

**Trade and Development Board, fifty-ninth session**  
Geneva, 17–28 September 2012

**Item 5: UNCTAD's contribution  
to the implementation of the Istanbul  
Programme of Action for LDCs:  
First progress report**

**Speaker: LDC Watch**

**Friday, 21 September 2012**

*Not checked against delivery \**

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**STATEMENT BY DR. ARJUN KARKI, INTERNATIONAL CO-ORDINATOR, TO THE  
FIRST PROGRESS REPORT ON UNCTAD'S CONTRIBUTION TO THE  
IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION FOR THE LDCs**

**21 SEPTEMBER 2012, GENEVA**

Mr. President, Deputy Secretary-General, Ambassador Bairagi,  
Excellencies, colleagues, ladies and gentleman,

I am honoured and pleased to be a part of these important deliberations on the implementation of the Istanbul Programme and I thank you for this opportunity.

We welcome the first progress report by the UNCTAD secretariat on its contribution to the implementation of the Istanbul Programme since its adoption, more than a year back in May 2011. In particular, we have taken note of its conclusions and the way forward. We will continue to value UNCTAD's contribution to LDCs on research and policy analysis, consensus-building and intergovernmental support, and technical cooperation and capacity-building.

From our perspective, it is fundamental that LDCs strengthen their domestic economies, in terms of stronger productive capacities aimed primarily for providing to its peoples' needs. This will lead to stable growth, employment generation, food security, sustainable livelihoods. This will also bolster the target of graduation of at least half of the LDCs by 2020. The dominant export-led and market-centred growth strategy, with the ever expanding deregulation of finances and markets, is against trade for development in LDCs. Trade liberalisation costs Africa alone a massive \$270billion, however, hunger, unemployment, violence, climate catastrophes continue to plague its peoples.

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We urge UNCTAD to promote and support national priorities and national sovereignty in building domestic economies. In this respect, trade and investment policies should be consistent with the development of domestic productive capacity, especially the small- and medium-sized enterprises and local cooperatives, including the formalisation of the informal sector, which is predominant in LDCs. The IPoA target of allocating 10 per cent of national budget for agriculture should be urgently implemented, towards rural development and employment generation targeting the youth, in particular – we have 60 per cent of youth population, 40 per cent of which is unemployed. Sustainable extraction and use of natural resources should be ensured. Foreign investment thus should not undermine domestic economies and foreign companies must adopt internationally agreed principles, agreements and obligations based on universal human rights. Existing free trade and investment agreements including the Aid for Trade initiative should be reviewed and revised, towards genuine trade for development in the LDCs.

UNCTAD should further promote democratically accountable developmental states which will deliver decent employment and social protection floors for our peoples leading to progressive distribution of income and wealth. Additionally, UNCTAD should facilitate global partnership for development, urging development partners to foster trade and investment based on human rights, gender justice, social, economical and environmental justice. In particular, the growing human-induced climate change crisis is affecting the LDCs and developing countries the most, resulting in regular loss and damage to their peoples.

We reiterate our call for urgent delivery of Official Development Assistance (ODA) commitments to LDCs. The Istanbul Programme contains renewed deadline by 2015, for OECD DAC partners to provide 0.15-0.20 per cent of their GNI, however, progress has not been optimistic in this regard. The 2012 MDG Gap Task Force Report which was released yesterday states that the DAC donors reduced bilateral aid to LDCs by 2 per cent in real terms in 2011, while bilateral aid to sub-Saharan Africa fell by almost 1 per cent in 2011, mainly due to the ongoing financial and economic crises. We cannot accept that trillions of dollars can be mobilised for financial bail-outs as well as for massive militarisation while ODA commitments gets compromised. We call our development partners to meet their commitments without any excuse while we call our governments to ensure a progressive taxation system for domestic resource mobilisation. In today's crises times, development finance is imperative to provide for essential services that lead to more fundamental human security.

UNCTAD should also advance consensus-building towards the endorsement and implementation of the principles on promoting responsible sovereign lending and borrowing. Debt continues to burden LDCs despite the HIPC and the MDRI debt relief programmes. In 2009, LDCs paid more than \$8.2 billion to service external debt, almost \$2 billion of which was interest payments. In 2010, UNCTAD reported that there are 10 LDCs in debt distress and 10 at high risk of debt distress. UNCTAD should promote the call for fair and transparent debt resolution mechanisms, debt cancellation initiatives and comprehensive debt audits premised on unjust and illegitimate debt. We have appreciated Norway's unprecedented creditors audit and debt cancellation in this context.

In closing, we would like to emphasize that the global partnership for development for the LDCs should be taken seriously and with due significance as there can be NO development without LDCs. Therefore, in this context, the TDB should also ensure high-level political participation including from the capitals, in deliberations such as we're having today. As mandated by IPoA, LDC Watch would like to reaffirm our commitment towards the implementation of the Istanbul Programme, particularly, keeping the 2015 global mid-term review in the radar. I would like to report that we have already organised regional strategy consultations in Addis Ababa, Africa; Bangkok, Asia; and in Auckland, the Pacific in partnership with the OHRLLS, ECA, ESCAP, UNCTAD and the UNMC. We urge UNCTAD to continue its support in ensuring civil society participation, further promoting and providing capacity enhancement of LDC civil society in order to encourage and ensure democratic development in LDCs. We look forward to strengthening our collaboration and partnership especially, given the forthcoming post-2015 development agenda and the Sustainable Development Goals (SDGs) which are central to LDCs. We reiterate our call to the development community – let's walk the walk towards making LDCs history and a world without LDCs!

Thank you.