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18-19 September 2006

Despite Constraints, LDCs Doing 'Remarkably Well'

UNITED NATIONS, (IPS/UN) When the Third UN Conference on Least Developed Countries (LDCs) took place in May 2001 in Brussels, its Programme of Action (PoA) called for "substantial progress" towards halving the proportion of people living in extreme poverty and hunger in the world's 50 poorest nations.

Under-Secretary-General Anwarul K. Chowdhury, High Representative for the LDCs

■ by Thalif Deen

Five years later, the LDCs have generally grown faster than other developing nations, significantly so if China and India are excluded, while there has also been a decline in conflicts, a critical factor in improving development prospects.

At the same time, the current rate of growth – roughly moving close to the target of 7.0 percent – has not helped reduce extreme poverty and hunger, while the spread of HIV/AIDS is diluting some of the hard-won economic gains.

In an interview with IPS on the eve of a high-level meeting mandated to do a mid-term global review of the PoA, Under-Secretary-General Anwarul K. Chowdhury, High Representative for the Least Developed Countries (LDCs), Landlocked Developing Countries and Small Island Developing States, said: "I believe that during the last five years, the LDCs initiated many reforms and took wide-ranging actions for implementing the commitments they made in the Brussels Programme covering its seven areas of commitments from policy-making to capacity development, to governance, to environment."

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Real Aid Declining

■ by Mithre J. Sandrasagra

UNITED NATIONS (IPS/UN)

Meeting last year in Gleneagles, Scotland, the G8 group of rich countries pledged to prioritize Africa for debt relief, accelerated aid, and increased trade. One year later, most of those initiatives have not bourne fruit. The only part of the programme running according to schedule is debt relief, which can look very good on paper but translates into very little on the ground. Poverty is an affliction of the Least Developed Countries (LDCs), but the solutions to it lie in altering the policies of developed countries.

There has been an increase in the overall aid LDCs over the last few years. But, if debt relief, emergency aid and food aid are excluded from the statistics, "aid to the LDCs has declined," Ambassador Johan L. Lovald, Permanent Representative of Norway to the UN told IPS.

In an interview with IPS, Lovald, who also acted as the Chairman of the Preparatory Meeting of Experts on LDCs ahead of the 61st General Assembly sessions, said:

IPS: As far back as the 1970s, the UN General Assembly urged the world's 22 richest countries to provide 0.7 percent of their gross national product (GNP) as official development assistance (ODA) to developing nations, but only five countries have met this target: Norway, Denmark, Sweden, the Netherlands and Luxembourg. The United States, which spends 0.1 percent of its GNP on aid, has not even provided a timeframe to reach the UN target. What is being done to encourage developed countries to contribute to the LDCs?

Lovald: There is no doubt the LDCs need more and better aid. Norway therefore welcomes the commitments made by most developed countries to increase ODA and the time-bound commitments to reach the agreed UN target of 0.7 per cent of gross national income (GNI). We are also pleased to note an increase in the overall ODA to the LDCs over the last years. However, if we exclude debt relief, emergency aid and food aid from the statistics, the disbursement to the LDCs actually declined. This makes recent initiatives, such as the Commission for Africa and the G8 countries' Partnership for Africa, particularly welcome.

The LDCs are the main beneficiaries of Norway's development assistance. All our main partner countries, seven in total, are LDCs. More than 43 per cent of our bilateral ODA is channelled to LDCs, and we have for many years exceeded the target of 0.7 per cent of

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http://www.ipsterraviva.net/TV/ldcs/en/default.asp
High-level Meeting on the midterm review of the implementation of the Programme of Action for the Least Developed Countries
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Despite Constraints, LDCs Doing "Remarkably Well"

Asked about the successes and failure of the PoA, he said: "The needs of the LDCs are of such magnitude and also because the development process takes a while to bear fruits, it would be inappropriate to term the slow progress in some areas as failures. As a matter of fact, LDCs have done remarkably well in a number of areas given the multifarious impediments that they continue to face because of their structural constraints. The development partners need to encourage the LDCs by providing substantive support. Since Brussels, HIV/AIDS, natural disasters and conflicts have presented additional challenges for these most vulnerable countries."

IPS: Since the creation in 1971 of LDCs as a new category of member states needing special assistance, only one country, Botswana, has graduated. The number of LDCs has also more than doubled since the 1970s. Is this symbolic of the failure of the UN and the international community towards LDCs?

Chowdhury: The doubling of the number of LDCs since the category was created in 1971 is a reality of the global economic and social situation. On the other hand, it must be recognized that the international community, particularly the United Nations system, has given special attention to the LDCs as never before. We should also recognize that quite a few countries have been identified by the General Assembly as well as recommended by the UN Committee for Development Policy (CDP) in recent years for graduation from the list of LDCs. As I said, development is a long process and it takes time to show results.

IPS: As oil prices keep skyrocketing and the global economy is threatened with recession, do you expect more developing nations to join the ranks of LDCs? If so, who are the potential candidates?

Chowdhury: Yes, the oil price hike has seriously affected the economic situation in many of the developing nations, but that should not necessarily result in their immediate inclusion in the ranks of the LDCs. The inclusion is decided by the CDP on the basis of specific criteria that include human assets index that isbased on indicators of nutrition, health, education and adult literacy.

IPS: How many of the LDCs are expected to meet the UN Millennium Development Goals, including eradication of poverty by the 2015 deadline? If not, what are the constraints facing them?

Chowdhury: Not many LDCs, according to the present scorecard, would be meeting all the MDGs by 2015. However, some of them have achieved considerable success in meeting at least the Goals like school enrolment and access to safe drinking water. The main constraints faced by the LDCs are their existing development challenges, particularly the lack of capacity and infrastructure compounded by paucity of resources. All these have been made worse by the HIV/AIDS pandemic, particularly in many of the 34 African LDCs.

IPS: Although Official Development Assistance (ODA) to LDCs doubled between 1999 and 2004 to a record $25 billion, UNCTAD says these increase increases were driven mainly by debt relief and humanitarian emergencies to countries such as Afghanistan and the Democratic Republic of Congo. How valid is this argument?

Chowdhury: Yes, some of the increase in ODA last year could be ascribed to debt relief and humanitarian emergencies. But, I believe that debt relief would release the resources that an LDC would otherwise pay for debt servicing, and that money could be used for poverty reduction and related programmes. An LDC struck by natural or man made disasters always needs special support through humanitarian assistance to cope with the emergencies and restore their countries back to normalcy. So, on both counts, the LDCs have at their disposal additional resources.

IPS: You have made a formal proposal urging oil producing nations to earmark a tiny fraction of their rising income to LDCs. How confident are you of a positive response to this proposal?

Chowdhury: My proposal made at the ECOSOC last July for 10-cents-a-barrel contribution by all major oil producing countries has been welcomed, but no concrete response has been received. We will continue to advocate for this proposal to generate resources for infrastructure development in the LDCs for the next ten years. I am hopeful that some positive results will come out of it. ■

List of Least Developed Countries

Africa

Angola
Benin
Burkina Faso*
Burundi *
Cape Verde**
Central African Republic*
Chad *
Comoros**
Democratic Republic of the Congo
Djibouti
Equatorial Guinea
Eritrea
Ethiopia*
Gambia
Guinea
Guinea-Bissau**
Lesotho*
Liberia
Madagascar
Malawi*
Mali*
Mauritania
Mozambique
Niger*
Rwanda*
São Tomé and Principe**
Senegal
Sierra Leone
Somalia
Sudan
Togo
Uganda*
United Republic of Tanzania
Zambia*

Asia and the Pacific

Afghanistan*
Bangladesh
Bhutan*
Cambodia
Kiribati**
Lao People’s Democratic Republic*
Maldives**
Myanmar
Nepal*
Samoa**
Solomon Islands**
Timor-Lesté**
Tuvalu**
Vanuatu**
Yemen

Latin America and the Caribbean

Haiti**

** Also Landlocked Developing Countries*
*** Also Small Island Developing States*

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Real Aid to LDCs Declining

GNI as ODA for all developing countries as well as the target of allocating 0.2 per cent of GNI as ODA to the LDCs. Furthermore, Norway is aiming to increase ODA to 1 per cent of GNI and beyond during the coming three years. Naturally, we encourage other developed countries to do the same.

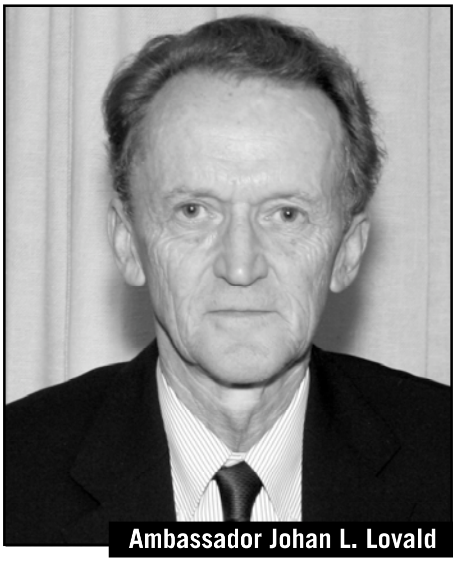
IPS: Is there any hope for the LDCs to reach the MDGs by 2015? What are the major obstacles that LDCs face in reaching the MDGs?

Lovald: Progress has been made by the LDCs themselves, with support from development partners, so I would say we are on the right path on several of the MDGs. However, as it is stated in the Secretary General's report on the midterm review, the LDCs are the least likely countries to reach MDG 1 – Eradicate extreme poverty and hunger. However, the 2001 Brussels Programme of Action (BPoA), gives us clear guidance on the path forward. Furthermore, the midterm review has given us the opportunity to focus on sharing best practices and lessons learned, and to identify obstacles and constraints that have been encountered, and to agree on actions and initiatives to overcome them. The Preparatory Meetings of Experts met in New York on 5-7 September. At the end of the meeting a Draft Declaration concerning the mid-term review was approved and recommended for adoption by the High-level Meeting of the 61st General Assembly. This Draft Declaration represents a consensus by the international community on the way forward and it must be hoped that the High-level meeting will adopt this declaration.

IPS: LDCs efforts to improve their domestic environment through economic and political reforms, as well as international initiatives to grant them duty- and quota-free market access, have not been matched by economic benefits. What can be done to reduce structural weaknesses in the LDCs which prevent them from taking full advantage of economic opportunities?

Lovald: The LDCs need improved market access and further integration into the international trading system. Norway is doing its part in these efforts, and has granted the LDCs duty- and quota-free access to the Norwegian market since 2002. We encourage all other developed countries to follow suit. Advanced developing countries should also contribute to improved market access for the LDCs' exports.

IPS: Beginning in 1981 there have been three high-level meetings on the plight of the LDCs. There have been successes, but



Ambassador Johan L. Lovald

the number of people living in poverty in the LDCs continues to increase. What are your expectations for next week's meeting? Is another meeting planned to further consider this problem?

Lovald: The High Level Meeting is the finale of a long process with started with national and regional reviews. The LDCs have showed leadership in this process and I would like to commend them for their very thorough review, including the elaboration of the Cotonou Strategy for the further implementation of the Brussels Programme of Action. ■

Gains not Matched by Progress Against Poverty

UNITED NATIONS: Despite strong rates of growth since 2001, poverty rates are falling slightly or not at all in the world’s 50 most vulnerable economies, UN Secretary-General Kofi Annan warns in a report prepared for today’s General Assembly focus on the least developed countries (LDCs).

The Secretary-General is urging more investment in the educational and health sectors and attracting investment from overseas that will diversify production and better spread the benefits of economic growth.

The General Assembly High-Level Dialogue is tracking progress of these countries in the five years since world leaders met in Brussels to forge an LDC Programme of Action. Rich nations agreed to boost support through increased aid, trade and debt relief, while governments of the poorest countries pledged governance and economic reforms.

But while the LDCs, as a group, are growing at better than six per cent a year since 2001, the report notes that poverty rates in these countries have not improved substantially and in some cases have worsened.

In particular, the Secretary-General said that improved results will depend on the availability of additional resources, and on the sustained provision of education and health services.

Booming global commodity prices spurred LDC exports, but growth was also aided by reforms in many LDCs, particularly in fiscal and economic management, had led to reduced fiscal deficits, lower inflation rates and reduced external deficits.

Five oil-exporting LDCs have benefited from the surge in oil prices, but the report found that for the other countries, the higher oil prices are now eroding some of the gains made due to higher manufacturing prices and higher prices for non-oil minerals.

Furthermore, continued dependence on the primary commodity sector is hampering progress toward stable, long term development and broad-based job creation, the report says, citing lack of infrastructure and productive capacity required to increase and diversify the production of exports.

Because of slow progress on poverty, these countries are among the least likely to achieve the Millennium Development Goal target of halving the poverty rate by 2015. Least developed country governments nevertheless are credited with paying more attention to health and education, and infant and child mortality rates are declining. There has also been substantial progress toward universal primary education.

Almost all of the LDCs now hold elections and voter participation has been high. At the same time, the number of conflicts afflicting LDCs has decreased, although these countries still account for half of all the UN’s 16 peacekeeping missions.

Least developed countries have benefited from increased international cooperation, according to the report with official development assistance rising by about 75 per cent between 2001 and 2004. Still, although seven countries have met the donor goal for aid of 0.20 per cent of gross national income, the overall level has hovered at around 0.08 per cent although there have been indications of several new significant commitments.

According to the Secretary-General, measures taken to reduce the external debt burden of the LDCs have had an impact and the ratio of debt service to exports of goods and services for these countries has fallen by about half between 1990 and 2004, and efforts to extend debt relief are continuing.

Vulnerable Economies Need Special Treatment

■ by Mithre J. Sandrasagra

UNITED NATIONS (IPS/UN)

The hard facts about hunger and poverty have not changed much over the past 10 years. In some cases the situation has even gotten worse. Only South America and the Caribbean are even approaching the Millennium Development Goals (MDGs) which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, by 2015.

If the current trends continue the world's 50 Least Developed Countries (LDCs) have no chance of meeting the eight MDGs, Edouard Aho-Glele, Minister Counsellor of Benin to the United Nations and Chairman of the Group of LDCs, told IPS.

In an interview with IPS he said:

IPS: Over the next 10 years the number of people living in abject poverty in the LDCs are expected to rise from 370 million to over 470 million, amounting to nearly half the populations of these countries. While other developing countries are making strides forward, the LDCs are sinking deeper into poverty. Is there any chance for the LDCs to reach the MDGs, particularly the MDG of halving extreme poverty by 2015?

Aho-Glele: If the current trends of implementing the LDCs 2001 Brussels Programme of Action continues, we don't have any chance. But, we hope that by taking necessary corrective measures we could overcome obstacles and accelerate implementation of the Programme of Action and reach the targets.

IPS: According to the Secretary General's latest report on LDCs unilateral tariff cuts by developed and developing nations have been of "limited benefit." At the December WTO Ministerial Meeting rich countries agreed to abolish export subsidies on cotton in 2006 and to allow duty- and quota-free imports of cotton from LDCs. This is a step forward, but it is "tempered by the fact that there was no agreement on eliminating the subsidies on domestic production." Do vulnerable economies like LDCs need special treatment within the global trading system?

Minister Counsellor Aho-Glele

Photo: World &I: Innovative Approaches to Peace

Aho-Glele: Sure. It has been agreed on. But, now we do not see any action - specifically by developed countries. We need special attention. We call on developed countries to give more preferences to LDCs, otherwise we will not be able to integrate with the global economy.

IPS: The US insists that food aid must come from the US, be shipped on US carriers, and distributed by agencies like CARE and Catholic Relief Services. As a result, 60 cents out of every aid dollar goes to middlemen for transport, storage, and distribution, according to the think tank Foreign Policy in Focus. Oxfam has lobbied for putting aid money directly into the hands of local farmers rather than handing it out to agricultural and transport corporations. Would your government support this type of grassroots investment in Benin?

Aho-Glele: Yes. We don't mind. We have put in place a programme to address our weaknesses and we don't mind how the assistance will come. As long as we are addressing our needs, we will accept aid.

IPS: How can civil society, the private sector and NGOs be mobilized to focus attention on the plight of the LDCs?

Aho-Glele: When we adopted the Programme of Action we recognized the tremendous role of civil society in its implementation. The way civil society can be engaged is primarily at the national level. We have set up national committees for the implementation of the Programme of Action, and civil society participates. At a global level, there is a global partnership that we are building and this falls under the advocacy role that the Office of the High Representative for LDCs has to play to bring together civil society and the private sector to support LDCs in the implementation of the Programme of Action.

IPS: How is civil society being involved in Benin's development strategy?

Aho-Glele: We regularly organize meetings where we invite civil society to take a role. They are very active in Benin. They are involved in developing the actual projects and programmes on the ground.

IPS: The majority of the populations of LDCs live in rural areas. In Benin, is special attention being paid to reducing rural poverty through agricultural and rural development?

Aho-Glele: Yes. As you know most of Benin is rural. We have been devoting a lot of attention to rural development. Now we are encouraging people to go to rural areas and expand and develop projects. We encourage those who have the means to invite local populations to participate in their projects so that the projects will have a multiplied benefit for the whole country.

IPS: Beginning in 1981 there have been three high-level meetings on the plight of the LDCs. There have been successes, but the number of people living in poverty in the LDCs continues to increase. What are your expectations for High-level Plenary Meeting? Is there a follow-up meeting scheduled?

Aho-Glele: What we will do on the 18th and 19th (of September) is recommit ourselves to the goals and targets of the Programme of Action. In June, in Cotonou, Benin we agreed on a set of measures to accelerate the implementation of the Programme of Action. If these are done properly, then we will meet the mid-term review targets by 2010. We are confident that our partners will join us in accelerating the implementation of the Programme of Action. So far there is no follow-up scheduled. However, the measures agreed upon in June will be closely followed-up. We are calling on the High Representative to make very good use of the Cotonou Strategy so that we will have a concrete result. ■

UN Recognition of the LDCs

Since 1971, the United Nations has denominated "Least Developed Countries" (LDCs) a category of States that are deemed highly disadvantaged in their development process (many of them for geographical reasons), and facing more than other countries the risk of failing to come out of poverty. As such, the LDCs are considered to be in need of the highest degree of attention on the part of the international community.

Three United Nations Conferences on the Least Developed Countries were held in 1981, 1990, and 2001 under the leadership of UNCTAD. The third conference (Brussels, 14-20 May 2001) agreed on the Programme of Action for the Least Developed Countries for the Decade 2001-2010. By periodically reviewing the list of LDCs on the basis of established criteria and highlighting their structural problems in relevant UNCTAD publications, the UN gives a strong signal to the development partners of these countries, and points to the need for special international support measures and concessions in their favour.

At the time of the 2003 review of the list, the following three criteria were used by the UN:

(1) low income, in the light of a three-year average estimate of the gross national income per capita (under $750 for cases of addition to the list, above $900 for cases of graduation);

(2) weak human assets, as measured through a composite Human Assets Index; and

(3) economic vulnerability, as measured through a composite Economic Vulnerability Index. Recognition bythe UN of the particular problems faced by LDCs brought the development partners of these countries, including UN agencies and programmes, to adopt a range of special support measures in their favour. These measures are essentially designed to reduce the competitive disadvantages LDCs suffer from in the global economy; support the development of their physical infrastructure and human resources; and enhance their institutional capacities.

LDC-specific treatment mainly falls under three areas of international cooperation:

(1) in the multilateral trading system, special concessions, such as non-reciprocal market access preferences (e.g. the European Union's "Everything But Arms" initiative), are granted to LDCs;

(2) in the field of development financing, bilateral, regional and multilateral donors and financial institutions are expected to give LDCs specially favourable consideration in their decisions on concessionary financing; and

(3) in the area of technical assistance, priority is given to LDCs under all cooperation programmes of the UN, and bilateral and regional development partners are encouraged to follow the same preferential policy. (UNCTAD Report 2006) ■

Continuing Reviews Of Criteria

The **Committee for Development Policy (CDP)** continues its triennial review of the list of LDCs, in accordance with its mandate from the Economic and Social Council (ECOSOC). The CDP reviews the status of LDCs in the light of established rules under which the focus of attention will be on possible cases of addition to the list on the one hand, and of graduation from LDC status on the other.

The principal elements of the rules are a set of criteria and thresholds for addition or graduation, and an asymmetrical use of the criteria for addition cases and graduation cases. A country will qualify to be added to the list of LDCs if it meets the three established criteria: **low income; weak human assets ; high economic vulnerability** and does not have a population over 75 million.

Subject to its government's approval, the relevant country will be added to the list upon a decision to that effect by the General Assembly.

The last two additions were **Senegal in 2001** (following the 2000 review) and **Timor-Leste in 2003**. A country will qualify for graduation from LDC status if it has met graduation thresholds under at least two of the three criteria in at least two consecutive reviews of the list.

This rule will make **Samoa** a graduation case if the CDP finds that Samoa again meets graduation thresholds as it did in 2003. Graduation from LDC status and the ensuing loss of LDC treatment imply that **durable and undisputed socio-economic progress has taken place**, thereby enabling the relevant country to pursue its development efforts with lesser external support, and without facing the risk of regressing back into the LDC category.

In recent years, much emphasis has been placed by the UN on the importance of preventing any adverse impact of the loss of LDC treatment.

On 20 December 2004, through Resolution 59/209, the UN General Assembly decided that any country that is regarded by ECOSOC, in the light of the CDP's work, as technically qualifying for graduation from LDC status will be granted a three-year grace period before graduation effectively takes place. During that period, the graduating country will be encouraged to agree on a "smooth transition" strategy with its development partners in anticipation of the phasing out of relevant concessions.

The General Assembly, in Resolution 59/210, also of 20 December 2004, decided to consider **Cape Verde** and **Maldives** as graduation cases. The General Assembly subsequently postponed, by three years, the start of the grace period for Maldives because of the devastation caused to the country by the 26 December 2004 tsunami.Whether the effectiveness of structural progress, and therefore the objectivity of graduation can be undisputed when an LDC remains economically highly vulnerable (does not meet the relevant graduation threshold) has been a core issue in the recent debate on graduation and the vulnerability of small island developing States. (UNCTAD 2006) ■

Fraction of Oil Profits Sought for LDCs

■ by Thalif Deen

UNITED NATIONS, (IPS)

The world's 50 poorest nations – ranging from Cape Verde and Haiti to Nepal and Sierra Leone – are turning to the major oil-producing nations for urgently needed assistance for development. Anwarul K. Chowdhury, U.N. under-secretary-general for Least Developed Countries (LDCs), has proposed that oil-producing nations should consider earmarking just 10 cents per barrel from their rising incomes for infrastructure development in LDCs in the next 10 years. "This is a part of our efforts to secure new sources of development finance for LDCs," Chowdhury told IPS. "We need an expressed willingness on the part of producers and companies directly involved in oil production." "If major charities like the Gates Foundation, Bennet Foundation, Turner Foundation and Soros Foundation can decide in recent years to focus on the neediest countries, why not oil producers, whose revenues have multiplied in a big way?" Chowdhury said.

The 50 LDCs, described as the poorest of the world's poor, include 34 countries in Africa, such as Angola, Benin, Burkina Faso, Burundi, Comoros, Malawi, Mali, Liberia, Rwanda and Somalia. As oil incomes generate massive currency reserves in countries like Saudi Arabia, Kuwait, Qatar and Iran, the United Nations says that gross export revenues in the Middle East alone are expected to reach over 400 billion dollars in 2006 compared with 307 billion dollars in 2005. This is based on an average price of about 57 dollars per barrel, according to a U.N. study released last April. But since then, oil prices have hit over 70 dollars per barrel – tripling since 2001. If the world's top 17 oil producing countries – including Algeria, Canada, Venezuela, China, Norway, Mexico, Indonesia and the United States – earmark 10 cents per barrel for LDCs, the amount per month could reach as high as 17.6 million dollars on a total income of 176.6 million dollars, according to a chart prepared by Chowdhury's office.

Chowdhury told IPS there is already a precedent set by the Organisation of Petroleum Exporting Countries (OPEC), whose "remarkable action" in favour of LDCs in the mid-1980s resulted in a decision to "pick up the tab for the contribution of all LDCs to the newly-created Common Fund for Commodities (CFC) based in Amsterdam." He said the OPEC Fund is still continuing to do this. "LDCs already have many un-funded or under-funded infrastructure projects which could be supported by new money, when available," he added. Chowdhury, who made the formal proposal at a recent meeting of the U.N. Economic and Social Council (ECOSOC) in Geneva, is hoping for a positive reaction from oil producers. But there have been no firm commitments so far.

One Arab diplomat told IPS that Qatar, a country rich in oil and gas reserves, initiated a special fund last year to help the 132 members of the Group of 77 developing nations, which includes the 50 LDCs. "But most of the Middle Eastern oil-producing nations are currently preoccupied helping the reconstruction of war-devastated Lebanon," he added. Arun Karki, president of LDC Watch based in Nepal, told IPS he "strongly supports" the proposal made by Chowdhury. "This will help raise a special fund without affecting any other earmarked development funding." He said there should also be other "innovative sources of funding" for LDCs development. "One good example is the current surcharge on airline tickets," he added.

Bill Fletcher, Jr., a visiting professor at Brooklyn College in the City University of New York and former president of TransAfrica Forum, told IPS that in the 1970s, the oil shock devastated many non-oil producing countries in the global South, including some countries that stood in solidarity with the Arab oil embargo of 1973. "This devastation had a long-lasting impact on the living standards in the global South. It is, therefore, correct today to ask of the oil producing countries that they do put aside a certain percentage of oil income to assist development in the global South," he added. Fletcher pointed out that Venezuela's President Hugo Chavez has demonstrated how oil can be a vehicle for

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$11 Billion in Annual Migrant Remittances

UNITED NATIONS (IPS/UN)- The volume of migrant remittances flowing into developing nations has continued to increase over the last few years. In 2005, developing nations received a record $173 billion in terms of migrant worker remittances. And this is only the "official" flow of resources. If the "informal" flow of resources – outside of the international banking system – is taken into account, the amount will be almost double.

"The remittances had the potential to be an important source of development finance," says Anwarul K. Chowdhury, Under-Secretary-General for Least Developed Countries (LDCs). The 50 LDCs, of which 34 are in Africa, have been receiving as much as $11 billion in remittances each year, he said. In some of the smaller LDCs, such as island states like Cape Verde or small land-locked countries like Lesotho, remittances contributed nearly one-third of their gross domestic product (GDP), Chowdhury said.

> "The remittances had the potential to be an important source of development finance"

At the first ever ministerial meeting on remittances held in Benin last February, there was a proposal to establish an "observatory" that would serve as a storehouse for information on remittances and on best practices. The observatory will also provide opportunities for networking among LDCs. Benin, which currently chairs the Group of LDCs, has offered to host the proposed observatory. Both the United Nations and the International Organisation for Migration (IOM) have offered to facilitate the establishment of the observatory.

DRAFT DECLARATION OF THE HIGH-LEVEL MEETING OF THE GENERAL ASSEMBLY ON THE MID-TERM COMPREHENSIVE GLOBAL REVIEW OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE DECADE 2001-2010

The General Assembly,

Having considered the report of the preparatory meeting of the experts of the Mid-Term Comprehensive Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 held in New York from 5 to 7 September 2006; Noting with appreciation the contribution made by the LDCs and their development partners, the United Nations System Organizations, other intergovernmental organizations as well as the non-governmental organizations to the process of the Mid-Term Review of the Brussels Programme of Action; Adopts the following declaration:

We, heads of State and Government and heads of delegations participating in the high-level plenary meeting, held on 18 and 19 September 2006, on the Mid-Term Comprehensive Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010,

1. **Recommit ourselves to meeting the** special needs of the Least Developed Countries by making progress towards the goals of poverty eradication, peace and development through the improvement of the quality of lives of people in LDCs and the strengthening of their abilities to build a better future for themselves and develop their countries as committed to in the Brussels Programme of Action;
2. **Reaffirm that the Programme of** Action for the Least Developed Countries for the Decade 2001-2010 constitutes a fundamental framework for a strong global partnership to accelerate sustained economic growth, sustainable development and poverty eradication in the Least Developed Countries;
3. **Reaffirm also that the primary** responsibility for development in the Least Developed Countries rests with the LDCs themselves. But their efforts need to be given concrete and substantial international support from Governments and International Organizations in a spirit of shared responsibility through genuine partnerships, including with the civil society and private sector;
4. **Support the smooth transition** strategy developed for the graduation of countries from the Least Developed Countries list, and in this regard, affirm the need for the international community to render necessary support to graduating LDCs with a view to avoiding the disruption of their development projects and programmes and allow them to continue developing;
5. **Stress that the internationally agreed** development goals, including the Millennium Development Goals, can be effectively achieved in the Least Developed Countries through, in particular, the timely fulfilment of the seven commitments of the Brussels Programme of Action;
6. **Note that the Brussels Programme of** Action since its adoption has registered some progress in its implementation, while at the same time the overall socio-economic situation in the Least Developed Countries continues to be precarious;
7. **Stress that given the current trends**, many Least Developed Countries are unlikely to achieve the goals and objectives set out in the Brussels Programme of Action;
8. **Emphasize however, that many least** developed countries, with the support of their development partners, have made, despite many difficulties, notable achievements through wide-ranging and far-reaching reforms;
9. **Acknowledge the significant efforts** by development partners in the implementation of the Brussels Programme of Action. Acknowledge also that there is more to be done to implement the Brussels Programme of Action, in particular, in the area of poverty eradication. Recognize that the situation in Least Developed Countries requires continued attention;
10. **Recognize that it is important to** achieve the goals and targets of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 in a timely manner and, in this regard, welcome the elaboration of the Cotonou Strategy for the Further Implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, as contained in document A/61/117, as a Least Developed Countries-led and owned initiative;
11. **Welcome the measures taken by** developed and developing countries as well as by multilateral organizations to promote South-South cooperation and call on them to continue to enhance their resources and efforts for capacity building and development in the Least Developed Countries, including the sharing of best practices in sustainable development of Least Developed Countries;
12. **Call upon the international** community and the United Nations system and agencies to continue to assist with the implementation of the Brussels Programme of Action, taking into account the conclusions of the Mid-Term Comprehensive Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010;
13. **Invite the Economic and Social** Council to continue to ensure the annual review of the implementation of the Brussels Programme of Action, taking into account the concrete and quantifiable achievements made in the realization of the agreed objectives.

Rising Oil-Fuelled Growth Rates in Angola, Chad & Sudan

UNITED NATIONS (IPS/UN)

The rising oil prices in the world market have also had a beneficial effect on at least three of the five oil producing LDCs: Angola, Chad and Sudan. According to statistics compiled by the UN Conference on Trade and Development (UNCTAD), Chad's real gross domestic product (GDP) rose from 11.3 percent in 2003 to 31.0 percent in 2004; Angola (3.4 to 11.2); and Sudan (a steady 6.0 percent in both years). Of the other two oil producing LDCs, Equatorial Guinea averaged 12.3 percent in 2002-2004, although its GDP declined from 14.7 in 2003 to 10.0 in 2004. In the case of Yemen, which averaged 2.9 percent in 2002-2004, its real GDP declined from 3.1 in 2003 to 2.7 percent in 2004. ■

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Fraction of Oil Profits Sought for LDCs

support rather than strangulation. "At the same time we must recognise that it is the largely the oil companies that must be scrutinised. The massive profits they have gained in the last year – as prices continued to increase – demonstrate the completely amoral attitude that oil companies take toward the world's peoples and issues of energy necessity," he added. Most political parties and institutions will rhetorically go after the oil companies but shy away from any significant practical steps to recoup even a portion of the massive gains that these companies have secured, he said.

Anuradha Mittal of the Oakland Institute said that hunger and poverty in poorer nations is really a paradox in a world of plenty. "The latest U.N. proposal for oil-producing nations to earmark a mere 10 cents per barrel for infrastructure development in the LDCs is an attempt to address growing inequities. However, one has to be cautious given the past record," she told IPS. As far back as the 1970s, the U.N. General Assembly urged the world's 22 richest countries to provide 0.7 percent of their gross national product (GNP) as overseas development assistance (ODA) to developing nations, but only five countries have met this target: Norway, Denmark, Sweden, the Netherlands and Luxembourg. She said the United States, which spends 0.1 percent of its GNP on aid, has not even provided a timeframe to reach the U.N. target, or set goals for interim targets, putting Washington last among the 22 major nations. Also, aid as a fraction of rich country income is not a meaningful measure of the adequacy of aid flows. "It would be far better to estimate aid needs by starting on the recipient side with a meaningful model of how aid affects development," she added.

Meanwhile, in report to the next session of the General Assembly in September, U.N. Secretary-General Kofi Annan says that despite improved economic performance, "Extreme poverty appears to be decreasing in very few of the LDCs, and increasing in many." "In unprecedented reversal of historical trends, life expectancy is declining in several LDCs, most affected by HIV/AIDS and civil strife." He also points out that climate change is emerging as "a new challenge to sustainable development of the LDCs, in particular those in Africa and the small islands." Prepared by the Geneva-based U.N. Conference on Trade and Development, the 27-page report says that most LDCs are constrained by many factors: structural weaknesses of their economies; limited human, institutional, technical, trade and productive capacity; inadequate infrastructure and unsustainable external debt. ■

Seven Commitments of Brussels Programme of Action for LDCs

1. Fostering a people-centered policy framework;
2. Good governance at national and international levels;
3. Building human and institutional capacities;
4. Building productive capacities to make globalization work for LDCs;
5. Enhancing the role of trade in development;
6. Reducing vulnerability and protecting the environment and
7. Mobilizing financial resources.

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