



STATEMENT BY LDC WATCH AT THE UNITED NATIONS HIGH-LEVEL EVENT (HLE) ON THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

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Current development models and policies have completely failed the world's poorest countries – the least developed countries (LDCs). The LDCs Group¹ was established by the UN in 1971 in recognition of the specific needs and constraints facing the world's poorest countries, and therefore the need for specific strategies for these countries. *"The fact that the number of LDCs has increased from 24 to 49 presently is proof enough"*, says Dr Arjun Karki, Chair of LDC Watch. According to UNCTAD, although LDCs are achieving record rates of economic growth this is not benefiting those living in poverty.

In 2001, the UN adopted the Programme of Action for the Least Developed Countries for the Decade 2001–2010 at the third LDC conference (UN LDCIII) in Brussels. The overarching goal of the Brussels Programme is: *"to make substantial progress toward halving the proportion of people living in extreme poverty and suffering from hunger by 2015 and promote the sustainable development of the LDCs."* Furthermore, the Brussels Programme states that: *"its success will be judged by its contribution to progress of LDCs toward achieving international development targets, as well as their graduation from the list of LDCs."*

With less than two years remaining before the deadline for the realisation of the Brussels Programme, it is clear that those objectives that incorporate some of the MDGs will not be met. Recent World Bank claims that extreme poverty has been reduced by half in the last 25 years should be treated with caution. The Social Watch Basic Capabilities Index published this week, which is calculated on progress in terms of basic social indicators rather than levels of income, shows 28 LDCs at the critical level out of the total 33 countries.

The recent MDG Gap Task Force Report commissioned by the UN Secretary-General also draws discouraging conclusions. *"There is a large delivery gap in meeting commitments towards the MDG target of addressing the special needs of the least developed countries... [and to provide] more generous official development assistance for countries committed to poverty reduction"* states the report. It also concludes that the total annual flow to LDCs would have to increase on average by \$8.8 billion (at July exchange rates) between 2008 and 2010 in order to reach the target of between 0.15 and 0.20 per cent of each donor's GNI.

The UN's review in implementing the MDGs takes place in the context of global financial instability which has a significant impact on LDCs as well as the rest of the world. The ability of the world's richest nations to find more than \$ 700 billion to subsidize their banks stands in stark contrast not only to their failure to adequately finance their commitments towards achieving the MDGs, but also to the restrictions imposed on LDC governments to support their own institutions.

The MDGs will not be achieved in full if they are not achieved in the LDCs. Failure to achieve the MDGs in these countries will be a failure of the international community to deliver on its

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commitments to the 750 million people living in LDCs – **NO MDGs without LDCs!** LDC Watch calls on the international community, including LDC governments and their development partners, to reaffirm their mutually agreed development commitments and to assure delivery of the following key demands:

- ✓ Critically review the Brussels Programme for a meaningful preparation towards the UN LDCIV in 2011.
- ✓ Increase aid allocations for the provision of basic social services, support for livelihoods and the development of social infrastructure in order to tackle poverty and socio-economic injustices as well as building human and institutional capacities for enhancing productive capacities in the LDCs.
- ✓ Commit to the complete untying of aid so as to enable an increase in its effectiveness.
- ✓ End all conditionalities, including policy prescriptions and structural adjustment reforms that have only exacerbated poverty, undermined sustainable development and increased vulnerability to financial volatility.
- ✓ Increase aid allocations towards the promotion of gender equality and women's empowerment for their meaningful participation in all development processes.
- ✓ Increase aid allocations towards supporting sustainable eco-agricultural systems that ensure food security as well as food sovereignty for small and marginalised farmers. The right to food sovereignty approach is key in addressing the structural causes of hunger and the rising food price crisis.
- ✓ Foster fair and non-discriminatory trade rules linking human development and poverty eradication. Accelerate 100 per cent duty-free and quota-free market access. Ensure that regional and bilateral trade agreements are based on the principle of mutual partnership upholding sovereignty and the rights of countries and peoples.
- ✓ Cancel all multilateral debt. Cancellation should be unconditional and based on the principles of justice and reparation, including recognition of the total illegitimacy of these debts. The various debt relief initiatives, including the joint World Bank-IMF debt sustainability framework, have failed as no debt is logically sustainable. Debt servicing is unjust when done at the expense of social sector expenditure as is the case.
- ✓ Promote good governance embodying transparency, accountability and due policy space in all decision-making processes.
- ✓ Adhere to an integrated climate risk management framework that reduces the ever-growing vulnerability associated with climate change and addresses climate justice. All environmentally degrading projects must be stopped as a first step towards addressing the growing problem of environmental refugees. Total transparency and accountability must be ensured in the planned multi-donor trust fund to combat climate change. It must also fully respect country and local ownership.
- ✓ Recognize civil society as equal partners in development and provide it with due space and support in formulating development policies and in decision-making

LDC Watch believes that globalisation will only work for LDCs if it is based on a pro-poor development model rather than the neo-liberal doctrine which currently exists. We therefore demand a reorientation of the global development paradigm to one which is inherently based on the right to development of all human beings. It is imperative that the global development agenda integrates human development with social justice to achieve our goal of an LDC-free world!

ⁱ The 49 Least Developed Countries (LDCs) are home to about 750 million people in the world. By 2015, this population size is projected to reach 942 million. Of 35 countries that fall in the lowest category of the Human Development Index (HDI), measured in terms of life expectancy, literacy, standard of living and Gross Domestic Product (GDP) per capita, 32 are LDCs.