

**Statement by Ambassador Dr. Dinesh Bhattarai, Permanent Representative of Nepal , on 'Beyond Istanbul- Challenges after the UN LDCs IV and Trade Preferences for LDCs' on 28 June 2011 organized by the CPD, Dhaka, ICTSD, Geneva, OECD and Development Center on June 28, 2011.**

**Mr. Chairman,**

**Co-Panelists,**

**Dear friends,**

I thank the organizers for their kind invitation to this Dialogue Forum to share ideas on the just concluded UN LDCs IV conference and the Program of Action adopted by it.

I consider the dialogue here today as timely to take stock of what came out of the much waited conference after a long preparatory process and what is the now beyond Istanbul.

The Istanbul Programme of Action adopted by the Fourth UN LDC conference is a mutually agreed compact between the least developed countries, the development partners, emerging economies, UN system as well as international organizations including WTO as a whole. It charts out the vision and pathways for the next ten years.

The PoA is a comprehensive, yet realistic and action-oriented and strategically focused on the key concerns and challenges of the LDCs. It calls for a renewed and strengthened partnership with a sense of responsibility and enhanced commitments.

The whole document is guided by 5 objectives, 8 principles and 8 priorities.

The overarching goal of the IPoA as mentioned in paragraph 27 is to overcome structural challenges in order to eradicate poverty, achieve internationally agreed development goals and enable half the number of least developed countries to meet the criteria for graduation by 2020 thus ensure international peace and security, common prosperity, principle of equity and justice around the world.

There are 8 principles underlying the development strategy. They include: a strong focus on Country ownership and leadership, intricate relationship between peace, security, development and human rights, equity, voice and representation of LDCs in international organizations, balanced role of the state and market considerations.

The eight priorities include building productive capacity on infrastructure; energy; science, technology and innovation; private sector development. On human and social development Education and training, Population and primary health; youth

development; Shelter; Water and sanitation; gender equality and empowerment of women; Social protection are included. Climate change and food crises have been recognized as one of the multiple crises and other emerging challenges. The PoA includes domestic resource mobilization; official development assistance; external debt; foreign direct investment; remittances as means of financial resources for development and capacity-building and good governance at all levels.

The review of the BPoA clearly demonstrated that the dismal economic and social context in the LDCs has not improved. This establishes the need for more vigorous and coherent national efforts and international support for the LDCs.

The IPoA makes departures from BPoA in some respects. It focuses on enhancing productive capacities. The major departure from the BPoA has been the comprehensive mid-term review to take place in 2015 with a view to further strengthening and enhancing cooperation and support for the LDCs. There is a commitment for an effective follow up, and monitoring mechanisms at the national, regional and global levels, which are so crucial for the successful implementation of the IPoA.

Some new elements in the IPoA include:

1. Agreement to undertake a study to establish a technology bank for LDCs, the Science Technology and Innovation centre, and International Agricultural Center dedicated to LDCs.
2. There are 10 paragraphs underlining more broadened and specified role to enhance support to LDCs.
3. The role of the private sector, parliaments, civil society and intellectuals has been duly recognized and stressed.
4. PoA recognizes the role of trade in ensuring LDCs' sustainable economic development. Paragraphs 61-64 focus on building trading capacity, market access and resources for trade related infrastructure in LDCs which include: Realize timely Implementation of DFQF on a lasting basis for all LDCs consistent with 2005 Hong Kong Ministerial Declaration, the abolition or reduction of arbitrary or unjustified trade barriers', Enhancing the share of assistance to LDCs in Aid for Trade and support for EIF.
5. Climate change received a new priority focus. There is a commitment for stronger and focused support to build resilience from vulnerabilities and shocks through enhanced level of engagement and cooperation with LDCs that includes: Commitment to support LDCs' efforts to mitigate impacts of economic and financial crisis, Climate financing and commitment to early operationalization of Green Climate Fund.

6. Donor countries commit to fully deliver on promises on ODA by 2015 and further enhance the resources to LDCs thereafter. This commitment, when fulfilled, is expected to double the resources going to LDCs from 38 billion US dollars to almost 70 to 80 billion US dollars by 2015. There is also a commitment to consider further enhancing the resources for the LDCs after 2015.
7. Separate section has been given to South-South cooperation. Whereas the contribution of the South-South cooperation for LDCs' development has been termed as mutually reinforcing partnership, it categorically states that South-South cooperation is not a substitute for, but rather a complement to the North-South cooperation.
8. Ad hoc working group to be set up to review graduation and smooth transition and continue to support the implementation of the transition strategy and avoid any abrupt reductions in financial and technical assistance and should consider extending trade preferences to the graduated country, on a bilateral basis.

The outcome obtained after 5 days of intense negotiations in Istanbul and marathon meetings in New York might appear modest or even marginal with respect to the needs, priorities and concerns of LDCs, but the message from the conference is clear. There are pledges made by the international community and effective monitoring and follow up mechanism has been put in place.

Now that the IPoA is adopted, challenges before us are the translation of commitments into concrete actions. It is necessary to build a road map with clear timelines and responsibilities fixed to work in a close, cooperative, coordinated, and coherent manner for the effective implementation of the IPoA to produce the delivery of commitments. This should be done at all levels- governments, UN agencies, international institutions. Implementation process should aim to further strengthen the partnerships with Parliaments, private sector, intellectuals and civil society. Advocacy, awareness raising and ownership of the IPoA at all levels are needed. The integration of relevant actions of the IPoA into the development cooperation framework of donors is equally important for monitoring, effective implementation and delivery of commitments.

The Conference has the priorities focused, goals clearly spelled out, principles clearly defined, and time frame fixed, what we need is to match the words with actions to make the program relevant to the life of nearly one billion living in LDCs.

The BPoA decade coincided with the first decade of the twenty first century which was characterized by both opportunities and challenges of exceptional nature of a century magnitude. Experience has been that the business as usual is certainly not an option.

There are 126 actions to be taken by LDCs and 100 actions by development partners. Twelve areas have been identified for joint actions. Trade is one of the areas with joint actions, which provide no ground for justification. Doha Development Agenda is not deadlocked because of LDCs. They have done all what was required of them. There is no other way than demonstrating the political commitment and determination to conclude the Doha Round, convert resources into results and commitments into concrete actions to ensure peace, security, progress and prosperity which remain so inextricably interlinked.

UN Secretary General said and I quote 'investing in LDCs is an opportunity for all.' End of quote. IPOA recognizes that "LDCs represent an enormous human and natural resource potential for world economic growth, welfare and prosperity.' It also recognizes that "addressing their special development needs will contribute to the cause of peace, prosperity and sustainable development for all".

This conference has rightly put the issue of the LDCs high on the international agenda. Never before the conditions of the millions of people now nearing billion living in the LDCs occupied so high a place on the agenda of the United Nations, international institutions, governments and NGOs and stressed the imperative need for giving a strategic focus to the concerns and expectations of the LDCs in modern history.

We thank our development partners, the United Nations system particularly the UNCTAD and OHRLLS for their efforts and hard work to bring the LDCs issues to the fore in international forums.

I would like to express our sincere gratitude to our host Turkey for all their commitments and cooperation to the process.

I also thank all others including ICTSD, CPD, OECD, civil society, academia, private sector and the media for their strong support and solidarity with the interests of the LDCs.

In conclusion, I would like to say that:

For LDCs this is not only a transition time from BPoA to IPoA. This is the time of multiple transitions. Numbers of LDCs are making transition from conflict to peaceful democratic process. Development model pursued so far is under question. The primacy of market forces is in trouble. Rampant deregulation is being said as the costly mistake of any government. There are calls for enhancing the role of state to correct market imperfections as the consequences of the global economic crisis on development have

been far and wide. Pressure of population on natural resources is intense. Climate change is real. We face the challenges manifested in heat waves, intense droughts, severe floods, and destructive storms. Recent research reports suggest that conflict is 50% more likely to break out in countries which suffer from drought and food shortages which is yet another reason to fear the devastating impact of climate change.

We may have different interpretation of the Failed State Index 2011 published by the Foreign Policy Magazine just last week, but LDCs figure prominently in this index. The report says that 16 LDCs are in critical zone while most other LDCs are in danger zone, suggesting that the LDCs are in critical need of support in consolidating public institutions, public services and delivering development dividends to their people.

In less than 5 years we reach the end of MDGs. 2015 is also the year for the comprehensive midterm review, implementation, follow-up and monitoring of the PoA. This calls a paradigm shift to bring economic diversification and structural transformation in the LDCs. The continuation of the 20% of the world population controlling 85% of its wealth and only 15% of wealth spreading among 80 of the population is a challenge to the international community.

John F. Kennedy said and I quote, 'If a free society cannot help the many who are poor, it cannot save the few who are rich.' Unquote. That was the time when the concept of vulnerable and poor countries was evolving, How much has changed since then for the poor - is open to us all.

Development for the few and underdevelopment for the many cannot continue in this interdependent world. Searching for solutions to these challenges requires unprecedented level of global cooperation backed by political commitments and determination.

**I thank you.**

