



Statement to the Meeting between CSOs and Co-Chairs

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Respected Co-Chairs, Her Excellency Head of OHRLLS, Distinguished Guests, Fellow CSOs Representatives, Ladies and Gentlemen

LDC Watch and the International Working Group (IWG) express their sincere gratitude to the Co-Chairs for this great opportunity to share their views on the LDC-V process. We hope to get another opportunity at the time of the second PrepCom.

The six themes of the first PrepCom are all of great importance to LDCs. My colleagues will give our opinion on each of them.

For my part, I would like to reflect on the failure of the international community to eliminate the LDC category, since the first Conference in Paris, 40 years ago.

The legitimate question to ask is: what went wrong? Why only a handful of countries have graduated from the LDC category after four decades of implementation of programs of action?

Failed neoliberal policies

Part of the answer lies in the nature of these successive programs of action. They are based on a development model promoting export-led growth, deregulation, trade liberalization, unfettered capital flows and wholesale privatization. These policies, associated with the now discredited market fundamentalism, have led to more inequalities, widespread poverty and the transfer of wealth from developing to developed countries.

Africa – home to the vast majority of LDCs- is transferring to the rest of the world nearly 90 billion dollars each year, according to the UNCTAD 2020 Report on Africa! This is the result of illicit financial flows, tax frauds and transfer pricing.

Failure of the global partnership

The combination of neoliberal policies and unfulfilled commitments explains why only 3 countries graduated over the last decade, compared to the objective of graduating half of the 49 LDCs, as proposed in the Istanbul Program of Action in 2011! And in these three, there was only one African country: Equatorial Guinea!

The impact of the coronavirus pandemic

The coronavirus pandemic has exposed more glaringly the failure of both neoliberal policies and the international cooperation framework for LDCs. The pandemic has had dire economic and social consequences for these countries, according to UNCTAD. In its 2020 Report on LDCs, it said that: *the pandemic will push LDCs to their worst economic performance in 30 years* *the crisis will reverse years of painstaking progress by LDCs in social fields such as poverty reduction, nutrition and education*

The African Union has estimated that up to 49 million more Africans may fall into extreme poverty, especially in LDCs, as a result of the pandemic.

Radical shift in the approach to DCs

In this context, the pursuit of old and failed policies may only worsen the economic and social situation of LDCs in a way never seen before. Therefore, a radical change in approach problems is required, both in terms of economic policies and international cooperation. Bold and decisive actions are needed as well as firm commitments and effective implementation.

After 40 years of programs of action and only a handful of countries graduating from of the LDC category, it is obvious that the economic development model underpinning those programs will never work for LDCs.

A new model is needed.

Therefore, I that LDC-V will mark a radical break with policies of the past 40 years and be a turning point in the global commitment to eliminating the LDC category!

Thank you!