

Speech by Mr. Ib Petersen, State Secretary for Development Policy of Denmark
at the Fourth United Nations LDC-Conference in Istanbul

Speaking on behalf of Sweden and Denmark.

Excellencies, Ladies and Gentlemen

I take the floor also on behalf of Sweden.

When we met in Brussels 10 years ago, we committed to work together to eradicate poverty and improve the quality of life for people in the LDCs through our mutual and sustained efforts in a global partnership.

Ten years on, we look back at a decade that has been more prosperous for the LDCs than any of the three decades preceding it. Many LDCs have achieved healthy growth rates, a considerable expansion of public services. A significant number of people have been able to escape from absolute poverty. And a tendency towards a declining share for LDCs in world trade that had begun to appear irreversible has been reversed.

Credit for these achievements is due, first and foremost to the individual LDCs themselves. At the centre of these improvements are governments pursuing sound macroeconomic policies and expanding access to health, education, water and sanitation and basic infrastructure. Governments engaging civil

society and expanding democratic space, as well as governments promoting a private sector lead growth. We see a private sector increasingly responding to new economic opportunities. Domestic revenue collection is increasing. So is foreign direct investment.

But the challenges facing the LDCs remain complex and mutually exacerbating. To address them we need to take risks, we need sustained efforts and we need to see more results on the ground.

The Istanbul Programme of Action will be important in guiding our efforts through the next decade. It is, however, a long document based on a lot of hard work with 27 priorities for action. There is a risk that we fall back to business as usual. But implementing the Brussels Programme of Action has shown that business as usual is not enough. After all, only three countries have graduated from LDC status.

We need to engage in a new paradigm for cooperation. The experience of both Sweden and Denmark through many years of development cooperation tells us that aid can only be one element in our joint efforts to promote growth and employment. This is coming from two countries that for several years have given more than 0,7 % in ODA. It is clear to us that gender equality, freedom, democracy and human rights are key ingredients to this end. Freedom, predictability of regulation; and a business environment that accommodates entrepreneurship in all forms of businesses – be they small or big, informal or formal – are key to sustained and inclusive growth. This will in turn allow

societies to invest in health, education and infrastructure and lift countries out of poverty.

Inclusive growth is about allowing people to realize their potential, enabling them to make things better for themselves and their children and allowing women to be equal partners.

Excellencies, Ladies and Gentlemen

New and more positive economic prospects call for additional forms of collaboration, more directly geared to sustain growth in the real economy. With unprecedented high numbers of young people entering the labor market in the next four decades, the challenge now is to ensure that growth is inclusive of the major part of a country's labor force and units of production. Developed countries are responding to this challenge with new modalities for cooperation and Aid for Trade. The new rules of origin adopted by the EU will help produce significant benefits for LDCs trading under the EBA arrangement.

Dynamic developing economies are becoming increasingly important partners for LDCs in the areas of trade, foreign investment and knowledge transfer. Several of them have also joined the ranks of donors contributing ODA through IDA and other multilateral windows as well as bilaterally. We welcome this, and encourage those partners to increase their contribution in tandem with improvements in their economic standing. And we look forward to working more closely with them in support of growth and poverty reduction strategies in the LDCs.

However, ODA alone cannot address the needs of LDCs. Even more important is the need to develop greater coherence in policies across sectors that affect LDCs. This is true both for LDCs and for development partners. Policies in areas like agriculture, trade, investment and migration have a profound impact on the growth potential of LDCs. Policy coherence for development should ensure that government actions are supportive of development goals.

Improved and development friendly market access for LDCs to markets in developing countries and dynamic developing economies is key to the success of their effort to catch up. We strongly encourage the G20 countries to follow up on their promises to provide duty and quota free access for LDC products.

Excellencies, Ladies and Gentlemen

There is a clear link between what we are concluding at this conference and what needs to be the outcome of the High Level Forum on Aid Effectiveness in Busan. In Busan we need to see a renewed political commitment to effective aid. We strongly advocate a kind of “back to basics” approach, avoiding the bureaucracy created in many instances in following up on the Paris Declaration and the Accra Agenda for Action. We need to work for a more results oriented aid effectiveness agenda, based on ownership at country level, transparency and accountability.

It is our firm belief that we need transparency at all levels. An individual or organisation should be able to find out what aid initiatives are happening in their own immediate area, what the objectives are, how much money has been paid out and to whom. We need real accountability, both for taxpayers in donor countries and for poor people in partner countries. People should be able to hold their governments responsible for the results of aid, in the short and in the long term.

For the LDC's aid effectiveness is an absolute necessity. We must base our efforts on our knowledge of what works and what does not. And we must improve our ability to document this. Therefore Busan must lead to strengthened commitments. Only by ensuring real improvements on the aid effectiveness agenda will we be able to achieve the Millennium Development Goals and ensure the successful implementation of the Istanbul Programme of Action thereby fulfilling to the people living in the LDCs the promise of a better and more prosperous future. And that, after all, is what it all comes down to.

I thank you for your attention.