

**Statement by Ambassador Dr. Dinesh Bhattarai, Permanent Representative of Nepal to the UN/WTO at the Committee on Trade and Development- Eighteenth Session on Aid for Trade on agenda item C: Overview of the preparations for the Fourth United Nations Conference on the Least Developed Countries {LDCs} to be held in 2011 in Turkey on 7 December 2010.**

Mr. Chairman,

I thank you for the leadership of the Committee on Trade and Development. We attach great importance to the work of this Committee on the Aid for Trade.

Thank you for this opportunity to present an overview of the preparations for the forthcoming UN LDCs IV in Nepal's capacity as the LDCs group coordinator in the UN system.

I thank the Director General for his statement. I appreciate his recent efforts at the G 20 Seoul and APEC summit meetings to secure commitments to the conclusion of Doha Round and other related activities. I would also like to express our sincere thanks to Director General for his commitment to the LDCs agenda and attention to the forthcoming Fourth UN conference LDCs that is to be scheduled to be held in Istanbul, Turkey from 9-13 May 2011. It is encouraging to see message from G20 Seoul meeting calling for a conclusion of the long delayed Doha Round and recognizing that development of poorer countries which mattered not only for social justice but for the bottom line goal to sustain recovery.

We thank the people and Government of Turkey for their hosting the Fourth UN Conference on LDCs which is exclusively dedicated to the development aspirations of LDCs. We express our deep appreciations for their commitment to make it successful.

Mr. Chairman,

We appreciate the priority the WTO has placed for the implementation of BPOA commitment 5 that is enhancing the role of trade in the development, which can only be realized by the integration of developing, and least developed countries.

LDCs group attaches high importance to the accession of their members to WTO as it provides them an opportunity to integrate into the global trade and economic mainstream and to implement economic and trade reforms. LDCs need technical assistance that is fully aligned with their needs, priorities and aspirations and targeted to overcome structural impediments, economic vulnerability and human capacity weaknesses at various stages of the process including post accession.

Mr. Chairman,

The Brussels Programme of Action {BPoA} underlines the need to strengthen the supply side capacity of the LDCs for integration into the global economy through the provision of financial, technical and others forms of assistance to make them able to be real partners in global trade. Aid for Trade initiative launched at the Hong Kong Ministerial Conference in 2005 is an effort to build supply side capacity and trade related infrastructures to expand trade from developing and LDCs. Since its launching, flows for AfT have been encouraging. We appreciate the contributions from partner countries, donors, regional development banks, regional economic communities and international organisations. There have been two Global Aid for Trade Reviews and third one due early next year is to focus on outcome and impact through monitoring and evaluation exercise. We appreciate WTO role in advocacy, analysis and debate of AfT and the format of each CTD-Aid for Trade session showcasing effective implementation in Aid for Trade Work Programme namely resource mobilization, mainstreaming, implementation, monitoring and evaluation and the private sector.

The LDC Groups places high emphasis on Aid for Trade. We would like to have Aid for Trade Agenda mainstreamed into the UN LDC IV Plan of Action Document.

Mr. Chairman,

Based on what we have from the implementation of BPoA, reviews of two regional meetings in Dhaka and Addis Ababa, several national reviews, national experiences, various publications by United Nations agencies, international organizations and think tanks, performances by the LDCs themselves, ongoing preparatory process and context of current economic and financial developments, LDCs group in Geneva prepared inputs mainly on three themes namely 1. Building productive capacities, 2. Enhancing the role of trade in development, and 3. Mobilizing financial resources, for inclusion in the proposed outcome document for the UN LDCs IV. This document was introduced into the Sub-Committee on LDCs as document {JOB/DEV/9} last month. We urge this house to make it a common agenda for the cause of uplifting the LDCs from the traps of poverty and human deprivations.

LDCs Group in Geneva has been focusing on trade and development issues. Inputs to the Global Coordination Bureau of the LDCs in New York on Aid for Trade among others included following suggestions wherein we have urged **Development Partners to:**

- Ensure that AfT is predictable and additional to Overseas Development Assistance; and over and above EIF resources;
- Accord priority to the AfT projects of the LDCs and ensure that Aid for Trade will be available for projects identified by the recipient governments, particularly in the areas of trade development, trade-related infrastructure, building productive capacity and trade related adjustment;

- Create synergies between AfT and EIF to cater for projects with a regional dimension in order to assist those LDCs that are in regional groupings to effectively address their trade related capacity constraints;
- Create synergies in their monitoring and evaluation mechanisms with initiatives undertaken at the national and regional levels in order to address the disparities in monitoring the aid flows and impact.

We welcome the Director General's commitment to make Aid for Trade additional, predictable and sustainable.

Mr. Chairman,

The meetings organized in this house have provided us opportunities to highlight our long standing concerns and challenges and discuss pressing development needs with the international community. Let me present an overview of preparations for the Fourth United Nations Conference on the LDCs to be held in Turkey in May next year.

I would like to acknowledge the importance of three decades of the support and partnership for development in LDCs. It has been helpful. However, given the enormity of challenges and severity of troubles LDCs are confronting on a daily basis, no substantial achievements have come to be visible through the implementation of successive programs of actions which are loaded with all commitments, goals and targets. The number of LDCs has doubled since the criterion was established in 1971. Only two countries Botswana and Cape Verde, have graduated from LDCs category and three countries Maldives, Samoa and Equatorial Guinea are in pipeline for from graduation next year from the category since the launching of the Brussels Programme of Action.

The 12% of the global population living in the Least developed countries are the poorest and most vulnerable members of the international community. They account only 1% and 0.5% of the global trade in goods and services respectively. 7 LDCs account for 74% of total LDCs' exports. 80% of total exports receipts in LDCs comes from unprocessed primary commodities and extractive industries. This demonstrates that despite deep reforms carried out, and market diversification and structural transformation aimed at, structure and direction of LDCs' trade remains unchanged. LDCs are overwhelmed by transition costs, supply side constraints, stringent market access conditions, inequalities, and most formidable structural problems. This has been further compounded by a series of crises beyond the control of LDCs group.

Mr. Chairman,

A free and fair trade has a vital role to play in socio-economic development. Trade is being termed as the principle guarantee of the peace of the world. Trading

opportunities widen people's choices, reduce poverty and improve human conditions. Trade is to be seen in a holistic manner with other determinants including social development related issues. Linkages among them are mutually reinforcing and deficits in them have developmental implications of trade.

**Let me briefly present updates on preparations of the UN LDCs IV:**

- UN Secretary General has appointed a *Group of Eminent Persons (GEP)* to examine obstacles faced by LDCs to their economic progress and to recommend new paradigm for transforming the least developed countries. The GEP is co-chaired by Mr. Alpha Oumar Konaré, the former President of Mali, and Mr. James Wolfensohn, former President of the World Bank. The Group's nine members come from the world of politics, international finance, the private sector and academia. The members have been selected in view of their high international stature, expertise and strong commitment to global development. The Eminent Persons Group will also be making efforts to raise public awareness and build strong political commitment in support of the LDCs in key areas of interests to the group.
- The *Eminent Persons Group* had its first meeting in New York on 13 October. They provided their perspectives on addressing the key challenges faced by the poorest countries of the world. They concluded that, given the long-standing and wide-spread challenges faced by LDCs, business-as-usual measures will not make any change. The Group stressed that progress in LDCs is vital for global peace and security. The group has therefore called for global solidarity and partnership. The Group will submit its report to the Secretary-General.
- There have been a series of retreat of LDCs Ambassadors here in Geneva and New York to discuss the inputs for the Istanbul Programme of Actions.
- Ministerial Meeting on "*Enhancing the Mobilization of Financial Resources for LDCs' Development*" was held in Lisbon, Portugal, on 2nd and 3rd October 2010. Co-organized by the Government of Portugal and OHRLLS, the Meeting underscored the importance of domestic resource mobilization, improving the quantity and quality of ODA, expanding debt cancellation, attracting FDI to priority sectors of LDCs. All these measures are considered important for sustained economic growth, sustainable development and employment generation.
- UNCTAD has been organizing a series of pre-conference events in a run up to the UN LDCs IV. Prominent among being Ad hoc Expert Meeting of the Secretary General; *High Level Meeting on Building Productive Capacity for Sustained and Inclusive Development*. Trade and Development Board, 49th and 51st Executive Sessions were dedicated to the LDCs issues. UNCTAD LDCs Report 2010 stands as a singular contribution to the UN LDCs IV.
- Under the auspices of the Second Committee of the General Assembly, pre-conference event such as "*Enhanced International Support and Smooth Transition of LDCs towards Graduation*" was organized on 15 October 2010.
- Government of India has generously offered to co-host a Ministerial Meeting on "*Harnessing the Positive Contribution of South-South Cooperation for LDCs' Development*" in February 2011.

- Pre-conference event under the auspices of the UN General Assembly on the theme "*Promoting Universal Access to Basic Services and Building Infrastructure in LDCs for Pro-Poor Development Outcomes*". This topic is an umbrella of social and human dimension of needs comprising, among others, health, education, water and sanitation, energy, and habitat.
- International Expert Group Meeting on Tourism in LDCs organized by UNCTAD in Caen, France on 12-14 October 2010.
- *Science, Technology and Innovation: Setting Priorities, Shaping and Implementing Policies for LDCs*, will be organized jointly by Turkey, UNIDO and the EU Commission in Turkey in November 2010
- *Policy Dialogue on Promoting Democratic Governance for LDC Development: Towards a more inclusive, responsive and capable state* is to take place tomorrow, 8 December 2010 in Geneva. This event is jointly organized by UN OHRLLS and UNDP.
- World Bank will organize an event on *Aid for Trade: Barriers and Opportunities for LDCs* in Geneva on 13 December 2010.
- FAO will organize a pre-conference event on *Enhancing Food Security through Agricultural Development and Access to Food and Nutrition* in New York on 16 December 2010
- UNFCCC is to organize an event on *Climate Change, Climate Variability and Extremes, Land Degradation and Biodiversity Loss: Challenges and Opportunities* in February 2010 in New York,
- Besides intergovernmental track, and inter agencies process, the preparatory process also involves civil society, parliamentarians and the private sector to make the preparatory process and the Conference inclusive. Civil Society Steering Committee was launched on 19 October 2010 in New York. The seven-panel committee is composed of CSOs from all over the world. It will manage the civil society track of the conference and is expected to meet at least four times during the preparatory process. We expect the Committee to undertake campaign in support of LDCs and submit a global report to the UN LDC IV.
- Steering Committee of the Private Sector Track of UN LDC IV was launched on 20 October in New York, with the participation of private sector representatives from Africa, Asia-Pacific and North America and the host country, Turkey. The inclusion of the private sector as a genuine partner into the process of LDC IV Conference is expected to contribute to an effective outcome of the Conference. The meeting has Subcommittees will provide guidance and specific contributions to the organization of the three private sector track events to be held during the conference: 1) Investment & Partnership Summit, 2) Global Business Partnership Forum, and 3) Expo/Trade Fair.
- Inter-Parliamentary Union is expected to organise a *parliamentarian forum* during LDC IV Conference.
- Conference on Investment & Partnership Summit will be organized during the conference in Istanbul. This is expected to be attended by Heads of State and Government and Business Leaders. A Business Forum and a trade Fair are also planned in the private sector track of the process.

There will be two meetings of the intergovernmental preparatory committee in New York to be held from 10 to 14 January 2011, and from 4 to 8 April 2011. Based on the format of the UN LDC III, a ten-member bureau will steer the activities of the PrepCom. Regional groups have been invited to nominate two members from each region. So far, Australia, Bangladesh, Hungary, Finland and Ethiopia have been nominated. Once the members of the Bureau are elected, they will begin the preparations for the PrepCom meetings.

Mr. Chairman,

Since the UN LDCs IV is a major undertaking of the international community exclusively dedicated to the aspirations of LDCs, we urge this house to place high priority and urgency in meeting the pressing needs of the LDCs contained in the document {JOB/DEV/9} that was introduced in the Sub Committee on LDCs.

We look to a renewed and stronger international partnership for result oriented development to make dehumanizing conditions of the people in LDCs little more humane and dignified. The challenges of LDCs do not stand in isolation. The development agenda of the LDCs should be the concern of all of us. The agenda has to be a common issue for all of us, not only from the moral point of view, but also from the point of view of global peace and security and equity. The development of LDCs is about the development of one fourth of the international community that has about a billion people.

We feel that LDCs face the highest cumulative challenges of all groups and which are collectively at the lowest rung of development because of their structural challenges and extreme vulnerability to endogenous and exogenous shocks. We seek your support for our needs and aspirations in an integrated manner.

Development in LDCs is not only a challenge it is also an opportunity to lift about a billion people out of poverty. With dedicated programs, national leadership commitment and stronger and scaled up international partnership, this is doable. Even in the face of general hardships, LDCs have demonstrated their performances by addressing difficult challenges. They include maternal and child mortality, education and agriculture and poverty reduction to some extent. This calls for a concerted and coordinated cooperation and make further progress to work upwards.

The WTO is premier institution in trade debate; we look to its leadership for conclusion of Doha Round that makes the trading regime more development oriented, rule based, non-discriminatory and free and fair. We have been calling for an early conclusion of Doha Development Round with development at the center. The delay has denied development particularly for LDCs. It has also raised concerns about the viability of multilateralism. Since the conclusion of Doha Round is about advancing global partnership and ensuring the predictability of the multilateral

trading system, it is very important to send a message from this house that we can work together in times of crisis and together for a trading regime that is well functioning, universal, rules based, open, non-discriminatory and equitable.

Mr. Chairman,

Majority of the LDCs have a large rural population, about 70 per cent of their population is below the age of 30 years. Agriculture is still the major employer for them. Therefore, there has to be a stronger support for productivity enhancement, support for seed and fertilizer and nutrition for the land and research and extension in a coherent manner to make the agriculture sector more attractive for the young people.

The High Level Plenary meeting on the MDGs of the UNGA has acknowledged significant constraints and structural impediments faced by the LDCs. Given the dire situation in LDCs, there will be no MDGs without LDCs. As the realization of MDGs and other internationally agreed development goals are interconnected to the global partnership development, a MDG- type of heightened attention and focus on the development needs and priorities of LDCs is essential.

I would like to refer to the remarks of UN Secretary General Ban Ki-moon who said at a MDG Summit Side Event on the Least Developed Countries on 21 September 2010 and I quote, 'The LDCs represent the poorest and most vulnerable segment of humanity. They remain at the ***epicenter of the developmental emergency***. They have a special claim on our attention at this Summit and beyond.' unquote. I would like to underline ***developmental emergency***. Development is to be taken in a holistic manner. LDCs thus face an emergency situation in all areas demanding an urgent attention from the international community.

It therefore becomes all the more important that there is a structure to implement Istanbul program of action, and institutional mechanism is put in place for an effective evaluation and monitoring of the implementation.

LDCs group seeks support and cooperation from the international community in realizing its agenda. We are ready to do our part and ensure stronger national commitment and leadership for development. We look to an equally stronger, dedicated and reinvigorated international partnership.

Last but not the least, we would like to thank the EU for their invitation to the Prime Minister of Nepal and appreciate the opportunity provided to address the inaugural session of the European Development Days 2010.

The Prime Minister of Nepal Mr. Madhav Kumar Nepal, in his capacity as the leader of the LDCs group, addressed the inaugural session of the European Development Days 2010 in Brussels on December 6, 2010 and called for a strong international

support to help Least Developed Countries (LDCs), break vicious cycle of poverty and gain a sustainable economic transformation. In his address, the Prime Minister stressed on the need to deliver enhanced official development assistance (ODA), grant an equitable and favorable international trading regime, transfer of technology and redouble international support to tackle food insecurity, infrastructure handicaps and climate change challenges. Jointly organised by European Commission and the Belgian Presidency of the Council of the European Union, the European Development Days 2010 is policy forum to discuss issues in the key areas of international development cooperation.

**Thank you very much for kind attention.**