

## Statement on behalf of the Least Developed Countries (LDCs)

by

## Her Excellency Ismat Jahan Ambassador and Permanent Representative

at

at the high level segment of CSD-16 on "the way forward"

New York, 14 May 2008

PERMANENT MISSION OF BANGLADESH TO THE UNITED NATIONS

227 East, 45th Street, 14th Floor, New York, NY 10017 Tel: (212) 867-3434 • Fax: (212) 972-4038 • E-mail: bangladesh@un.int web site: <a href="www.un.int/bangladesh">www.un.int/bangladesh</a>

## Mr. Chairman,

I have the honour to speak on behalf of the Least Developed Countries. The Group aligns itself with the statement of G77 and China.

- 2. The CSD-16 is taking place at a critical juncture. After several years of robust growth, the world economy is now facing significant uncertainties. Unprecedented oil price increase, soaring food prices and the climate change are three major banes of our time. The already existing global imbalances coupled with these emerging challenges have threatened to unravel the progress of the past decade. Unless urgent and determined action is taken, the gains in economic growth, poverty reduction and human development would be reversed in many LDCs, which comprise a group of 49 most underprivileged countries, of which 33 are in Africa.
- 3. The price of food-grains has now surged to its record high, affecting the LDCs most disproportionately. (FAO Rice Market Monitor, April 2008, suggests that prices of some category of rice has trebled between April 2007 and April 2008, with much of the increase taking place since November last year. The price of other basic foodstuffs has also experienced an alarming increase. Such price hike disproportionately affects the LDCs.) In the countries where poor households spend nearly 70% of their income on food items, a sharp increase in food price is bound to have strong adverse impact on the incidence of poverty and human development. A recent World Bank report concludes that the higher global food price may lead to an increase in the global poverty by 105 million. This corresponds to a loss of almost seven years of poverty reduction.
- 4. At a time when we had expected increased global support, food market has become further distorted. Many food exporting countries have in fact, adopted restrictive measures through both tariffs and non-tariff barriers. Global food aid has also declined and reached to its lowest since 1973.
- 5. In dealing with the multifaceted challenges of food price hike, we need to strategies our response through a coherent and multi-pronged approach, addressing short, medium and long-term needs. In the immediate short run, we must remove the supply side constraints and ensure adequate food supply. We also need to provide targeted cash transfers and other direct support measures to vulnerable groups. Development partners should immediately come forward with grant-based funding to assist the LDCs meet their rising food import bills. We also need to look at systemic issues and long-term solution. The international community may consider establishing a global food bank and an International Food Fund to ensure long-term food security for developing countries, in particular for the LDCs. In the final analysis, we would need to address the root causes of food crisis in averting its recurrence. We hope the Task Force set up recently, by the Secretary General will come up with a comprehensive Plan of action.
- 6. Immediate action is needed to develop efficient agricultural production across the developing world. Investment in agriculture and rural infrastructure should be significantly scaled up. We are concerned that external assistance to agriculture, in real terms, has been on the decline since 1980s. Agriculture accounted for 16 per cent of bilateral assistance in 1980 which is reduced to 4 percent in 2003. Agricultural exports

from developing countries continue to face high tariff and non-tariff restrictions. These must be reversed.

- 7. The least developed countries are facing significant challenges in global agricultural trade. Their productivity growth has been too slow to offset the negative effects of volatile commodity prices. Commodity-exporting LDCs are often losing their market shares. The agricultural exports of the LDCs, as a share of their total exports, have declined dramatically. They have now emerged as net agricultural importers. Since the late 1980s their agricultural trade deficit has widened rapidly.
- 8. The agriculture sector of the LDCs is primarily rain-fed and thus, its productivity is highly vulnerable to climate change. This will further intensify the frequency and severity of droughts, floods and other extreme weather events. IPCC report has projected that heavy precipitation will trigger soil erosion, land degradation and water logging. The Sea-level rise will lead to increased salinization of irrigation water. Land and land-use systems will be severely affected. It will diminish productivity, biodiversity and other ecosystem services. FAO and IFAD have warned that climate change will put an extra 50 million people at risk of hunger by 2020. The food security and livelihood security in LDCs, particular those in Sub-Saharan Africa, will be seriously affected. These factors further magnify the challenges the LDCs face in attaining the MDGs.
- 9. The issues related to agriculture, rural development, land, drought, desertification and Africa are all intertwined. Therefore, these needs to be addressed in an integrated fashion. Means of implementation are the bedrock of agenda 21 and Johannesburg Plan of Implementation. The thematic cluster for CSD-16 is critically important for LDCs. Increased global partnership is needed to address the challenges relating to current cluster. In this regard, we would underscore the followings:

First: developed countries must fulfill the ODA commitment of 0.2% of GNI to LDCs by 2010; second: all LDC external debts must be cancelled forthwith without discrimination or conditionalities; third: developed countries and developing ones which are in a position to do so must provide duty-free, and quota free market access to all products from all LDCs, unilaterally and without discriminations, even before the conclusion of the Doha Round; fourth: current IP regime must provide access to appropriate technologies and related field at affordable cost to grow climate-resilient crops, fifth: assist LDCs, in building their disaster preparedness and establishing early warning system. Sixth: support LDCs in building their climate resilient development through additional resources, including through regional cooperation; Seventh: Providing access to finance particularly for rural poor. Microcredit has great potentials in this regard and finally mainstreaming gender in agriculture, land use and better environmental management.

The international community has long been aware of the specific problems and needs of the LDCs. What has however, been lacking is adequate and sustained global response in ameliorating their condition. We have to be more creative and innovative in our thinking to overcome the obstacles to sustainable development. I am hoping that the ideas that are being discussed here today, under the theme of "way forward" would lead us away from mere rhetoric to active efforts at implementation.