



Good News Agency

Weekly - Year V, number 12 - 1st October 2004
Managing Editor: Sergio Tripi, Ph. D.
Rome Law-court registration no. 265 dated 20 June 2000
<http://www.goodnewsagency.org>

Good News Agency carries positive and constructive news from all over the world relating to voluntary work, the work of the United Nations, non governmental organizations, and institutions engaged in improving the quality of life – news that doesn't "burn out" in the space of a day. Editorial research by Fabio Gatti. Good News Agency is published in English on one Friday and in Italian the next. It is distributed free of charge through Internet to the editorial offices of more than **3,700 media in 48 countries, as well as to 2,500 NGOs and service associations.**

It is a service of *Associazione Culturale dei Triangoli e della Buona Volontà Mondiale*, NGO **associated with the United Nations Department of Public Information**. The Association has been **recognized by UNESCO** as "an actor of the global movement for a culture of peace" and it has been included as an international organization in the web site <http://www3.unesco.org/iycp/>

Interview with Mr. Anwarul K. Chowdhury, United Nations Under-Secretary-General and High Representative for the Least Developed Countries (LDC), Landlocked Developing Countries (LLDC) and Small Island Developing States (SIDS)

Good News Agency: The International Conference on Financing for Development in Monterrey (March 2002) aimed at providing a base for establishing an era of new partnerships "with shared responsibilities and mutual accountability." How would you describe the progress of this perception among the leaders and the people of the least developed countries and its translation into reality?

Anwarul K. Chowdhury: I believe that this conference on Financing for Development (which resulted in what is known as the Monterrey Consensus) brought in a significant dimension in partnership. It re-established the notion that *without partnership, global development cannot take place*; and also that partnership is essential for the Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS).

Secondly, it has shown that the countries also need to look beyond traditional areas earlier considered relevant for development. In that context, the most important element which emerged very strongly in Monterrey was the issue of *good governance*. This means it is no longer only a "one way street" of Official Development Assistance (ODA) going to the developing countries. It is very necessary that developing countries take steps to put "their house in order," to follow the right path, to make their systems more accountable and transparent, and to fight corruption. This will enable these countries to make the best use of the resources they have received. In the process of implementing the Monterrey Consensus, we really need to see that there is a *genuine desire to implement commitments made*.

Are the industrial and developing countries fulfilling their ODA commitments?

Some commitments made in Monterrey are being reflected, though partially, in a slight increase in ODA. For the first time, in 2003 ODA showed an increase, and that is wonderful. ODA in 2003 reached a figure of

US\$68.5 billion. This is a very positive sign of countries fulfilling their ODA commitments. And within this larger figure – ODA for the LDCs has increased from US\$12 billion in 2002 to US\$15 billion in 2003.

While this is a very encouraging sign, ODA -- while it is very essential-- *by itself* will not contribute to development. We need to *develop capacity*. The capacity to utilize and absorb the assistance and the capacity for sustainability are key factors. These countries must have the necessary skills, capacity and infrastructure to develop on their own. All of these elements are needed to create the right conditions. ODA can then be a boon.

The other important factor in the context of development is whether developing countries have been able to arrange their governance structures appropriately. Governance issues also are important not only in the national context but also in the global context. We must assure that global decision-making is more democratic and participatory. The recipient developing countries should be assured substantial input into decisions affecting their own countries and their development. This will increase their capacity to absorb external shocks, because one of the indicators defining an LDC is its vulnerability to absorb drastic changes.

It is rather early to say whether Monterrey is making progress, but indications of progress are visible. Monterrey emphasized global partnerships for development in a much more focused way; in a way that was meaningful and practical. If implemented, this will result in enhanced development.

While ODA in 2002 had made some modest gain, these gains had been more than offset by the largest-ever net resource transfer from the developing to the developed world over the same year by US\$200 billion. “If what we say about financing for development is not to ring hollow, if financing for development means anything, we must reverse the negative balance sheet and fix the system so that all countries, and all people, especially the poorest, can benefit,” commented the U.N. Secretary-General, Kofi Annan. How does this negative balance hit the LDCs, the LLDCs and the SIDS, and what ways do you see as viable in the medium term to reverse this?

This is an aspect of resource transfer that has not been emphasized. When we find that ODA is declining and there is no progress on debt cancellation – it creates a problem. There are many reasons for this, and the Secretary-General Kofi Annan has very rightly emphasized how necessary it is that this flow be reversed. This can be done in several ways. Most important is the cancellation of debt for the LDCs. They are spending more for debt service than for their own commodity export. We are putting more and more responsibilities on the LDCs' shoulders to shape up their governance structures, to devote more resources, for education, health and empowerment of people, etc., *but instead of providing them with more resources the developed world is removing those resources!* So it is very necessary that the debt for these 50 LDCs – and all of them are not heavily indebted, though most are – be cancelled once and for all; so they can utilize their export earnings for development purposes.

The other aspect would be to encourage increased foreign investment in the private sector -- Foreign Direct Investment (FDI). The report by UNCTAD has for the first time demonstrated an increase in FDI in the developing countries – *this can contribute to the reversing of the flow.*

Another factor would be to open up markets of the industrial countries and of the developing countries, specifically the LDCs. They can get a better deal on their exportable products if the markets are open and if there is duty- and quota-free access, not only in the industrial but also in the *other* developing countries. There are potentials for doubling, tripling, quadrupling the international resources and export earnings through these new markets! The developing countries face more trade barriers from other developing countries than they face from developed countries.

So what is the role of the Office of the High Representative?

The role of my office is to highlight the need to provide new trade opportunities for the LDCs; to give them totally duty-free and quota-free access. The LDCs have a very minor share of world trade -- less than half a per cent. To provide them markets would not disrupt world trade in any way. That is what we have been lobbying about – to give the developing countries more market access, cancel their debts, and increase Foreign Direct Investment. All these strategies would have an effect on reversing the flow.

Our statistics show **an increase for the first time in ODA**. Member countries of the OECD's Development Assistance Committee (DAC) increased their official development assistance to developing countries by 3% in real terms from 2002 to 2003, following a 7% real increase between 2001 and 2002. These “real terms” data are adjusted both for inflation and for the large fluctuations in exchange rates over

the past two years. Total Development Assistance Committee ODA reached US\$68.5 billion in 2003. *This is the highest-level increase ever both in nominal and real terms.* This 2003 total represented 0.25% of DAC members' combined gross national income, up from 0.23% in 2002 and 0.22% in 2001. **So in real terms we have experienced a US\$2.3 billion rise in 2003.**

How has this ODA been distributed?

Some of this assistance has gone to two conflict-ridden countries -- Afghanistan and Iraq. So much of that assistance is post-conflict assistance for nation building and categorized as ODA. You'll remember the United States promised US\$5 billion extra for the next five years – and that has now been put into “The Millennium Challenge Account,” providing US\$1 billion per year for five years. Recently 16 Countries were identified to receive the resources from this Account. Of these, eight are LDCs so our Office is pleased. We feel that our advocacy efforts are paying off.

In terms of ODA, LDCs get priority for two reasons – they form a “group” based upon their economic and social development situations and because of their structural inadequacies for having sustained development. The other point for which LDCs are the focus is that out of 31 Landlocked Developing Countries, there are 16 LDCs. So there is an overlap; and out of 42 Small Island Developing States, 12 are also Least Developed Countries.

To impact this resource reversal, debt cancellation is the first priority. The debts must be cancelled, and we should ensure that these developing countries do not incur future debt. They should be bound by certain disciplines that will require them not to incur new debt. This will require some structural changes within their societies and also the commitment of their development partners to see to it that they have the resources they need to improve the lives of their people.

ODA has been increasing even though much of this funding goes to fight the war on terror. The Secretary-General has said that the war on terror, while necessary and relevant to make the world secure and peaceful, should not lead to the diversion of resources already committed to development.

Which of the Millennium Development Goals that all U.N. Member States have pledged to reach by 2015 are the most critical for the LDCs, the LLDCs and the SIDS, and which are the main programmes that have the highest potential to reach these goals or at least to get significantly closer to them?

For the LDCs, the most important is goal number one, which is the Poverty Reduction Goal. On the basis of the reduction of poverty, will depend on how these countries will advance in other areas of development. That is why I believe that poverty reduction is very important. Out of these eight Millennium Development Goals seven are the responsibilities of the developing countries; and Goal Eight, which speaks about Partnership, brings in the industrial countries. Even Goal Eight mentions the needs of the LDCs in a very clear, targeted way. It says that the needs of the LDCs for more ODA, FDI and market access must be addressed by development partners. So that's why for the LDCs, Goals One and Eight are the most important.

Poverty reduction is difficult for many of the LDCs. However, in terms of the other Millennium Development Goals, such as those addressing infant and maternal mortality, serious efforts are being made and in these areas we can show very substantive progress at the end of the Millennium target year, 2015.

The international community is becoming increasingly aware that the achievement of the Millennium Development Goals is a crucial passage to our sustainable future on this planet. In the LDCs, LLDCs and the SIDS, what is the present role of NGOs in this respect, and are plans underway to enhance recognition of their roles with the aim of increasing their influence in the decision-making and implementation processes?

The LDCs have a Programme of Action called the “Brussels Programme” which covers the period from 2001 to 2010. For the Landlocked countries at a Conference last year in Kazakhstan, we adopted “the Almaty Programme of Action.” And then, for the Small Island Developing States, we adopted “the Barbados Programme of Action” in 1994, and in January 2004 we are going to have a 10 Year Review at an International Meeting in Mauritius. These are the three Programmes that had highlighted clearly the role and involvement of NGOs and the support these most vulnerable countries can get from civil society organizations.

Support for NGOs is a major area of emphasis for our Office. We believe that without NGOs many of the programmes and activities within the LDCs will not make much headway. They participated in the Brussels Programme design, and now it is very necessary that they participate in its implementation. NGOs are able to help LDCs in two ways: first, through national level support to the government or to their own fellow organizations to promote development programmes; and second, they can be global advocates for the LDCs. We work very closely with NGOs.

Our Office has regular contacts with NGO groups and caucuses within the UN. We work also with academic and educational institutions to highlight the cause of the LDCs and with caucuses of NGOs. I believe that without the spearheading of the NGOs in the development programmes in the LDCs, progress would be slow. Last year in Geneva when the Brussels Programme was taken up by ECOSOC for review, the NGOs had significant input and we involved them in the process in a big way. In Geneva there was an NGO pre-discussion event, and we involved them in the participatory level during the 2004 ECOSOC to discuss the resource needs of the LDCs. Public-Private Alliances are key factors in involving NGOs. The first Public-Private Partnership for rural development has been started in Madagascar, an LDC. It is a good opportunity to show that such a Public-Private Alliance can work.

In view of the International Meeting to Review the Implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States from 10 to 14 January 2005 in Mauritius, what ways do you see as viable to mobilize the international community, and what role could civil society play in this process?

It is very important to focus global attention on the Small Island Developing States. The Barbados Programme was adopted 10 years ago. During the course of this decade the attention to SIDS has declined. We need to bring back international attention, and to achieve this we are working with these governments as well as with the media, NGOs, academic institutions, etc., to highlight their needs.

It is very necessary that we prioritize the 14 Priorities of the Barbados Programme; the 14 points for implementation. We've made progress, but it's not broad enough to make a difference without prioritizing. Another very important element in the implementation of Barbados is an effective follow-up and monitoring mechanism at the country level. Many of them have not even taken up the issues or done the follow-up in their own national contexts. It is very necessary that they realize that without such an effort on their part the response from development partners may not be very positive.

For the SIDS there exists a tremendous opportunity for South-South cooperation amongst themselves, as these countries can benefit from one another's experience and be supportive. Civil society for the Barbados Programme has a major role because NGOs are very vocal in many international fora, and speak for the concerns of these countries -- on sea-level rise, climate change, global warming, etc. The SIDS are also confronting the pandemic of HIV/AIDS and the fear of international terrorism. Most of these countries are idyllic, but also vulnerable to natural disasters. Now with their threat of international terrorism, it has become very expensive for them to undertake broad-based development efforts.

Do you think it is possible that the increased knowledge of NGOs' roles and work on the part of public opinion can trigger an increased positive influence on governments' decisions regarding their allocation of resources for bilateral as well as multilateral programmes of development cooperation?

It is very necessary to understand that NGOs are an indispensable partner in the implementation process of the outcomes of all major UN conferences. NGOs have been very well organized in terms of preparing for these conferences. They have been effective in organizing lobbies and advocating for these causes and can be equally effective if not *more* in implementing the outcomes of these conferences. The role of NGOs should be understood globally and internationally and I believe that active NGO groups at the national level can surely influence government policies in a positive way. NGOs have a strong role to play in advocacy -- both in their own countries and outside, for the LDCs. They have been lobbying very hard for the LDCs in their respective countries and working with their governments to reflect in their ODA policies a larger share of development assistance for the least developed countries.

* * * * *