

**resources mobilization and enabling environment for poverty eradication in the
context of the implementation of the Programme of Action for the Least Developed
Countries for the decade 2001-2010**

by H.E. Amb. Kim Sam-hoon, Permanent Representative

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Madame President,

I join other delegations in thanking you for convening today's general debate on resources mobilization and enabling environment for poverty eradication in the least developed countries. The high-level policy dialogue and roundtables relating to this issue yielded valuable ideas and insightful opinions, and I look forward to a similar outcome today.

Madame President,

When the international community agreed to the Brussels Programme of Action in 2001, it made a commitment to fight poverty in the world's 50 least developed countries. However, while the global economy has continued to grow during this period, the income gap between least developed countries and developed countries has not narrowed significantly.

According to the April 2004 Report of Secretary-General on this issue, despite some progress, most least developed countries are unlikely to achieve the goals of the Brussels Programme of Action under current conditions. Indeed, during 2000-2002

most least developed countries failed to achieve the targeted GDP growth rate of 7 percent per annum or the 25 percent targeted ratio of investment to GDP. Because of this slow progress, now more than ever it is important for the international community to reaffirm its commitment to the Brussels Programme of Action and to accelerate its implementation.

Madame President,

The Republic of Korea is widely regarded as a quintessential example of a country that transformed itself from one of the poorest in the world to a newly industrialized nation in a relatively short period of time. Although each country must tailor a poverty reduction strategy to its own strengths and needs, the following experiences of the Republic of Korea during its development process may be of some value to poverty eradication efforts in the least developed countries.

In the early 1950s when the Republic of Korea was devastated by the Korean War, the country faced the same extreme poverty as the least developed countries face now. The government of the Republic of Korea played an important role in the early stages of the country's development by adopting export-driven economic policies and investing in human resource development.

In light of our unique development experience, I wish to share my thoughts on a few of the issues in resource mobilization and enabling environment for development of the least developed countries that the Republic of Korea considers most important.

Madame President,

International trade is an effective tool through which the least developed countries can develop their economies and integrate them into the world economy. Gains from exports can be used as financial resources for sustainable development. In addition, international trade exposes domestic economic actors to competition and global norms and standards, ultimately contributing to a well-functioning market mechanism, human resource development and industrial diversification.

In order to reap the full benefits of international trade, the least developed countries need to increase their efforts to diversify their export base and enhance their production capacities. At the same time, the international community should increase its efforts to

create a more LDC-friendly multilateral trading system and strengthen its support for LDC capacity building to ensure their improved access to global markets.

In this regard, the Republic of Korea has provided duty-free market access for 87 items originating from the least developed countries since January 2000. We are currently considering further expansion of this preferential treatment for LDC products. In addition, we have joined in global efforts for trade-related capacity building in the least developed countries by hosting training courses on international practices and regulations for 46 trainees from 12 least developed countries since 1997.

Madame President,

Tax revenues and domestic savings are another important source of domestic financial resources for poverty eradication. Accordingly, the least developed countries need to improve their tax administration systems and encourage their citizens to increase savings in the domestic banking sector. Strengthening good governance and promoting wider participation by the general public in the development process and human capacity building are essential. These actions can contribute to building an enabling environment for poverty eradication in the least developed countries.

The sustainable development of the least developed countries depends on adequate and stable external as well as domestic financial resources. We are well aware of the vicious cycle of "low income, low savings, low investment and low growth" that plagues many least developed countries. Nevertheless, we believe that the two pillars of international cooperation -- Official Development Assistance (ODA) and debt relief measures -- can play a critical role in breaking this cycle.

In this regard, we welcome the modest increase in ODA flows to the least developed countries since 2000. The least developed countries face unique challenges that require unique solutions. Many of the most urgent problems they must deal with such as famine and disease are related to survival. For this reason, the Republic of Korea's ODA has been spent primarily on basic humanitarian goods such as food and medicine.

Moreover, in order to help the least developed countries in their development efforts, the Republic of Korea has increased its ODA to the least developed countries from 19 million dollars in 2001 to 55 million dollars in 2002. This represents 20 percent of our

total ODA and we plan to continue to increase ODA to the least developed countries as a new emerging donor.

The ODA of the Republic of Korea has focused primarily on human resource development, which, we believe, is essential for the sustainable development of the least developed countries. Accordingly, we have invited 3,583 trainees from the least developed countries in various fields from agriculture to ICT, and dispatched 305 experts, medical doctors and Taekwondo instructors to the least developed countries since 1991. We also made a financial contribution of 10 million dollars to the HIPC trust fund in 2003.

Madame President,

On behalf of my delegation, I wish to express our strong commitment to strengthening the global development partnership with least developed countries and to implementation of the Brussels Programme of Action.

It is the sincere wish of the delegation of the Republic of Korea that this substantive session of ECOSOC will provide new momentum to the international community's commitment to fight poverty in the least developed countries.

Thank you.