Statement

by

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introducing the report of the Secretary-General
on

“Implementation of the Programme of Action
for the Least Developed Countries
for the Decade 2001-2010

at the general segment
of the
2006 substantive session of ECOSOC
under agenda item 6(b)
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Geneva, 20 July 2006
Mr. Chairman, distinguished delegates:

I am pleased to introduce the fourth annual progress report of the Secretary-General on the implementation of the Brussels Programme of Action of the Least Developed Countries (LDCs) for the Decade 2001-2010, as envisaged in the Programme and in accordance with relevant UNGA and ECOSOC resolutions which requested a results oriented and analytical report.

This year’s report contained in document A/61/82- E/2006/74 has made an effort to include updated refined country-specific statistical data as much was available. In addition to this annual progress report, my office is also preparing a comprehensive report of the Secretary-General, requested by member-states in GA resolution 60/228, as an input to the High-Level Meeting of the UN General Assembly on the midterm comprehensive global review of the implementation of the Brussels Programme in New York on 18 and 19 September 2006.

The Programme of Action of the Least Developed Countries is a comprehensive poverty reduction and development strategy tailored to the special needs of LDCs. It was designed as a framework of partnership between LDCs and their development partners and is the foremost results-oriented programme which includes 30 international development goals, including those contained in the Millennium Declaration. These time bound and measurable goals not only provide benchmarks for monitoring progress, they also serve as an effective means for planning, policymaking, institutional reform, and resource mobilization.

In recent years, the LDCs have benefited from better economic performance. In the Brussels Programme, the LDCs committed themselves to reach an annual 7 per cent GDP target. The fourth annual report of the Secretary-General shows that during 2001-2004 the LDCs grew at the average annual GDP growth rate of 5.5 per cent - much faster than during the period 1996-2000 and almost at their double average annual growth rate in 1990-1995.

However, this growth largely driven by the high demand for extractive commodities has not resulted in meaningful reduction of extreme poverty in LDCs. The report suggests that extreme poverty has been decreasing in few LDCs and increasing in many. In almost half of LDCs over 50 per cent of population lives in extreme poverty.

Some progress has been made to reduce the proportion of people suffering from hunger but rates of undernourishment remain a major concern.

Proportion of population suffering from hunger has been extremely high in countries emerging from conflict such as Eritrea (73 per cent), Democratic Republic of Congo (72 per cent) and Burundi (67 per cent).
Civil conflict, extreme poverty, inadequate nutrition and HIV/AIDS combined have led to the decline of life expectancy in one-third of LDC. Especially dramatic has been the decrease by 21 years of life expectancy in Lesotho.

In Haiti, the only LDC in the Western hemisphere life expectancy has declined by 18 years in the last three years.

Other social indicators, however, are improving thanks to the determined efforts by the LDCs with direct support from the international community. Most LDCs are making good progress on universal enrollment and gender equality in primary education. HIV/AIDS incidence rates in most affected LDCs have begun to decline, as a result of effective policy and programme interventions, but TB infection cases have increased due to the weakened human immune system caused by HIV infection. Significant investments in HIV/AIDS prevention and treatment programmes are needed to consolidate this emerging trend.

Some progress has been also made in the increase of the volumes of the Official Development Assistance (ODA) and untying aid to LDCs. The announcements by the European Union and other donors of their time-bound schedules for ODA increase would enhance the achievement of the Brussels ODA targets for LDCs.

The agreement reached in 2005 in Paris on ownership, harmonization, alignment, results and mutual accountability holds promises to further improve aid effectiveness.

Substantive LDC participation at high level at this Paris forum has been positive. Thirteen LDCs have been approved and were to receive 100 per cent debt cancellation from 1 July 2006 under the Multilateral Debt Relief Initiative agreed at the G-8 Summit in Gleneagles and nine more LDCs are in the pipeline for similar cancellation.

The agreement reached at the Hong Kong WTO Ministerial Conference for the duty-free and quota-free market access for LDCs, with a 97 per cent target of products of LDCs by 2008, was also a step forward.

Redeeming these promises on ODA, debt relief and market access is crucial for achieving in a significant way the objectives of the Brussels Programme.

In addition, considerable attention was being given recently to new and innovative efforts for mobilization of resources for LDCs.

The LDCs Ministerial Conference in Cotonou on the development impact of remittances underscored the positive dimensions of migrants’ remittances that constitute a significant share of GDP in a good number of LDCs, on poverty reduction at the household, community and national levels. The initiative on instituting airline surcharges in some countries, supported by a number of LDCs, has already started bearing results.
Keeping in mind the needs of LDCs and given the steep rise in oil revenues, another potential opportunity could be the decision to contribute ten cents per barrel produced worldwide for infrastructure development in LDCs for the next ten years.

Another area of progress in the past year has been the serious efforts made by LDCs to address the critical issues of governance and the UN system’s support in this regard has yielded positive results.

The Secretary-General’s report identifies obstacles, constraints and emerging challenges to the implementation of the Programme. It emphasizes that effective implementation of the Brussels Programme requires strengthening country ownership, genuine partnership, an integrated approach, market consideration and results-orientation.

The report also contains in paragraphs 78 to 101 a number of specific policy recommendations to the LDCs and their development partners to enhance the implementation of the Programme in various areas. It concludes by emphasizing that effective implementation of the Brussels Programme is not possible without addressing the gender issues in poverty reduction and national development strategies of the LDCs.