



**STATEMENT BY INTERNATIONAL CO-ORDINATOR DR. ARJUN KARKI  
AT THE SIDE-EVENT OF THE HIGH LEVEL PLENARY MEETING ON THE MDGs  
"FROM THE MDG SUMMIT TO THE UN LDC IV"  
UN HEADQUARTERS, NEW YORK, 22 SEPTEMBER 2010**

Mr Chair, Honorary Guest, Excellencies, ladies and gentlemen,

Thank you for allowing me to share, on behalf of LDC Watch, some civil society perspectives on this very significant development process that will pave the path for a next-generation development agenda for the LDC citizens. Today, we need to deliberate on how we can all work in partnership to make the Fourth United Nations Conference on LDCs (LDC IV) in 2011 a **real** success - in charting out the next specific programme of action towards **real** sustainable development and poverty eradication in LDCs.

The least developed countries, 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, the fact that the number of LDCs has more than doubled from 24 to 49 today, demands serious rethinking of development models that have failed in practice – as the UN Report on the World Social Situation 2010 "Rethinking Poverty" affirms, there is "urgent need for a strategic shift away from the market fundamentalist thinking, policies and practices of recent decades towards more sustainable development- and equity-oriented policies appropriate to national conditions and circumstances". The road from New York to Istanbul must therefore mark the making of a development agenda that productively works for the LDC populations – especially for the most poor, vulnerable and marginalized within LDCs.

All countries have differences that must be considered when establishing national priorities and programmes. However, LDCs also share some common challenges, being bound by limited financial resources and technology; they are also often characterised by lack of democratic governance. Many face additional hurdles of conflict, war, violence and political instability, not to forget inherent geographical and environmental constraints.

Compounding this situation, the multiple crises of recent years also have not spared the LDCs. The global financial and economic crises, food price crisis, energy crisis, and the crisis brought about by human-induced climate change, are affecting LDC citizens the most when ironically they are the least responsible; their suffering is therefore extremely disproportionate as well as being unprecedented in scale. Such volatile market-based challenges further undermine the prospects of reducing poverty, hunger, exclusion and other MDGs in the LDCs. LDC Watch calls for people-oriented, pro-poor development policies in coherence with human rights, human security and human dignity.

As all of you are aware, MDG 8, Target b is about "addressing the special needs of the least developed countries", which includes "tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction". However, implementation has been inadequate to address the needs of the LDCs, and the measures prescribed in this goal have by far been the least successful.

Trade as an engine of growth has failed to uplift the LDCs in today's highly globalised world marked by trade distortions and little or no level playing field. Despite commitments to provide duty-free and quota-free (DFQF) market access for LDCs, tariffs are still levied on LDC exports such as textiles and agricultural products, by developed and developing countries. Moreover, the issues of non-tariff barriers and stringent rules of origin requirements further hamper market access for LDC exports. LDC Watch campaigns for fair trade NOT market-oriented free trade, which only destroys the lives and livelihoods of the poorest populations.

The current LDC debt relief initiatives are the same old structural adjustment programmes accompanied by rigid conditionalities. The debt sustainability framework promoted by the Bretton Woods Institutions has led to "debt" being repaid over and over again, with debt servicing eating up a major portion of annual national budgets in LDCs. Within the prevalent framework, the historical and environmental aspects of Southern debt are completely unacknowledged and overlooked. LDC Watch therefore advocates for full and unconditional cancellation of all LDC debt. Cancellation of debt for LDCs is an ethical imperative, and would provide much-needed resources for development progress.

The MDG Gap Taskforce Report 2009 stated that **less than half** of OECD-DAC countries are meeting the 0.15-0.20 percent target of official development assistance for LDCs as per the Brussels Programme of Action (BPoA). The distortions of aid figures by inclusion of debt and other non-aid items facilitate developed partner countries to get away with the blatant undermining of their own commitments. The UNCTAD LDC 2009 Report 2009 says "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". LDC Watch campaigns for more and **better aid** which means **real aid**, oriented towards development effectiveness rather than the dominant aid effectiveness approach, further marred by conditionalities that encroach upon the principles of sovereignty.

Achieving the MDGs in LDCs is a global responsibility that calls for a global campaign and advocacy bound by genuine commitment. While reviewing the progress made on the MDGs at the High Level Plenary Meeting by world leaders at the moment, progress and setbacks made on the MDGs in the LDCs must be assessed separately. We must be clear that the goals contained in the Millennium Declaration do not represent the best that humanity can do to deal with structural problems of chronic poverty, exclusion, gender injustice, illiteracy, disease, war, violence and environmental degradation. LDC Watch therefore advocates that the MDGs represent the very minimum standard that must be achieved for the world's citizens. And yet, many of the goals and targets of the Millennium Declaration will not be achieved in the world's 49 LDCs by 2015.

At the LDC IV in Istanbul in 2011, the next LDC programme of action must therefore focus on the MDGs but also beyond, to materialise **real** sustainable development for its citizens – genuinely marking the 25<sup>th</sup> anniversary of the UN Right to Development in the year 2011, as a new and promising start! As the co-ordinator of the civil society process towards and at the LDC IV, LDC Watch looks forward to building alliances with all of you key stakeholders in making this very significant development process a **real** success for the LDCs.

Thank you all for your attention.