself adds to the growing dichotomy that Malaysia and many other developing countries face in discussions on south-south cooperation. On the one hand, the increase in capital flows between developing countries is indicative of the new dynamism of developing countries in the global market. It also points to a healthy growth in the economies of the more advanced developing countries.

13. But on the other hand, this upward trend in south-south cooperation, is also worrying in that it may be perceived to be a replacement for the amount of Overseas Development Assistance available to the developing countries. Malaysia views with growing concern the bandying of south-south cooperation to LDCs as *part* of the commitment to development, rather than *in addition to*.

14. While the strengthening of south-south cooperation is to be lauded, Malaysia believes that more needs to be done to understand the nature and dynamics of south-south cooperation. Questions that need to be addressed include:

- 14.1 Are the trade figures reflective of an overall deepening and/or widening of economic relations among countries of the south, or are they due to an increase in a few but large 'big ticket' items such as trade in commodities and in the transit of goods to the markets of the North?
- 14.2 How effective have capacity building programmes been and to what extent are they reflective of the needs of the recipient countries as opposed to what is available in the providing countries? and,
- 14.3 How can triangular cooperation go beyond the present limited conceptual framework so that it can meaningfully address the present asymmetrical power relations between the developed and developing world, which no amount of cooperation among countries of the south can resolve?

15. Given the increasing prominence that south-south cooperation will play in international relations, it is critical for us to ensure that there is clarity in the conceptual framework underlining south-south cooperation. In this regard, Malaysia believes that the essential elements of this conceptual framework should include the following:

- 15.1 One, south-south cooperation must be driven by the countries of the south;
- 15.2 Two, south-south cooperation must not be seen as a replacement for North-South Cooperation. Strengthening south-south cooperation must not be a measure of coping with the receding interest of the developed world in assisting the less developed ones. In 2005 for example, ODA was recorded at 0.33% of global GNI. Last year, total ODA stood at 0.27%, leading one to conclude that there is a belief that since other types of assistance is growing there is less need for the ODA target to be met;
- 15.3 Three, cooperation between countries of the south must not be analysed and evaluated using the same standards as those used for North-South relations;
- 15.4 Four, therefore, financial contributions from the more advanced developing countries should not be seen as Official Development Assistance from these countries to other countries of the south. These are merely expressions of solidarity and cooperation borne out of shared experiences and empathy, nothing more nothing less. In this regard, my delegation believes, many others are concerned with the increasing rate at which the term 'emerging donors' is being used in the UN and elsewhere. To the extent that it is used, it

should be confined primarily to those members of the OECD who are not yet members of the OECD's Development Assistance Committee (DAC).

16. Malaysia has in the past actively supported practical measures to achieve south-south cooperation, particularly through the Malaysia Technical Cooperation Programme (MTCP). In recent years, Malaysia has also increased its technical cooperation with the other members of ASEAN, the countries of Asia, including through the Tokyo International Conference for African Development (TICAD), and in partnership with the UNDP. Most recently, Malaysia initiated the Capacity Building Programme for the OIC Countries, a new dimension to south-south cooperation. It aims at involving the private sector of the more advanced members of the Organisation of the Islamic Conference (OIC) in exploring the economic potential of the less developed members, leveraging on the funds made available by the Islamic Development Bank (IDB). Malaysia will continue to explore new methods of strengthening south-south and triangular cooperation, especially in terms of strengthening private sector and people-to-people involvement.

17. How a country perceives itself in the international community is an essential component of national identity. Since independence 50 years ago this year, Malaysia has always viewed itself as a country at peace with the wider world, coveting no lands nor territories, and a firm believer in international law. Our active involvement in south-south cooperation flows from this. Beyond these abstractions however, as an open economy dependent on foreign trade, our quest for new partners is a never-ending one. Assisting others to progress can only help us to grow ourselves. Call this reciprocal altruism, or creating win-win situations, if you like. Whatever it is called, we are committed to it.

Madam Chair,

18. My delegation firmly believes that the agenda on the UN's operational activities is of vital importance. For many of the world's poorest and dispossessed, the map of the world encircled by olive leaves represents their best hope for survival. We must do more if humanity's noble aspirations contained in the UN Charter are to be achieved. We must give meaning and effect to our statements.

Thank you, Madam Chair.