



Statement

by

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and**

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at the

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Countries(LLDCs)**

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It is a great pleasure for me to participate at this biennial session of ESCAP's Special Body on Least Developed Countries and Landlocked Developing Countries. In fact, this meeting is taking place at a significant time in view of the upcoming five-year mid-term review next year of the Brussels Programme of Action for the Least Developed Countries for the decade 2001-2010 (BPOA).

Let me begin by expressing my deep appreciation to my dear colleague, Under-Secretary-General and Executive Secretary Kim Hak-Su for the dynamic leadership that he is providing to UN ESCAP. The important statement he just made has set the tone for our meeting.

It is remarkable that the ESCAP has given a special focus to the Least Developed and the Landlocked – the two most vulnerable groups of countries - by establishing this intergovernmental Special Body. Your work has generated international attention and impetus in furthering the implementation of the Brussels Programme to begin with and now the Almaty Programme, both hand-in-hand with the Millennium Development Goals. The support of the ESCAP's Unit has been highly praiseworthy, as manifested particularly in the excellent preparations and documentation made available for our work at this session. In this regard I would like to thank ESCAP specially for its very useful document on “Achieving the Millennium Development Goals in the Least Developed and Landlocked Developing Countries through Trade, Debt Relief and Aid.”

In order to fathom the problems that LDCs confront in an overall international context, it is pertinent to note that 736 million people or 11.5% of the world's population live in these 50 LDCs. By 2015, the year by which the international community has targeted to achieve the MDGs, this population is estimated to rise by more than 200 million reaching 942 million or 13.1 percent of the global population. The tragic part is that about half of this population would be living in the direst of poverty. Analyzing the developments of the past several years and projections into the future do not present an encouraging picture for the LDCs as a group. Slow economic growth, poor trade performance, debilitating HIV/AIDS pandemic, not-so-encouraging foreign investment compounded by a host of new challenges in a globalizing world economy make the development task of the LDCs even harder.

When we look at the progress made by the 14 Asia Pacific LDCs, it is quite clear that they are doing better than most other LDCs. However, in the Asian context, when compared to the other developing countries of the region the progress in various sectors of development has been quite mediocre in the LDCs. For instance, the overarching goal of halving the number of people living below the poverty line (\$1 PPP) was 43% for all LDCs. For the Asian and Pacific LDCs this was 38% as compared to the much more impressive 23.5% on an average for Asian developing countries. Again, while Asian developing countries have a higher net enrolment ratio in primary education of 87%, the ratio for Asian and Pacific LDCs is around 78% but which is higher than in LDCs as a whole – 62% in 2001-2002.

Development partners, including international and intergovernmental agencies, have maintained their enhanced interest in the development of LDCs. The United Nations Development Assistance Framework (UNDAF) has been prepared for 37 LDCs and information on implementing the BPOA has been furnished by 54 development partners, including NGOs. The total ODA flow to LDCs amounted to 23.5 billion in 2003, a 31% increase in nominal terms as compared to the previous year. This represents the highest one year increase of ODA to LDCs. The recent DAC 2005 High Level Forum held in Paris adopted the Paris Declaration on Aid Effectiveness which will be the new guidelines for enhanced aid to the LDCs. In order to ensure that LDCs took full account of this important declaration, my Office and the UNDP organized a joint briefing for the LDC representatives in New York in March 2005.

In terms of market access, LDCs have been provided almost full access by major trading nations, but the benefits of this access in the industrialized markets are yet to contribute in a major way to the development prospects in these countries mainly because of their intractable supply-side constraints. The proposed changes in the “rules of origin” for LDCs by the European Union and much-needed decision for reduction of subsidies on agricultural products would boost the trade opportunities for these countries. It is also expected that duties on bananas, rice and sugar will be gradually reduced until duty free access will be granted for bananas in January 2006, for sugar in July 2009 and for rice in September 2009. In the meantime, there will be duty free tariff quotas for rice and sugar.

The African Growth and Opportunity Act (AGOA) of the United States has provided greater access to American markets and spurred development by fostering new trade and economic opportunities for the African LDCs. This special market access has helped these countries in Africa to overcome the constraints in post-MFA world in a considerable way.

In this regard, I am of the view that the United States should also extend a similar scheme like the AGOA to the Asian and Pacific LDCs as well. This would be in line with US policies to assist the least developed countries, particularly when the 14 Asia-Pacific LDCs are similarly placed as the African LDCs. I hope that the United States will give due consideration to this proposal. What I am proposing is an Asia-Pacific counterpart scheme for LDCs similar to the AGOA – a kind of “Asian AGOA”.

While several developing countries have made efforts to provide market access to goods of interest to LDCs, South-South cooperation needs to go much further. The reason is that in the case of many LDCs and the products they have for exports, their trade would be more viable or even more profitable in the neighbouring markets. This matter should be taken up both regionally as well as at the Second South Summit which will take place in Doha, Qatar next month.

I would now like to take this opportunity to bring to your attention a number of funds and programmes which are specifically targeted to the LDCs and from which LDCs can benefit from additionality of resources. The WTO initiated the Integrated Framework for Trade-Related Technical Assistance for Least-Developed Countries (IF) in order to support the trade-related aspects of development and poverty reduction strategies. This is an initiative to coordinate the provision of technical assistance and capacity-building to LDCs through six core agencies: WTO, IMF, ITC, UNCTAD, UNDP and the World Bank.

The Global Environment Facility (GEF) gives special attention to the LDCs and small island states to fund projects and programs to address threats to their environment, particularly in the areas of biodiversity loss, climate change, degradation of international waters, ozone depletion, land degradation, and persistent organic pollutants (POPs). My Office has been

working closely with GEF to advocate for enhanced fund flows to these countries and had organized an Open Forum inviting the Chairman and CEO, Mr. Leonard Good to interact with their representatives in New York.

The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) has decided that the LDCs should be assisted in preparing national adaptation programmes of action (NAPAs) to address urgent and immediate needs and concerns related to climate change.

The World Meteorological Organisation (WMO) has established a WMO Trust Fund for LDCs along with a programme to enhance the capacities and capabilities of the National Meteorological and Hydrological Services (NMHSs) so that they can contribute efficiently and in a timely manner to the social and economic development of these countries.

Last month's agreement for the \$34 billion increased replenishment of the resources of the International Development Association (IDA) has opened up larger prospects for the LDCs and other most vulnerable countries. This represents the largest expansion of IDA resources in two decades and LDCs should gear up to take full advantage of this increase.

Another area of emerging significance for additional resources for development is the increasing size of remittances sent by the diaspora of the LDCs. Bearing that in mind, Benin, as the global chair of the LDC Group, has proposed a Ministerial Meeting in November this year in Cotonou to look into the impact of remittances on development. My Office and the International Organization of Migration (IOM) are jointly supporting this commendable initiative.

When we come to the national level, for purposes of gaining greater ownership and ensuring the mainstreaming of the BPOA in development projects and programmes, 45 LDCs have designated National Focal Points and 18 of them have established National Forums. Others use existing mechanisms for follow-up and implementation of the BPOA at the country level. From the information I have, 11 out of 14 Asian LDCs have appointed National Focal Points for the BPOA.

In response to the request of the LDC Group and in collaboration with UNDP, UNCTAD, UN DESA and the World Bank, my Office organized a five day workshop for the National Focal Points of LDCs in May 2004 in New York. The overarching objective of the workshop was to strengthen the national capacity of the LDCs for the follow-up and implementation of the Brussels Programme, provide them with a forum for sharing national experience, lessons learned and best practices, build the foundation for their future networking and clarify the roles of the National Focal Points and National Forums in the follow-up and implementation of the Programme at the country level. The workshop also addressed issues of monitoring and reporting. I suggest that this practice of having such workshops for building national capacities should be given importance and additional programmes organized regularly in the coming years.

Let me take this opportunity to brief you on the preparations envisaged for the mid-term review of the BPOA. My Office has initiated consultations with the member-states and partner organizations in preparing for the review on behalf of the United Nations. In this process, the participation and involvement of LDC representatives at important intergovernmental discussions is essential. I have requested the United Nations regional commissions, including UN ESCAP, to begin timely preparations for the mid-term review. The review, according to the details that would be worked out at the coming 60th session of the General Assembly, will take place at its 61st session in 2006. But preparations have to be launched for the event well in advance and at the earliest. In this regard, the contribution of UN ESCAP, and more specifically this Special Body, will be critical to the success of the mid-term review as your region is home to 14 out of the 50 LDCs. I would like to express my appreciation for the initiatives taken thus far by ESCAP. The outcome of the regional reviews would be taken into account for the Report of the Secretary-General to the General Assembly. The regional reports should also be available well in time for the consideration of the LDC Ministerial Meeting to prepare for the mid-term review which has been scheduled for June 2006 in Benin. I hope that the Special Body will give its due consideration to this timeframe for the review within ESCAP.

I believe it would be worthwhile for each of the 50 LDCs to prepare short national papers for the mid-term review, outlining the status of implementation of the Brussels Programme at the country level, experience gained during the five years and the challenges and constraints ahead

and make their inputs available in a timely manner to the regional reviews in their respective regions.

Let me conclude by saying that the key messages and recommendations contained in the ESCAP reports before you deserve your engaged consideration and support.

I thank you for your attention.
