



**STATEMENT BY DR. ARJUN KARKI, INTERNATIONAL CO-ORDINATOR
AT THE IPU COMMITTEE ON UN AFFAIRS BRIEFING SESSION ON
'PARLIAMENTS AND THE BRUSSELS DECLARATION AND PROGRAMME OF
ACTION FOR THE LDCs: TOWARDS THE FOURTH UN CONFERENCE ON THE LDCs
(LDC IV)'
INTERNATIONAL CONFERENCE CENTRE, GENEVA, 4 OCTOBER 2010**

Honourable Members of Parliament, UN High Representative, ladies and gentlemen,

We are now all aware that the Brussels Programme of Action (BPoA) has not been successful in uplifting the world's 49 least developed countries (LDCs). It is therefore imperative that we assess these failures as we establish a new LDC Programme of Action for the coming decade. I would like to thank the organisers for recognising this, and giving me the opportunity to speak on behalf of LDC civil society here at this event on the role of parliaments as we move towards the Fourth UN Conference on LDCs, the LDC IV. Today, I will be speaking on the key elements that should be a part of a new international commitment that will be made in Istanbul in May-June 2011.

Over 850 million people – around 13 per cent of the world population - live in the LDCs; and this number is growing rapidly. By mid-way through this decade, it is estimated that the LDC population will be in the region of 925 million. The LDCs, we must bear in mind, are a “special” group of developing countries that require specific development attention, as was first recognized by the UN four decades back. However, we have seen the number of LDCs more than double: rising from 24 in 1971 to 49 today. This is inexcusable! The urgency is therefore that we cannot maintain the status quo, and that **real commitment for change is necessary – this change must occur NOW!**

Important successes were recorded at this year's MDG Review Summit in New York last month, and some LDCs were awarded for their progress on achieving certain goals. These must not be discounted. However, we must realise that as a whole, the LDCs will come far from reaching the Millennium Development Goals (MDGs) by 2015 as well as other essential internationally agreed development goals (IADGs). It must be clear that the MDGs are the minimum that LDCs must reach in order for citizens to enjoy access to essential human services and rights. The new LDC Programme of Action must therefore contain the provisions to enable attainment of these basic goals and human rights.

But what are the key elements that must be included in practice?

UNCTAD's 2009 LDC Report stated that *“What will actually happen in LDCs over the next few years will critically depend on ODA trends. It is imperative that ODA not be reduced, particularly under present conditions. ODA can play an important role in long-run development by facilitating both social spending and productive capacity-building, but the composition and volatility of ODA continues to work against such goals.”*¹ **Official Development Assistance (ODA), therefore, has a central role to play.**

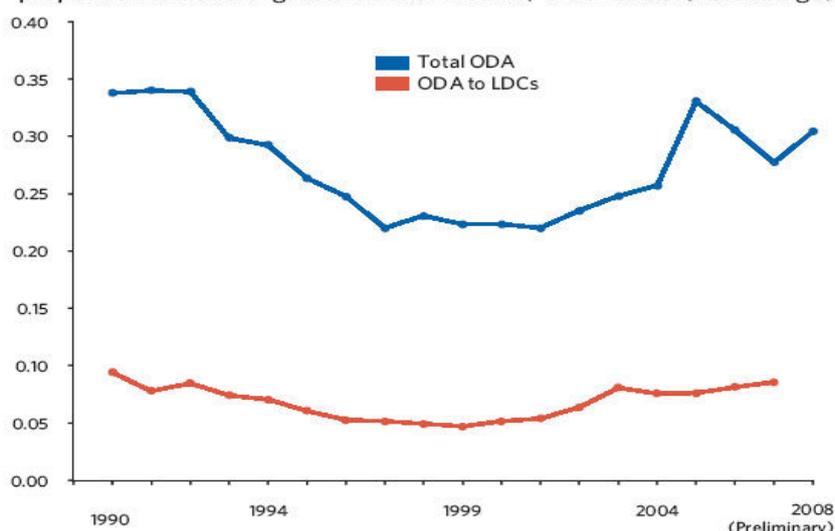
Currently, ODA allocations to LDCs constitute **only 0.09 per cent of OECD-DAC GNI**, far short of the 0.15-0.2 per cent of their GNI of ODA commitment laid down in the BPoA for

¹ UNCTAD (2009) The Least Developed Countries Report 2009

LDCs. As the UN Office for the LDCs (UN-OHRLLS) states, “if all of them provide 0.20 per cent of their GNI as ODA, it would yield another **US\$ 42.5billion**”. LDC Watch therefore campaigns for **more and better aid** which means **real aid**, oriented towards development effectiveness rather than the dominant aid effectiveness approach that is marred by aid conditionalities encroaching upon the principles of sovereignty and global partnership for development.

Aid to the poorest countries falls far short of the 2010 target

Net official development assistance from OECD-DAC countries as a proportion of donors' gross national income, 1990-2008 (Percentage)



Source: The Millennium Development Goals Report 2009

Next, we call for **total and unconditional cancellation of all LDC debt**. The existing LDC debt relief initiatives has only led to “debt” being repaid over and over again, with debt servicing eating up a major portion of annual national budgets in LDCs. Moreover, within the prevalent framework, the historical and environmental aspects of Southern debt that underpin its illegitimacy are completely unacknowledged and overlooked. **Cancellation of debt for LDCs is therefore an ethical imperative, and would provide instead much-needed resources for development progress.**

We support the calls for **innovative financing and stimulus packages for LDCs** by the UN-OHRLLS, especially on the Currency Transaction Tax and the Crisis Mitigation and Resilience Building (CMRB) Fund. As stated, only 0.005 per cent of tax on all the major currencies would generate US\$ 33billion of funds every year. As with the CMRB Fund, it should be completely autonomous in terms of management, ensuring use of country systems and full ownership to LDCs. Here I would like to add that the issue of **additional**



and increased Climate Change Adaptation Fund for the LDCs must be urgently addressed and provisioned in the new programme of action.

LDC Watch urges for a **Global Fund for LDCs** as well as an effective programme and mechanism for a **Global UN LDC Campaign** for promoting the special needs and interests of the LDCs. There is an urgent need for LDC-specific focal points in all development partner countries and multi-lateral institutions in order to ensure constant monitoring and evaluation of development progress in LDCs. This campaign is possible only with solemn support of all member states! We have to realise that one of the key failures in achieving the BPoA commitments and beyond has been the **little or no global advocacy and campaign towards supporting the real graduation of the LDCs**.

However, of utmost importance, is a **rethinking** of the dominant market-oriented development paradigm which calls for a departure towards an **alternative development paradigm** that empowers **the state as an agent of development** that is able to ensuring people's sovereignty and interests. LDC governments on their part need to ensure transparency, accountability, democratic governance and respect for human rights towards the overall achievement of people-centred development. As UNCTAD highlights the need for a "developmental state" that "should seek to harness local, bottom-up problem-solving energies through stakeholder involvement and citizen participation that creates and renews the micro-foundations of democratic practice". And, here comes the important **role of parliaments** in local/national, regional and global development processes as they are the elected representatives of citizens committed to defending their interests, concerns and human rights and hence, significant stakeholders in development.

We call for **increased role of and policy space for parliaments** in the new LDC programme of action in order to indeed ensure democratic governance and decision-making in development processes. With this, I would like to take the opportunity to urge parliamentarians to engage with us in the making of the new development agenda as LDC Watch will be globally coordinating the civil society process towards the LDC IV. We have successfully organised an unprecedented Hearing on the LDCs in the European Parliament in February 2008 in close cooperation with its Members. We are planning for another similar hearing prior to the LDC IV and we would greatly benefit from your contributions.

The road towards Istanbul must nurture the vision of a new LDC development agenda that productively works for especially the most poor, vulnerable and marginalized LDC populations. Let us mark the 25th anniversary of the UN Right to Development in 2011 with a new progressive programme of action that **ensures real sustainable development** in the LDCs.

Thank you all for your attention.