

## LDC5 -Civil Society Forum

“From Commitments to Action “

Doha 4-9 March, 2023

### **High level official opening**

#### **Remarks by Jane Nalunga; SEATINI-Uganda/LDC Watch**

1. Your Excellency Csaba Koros, the President of the UN General Assembly
2. Your Excellency Soltan Bin Saad Al- Muraikhi , State Minister of Foreign Affairs of the State of Qatar
3. Distinguished Ministers, Diplomats, Members of Parliament and government officials
4. The CSO fraternity, the 4<sup>th</sup> Estate,

Ladies and Gentlemen.

We recognize and welcome the efforts by the UN to address the plight of the LDCs. The UN has been steadfast in supporting LDCs and championing their development cause through the SDGs and the UN LDC Programmes of Action since 1981. Many commitments geared towards graduating the LDCs to developing country status have been made in all the Programmes of Action. However, most of the commitments both under the SDGs and the Programmes of Action have remained largely unimplemented as evidenced by the increasing vulnerability and marginalization of LDCs.

Today we meet in Doha for the 5<sup>th</sup> UN Conference on the LDCs. When the LDC category was coined in 1971, there were only 26 LDCs. Today, there are 46 LDCs accounting for 14 % of the World’s population but comprising of 50% of the world’s extreme poor. Extreme poverty in LDCs increased before the Covid Pandemic from 340 Million in 2010 to 349 million 2018 ( [www.UN.ORG/LDC5](http://www.UN.ORG/LDC5)). At the same time, inequalities within LDCs and between LDCs and developed countries have continued to deepen. Since the Covid pandemic, the many crises i.e. Covid pandemic, climate change, famine, drought, Ukraine war, debt among others have

exasperated the long standing structural and systemic challenges in LDCs. This is due to internal productive capacity constraints among LDCs and an unsupportive global trade and financial system. The fact that LDCs are integrated into the global economy as suppliers of raw materials and importers of finished products has further led to challenges such as trade deficits, increasing debt burden, jobless growth and destitution of the people, especially the most vulnerable i.e. the youth and women in rural areas. Ironically, Africa, which is home to 33 out of 46 LDCs continues to experience a hemorrhage of \$50 billion per annum through Illicit Financial Flows. It should be noted that although there are some countries that have graduated from the LDC category, majority of them are still fragile and not ready to forego the preferences granted to LDCs.

The debt burden is becoming unsustainable in most LDCs; 6 LDCs are today classified as in debt distress while 17 LDCs are at high risk of debt distress. Most LDCs are spending over 40% of their tax collections to service their loans at the expense of provision of the much-needed social services. The austerity measures prescribed by International Financial Institutions have triggered commodification of essential services e.g. health, education and sanitation as governments have been forced to reduce their expenditure on such welfare services. The commodification of social services is making it hard for the most marginalized global citizens to access such basic social services.

The DPOA represents a new generation of commitments to recalibrate global efforts to achieve sustainable and inclusive recovery from the effects of the Covid pandemic and the other ongoing man-made crises. The challenge is great but surmountable if we all work together. This should not be a missed opportunity.

The question remains: how do we move forward to ensure that no one is left behind?

The DPoA commits “to promoting policy coherence and coordination of international financial, trade and development institutions, processes and mechanisms, taking into account the diverse and special development needs and challenges of least developed countries.” It also emphasizes Human Rights and “core international human rights instruments... transparency and accountability.”

However, current global trade and financial rules run counter to this commitment and the commitments made in the SDGs. These rules most often undermine gender, economic, social and climate justice.

SDG 17 is also clear on strengthening the means of implementation and revitalizing the Global Partnership for Sustainable Development. SDG 17 has critical targets which, if fully implemented, would end such crises. Such targets include: assisting LDCs achieve debt sustainability; knowledge sharing and cooperation for access to science, technology and innovation; promote a universal, rules-based, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda; removing trade barriers for LDCs and enhancing policy coherence for sustainable development among others.

However, these voluntary commitments under SDGs have been largely watered down under binding processes in Free Trade Agreements (FTAs), Bilateral Investment Treaties (BITs) and the World Trade Organisation (WTO), which are often shaped by rigged rules and power asymmetries.

Therefore, there is an urgent need for a fundamental transformation of the global trading system to support structural transformation among all LDCs, facilitate food sovereignty, decent jobs, equitable access to medicine, poverty eradication and women's economic empowerment.

The global financial architecture also needs an overhaul in order to put the needs of LDCs first e.g., promoting access to social services by the most marginalized and plugging a hemorrhage of resources from LDCs through tackling IFFs. There is a need for new mechanisms to finance sustainable development given the decreasing ODA and FDI the challenges surrounding the SDRs.

The global trade and financial systems must also provide the much-needed policy space for the LDCs to put in place development-oriented policies. The systems must be democratized by being more transparent and inclusive; and must balance the rights and obligations of governments, the people and the environment on the one hand, and the corporations on the other. Today the trade and financial rules are tilted in favor of the corporations. The shift will necessitate rethinking the extractivist model of development, that equates economic growth to development.

We are meeting in Doha after 10 year when the Doha Development Agenda was launched, and at a time when we are halfway the timeframe of the SDGs. The Doha Development Agenda (DDA) has not been implemented despite the commitments in the SDGs and the DPOA. The DPOA and the DDA are intrinsically related as the achievement of the DPoA will depend on the full implementation of the Doha Development Agenda.

Given the unsustainable levels of indebtness in many LDCs, the Debt Architecture must be reformed to make it more inclusive and transparent and should be informed by principles of responsible lending and responsible borrowing.

Peace and security are part and parcel of the 2030 agenda and the DPoA and intrinsically related to sustainable development. However, ½ of the LDCs are in Conflict and even the other ½ there is frequently economic and social violence. ( [WWW.UN.ORG/LDC5](http://WWW.UN.ORG/LDC5)) Wars and conflict affect women and children more. Therefore, a commitment to world peace in all its forms should be backed up with practical steps to silencing the guns, combating illegal trade in fire-arms and rehabilitating war victims.

For the next 4 days, through plenaries, round table discussions and side meetings, the CSO fraternity will analyse deeper the challenges facing the LDCs in specific areas of development, provide solutions and also put forward concrete proposals on the effective implementation of the DPoA.

The implementation of the DPoA should not be left to the LDCs only but the global community, the development partners, multilateral institution, private sector/corporations, Civil society should all embrace and implement the DPoA commitments. The Role of the Civil society in supporting the implementation of the DPOA and the SDGs (both of which are supposed to end in 2030) cannot be overemphasized. There must be strong monitoring mechanisms at the global, regional and national levels. Last but not least, the UN and its agencies especially, the OHRLLS (Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States). Should be strengthened to effectively support the implementation of the DPoA

Thank you.