5th United Nations Leaders Summit of the Least Developed Countries: FROM POTENTIAL TO PROSPERITY

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Fulfilling the Demand of a World Where We All Have Enough: Lifting the Least Developed Countries from Crisis to Resilience

"Sometimes the miracle is that we were already given enough, and we just figured out how to share it…"

By Eric LeCompte, Executive Director, Jubilee USA Network

(Remarks as prepared for delivery)

Your Excellencies, it's good to be with you again and join you for this critical high-level roundtable. I wish to thank the ministers and my other co-panelists and I hope I might highlight, engage and offer further insights into their comments.

Thank you to his Royal Highness who shares with us the sacred value carried by Gulf states of hospitality and welcome. Thanks to her Excellency, Under Secretary General Fatima and her team for making this event possible. Thanks to the Qatari staff, UN staff and the delegation staff from every country who prepared us to be here. And we extend our thanks to the civil society groups and charities among us, who join us all here, in our deep yearning to build a world, to create a world, where all have enough and no one is left behind.

Here in the Gulf as we are all taught that sacred tradition of welcome, hospitality and sharing - we can acknowledge that such sacred tradition is endemic to all of our cultures and religious traditions. The Hebrew scripture reminds us that we never know when we might be entertaining angels. The Christian, Benedictine tradition exhorts us to welcome all as if we have the very honor of welcoming the Holy One.

Today, we are here to talk about hospitality and sharing. Today, we are here to speak to the urgency in resolving multiple global crises. Today, we are here to celebrate the very real successes of the Least Developed Countries in using emergency pandemic response aid. Today, we are here to accept the challenge to raise the revenues we need, to stop corruption and build a world where we all have enough.

First - where we are at.
The 46 so-called "Least Developed Countries" face acute vulnerabilities: Relatively small economic size, sluggish progress of structural transformation, heightened dependence on external aid and finance, institutional weaknesses, political instability and in too many tragic cases, conflict. 40 percent of the population in LDCs live in extreme poverty, compared to 12% in other developing countries.

Economic growth is highly volatile in the poor LDCs.

Right now with the pandemic and war in Ukraine, more than 251 million people in the Least Developed Countries are severely food insecure and experience hunger. The Least Developed Countries host 40% of the world’s poor – even though they only have 13% of the global population. In fact, the proportion of the global poor in the Least Developed Countries more than doubled since 1990.

As of March of last year, 21 of the 46 LDCs were in or at risk of debt distress and debt crisis. The share of government revenues spent on servicing public and publicly guaranteed debt rose from 13 percent to 15 percent from 2019 to 2021. In 2017 LDCs already reached $313 billion in debt.

Debt to export ratios shot up during the pandemic, from an average of 158% to more than 200% and in more than half of them that rate is above 250%. This is ALL debt – so not just the public debt - but more than 70% of that total debt is public debt.

Meanwhile, LDCs spend only an average of around 2% of their GDP on social protection and healthcare, combined. Debt and economic shocks alone put the UN Sustainable Development Goals out of reach. Before COVID, we remember the shock to our three West African neighbors because of Ebola.

**Solutions, Amazing Success and the Road ahead:**

1.) Expanding debt relief, debt transparency and debt work out procedures are critical - both through existing processes and new processes.

Debt is the chief issue facing most of the Least Developed Countries.

We need better debt sustainability frameworks and need to look at how debt affects the average person in our economies - Gross National Income, GNI, as opposed to GDP is often a better indicator of the suffering and strength of our people.
Consider that LDCs are 46 out of 73 countries eligible for the G20’s Common Framework process.

So, we must make the Common Framework or another debt relief process work. We must expand bankruptcy and debt work-out procedures for all countries in crisis.

**Privately held debt is also a key issue for the Least Developed Countries.**

This is why we are incredibly excited and ask for all of your help to pass a New York Law that can shift the financial system for developing countries to have real, comprehensive options.

We must act in New York, as the world's financial capital, because more than 52 percent of the world's privately held debt is governed by New York law.

Thanks to New York Assemblymember Patricia Fahy and to Senator Brad Hoylman, we have, "the New York Taxpayer and International Debt Crises Protection Act, S.4747 and A.2970."

The legislation moves forward debt relief and aid for a world in crisis.

This legislation addresses global supply shocks and the high costs we are all paying around the world from eggs to cheese, flour to unga and tea to coffee. Work on this legislation is being led by global Muslim, Christian and Jewish organizations and the diaspora from LDC countries who call New York their second home.

They need your help. We need your help.

Passage of this law makes bankruptcy protections a reality for us.

We ask that every government and stakeholder here urge Governor Kathy Hochul and the New York Assembly and Senate to quickly, quickly pass this law that all of our lives and the lives and livelihoods of our people depend on.

2.) Raising additional revenue. Transparency. Tax, common digital tax and curbing illicit financial flows. These policies alone will raise billions and billions for our countries.

We can no longer wait for more aid from the North. It’s not coming.

We are the ones we've been waiting for.
We can and we must take responsibility and harness these immense revenue streams. We must curb the scourge of corporate and professional tax evasion in our countries.

I wish to tell you a secret.

*What may be the best kept secret in Washington DC.*

That’s the secret of the US Treasury’s office of technical assistance. The only role of this institution is to be at the service of every country that asks. Their role is to help you capture taxes from corporations and professionals who are not paying their share of taxes in your country. They assist with anti-corruption measures and ensure that budgets are passed transparently with the helpful oversight of our people.

Next, we need to increase the resources of development banks, and make them more efficient, effective and accountable. These banks will need to provide at least $200 billion of additional resources ANNUALLY to deal with the needs of these countries and offer highly concessional lending. We and you need to act to make this a reality.

Now we get to share some of the great successes of the Least Developed Countries in terms of emergency revenue use, and turn our conversation to Special Drawing Rights or SDRs. This emergency pandemic response aid has been well used by countries.

Through Jubilee USA’s partnership with Africa’s religious leaders, the Africa Catholic Bishops, Africa Caritas and the research Zambia study of our partners, the Jesuit Justice and Ecology Network Africa (JENA), some amazing things were discovered.

The SDRs in Zambia funded the Social Cash Transfer (SCT), the Rain Fed, Wetlands and Alternative Livelihood Programmes in the Ministry of Community Development and Social Services. Special Drawing Rights funded grants for all the hospitals in Zambia and these grants cover operation costs. The Zambia Medicines and Medical Supplies Agency (ZAMMSA), received SDRs which it used to finance the purchase of drugs, medical supplies, equipment and Covid-19 Vaccines.

While not a sustainable way to fund Zambia pensions, SDRs reduced the waiting period for pensioners to receive their money from more than three years to less than one year.

Further: Many developing countries—including The Least Developed Countries such as Benin, The Gambia, Madagascar, São Tomé and Príncipe, Uganda, Guinea-Bissau, all used or committed to use their SDRs to support public health and combat the spread of
COVID-19. Liberia, Senegal, and Sierra Leone use SDRs specifically for vaccine imports, production and distribution.

*Congratulations for such an effective use of Special Drawing Rights.*

Because LDCs have used this emergency aid so well, we must hold northern governments accountable for their commitments to rechannel $100 billion to developing countries. AND, we must not stop our calls as a global community for a new creation of Special Drawing Rights and for International Monetary Fund gold sales.

*Finally, we must rely on our most important natural resource, partner and our very reason for being - our people.*

We need each other and must rely on one another. We are reminded by a concept known to all of us, a concept lifted recently by Pope Francis - that politics, leadership is a noble calling and a call to serve our people.

The more transparency we establish in budgets and transactions, the more our people are invested. The better we can serve, the more trust we establish, the more we can harness the rich resources of our countries. The more we work with our people to root out corruption at all levels, the more revenues we will raise.

We only go forward, together.

In closing, the promise of the *Holy One* to live in a world where we all have enough and our planet is protected, is not a dream - but a demand for every single one of us to fulfill.

The miracle, perhaps, may be more than the reality that the *Holy One* created enough for all of us out of nothing. Sometimes the miracle is that we were already given enough, and we just figured out how to share it.