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Parallel event

HIGH-LEVEL PARLIAMENTARIANS ROUNDTABLE

Summary prepared by the Conference secretariat

1. The High-level Parliamentarians Roundtable concentrated its work on how to promote "Parliamentary support for the fight against poverty" among parliamentarians from the North and South. It met in Brussels on 14 May 2001 on the occasion of the Third United Nations Conference on the Least Developed Countries (LDC III). The Roundtable was therefore conducted with the purpose of promoting parliamentary action and of preparing meaningful parliamentary follow-up focused on the practical implementation of the commitments adopted at the LDC III Conference.

2. As an official parallel event of the Conference, the Roundtable was attended by 71 parliamentarians, 47 of whom were from LDCs. The remaining parliamentarians were from other developing countries, economies in transition and industrialized countries. It was jointly organized by the European Parliament, the Inter-parliamentary Union (IPU) and UNCTAD and was also attended by organizations and agencies from the UN system, Government delegations, NGOs and representatives of the media and press.

3. Previous efforts by the LDCs and international development partners to overcome poverty and stimulate growth and development have not proven successful. Rapid globalization, characterized by liberalization and free trade and driven by advances in new

and innovative technologies, has often resulted in a widening of the income gap between LDCs and industrialized countries.

4. The Conference offered an opportunity to attempt a new approach and fresh effort to respond to major challenges. The success of this effort will depend decisively on the political will of the international community, including Governments, parliamentarians and civil society to implement the Plan of Action and to monitor its application at national and international levels. Parliamentarians could play a particular role as ‘agents of change’ by initiating relevant parliamentary action, as well as through partnerships among parliamentarians from North and South. In its work, the Roundtable focused on issues of particular importance in the substantive agenda of the Conference -- *c*ommodities, with particular focus on agriculture; capacity-building and new technologies for development; and financing for development, debt relief and capital flows. In addition, the issues of gender and development were identified cross-sectorally and were reflected within the discussion of the three substantive themes.

5. In his opening remarks to parliamentarians, Mr. Rubens Ricupero, the Secretary-General of UNCTAD, underscored the challenge in addressing the problems of the LDCs. There is a large degree of convergence in diagnoses and therapies, including the need for better governance, debt relief, improved terms of trade and investments. All these measures require political will and resources, which can best be delivered and generated by actors at the centre of the political process, namely parliamentarians. The Co-President of the Joint Parliamentary Assembly, Partnership Agreement between the African, Caribbean and Pacific Group of States and the European Community and its member States (ACP-EU), called for concrete steps to be adopted by the Conference, in contrast to the previous two LDC Conferences. In particular, he focused on the need for primary education for all, particularly girls, much better terms of trade for LDCs, as well as a protection of their food producers.

Commodities, with particular focus on agriculture

6. The agricultural sector plays a central role in LDC economies. Many facets of the international trading environment undermining LDCs’agricultural opportunities, denying them a fair chance to work themselves out of poverty, were highlighted. For example, in countries such as Niger and Bangladesh, the agricultural sector constitutes 38 per cent and 37 per cent of GDP, with an even greater proportion of the population depending on agriculture or related activities. The agricultural sector will continue to be at the heart of the development process and, if properly exploited, will play a significant role in alleviating poverty. However, it was repeatedly recognized by the participants that the international trading environment continues to hamper the efforts of the LDCs. This must be urgently rectified.

7. Among the most pernicious inequities of the international trading environment have been pricing trends, subsidies, tariffs and quotas, and IMF/World Bank lending conditionalities. All combined, this has created a highly disadvantageous environment for the agricultural

economies of the LDCs. Parliamentarians called for a reversal of these inequities, in order to allow LDCs a real chance of success and to enable them to pull themselves out of poverty.

8. Among the changes proposed by the parliamentarians were the removal of the “double standard of subsidies” (Northern countries receive approximately one billion dollars a day in agricultural subsidies, whereas the IMF/World Bank deny loans to developing countries with subsidies in place.) While the European Union’s recent Everything But Arms (EBA) initiative was appreciated, it needs to go further and include more contentious and important commodities, such as rice and sugar imports. In their debate, parliamentarians called for equal liberalization of trade, for immediate duty free and quota free measures for all products, and for the right for LDCs to protect their food producers to ensure food security. There was also a call for OECD/DAC countries to provide political and financial support to help stabilize commodity prices on which LDC economies depend, such as coffee.

9. As parliamentarians, the participants were called upon to network and create public-private partnerships with a range of actors, such as NGOs, civil society, businesses, international organizations, executives and others. Moreover, they were called upon to make their presence felt with the Government’s executive branch. Being in a unique position, close to their constituents, and as legislators participating in the political process, parliamentarians should engage in such processes with the urgency that the situation of LDCs demands.

Capacity-building and new technologies for development

10. Recent experiences in developing countries clearly indicate that achieving sustainable development through technological capacity-building in today’s knowledge-based global economy is possible, but requires strategic initiatives and the means for implementation. However, the gap between industrialized countries and LDCs is likely to increase further if LDCs cannot become actively involved in the development and application of knowledge and technology.

11. Education and capacity-building efforts lie at the heart of the matter. Technology offers a decisive means to reduce poverty, particularly if it meets the needs of the poor and if developing countries themselves are actively involved in the development and application of knowledge and technology.

12. However, in general, the infrastructure in LDCs is poorly developed. Without support infrastructure (roads, telephone lines, communication networks, electricity, etc), the gap between the industrialized countries and LDCs is likely to increase.

13. The current, low levels of technology and scarcity of resources continue to hinder the LDCs’ economic and social development. As a result, they are, for example, unable to benefit fully from the information revolution due to weak economic infrastructures and limited connectivity. The “digital divide” at times referred to as a “threat of exclusion”, is a reality that still results in unequal access to information communication technologies. These

inequalities must be urgently overcome. Strategies must be implemented to increase connectivity through competition leading to decreased prices, subscriber growth and new technology development.

14. Various actions could be undertaken by LDCs themselves, with the support of parliamentarians and assistance from the international community, to narrow the technological gap. Actions could include ensuring universal basic education, tapping and adapting knowledge through open trade, attracting foreign direct investment, creating knowledge at the national level and through domestic research and development, as well as taking advantage of new information and communication technologies. These developments require institutional transformations and the necessary human and financial resources.

15. All Parliamentarians have a role to play at the national and international levels. At the national level, they can raise awareness for the importance of education, with particular emphasis on the young and girls. They can stress the need for strengthening infrastructural development and R&D, as well as sound administrative structures, supportive to development. At the international level, alliances among parliamentarians from different countries can mobilize more effective international support for the efforts of the LDCs. A special effort should be made to incorporate women in these efforts, as “knowledge” societies require “gender openness” in order to ensure the use of all skills and resources to meet the development aspirations of all.

Financing for development, debt relief and capital flows:

16. High levels of debt and debt servicing continue to drain the limited resources of the LDCs. Lacking adequate development finance, being short of foreign direct investment and with little capacity to borrow on international markets, many LDCs remain heavily dependent on official development assistance (ODA).

17. Debt relief should not be used by donor countries as a pretext for reducing development aid which, in countries with low social and economic indicators, is essential for the well-being of the population, as well as for future economic development. Without such debt relief or, better, the cancellation of debt, accompanied by effective development aid, indebtedness will only increase again. On the specific question of external debt, calls were made to broaden and deepen debt relief. Some parliamentarians proposed that attention should be directed towards recovering and repatriating the illegal funds held in offshore accounts, as well as towards refusing to repay loans made illegally or irresponsibly.

18. Clearly, the most effective way out of the “debt trap” is through an effective development policy, agreed upon jointly by the respective development partners. It is a particular challenge to parliamentarians from developing and developed countries to find creative debt relief solutions. In discussing the various challenges, participants focused on the specific role they could take as parliamentarians. Again, parliamentarians were called upon to engage and

exert influence over the executive branch of Government, particularly when ratifying development financing agreements and in approving investment policy and legislation.

19. At the international level, such solutions could be directed towards increasing the role of FDI in LDCs. At the national level, measures that would allow the mobilization of domestic resources are critical. At the level of international cooperation, a new focus on the role of ODA and how it could complement cooperative capacity-building measures is required. The large investment requirements of LDCs imply measures supportive of national poverty eradication strategies. This could include promoting innovative financial mechanisms, such as micro-credit programmes and other measures to deliver financial services to the poor, including the economic empowerment of women through improved access to credits, as well as setting up an appropriate legal and regulatory framework.

20. Parliamentarians worldwide were called upon to cooperate in promoting an increase of ODA and grants for LDC debt relief measures. They were also called upon to use both the LDC III Plan of Action and the process of preparations for the upcoming Finance for Development Conference in bringing together different development actors, including development banks, Governments and civil society in fostering joint initiatives.