

EquityBD, Date 07 August 2021.

To: H. E. Rabab Fatima, Permanent Representative of Bangladesh to the United Nation [UN], and
H. E. Mr. Bob Rae, Permanent Representative of Canada to the UN.

Attention Through: Erica Carroll, United Nation.

Subject: Eliminating interstate and intrastate inequality is essential to LDCs socioeconomic development: Perspective Civil Society recommendation on Zero draft on Doha Programme of Action for LDCs.

Your Excellency's

Greetings from Equity and Justice Working Group Bangladesh, EquityBD (www.equitybd.net). It's a network with more than 200 civil society group in Bangladesh and engaged with policy advocacy on Economic & Climate Justice issues since 2007 in national and international level. We well come you to allow us giving our views on the draft paper extended the time as well. Please find our views and some recommendation for your kind perusal and necessary action.

1. The Zero Draft and our experiential Learning

Your Excellency, before going to the recommendation, we want to place some of our critical observation and look back to last few decades where we have adopted such policies with a grate aspiration to change LDCs socio economic condition and where we are stand at present;

Your Excellency's, the LDCs [Least Developed Countries] were created as a separate group in 1970 by the UN with a lot of expectations to ensure socio economic development support from the rich countries. **At that time UN had established this category comprised 25 low-income countries facing severe development challenges. Now we observing in 2020, the number of LDCs have increased in 47.** Simultaneously, over the period of time [50 years] and in 2020, there are only five countries [Botswana, Cabo Verde, Maldives, Samoa, and Equatorial Guinea] are become graduated [LDCs Report 2020]. **The graduated five LDCs contain only 0.51% [5.02 million] of total LDCs population representing around 980 million.** This scenario has been reflecting grossly that, there are progress hardly changed among the LDCs socio-economic condition. So that it's **now a big question on what support made by the rich and developed countries and question also to the UN for his role at present and in future as well.**

Your Excellency's, we also need to look historical responsibilities of developed countries and identify the cause and relation to remain unchanged the LDCs socio-economic condition over last forty or fifty years. It's evidenced that, **in the behind of assistance, the developed countries were forced the LDCs to adopt a painful and so called "structural adjustment" process where LDCs had to leave their sovereign power to own development capacity, were forcefully handed over the national assets to the private sectors in the name of investment and development.** This process was ultimately helped the developed countries to capture LDCs economic field and thus resources has been repatriating instead of developing the LDCs. Research [Aid in reverse: how poor countries develop rich countries Jason Hickel] showing that **more than threefold resources have been repatriating to developed countries from LDCs against their investment and still continue. This is undoubtedly creating economic inequality between rich and LDCs and is one of the cause to remain unchanged economic condition of LDCs.**

The current aid or development assistance process is still conditional and its non-guaranteed form that's weakening LDCs investment capacity, market access and global competitiveness. Due to inappropriate finance and technological support, economic and digital inequality has been widening between developed and LDCs. That's why **the global share on GDP is not increased comparing 2011 and trade condition of LDCs is not yet achieved in 2020** which was the much expected through IPOA [Istanbul Programme of Action].

However we put our above concern, because these concerns somehow identified the cause of failures of initiatives taken during last decades and should reflect in the Zero draft we think. We also think that, **shortfall and limitations of IPOA need to analysis and based on that, specific and measurable plan with guaranteed**

will be focused rather than volatile commitment we hope. The zero draft has identified six key areas of action. We have placed some recommendations following the key areas for your kind attention;

2. Recommendations followed by the key area of actions.

Key area I: Investing in people in LDCs: Eradicating poverty and building capacity to leave no one behind.

Your Excellency's, we believe that the global present economic inequality is one of the main cause of existing poverty and being prolonged as a chronic problem. We also think that the **economic inequality is a breeding ground of creating other inequalities .This inequality is now an "in built system" and created by developed countries as "by default". That's why LDCs are suffering most while receiving any assistance from developed countries** in the form of either finance [conditional finance], technology [Inappropriate technology support] or capacity building [hardly match with existing need or country perspective]. Exercising these inappropriate development prescription or support, the inequality has been widening between inter-states [Between rich & LDCS] and even intra-state or within countries. We expect specific measure to reduce such economic inequalities through;

- i. Doha Programme of Action [DPoA] will assess real time financial need for economic development in the area of poverty reduction, technology initiative, market & trade facilitation of LDCs based on their local context. **The DPoA will propose specific and measurable financial support commitment from developed countries those will be unconditional, guaranteed and aligned with country owned plan.**
- ii. The DPoA will call to identify the specific technology requirement by developed countries that will be appropriate with country need of LDCs, support environment and climate adaptive. The supported technologies also will be competitive in the context market access and trade facilitating for LDCs.
- iii. We believe that poverty can be reduce while redistributive justice are followed. **The DPoA will call to LDCs to start and strengthening their exercise on redistributive justice.** As poverty has been increasing trend in LDCs due to Covid pandemic. So that **financing to social protection must be increased and it would be at least 5-10% of GDP and need to continue in next five years to overcome the crisis.**
- iv. The DPoA will **call to LDCs to develop a strong information and database system on the poor and vulnerable communities and population.** This system will help and support to provide development benefits to real poor and vulnerable communities.
- v. Education is one of the key factor reducing poverty and inequality. The DPoA will call to LDCs to review their existing education system and to develop need base and must facilitate to employment & skill generate. **The LDCs will allocate their budget at least 15% of GDP and most of the budget will go to the primary and employment & skill oriented education.**
- vi. We observing that the developed countries have been providing so called scholarship for education among the LDCs students that in fact working as "Brain Drain" from LDCs to developed countries. **The DPoA will demand to stop such brain draining program through developing conducive policies by developed countries that will support to back the student to their own countries after completing the education.**
- vii. Developed countries will ensure adequate and guaranteed financial support to develop higher education system among the LDCs especially to Research and Development purpose.
- viii. **We demand "Vaccine Equity" that means access to vaccine for all and in real time.** But we observing that the some developed countries [e.g. USA, UK, Canada etc.] tend to hoarding vaccine depriving the poor and vulnerable people those most living in the LDCs. Developed countries are showing little inclination to ensure its global availability, equitable and affordable basis vaccine access. We condemned this approach of developed countries and expect that the **DPoA will call Covid Vaccine Technology as "Public Good" to ensure its easy access. Developed countries will transfer these technologies as voluntary basis to the LDCs with adequate finance & capacity building support.** So that LDCs will be able to produce Covid Vaccine easily.
- ix. The **UN-WHO "COVAX" initiatives has been aiming around 02 billion vaccination among the poor and vulnerable countries by 2021.** This initiative are going very slow pace due to financing shortfall around

US\$ 16.7 billion as estimated [WTO & WHO meeting 22nd July 2021]. We believe that developed countries have enough capacity to provide this financial support and producing vaccine as well. So that **the DPoA will call and demand to developed countries to minimize this existing financial gap timely to success COVAX initiatives.**

- x. We already said that **the existing in-built or by default system [aid conditionality] always force the LDCs to design anti-poor development planning despite having willingness to do something pro poor.** Health sector is one of them, where LDCs somehow unable to develop pro poor planning due to such by default anti poor political system. We call through DPoA that **LDCs will overcome this crisis through political consensus and ensure budget allocation at least 5% GDP following as global standard.**

Key area II: Leveraging the power of science, technology, and innovation to fight against multidimensional vulnerabilities and to achieve the Sustainable Development Goals.

Your Excellency's, it's experienced that **the developed countries always trying to push their old or inappropriate technologies to the LDCs in the name of technology support. These so called technologies [e.g. Coal plant, Cement Factories etc.] are cost burdening, polluting the environment and sometime have to redundant after huge investment.** That's why LDCs are unable to access the market using these technologies, losing competitiveness and trade benefits. This resulted billion of dollar trade deficit among the LDCs [US\$91 billion trade deficit in 2020] which is one of the cause of resource repatriation we observed. Observing these concern, we recommended as;

- i. The DPoA will call to **developed countries to support LDCs to assess and identify the need of appropriate technologies. These technologies will be assessed as demand driven, environmental and climate adaptive in their local, national and international context & compliances and giving benefit in long run and sustainable.**
- ii. **Declare patent right as very flexible by developed countries.** So that it would be a leverage for LDCs to get access and affordable use with providing minimum incentives to the innovators or investors. **Developed countries will ensue necessary financial support to the LDCs to afford to modern technologies.**
- iii. Developed countries will declare a specific financial support package for LDCs for research & innovation, and piloting modern technologies in their own countries.

Key area III: Structural transformation as a driver of prosperity: We expresses our solidarity with the draft call.

Key area IV: Enhancing International trade of least developed countries and regional integration

Your Excellency's, We experiencing that **despite having DFQF [Duty Free & Quota Free] facilities, LDCS have been facing challenges to get appropriate market access due to bi-lateral FTAs [Free Trade Agreement]. The bi-lateral FTAs privileged developed countries often to deny the WTO [World Trade Organization] rules and hindering the market access of LDCs** among developed and even developing countries. Following the issues, we recommended;

- i. The DPoA will call to **developed countries to follow 100% WTO rules to ensure DFQF market access for LDCs for all trade related sectors and it will be continue until graduation.**
- ii. Developed countries will ensure more flexible "Rules of Origin" that will support the LDCs to greater market access among developed countries. **We demand maximum 10% value adding obligation for LDCs under WTO "Rules of Origin" process to produce any new product and services by LDCs.**
- iii. Developed countries will support and assess the specialized production capacity of LDCs like agriculture, industrial and service sectors. Based on their capacities, developed countries will ensure policy support to LDCs for their effective market access with their specialized product and services.
- iv. **Developed countries will declare to remove all non-tariff barriers 100%, excepting sanitary and phytosanitary measures.**

Key area V: Addressing climate change, recovering from COVID-19 pandemic, and building resilience against future shocks.

Your Excellency's, climate induced displacement is one of the major concern among the LDCs. According to the IoM study, **more that 50% of LDCs are in the risk of displacement due to climatic effect and impacts. As an experience of Bangladesh, around 200 thousand people in every year being displaced due to climate change especially river erosion, water logging and increasing salinity in coastal areas.** This problem needs to address on how effective manage could be done in nationally, regionally and globally. **LDCs have limited capacity in both technical and financial context to address climate induced displacement in future perspectives.** So that we proposed to include a text on this issue in the Zero draft. Here we proposed some recommendation for your kind attention;

- i. **Developed countries will declare and support special financial and technical package to strengthen LDCs capacity for assessing climate displacement phenomenon, future projection of displacement and structural and non-structural requirements to manage the displacements.** This package will separated with public fund and only for LDCs those are exposed to risk of displacement due to climate change.
- ii. LDCs have a requirement around US\$ 70-80 billion per year for adaptation. **Developed countries will declare a commitment to strengthening the LDCF [Least developed Countries Fund] and at least 50% fund will be guaranteed and channelized from this fund.**
- iii. Climate Resilient is one of the goal that depend on the achievement of "Zero emission target" by developed countries along with adaptation [that now happening in both developed and LDCs]. So that **developed countries will enhance their NDCs [Nationally Determined Contribution] following a real measure of "Zero emission target" to achieve the target.**
- iv. As adaptation is one of the part of achieving resilient goal. That's why we expect that **developed countries will recognize adaptation as a part of NDC target. Developed countries will declare a measurable financial package through their NDC process to energy, agriculture and industrial transition in both adaptation & mitigation effort for climate resilient support for LDCs.**

Key area VI: Mobilizing international solidarity, reinvigorated global partnerships and innovative tools for risk-informed sustainable development -A march towards sustainable graduation.

Your Excellency's, Resource mobilisation for development is the key concern for all countries. LDCs are suffering most due to illicit finance flow and repatriating resource in the name of investment. **We expecting that the DPoA will call developed countries to make a measurable and systematically strong commitment to stop illicit finance flow from LDCs to support their domestic resource mobilization effectively.** To doing this, we recommend the following;

- i. **A global information exchange system and network will be developed where all countries [developed, developing and LDCs] are included with update information. All countries have rights to access, provide and sharing the information related trade, banking and financial transaction. This system will help countries to stop illegal money transferring and enhance domestic resource mobilization among the LDCs.**
- ii. Developed countries are far behind their commitment to provide 0.7% GNI as ODA. This is being experienced that many developed countries have not been keeping their financial promise to support LDCs. That's why the target of IPoA is unachieved. So that **financial commitment need to further review and declare a new, adequate and guaranteed financial target according to the need of LDCs. The DPoA will call developed countries to provide at least 50% of their ODA commitment specifically for LDCs.**
- iii. **LDCs will include the CSO, market and political process together with an equal partnership to ensure development effectiveness.** In this regard CSOs will have to give access in their respective parliamentary process for planning and strategic development and implementation among the LDCs.

Thank you

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