



## NEPAL

Statement by Bhagirath Basnet, Acting Foreign Secretary of Nepal at the high-level meeting of the sixty-first session of the General Assembly on the Mid-term Comprehensive Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010  
(New York, 18 September 2006)

---

Madame President,  
Excellencies,  
Distinguished delegates,

I would like to join the previous speakers in congratulating you, Madam President, for your election to lead the Sixty-first session of the General Assembly. I am confident that under your able leadership, this review meeting and the current session of the General Assembly will come to a successful conclusion.

Let me thank the Secretary-General for his analytical report assessing the progress in the implementation of the Brussels Program of Action and highlighting the priorities for future action. The High Representative for the Least Developed Countries, Mr. Anwarul K. Choudhury, and his staff also deserve our appreciation for their constructive role in the process of regional and global reviews.

Madame President,

Five years ago, we adopted the Brussels Programme of Action for promoting global partnership for the development of least developed countries for a decade. It is only appropriate that we are here to review the progress to-date and take necessary measures for the accelerated implementation of the Program of Action.

Intergovernmental reviews and the Secretary-General's report show that there has been little progress in the implementation of the Program of Action. The 2006 report of countries will not be able to achieve the internationally agreed development goals, including the Millennium Development Goals, unless additional efforts to implement them are made seriously.

Actually, the socio-economic condition in many least developed countries has deteriorated over that period. Conflicts, disasters and macro-economic imbalances have been hindering their growth. In many of these nations, growing population, coupled with weak growth, has increased the number of people living in poverty, disease, and illiteracy. High debt burden, small revenue base and inadequate external assistance have restrained their capacity to invest in infrastructure and social services. Poor access to world markets and supply-side constraints have stifled their ability to trade. In essence, most LDCs have been further marginalized in the last five years.

Least developed countries have been working hard to meet the Brussels goals in the remaining five years. Those mired in conflict have been struggling to restore peace

and stability. Others have reformed their policies, improved their governance, broadened their domestic resource base, and invested in their poverty reduction activities. However, their efforts alone will not suffice to address their deep-seated problems and realize the goals agreed to in Brussels.

If least developed countries were to meet these goals, their development partners will have to keep their promises as well. It is disheartening that many of their commitments are yet to be fulfilled. For instance, only a few wealthy countries have met the official development assistance target. Only 18 out of 38 highly indebted countries have reached the completion point. Several developed countries are yet to offer duty-free and quota-free market access to LDC products. Even when such access has been provided, LDCs have not been able to benefit from it due to other barriers imposed on trade. Foreign direct investment has largely skipped least developed countries.

Unless the development partners help LDCs to change the situation around, the Brussels goals will remain unfulfilled. The focus of such support from development partners should be on capacity building in different sectors, so LDCs can stand on their feet sooner than later. LDCs emerging from conflicts require additional support and resources to build peace and stabilize society. This will help such countries to make a head start to achieve the targets of the Brussels Program of Action in the remaining period.

It is not only development partners that should help LDCs in these critical areas. Even those developing countries that have the capacity and resources to do so, need to extend generous support to their less fortunate sister countries. It will be in their national interest not to have desperate poverty and deprivation in their neighborhood.

The world needs open, free, fair and predictable multilateral trading arrangements for shared peace and prosperity. Every country should have a level playing field. It is a matter of profound concern to Nepal that the Doha Development Round negotiations have stalled. We urge the key trading nations to resume the negotiations and conclude them without further delay.

Special provisions will have to be made to safeguard the interest of the least developed and landlocked developing countries in the Doha Round. In particular, the international community should help these poor countries to effectively operationalize the special and differential treatment under the WTO trade regime and regional plans for trade facilitation. These measures will help LDCs to catch up with the rest of developing nations.

Madam President,

My own country, Nepal, is passing through a critical political transition. After the historic peaceful movement, democracy has been restored in April this year and a ceasefire has been in place with the Communist Party of Nepal (Maoist). The Government of Nepal is now in the process of negotiations with the Maoists to find a lasting peace to the internal conflict. Once that goal has been achieved, it will pave the way for better implementation of activities geared to sustainable development in the country.

Currently, Nepal has been implementing the Tenth Five-Year Plan (2002-2007), as its Poverty Reduction Strategy Paper (PRSP). It has incorporated in the Plan virtually all goals and targets of the Brussels Program of Action. I am happy to report that, despite the conflict, Nepal has made good progress in reducing extreme poverty, now estimated to be 30.8 percent as compared to 37.7 percent in 2001.

The Government policies and priorities are aimed at institutionalizing the democratic system, developing infrastructure, improving investment climate and attaining broad-based and pro-poor growth. Focus has been given on gender perspectives, public-private partnership, rural investment and local resources mobilization. With a view to promoting good governance, we are stressing effective service delivery by making the public sector efficient and accountable. Policy measures for devolving power to local governments as well as for combating corruption have been initiated.

In Nepal, there is an urgent need to launch post-conflict reconstruction rehabilitation activities. Success would depend upon availability of resources from development partners, including the UN agencies, and from other friends and allies.

Madame President,

After assessing the progress made and constraints encountered in the implementation of the Brussels Program of Action, LDCs have come out with the Cotonou Strategy. The Strategy has reaffirmed the commitment to national ownership in LDC development and made it clear that, unless some urgent action is taken by both LDCs and their development partners, achieving the Brussels goals in the remaining five years will be an uphill task.

I believe the Cotonou Strategy provides a good basis for the future course of action.

Least developed countries need to strengthen unity, build effective partnership amongst themselves and persuade their development partners to accept and implement the Cotonou Strategy.

Madam President,

As we enter the second half of the Brussels Program of Action, it is important to ensure coherence and consistency among national and international policies and strategies. Coordination and harmonization of donor assistance in accordance with national policies and priorities will be equally essential.

Finally, I thank you for convening this important meeting under your leadership. This meeting will hopefully give the much needed momentum to implement the Brussels Program of Action.

I thank you, Madam President.