



**FOURTH UNITED NATIONS
CONFERENCE ON THE
LEAST DEVELOPED
COUNTRIES**

PRIVATE SECTOR TRACK

SUMMARY REPORT

PRIVATE SECTOR TRACK STEERING COMMITTEE: African Business Roundtable, Athgo International, Commonwealth Business Council (CBC), Confederation of Businessmen and Industrialists of Turkey (TUSKON), Confederation of Indian Industry (CII), Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Federation of Indian Chambers of Commerce & Industry (FICCI), Federation of National Associations of Women in Business in Common Market for Eastern and Southern Africa (FEMCOM), International Chamber of Commerce (ICC), International Finance Corporation (IFC), International Trade Center (ITC), Kankindi's Group General Trading, Greater Mekong Subregion Business-Forum (GMS-BF), NEPAD Business Group, Solomon Islands Chamber of Commerce and Industry (SICCI), The Union of Chambers and Commodity Exchanges of Turkey (TOBB), United States Chamber of Commerce, United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Global Compact Office, United Nations Office for Partnerships (UNOP), United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLS), United States Council for International Business (USCIB).

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“ The United Nations has grown to recognize the important role the private sector can and must play in sustainable development”

– H.E. Ban Ki-moon, UN Secretary-General

Executive Summary

The Fourth United Nations Conference on the Least Developed Countries (LDC-IV) was held in Istanbul on 9-13 May 2011 with two primary objectives:

- 1) Assess the results of the 10-year action plan for the Least Developed Countries (LDCs) adopted at the Third UN Conference on LDCs in Brussels (2001).
- 2) Adopt new measures and strategies for the sustainable development of the LDCs into the next decade.

The Private Sector Track of the LDC-IV Conference convened more than 500 chief executives and senior business representatives with leaders from Government, civil society and the UN to elevate the role of private sector investment in the sustainable development of the LDCs. The Private Sector Track was organized by the United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLS), the UN Global Compact, The Union of Chambers and Commodity Exchanges of Turkey (TOBB) and Confederation of Businessmen and Industrialists of Turkey (TUSKON) under general guidance of the Private Sector Steering Committee (see page 2). The Private Sector Track mobilized engagement between LDC private and public sectors with their non-LDC counterparts.

Advancing sustainable business models became a cross-cutting theme not only throughout the Private Sector Track – but at the LDC-IV Conference broadly. A number of Government statements made during the general debate and interactive thematic discussions of the Inter-Governmental Track focused on the vital role of the private sector to inclusive and equitable economic growth and sustainable development in the LDCs.

Adopted at the LDC-IV Conference, the Istanbul Programme of Action for the first time recognised that sustainable business plays a crucial role for increasing investment and trade, employment and entrepreneurship; thereby generating economic growth, eradicating poverty and serving as an engine for indus-

trialization and structural transformation.

The Private Sector Track marked an important milestone for the UN: It was the first time that the private sector was fully integrated into the program of a major UN Conference, allowing for direct deliberations between the public and private sectors. Also the scale of participation of the business community made this UN Conference historic.

The Private Sector Track was built around three components:

- 1. Global Business Partnership Forum (9 – 12 May 2011):** A four-day multi-stakeholder, working-level platform for dialogue among business, investors, Government officials and other stakeholders.
- 2. High-Level Meeting on Investment and Partnerships (9 May 2011):** A high-level luncheon that convened Heads of State and Government, chief executives and other top leaders.
- 3. Trade Fair (9 – 13 May 2011):** Featured over 160 private sector exhibitors, including over 20 from the LDCs who showcased goods and services produced locally.

The Private Sector Track addressed several key challenges and opportunities to sustainable development within the LDCs, in particular: good governance, peace and stability, productive capacity and entrepreneurship, access to financial markets, water conservation, climate change, and infrastructure. Many of the Private Sector Track events explored sustainable development through the prism of key economic sectors in the LDCs, such as agriculture, tourism, telecommunications, energy services and extractives.

Throughout these events the business and investment opportunities explored within the LDCs included those relevant for both multinational enterprises (MNEs) looking to support LDC development, and domestic LDC businesses seeking growth and development. The Private Sector Track provided important opportunities to identify concrete, action-oriented proposals to address LDC-specific challenges through sustainable private sector solutions.

Themes of the Private Sector Track

The Private Sector Track addressed several key challenges and opportunities for sustainable development within the Least Developed Countries. These issues include:

Peace and Stability

Peace and stability are prerequisites for sustainable development. LDCs are hit especially hard by conflict and see their prospects for economic development significantly challenged. As a result, it is unlikely that LDCs affected by conflict and instability will be able to meet the Millennium Development Goals (MDGs), placing them in dire need of major policy, institutional and financial support.

Violent conflict and instability pose challenges for the private sector. The lack of a predictable political and economic framework and increased violence disrupts production and supply chains, increases operating costs and delays the completion of planned business activities. Although private actions are not a substitute for effective governance in LDCs, companies and other private actors have great potential to help break cycles of violence and stimulate sustainable economic development. Companies have begun to recognize that while operating in unstable and conflict-affected countries poses risks, it also brings new opportunities for creating value and helping people to get out of violence.

KEY CHALLENGES

- “Do no harm”: Given unpredictable environments, businesses operating in fragile and/or conflict-affected areas are exposed to higher operational risks. At the same time, businesses must mitigate the negative effects of their operations and policies on their operating environment.
- Additional efforts are required to fully implement responsible business practices in unstable and conflict-affected countries, and private sector actors need support and guidance in this endeavour.
- The private sector requires an enabling environment in order to invest and operate sustainably. Strong institutions and enhanced governance are particularly critical in such contexts.
- Individual company and industry initiatives to promote conflict-sensitive practices

have not yet been widely embraced and have not delivered cumulative positive benefits to conflict-affected communities.

PROPOSED SOLUTIONS

- Bring various stakeholders together — company representatives, NGOs, investors and the UN — to explore how to better leverage the private sector’s capacity to operate responsibly and contribute to conflict prevention and peace-building.
- Private sector actors must embrace initiatives that will enhance their capacity to implement conflict-sensitive business practices.
- Engage in new types of public-private partnerships and promote the private sector’s involvement in peace-building projects.

Productive Capacities and Entrepreneurship

For LDCs, the development of entrepreneurship and a broader set of relevant productive capacities in agriculture, manufacturing and the services sector (tourism), and the redeployment of resources into activities with higher productivity lie at the heart of self-sustaining and lasting economic growth.

Both the public and private sectors play a role in enhancing productive capacities and entrepreneurship. Governments establish stable macroeconomic environments, enact policies to facilitate economic diversification, and have primary responsibility for education, infrastructure and other public goods. The private sector can also help lead investment in productive capacities and build entrepreneurship: It can drive development of technology, provide capital, build skills and capacities of employees and suppliers, and engage in dialogue around policy and institutional constraints.

KEY CHALLENGES

- Insufficient infrastructure is one of the most important impediments to private investment, and is particularly relevant for the agriculture and tourism sectors. In rural areas, the lack of irrigation systems, and high energy and transportation costs are major reasons for low agricultural productivity. Tourism also requires transport

infrastructure, energy, water, communications, hotels, safety and security.

- Institutional and legislative frameworks are weak, as are capacities needed for business.
- LDCs lack the necessary qualified and well-educated workforce.
- Capacity gaps and resource constraints in LDCs prevent the implementation of sector and industrial policies.
- Demand is hampered by small domestic markets.

PROPOSED SOLUTIONS

- LDCs should promote entrepreneurship through investments in innovation, and scale up “game changers” for development such as weather-resistant seed varieties, low-cost water treatment systems and ICT innovations.
- Increase human resource development through education, training and skills development within sector priorities. This is essential for employment creation, the most important link between growth and poverty reduction.
- Governments should engage in public-private collaboration to bring together all stakeholders in a given sector in order to identify constraints, define solutions, and improve competitiveness and productive capacities. Development partners should support these collaborative processes.
- Pursue export diversification and goods with higher added value and technological content.

Good Governance

Good governance and transparency play an essential role in fostering the private sector in LDCs. Corruption negatively impacts businesses by raising transaction costs, undermining fair competition, distorting development priorities, and impeding long-term foreign and domestic investment. Recent studies suggest that corruption adds up to 25 percent to the cost of procurement contracts in developing countries, and the lack of transparency and poor governance often deter foreign direct investment.

With the 2005 adoption of the UN Convention against Corruption, Governments are strengthening transparency and governance measures in order to create an enabling environment for private sector operations. To complement governmental efforts, the private sector has focused on integrat-

ing rigorous compliance and transparency mechanisms in its strategies and operations. However, there is much to be accomplished as companies advance good corporate practices in order to facilitate good national governance. To scale up existing efforts, Governments, the private sector and other stakeholders must jointly address concrete governance and transparency measures at both the country and international levels.

KEY CHALLENGES

- Poor governance and lack of transparency reduces enforcement of legal measures that protect ethical performers and increases the cost of doing business.
- Corporations and institutional investors are deterred from investing and operating in corrupt environments. A PricewaterhouseCoopers study showed that 41 percent of 32 extractive industry companies withdrew from otherwise profitable ventures due to the threat of paying bribes and dealing with corrupt officials.
- Capital-intensive sectors such as the extractive and telecommunication industries are particularly prone to corruption, as interaction with the public sector is critical for sustained operations.
- Weak governance makes it difficult to detect and prosecute those engaged in corruption, leading to an unequal playing field.
- Weak governance and corruption makes ethical actors vulnerable to losing business to competitors who engage in corrupt practices. Ethical performers do not enter markets associated with a lack of transparency, creating a reinforcing negative cycle of corruption.

PROPOSED SOLUTIONS

- Voluntary private sector action can reinforce governmental efforts to facilitate good governance and transparency.
- It is critical that companies observe laws and international standards, as well as integrate existing corporate governance and anti-corruption measures into business operations and strategies. These measures must be regularly communicated to stakeholders and throughout the value chain.
- Companies should continue to take collective action with governments and other stakeholders to identify challenges and discuss solutions. An integrity pact embraced by a number of countries is one way to

tackle procurement-related challenges and improve transparency measures.

Access to Finance and Markets

Shortfalls related to finance and investments remain a serious issue for the LDCs. While net Official Development Assistance disbursements and Foreign Direct Investment inflows rose throughout much of the past decade, they remain uneven and well below levels deemed necessary to help produce widespread improvements.

Financial constraints are more pervasive in agriculture related activities than in many other sectors. Lack of broader access to financial services limit opportunities for agri-enterprises and small holders to adopt efficient technologies and allocate resources. Further, ensuring that agricultural finance addresses issues related to responsible investment, inclusiveness and social and environmental sustainability remains a key priority. There is a need for providing lines of credit and promoting responsible lending in general.

KEY CHALLENGES

Constraints to Finance

- Banks and financial institutions tend to focus on urban clients due to higher transaction costs associated with rural financing.
- Long gestation periods lead to agricultural loan term structures that may need to be repaid in “lumpy installments.”
- Lending to the agricultural sector is complex and higher risk due to increasing variation in weather patterns that makes it difficult to predict yield, the wide range of farm and non-farm income, and the lack of proper loan collateral by farmers.
- Price fluctuations are compounded by limited market access, lack of post-harvest storage and poor transport infrastructure.

Challenges to Responsible Investment

- Increased demand for food, oils and bio-fuels drives expansion onto previously uncultivated lands, placing significant pressure on forests. Concerns over deforestation and greenhouse gas emissions from expanding palm oil farms led to the temporary suspension of all World Bank Group investments in September 2009.
- Rising global large-scale land acquisitions may lead to the displacement of vulnerable populations dependent on farming.
- Investors face challenges in incorporating

agriculture-specific social and environmental due diligence efforts in their investment processes; complex standards for sustainable production; and insufficient innovation (social/environmental) in financial products.

PROPOSED SOLUTIONS

- Support product development, agri-lending training, and risk management for financial institutions.
- Facilitate financing through supply chain projects that build agri-business capacity, and provide linkages to financial institutions and markets. Develop regulatory frameworks and financial products to support macro risk mitigation tools and financing vehicles.
- Support suitable business service providers to assist agribusinesses in preparing business plans and loan applications.
- Provide lines of credit or other risk sharing facilities to partially guarantee agriculture portfolios based on pre-determined criteria as incentives for banks to pursue business in agri-lending.
- Target sustainable strategies for key sectors, such as the World Bank Group’s new approach for investment in the palm oil sector.
- Promote responsible lending in general, and rigorous social and environmental due diligence in particular, through IFC’s Performance Standards on Environmental and Social Sustainability; the Equator Principles; the UN Principles for Responsible Investment (PRI); and agricultural commodity roundtables such as the Roundtable for Sustainable Palm Oil (RSPO).

Infrastructure

The provision of infrastructure facilities in sectors such as agriculture, energy services, transportation and water is crucial for social and economic development of LDCs. Adequate infrastructure can help alleviate poverty, raise living standards, ensure universal access to clean water and sanitation, support the development of key industries such as agriculture, tourism and garments, and attract private/foreign investment.

Private sector participation in infrastructure development in LDCs is necessary because, despite governmental efforts to develop infrastructure, the financing needs far exceed available public resources. On

average, developing countries invest three to four percent of GDP on new projects and maintenance of existing infrastructure annually, while seven to nine percent is required if broader economic growth and poverty reduction goals are to be achieved. On the positive side, private/foreign investment in infrastructure is on the rise – especially in the context of public-private partnerships and concessionary arrangements.

KEY CHALLENGES

- LDCs are often challenged to raise adequate levels of public financing to (a) support infrastructure development and (b) leverage private/foreign investor commitments.
- LDCs face tough competition in attracting foreign investors, although countries with natural resources fare better.
- Private and foreign investors are more inclined to invest in or finance projects that provide higher returns with lower risks than exists in many LDCs.
- Significant sector differences arise when receiving foreign investment. UNCTAD's World Investment Report 2010 shows that, of \$195 billion in foreign investor commitments in LDCs between 1990 and 2010, \$82b was in energy services and related projects, with only \$5b in agriculture. Areas which might support agriculture and rural areas received just \$15b of foreign investment commitments over the same period – and much of this in urban regions or ports/airports.
- LDCs often lack the expertise and capacity to negotiate with large infrastructure companies, and may be less equipped to assess potential project risks, which could have significant development implications.
- According to UNCTAD data, more LDC governments have recently opened their infrastructure industries to the private sector to the 1980s and 1990s. However, countries risk losing control of strategic interests.

PROPOSED SOLUTIONS

- LDCs can tap into funding sources such as ODA to supplement public sector funding and leverage foreign investor involvement. Governments can attract private sector participation in infrastructure through concessionary arrangements and PPP, which can also be used to boost capacity and institution building.
- Countries should encourage transnational

corporations to help LDCs attract foreign participation in infrastructure development.

- The international community can help LDCs increase their institutional capacity to negotiate, identify risks and manage large infrastructure projects involving private investment through model contracts and technical cooperation.
- LDCs can consider regional cooperation in infrastructure development to increase opportunities and reduce risks for both countries and investors.
- Countries can take advantage of new players in infrastructure from other developing countries to (a) encourage participation by companies that better understand LDC conditions, and (b) diversify the base of potential investors. In particular, new energy services firms possess capabilities to invest in and manage wind, hydropower and solar projects.

Climate Change

Climate change affects virtually all aspects of sustainable development and economic stability, from food, energy and water security to biodiversity protection and market stability. The LDCs are hit hardest – by decreased water availability and quality, increased potential for flooding, reduced agricultural productivity and increased hunger, threats to energy access, public health concerns, and human and economic tolls of climate-related disasters – and have the fewest resources with which to cope. Anticipating and adapting to the impacts of climate change in LDCs at the necessary scale and scope will require a coordinated, multi-sectoral effort that includes the business community.

While a considerable portion of the business community has concrete and measurable climate mitigation goals and programmes, the majority of companies are only beginning to address the impacts of a changing climate. Companies in both developed and developing countries recognize that climate change presents significant risks to their operations and value chains, but also opportunities to create value through adaptation. These opportunities to enhance resilience must be recognised as the drivers for private sector involvement.

KEY CHALLENGES

- The private sector's engagement on climate adaptation has been limited for a number

of reasons: risk and uncertainty; lack of information on climate and weather variability and its impacts; lack of modelling tools; difficulty in communicating and championing adaptation within the company; challenges of mainstreaming climate risk and opportunity analysis into core business processes; and lack of overall incentives to take action.

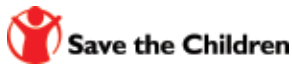
- Businesses require an enabling environment – clear market and policy signals – to invest and operate in developing countries. Economic incentives are essential to unleash investments that will provide infrastructure, technological and financial solutions and services in the effort to build climate resiliency.
- Governments must show long-term commitment to adaptation within multilateral, national and local climate change dialogues. Governments must also allocate sufficient public funds in order to meet adaptation needs.
- Stimulating the market through financial and risk mitigation incentives is crucial for engaging the business community in the planning and implementation of adaptation policies.

PROPOSED SOLUTIONS

- Make long-term investments for integrating climate adaptation into core strategic business planning processes and operations. Assess the financial costs and benefits of adaptation measures. Create new opportunities in markets that are adapting to climate change.
- Develop and deploy new climate-resilient products and services that create business value and contribute to community resiliency and sustainable development.
- In order to tackle the most complex challenges and build climate resiliency, engage in new types of public–private partnerships and business models that extend supply chains and create both employment and income in various sectors, especially in agriculture and energy related industries.
- Engage the business community alongside civil society and vulnerable communities in developing shared adaptation goals. Agree on the priority of adaptation issues to be addressed.

Global Business Partnership Forum

MONDAY, MAY 9TH



The Private Sector and Children in LDCs: Maximizing Positive Impacts

Hosted by the UN Global Compact, UNICEF and Save the Children

Launched by the UN Global Compact, UNICEF and Save the Children in June 2010, the draft Children's Rights and Business Principles offer concrete guidance on actions business can take to respect and support children's rights. In addition to serving as a consultation on the draft, the session provided an opportunity for businesses in the LDCs to learn about the

linkages between children's rights and business in an effort to increase their awareness and engagement. Participants from over 17 countries commented on the draft Principles and shared various dilemmas companies face with regard to children when operating in the LDCs.

Participants also expressed their commitment to be further involved in the initiative – both during the final phase of developing the Principles and during implementation.



Interbrand



Country Branding and Partnerships: Creating and Managing Country Brand Value and Partnerships with Business

Hosted by UN-OHRRS, Interbrand and the Global Partnership Forum

This event focused on how LDCs can create their own unique country brand, enabling them to communicate a message of country-specific value, turning the country image into a valuable business asset. Though the idea of applying classic marketing principles and tactics to countries provoked much debate, there was agreement on its potential to contribute to growth. Presenters shared case studies demonstrating how their organizations have helped other nations bolster their brands. Participants agreed that brand building must not have a political agenda that changes with new leadership, additionally that metrics to gauge progress and correct weaknesses are crucial. Attendees also



recognized challenges LDCs face in securing funding and utilizing technology to reach wider audiences. Finally, presenters reiterated the importance of partnerships.

TUESDAY, MAY 10TH

Export Development Forum - Private Sector Engagement with LDCs for Tourism-Led Growth and Inclusive Sustainable Development

Hosted by the International Trade Centre (ITC)

Over two days, the World Export Development Forum (WEDF) brought together 160+ global leaders in trade, development and tourism – from multinational corporations, small and medium enterprises (SMEs) and chambers of commerce – to discuss the contribution of the tourism sector to growth and, in particular, its potential contribution to inclusive and sustainable development in the LDCs. Plenary sessions featured high-level private and public sector tourism experts who examined the economic and human development benefits of tourism-led growth. Participants also explored policies and incentives for tourism development, innovative approaches by locally-owned businesses and projects currently funded by international donors.

Four workshops held during the WEDF



launched pilot projects aimed at engaging SMEs in the tourism value chain in the LDCs. Participants found that engagement in tourism benefits employment, especially of women and young people, and develops the local private sector. Attendees also underscored the growing importance of South-South partnerships.

KEY OUTCOMES

ITC announced several new initiatives as part of the WEDF:

- The organization will work with the Platform for Action on Sourcing from Women Vendors to create a public private partnership to more fully involve women in the tourism value chain in Oceania.
- An initiative was launched to connect farmers producing fresh fruits and vegetables to commercial agro-industry operations in the tourism sector, using Tanzania as a case study.
- Inclusive tourism as a market opportunity for the developing world, is a project that has the dual objectives of protecting and promoting cultural heritage in Ethiopia and developing trade for micro-artisans and artists in Uganda.
- Led by the WTO and supported by the ITC, an initiative was launched to develop a toolkit to disseminate information on sustainable tourism. The toolkit will include resources that 1) clarify local market requirements 2) outline community considerations and 3) provide guidance for managing tourism after a crisis.
- A Declaration was also issued on tourism-led growth and inclusive sustainable development. The Declaration was a commitment to develop sustainable tourism in the LDCs through the involvement of local communities.



Engaging the Private Sector in the Development of the LDCs – How Governments and the Private Sector Collaborate to Pursue Inclusive Growth

Hosted by the UN Global Compact and the United Nations Development Programme (UNDP)

The high-level dialogue provided a unique opportunity for development ministers, business executives and civil society leaders from LDCs and non-LDCs to discuss how the international donor community, in collaboration with LDC Governments and the private sector, could implement their 2010 commitment (“Joint Donor Statement on Private Sector Partnerships for Development”) in relation to private sector development in the LDCs. The dialogue was based on a new study “Partners in Development - How Donors can Better Engage the Private Sector for Development in LDCs” prepared by the UN Global Compact and UNDP in collaboration with the Bertelsmann Foundation”.

The report was well-received and participants recognized public-private collaboration as a critical tool to promote inclusive and sustainable growth in the LDCs. Additionally, attendees emphasized that coordination

among businesses, LDC Governments and donor agencies should happen through existing platforms such as the UN Global Compact and the Donor Committee on Enterprise Development (DCED).

KEY OUTCOME

Launched at the meeting, “Partners in Development – How Donors Can Better Engage the Private Sector for Development in LDCs” explores how donors can effectively support public-private collaboration efforts in order to attract sustainable investments and foster development in the LDCs. To this end, the report takes stock of existing donor programmes aimed at engaging the private sector in development activities and identifies both shortcomings and promising approaches. It also offers recommendations on how donor programmes can introduce more public-private collaboration into LDC environments.



SME Finance, G20 and LDCs: Policy Framework, Challenges and What Works

Hosted by Undersecretariat of Treasury, Turkey (on behalf of the G-20 Global Partnership for Financial Inclusion-SME Finance Sub-Group)

During the day-long event the challenges faced by LDC SMEs in gaining access to finance was discussed. Speakers highlighted examples of regulatory frameworks and public interventions designed to improve access

to finance that could serve as useful models in the LDCs. There was also agreement on several key recommendations which included: developing country specific diagnostics and strategies, fostering supportive legal and regulatory frameworks, building consistent and reliable data sources on SME finance, and utilizing collective action among SMEs to achieve these goals.



UNEP Finance Initiative
Innovative financing for sustainability

New Frontiers in Finance: Portfolio Investment, Credit and other Sources of Capital

Hosted by the UN Global Compact, Principles for Responsible Investment (PRI) and UN Environment Programme Financial Initiative. (UNEP FI)

This session explored best and emerging practices for investing in frontier markets and the LDCs. Participants examined major

investment barriers from several perspectives- institutional investors, development banks and microfinance institutions. Attendees also discussed how “responsible investment” practices apply in the LDCs.

Entrepreneurship – Tested Prescription for Wealth Creation

Hosted by Athgo International

Technology is both transforming the way that business is conducted and creating jobs at the same time. Discussions at this event focused particularly on technology's role in stimulating entrepreneurship as well as the potential of youth in the LDCs. With small targeted investments, youth can become successful entrepreneurs and contribute to economic growth. Participants identified four areas that should be strengthened for young entrepreneurs: intellectual capacity, inner capacity, financial capacity and networking capacity.

KEY OUTCOME

An online entrepreneurship center to mobilize young entrepreneurs will be launched by Athgo International. Its goals include facilitating knowledge sharing and intellectual growth among youth and connecting young entrepreneurs in order to promote peer-to-peer project based funding and social networking.



The Business and Development Cases for Engaging Women in Global Value Chains

Hosted by the UN Global Compact, UN Women, the International Trade Centre (ITC) and the Turkish Industry and Business Association (TÜSİAD)

This event highlighted the importance of engaging women in the global business value chain, both from a business perspective and in order to achieve internationally agreed development goals. Distinguished speakers, including Ms. Michelle Bachelet, Executive Director of UN Women and Ms. Güler

Sabancı, Chairman, Sabancı Holding, who emphasized the need for a holistic approach to strengthening all aspects of women's economic participation, including in global value chains, and for multi-stakeholder collaboration and collective action. Participants welcomed the Women's Empowerment Principles – Equality Means Business as a useful tool and framework for companies committed to empowering women in the workplace, marketplace and community.



KEY OUTCOME

The event concluded with Ms. Güler Sabancı's announcement of her commitment to the Women's Empowerment Principles, on behalf of her company, Sabancı Holding – the first Turkish company to sign the CEO Statement of Support for the Principles.





Stock Exchange Development & Strengthening in the LDCs

Hosted by the Istanbul Stock Exchange, UN Global Compact and Principles for Responsible Investment

At this session, the heads of the Istanbul Stock Exchange and three LDC stock exchanges presented current development trends among LDC stock exchanges as well as best and emerging practices for maturing stock exchanges. In roundtable discussions, attendees addressed some of the major barriers to establishing new LDC stock exchanges and considered ways to build the capacity of existing stock exchanges in the LDCs in order to improve access to capital. During the closing session, participants reflected on solutions

to challenges in frontier markets, such as environmental, social, corporate governance issues, in relation to LDC capital markets.



KEY OUTCOME

A white paper, "Stock Exchange Development and Strengthening in Least Developed Countries", was released by Inflection Point Capital. The report details, from the investor perspective, the challenges that LDC stock exchanges currently face.

LDC stock exchanges agreed to explore developing a mentoring system with developed and emerging market exchanges. A primary objective of this arrangement is to identify best practices of how LDC stock exchanges have addressed key challenges such as lack of investor confidence and corporate transparency among listed companies as well as unforeseen market volatility.



SME Entrepreneurship for Sustainable Development

Hosted by Confederation of Businessmen and Industrialists of Turkiye (TUSKON) and the Small Business Administration of Turkey (KOSGEB)

The event offered a platform for international institutions and national development agencies to share their experiences and discuss fostering ideal entrepreneurial environments for SMEs. Conversations addressed identifying

and training personnel and developing business plans as well as broader issues. Participants determined that sound macroeconomic policies, good governance strategies and access to finance are a key to SME growth. Based upon its experience in Turkey, KOSFEB recommended that the LDCs utilize public-private partnerships to finance entrepreneurship.

Investment Showcase

Hosted by United Nations Conference on Trade and Development (UNCTAD) and the International Chamber Of Commerce (ICC)

The Investment Showcase aimed to draw the attention of investors to LDCs and to assist developing countries in attracting quality investment. Ministers and heads of investment promotion agencies from five countries (Benin, Comoros, Lao PDR, Rwanda and Zambia) presented the investment opportunities in their countries and engaged with participants in question and answer sessions that explored the possibilities and challenges in their countries.

Participants emphasized the value-add of the investment guides (produced by UNCTAD and ICC) and recommended that their number and distribution be substantially increased. LDC Governments, investor representatives and international organizations present at the event agreed that the LDCs are both rich and poor at the same time. That is, while they are poor with regard to their GDP, they are rich in terms of the natural resource endowments, culture heritage, and the commitment of their Governments to enable business to prosper and their countries to develop.



KEY OUTCOME

Investment guides, produced jointly by UNCTAD and ICC, were launched to highlight the opportunities and challenges in four LDCs: Benin, Comoros, Lao PDR and Zambia.



Investment Advisory Council: A New Partnership For Development: Invest In The Poor, With The Poor And For The Poor (9th Session)

Hosted by United Nations Conference on Trade and Development (UNCTAD) and International Chamber Of Commerce (ICC)

The 9th session of the Investment Advisory Council (IAC) provided a platform for high-level representatives from Governments, international organizations and business to informally discuss strategies to improve investment in the LDCs. The meeting focused on three main themes: the critical role of investment in agriculture, the importance of developing SMEs, and the role of new partnerships. The event builds on the 8th session of the IAC and developed practical recommendations for leveraging foreign

direct investment in the LDCs and increasing its contribution to their development.

The Secretary-General of UNCTAD called for the IAC to develop investment projects particularly in the Comoros because of its comparative advantages. UNCTAD and ICC also agreed that the number of investment guides should be substantially increased and distributed more widely.



KEY OUTCOME

The China-Africa Business Council plans to convene LDC investment promotion officials and Chinese investors to explore concrete investment opportunities.



What is the Ideal Institutional Set Up Particularly for the Case Of LDCs that Can Ignite and Sustain Private Economic Activity?

Hosted by the Union of Chambers and Commodity Exchanges of Turkey (TOBB)

A vibrant private sector has been the main driver of growth in many development success stories around the world. Drawing

lessons from the Turkish experience, speakers discussed the necessary conditions and policy challenges related to jumpstarting economic growth. Panellists emphasized the importance of political will and government policies to foster entrepreneurship and industrialization. In addition, Special Economic Zones were also identified as tools that contribute to growth.



Exploring Business Models and Public-Private Partnerships for Broadband Rollout in LDCs

Hosted by the Broadband Commission for Digital Development, the International Telecommunication Union (ITU) and United Nations Educational, Scientific and Cultural Organization (UNESCO)

In light of the interplay between ICT investment and development, the meeting explored methods for actors in the ICT sector to rollout broadband strategies in the LDCs in an effort to guide the future work of the Broadband Commission for Digital Development.

Attendees agreed on several priority areas that are necessary to address in order to expand broadband access in the LDCs. These include: building political will, creating supportive policy, legal and regulatory frameworks, ICT education, capacity building

to stimulate usage of deployed broadband infrastructures, improving availability of electricity and increasing female ownership of ICT businesses. Additionally, it was determined that ICT projects benefit from the public-private partnership model as it can better create the space to assure more optimal social outcomes.



KEY OUTCOME

The multi-stakeholder working group led by ITU and UNESCO on broadband and digital development in developing countries established its terms of reference. The group determined its next workstreams targeting development in the LDCs. These include: Mobiles for Midwives to improve birth and death record keeping, a programme to enhance transparency, village-based connectivity and providing internet access to schools.

Contributing to Millennium Development Goals: The Role of Chambers in Achieving the MDGs

Hosted by the Union of Chambers and Commodity Exchanges of Turkey (TOBB)

Presenters at this event were participants in TOBB and UNDP's joint "Project on Localization of MDGs", designed to mobilize local Chambers and Commodity Exchanges to initiate development projects. The panelists discussed the outcomes and successes of their projects, many of which were related to job creation.

A key finding that emerged was the crucial role of vocational training, seminars and workshops in creating jobs. The panelists' experiences also demonstrated that fostering entrepreneurship among women and youth, in particular, holds significant potential to

reduce poverty and promote sustainable economic growth through job creation. Because Chambers and Commodity exchanges have the ability to play an integral role with regard to employment and other development outcomes, building their capacity should be a priority for national and multinational organizations.



KEY OUTCOME

TOBB signed an agreement to establish business councils in Bangladesh and Nepal. TOBB also established links with Chambers in the Gambia, Togo, Comoros and Niger to increase Turkey's trade links with these countries.

Trade Bridge Concept as a Case for Trade and Investment Promotion

Hosted by the Confederation of Businessmen and Industrialists of Turkiye (TUSKON)

Trade Bridge is a concept that TUSKON developed in 2006 to help LDCs build trade relationships internationally. TUSKON's trade bridge events include a large exhibition of businesses and field trips to companies, factories, and organized industrial zones in the LDCs. TUSKON brings a large delegation to the country where the trade bridge is held. At this event, Tuskon presented the trade bridge model and demonstrated how it can be used

as a tool for trade and investment promotion in the LDCs. Panelists emphasized the important role of LDC partner organizations in bringing local businesses to the events as well as TUSKON's ability to mobilize its member companies to attend.



KEY OUTCOME

During the event, it was announced that TUSKON will organize Turkish business delegations to 25 LDCs in 2012.

The Fragile Economic Recovery on the Road to 2015: Mobilizing International Resource into African Countries for Development

Hosted by the African Business Roundtable and the ACP Secretariat

The session focused on encouraging the inflow of capital and development assistance to the African LDCs in order to meet the MDGs by 2015. Key themes and discussion points included mobilizing domestic resources; attracting international investment; growing export earnings; increasing aid for trade; and improving financing infrastructure. Participants reiterated the pivotal role of the private sector in promoting economic growth and

development in Africa. Attendees called for smart partnerships with Government, private sector and the international community including the G8 and G20.



WEDNESDAY, MAY 11TH



Branchless Banking in the LDCs: The Challenges and Possibilities for Donor Organizations, Regulators and Private Sector Corporations to Scale up Mobile Money in a Group of LDCs

Hosted by Australian Government/AusAid and the United Nations Capital Development Fund (UNCDF)

The workshop focused on the challenges and possibilities for donor organizations, regulators and private sector corporations to scale up mobile financial services that facilitate savings, payments, remittances and other activities. Banking retail capacity remains the primary constraint to inclusive finance in the LDCs and mobile phone technology offers a tremendous opportunity to reach the poor. Participants emphasized that branchless banking, with the use of mobile phones, will require close cooperation between private sector corporations that offer telecommunica-



tions service, central bankers that will oversee these new services, and donor organizations who are instrumental to catalyzing new initiatives and sharing the financial costs.



Is the Success in Africa Sustainable?

Hosted by the World Bank

Drawing on examples from the World Bank's African Success Stories study and its new strategy, *Africa's future and the World Bank's Support to It*, the event explored the various ways in which African economies have unleashed private sector activity. The event raised the question of how to sustain those successes despite the challenges that the continent is facing.

The roundtable successfully facilitated dialogue among a variety of World Bank

stakeholders -business, policymakers, civil society and development partners. Discussions about the new strategy focused on increasing competitiveness and employment, reducing vulnerability and building resilience to economic and climatic changes as well as strengthening governance and public sector capacity. Participants also explored how the new strategy will leverage partnerships and utilize both knowledge and financial instruments to support Africa's future.

Climate Change and Development

Hosted by the UN Global Compact Office

This event focused on the private sector's role in building climate change resiliency, particularly in the LDCs, and looked at examples of corporate initiatives that could enable further investment in climate adaptation. Speakers highlighted the need to make long-term investments for integrating climate adaptation into strategic business processes. They further raised the importance of increased investments in technologies that support agricultural productivity, food and water security, energy services and disaster management.

Speakers also emphasized that new business models and public-private partnerships increase employment and income in various sectors, further contributing to building climate resiliency. During the session, the main findings of a new Caring for Climate report were introduced. The report was produced in cooperation with Oxfam, UNEP and WRI and is titled: *Adapting for a Green Economy: Companies, Communities, and Climate Change*. The report aims at providing practical guid-

ance on how the private sector can integrate adaptation priorities and related risks and opportunities into their climate strategies. Finally, speakers reiterated the need to develop incentives that would balance out the high costs of adaptation and to enable further investments in LDCs.



Global Compact Management Model Training

Hosted by the UN Global Compact and Deloitte Turkey

Developed by the UN Global Compact and Deloitte, the Management Model is a tool designed to help companies implement the Global Compact's ten principles and translate sustainability into business practice. The Management Model is applicable to all companies, regardless of size, sector or location. It offers a roadmap for companies new to the Global Compact as well as a set of "Leadership Practices" to inspire further improvement for businesses that have already made progress towards aligning their operations with the ten principles. To support signatories in their efforts, Deloitte Turkey and the Global Compact conducted this training session featuring company examples from both LDCs and non-LDCs. The examples highlighted the ways



that companies are integrating the Global Compact ten principles into their strategies and operations.





Building Productive Capacities of Least Developed Countries through South – South, Triangular and Public – Private Partnerships

Hosted by the Special Unit for South-South Cooperation

The event highlighted measures needed to boost productive capacity, which is critical to empowering LDCs to mobilize resources for economic growth, lessen dependence on aid, and attract private capital inflows for development. The discussion featured several

presentations of successful, transferable initiatives in the form of South-South, triangular and public-private partnerships. The roundtable concluded with several announcements of new South-South initiatives -- innovative funding mechanisms, public-private partnerships and multilateral support in transferring Southern knowledge and expertise. The event also showcased concrete plans for scaling-up existing South-South projects.

KEY OUTCOMES

- The South-South Global Assets and Technology Exchange (SS-GATE), in partnership with the China-Africa Development Fund and the Jiangsu Redbud Co., announced and committed to finance an initiative to enhance and diversify the agricultural productivity of Mali through the introduction of new technologies for the planting, harvesting and processing of jute.
- The India, Brazil and South Africa (IBSA) Facility for Poverty and Hunger Alleviation announced the scaling-up of their solar electrification through Solar Energy Systems" in Guinea-Bissau providing solar energy systems to 20 additional villages.
- The International Labour Organization announced and signed "South-South cooperation for the implementation of gender sensitive social protection floors," a new joint initiative with the Special Unit for South-South Cooperation to enhance productive capacities through the building of social protection knowledge and expertise in Benin, Burkina Faso, Cambodia, Lao PDR, Togo and Zambia.
- The Organization of the Islamic Conference announced a new joint programme with the Special Unit for South-South Cooperation to support LDCs recovering from the effects of major conflicts, natural disasters and critical humanitarian situations through South-South cooperation modalities.



Corporate Water Sustainability: How can companies contribute to water solutions in the LDCs?

Hosted by the UN Global Compact

Private sector panelists from Netafim, Pioneer Hi Bred, Coca-Cola Eurasia and Africa Group and Finlay International demonstrated that a growing number of companies – through initiatives such as the UN Global Compact's CEO Water Mandate – are beginning to make water management and sustainability a top corporate policy priority. For instance, companies can achieve a great deal in terms of water efficiency through the use of existing technologies such as drip-irrigation systems. In other areas, companies are developing

drought – resistant seeds and working with agricultural suppliers to improve their water use. Drawing on their own experiences, speakers noted that operating in LDCs, companies need to be acutely aware of water issues and work with suppliers, Governments and civil society to help manage local watersheds. Finally, companies should be aware that the UN General Assembly and UN Human Rights Council in 2010 declared access to safe water and sanitation basic human rights. In this regard, companies can take a rights-based approach, or adopt an explicit corporate policy on water as a human right – understanding that Governments have the ultimate responsibility.

Beyond The Crisis: Increasing Trade And Capital Flows To African LDCs

Hosted by African Business Roundtable and the UN Business Steering Committee on Financing for Development

This session sought to highlight the value of investing in African LDCs with a view to increasing trade and investment flows. Panelists highlighted a variety of challenges facing the 33 African LDCs in the wake of the global financial crisis, including falling commodity prices, reduced export earnings, mass capital flight and declining tourism among

others. In addition, development assistance also decreased as donor countries dealt with domestic economic challenges. Participants discussed how to overcome these obstacles and build resilience against future crises. Attendees found that as the world recovers, it will be crucial for LDCs to increase productivity as well as trade and investment flows with the rest of the world including other LDCs. Showcasing economic success stories and improving the investment climate in Africa will also be necessary.



Good Governance and Business: Public Private Partnerships

Hosted by the UN Global Compact

In an effort to better integrate transparency measures into strategies and operations, this event offered an opportunity to review existing anti-corruption efforts undertaken by corporations, business associations and Governments. Participants discussed the critical role that good governance and transparency play in developing a vibrant private sector in the LDCs.

Attendees concluded that due diligence, risk assessment, whistleblowing and anti-cor-

ruption policies are among the most effective preventative measures that companies can introduce. Participants noted the growing role of computerized systems and innovative technology in preventing corruption and improving transparency in the LDCs. Public-private dialogue and collective action were also recognized as important mechanisms to mobilize the private sector in support of Governments' anti-corruption efforts. Strong enforcement within codes of conduct, zero tolerance on bribery and transparent procurement measures can also help address corruption challenges.



THURSDAY, MAY 12TH



The Role of the Private Sector in Peace and Development – Delivering for Results, Beyond Economics

Hosted by the UN Global Compact and the Donor Committee for Enterprise Development (DCED)

More than 80 representatives from businesses, donor Governments, civil society and international organizations gathered to discuss how the private sector can enhance stability. Over two panel sessions, the DCED, UN Global Compact, International Finance Corporation, UNDP and several companies operating in fragile and conflict-affected areas presented their strategies for contributing to conditions that foster peace and development. Promoting economic opportunity and self-reliance, implementing responsible business practices, designing capacity-building opportunities targeted to local needs, and engaging in partnerships



were identified as solutions through which business can move beyond simply creating value and positively impact stability.



How the UN Global Compact is Making a Difference in LDCs

Hosted by the UN Global Compact

Global Compact Local Networks are organized by participants who come together voluntarily to advance the UN Global Compact and its principles at the local level. This session explored how Local Networks in LDCs are facilitating the progress of companies – both local firms and subsidiaries of international corporations – and creating opportunities for multi-stakeholder engagement, collective action and shared learning.

Local Network representatives from Bangladesh and Uganda were among the panellists who shared their experiences with private sector, civil society and Government attendees. Participants also demonstrated best practices to advance corporate sustainability in the LDCs. For example, ViyelleTex, a textiles and garment manufacturer in Bangladesh, discussed its elimination of child labour and anti-corruption policies. The company

also reuses effluent water from toilets used by 8,000 workers, which, combined with a rainwater harvesting system, saves 135 million litres of underground water each year. Another example shared was an initiative of Kakira Sugar, one of Uganda's largest employers, to provide funds for roads, schools and other infrastructure projects.



Putting Farming First – Growth through Agriculture

Hosted by Farming First and the International Chamber of Commerce (ICC)

As the foundation of most LDC economies, agriculture can significantly contribute to eradicating poverty and hunger. The session explored the policies needed to enable smallholder farmers to break the subsistence cycle and become small-scale entrepreneurs. Panelists included farmers from Rwanda and Uganda who explained the importance of safeguarding natural resources, sharing knowledge, and access to banking. Speakers from the private sector discussed improving the quantity and quality of harvests by using

improved inputs and nutrients as well as the power of local investment and technical advice.

Participants representing 19 LDCs, in addition to a number of developed and developing countries, actively took up the discussion to highlight best practices. Attendees agreed that increased investment in research and development is needed. The idea of Government funding for private sector innovation was also explored. In addition, traditional knowledge, including the need to offer technical support to blend existing farming practices with new ones, was emphasized. The importance of proper pricing, insurance and access to credit was also noted.



Trade Investment and Facilitation in LDCs

Hosted by and Industrialists of Turkiye (TUSKON) the Republic of Turkey Prime Ministry Investment Support and Promotion Agency (ISPAT) and Confederation of Businessmen

The event analyzed the role of the Turkish Investment Support and Promotion Agency in Turkey's development and the model it provides for the LDCs. Speakers described past examples of successful public-private partnerships and emphasized the need for policy and

regulatory frameworks that create incentives for investment. Panelists also expressed a desire to increase the number of joint partnerships between LDCs and Turkey. LDC participants in turn emphasized the importance of technical expertise and knowledge-sharing mechanisms. Finally, participants concluded that public-private partnerships and civil society engagement are crucial in promoting international trade and investment.



Accelerating Millennium Development Goals (MDGs) Through ICT – The UN-GAID eNabler Project

Hosted by the United Nations Global Alliance for ICT and Development (UN-GAID)

Information and communications technologies (ICT) can significantly accelerate the advancement of MDGs including poverty reduction, healthcare, education and climate. UN-GAID is building a comprehensive online platform called the MDG eNabler that will serve as a resource for both the public and private sectors in developing countries. This session highlighted the components of eNabler, which will be available free of charge in all developing countries this fall, and outlined the long range vision for the product. The eNabler offers tools to help develop-

ment practitioners plan and implement ICT projects and contains a collection of ICT case studies and best practices.

The event spurred significant interest in utilizing the eNabler and UN-GAID plans to work with at least seven of the meeting's 30 participants. Speakers also noted that collaborations and partnerships are already in progress with Governments in Macedonia, Liberia, Bahrain, Nigeria, Cambodia and Burma. Expected outputs include customized plans for about 200 countries with policies, technologies and project management information for almost 50 services spanning health, education, agriculture, economic development and ICT infrastructure.





From Disaster Response to Resilience

Hosted by the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR)

LDCs are the most vulnerable to natural disasters and climate change pressures. Chaired by the World Bank's Vice President for Poverty Reduction and Economic Management, Otaviano Canuto, the event highlighted the importance of cooperation and partnerships among Governments, international organizations, financial institutions and other

private and civil society stakeholders to build a culture of resilience to natural disasters and climate change. The event also served as a platform to demonstrate the package of financing and insurance options the World Bank offers to vulnerable developing countries to manage their exposure to the risk of disasters. Participants concluded that disaster risk reduction and climate change resilience are pivotal for sustainable development and achieving the MDGs.



| BertelsmannStiftung



Partners for Development – How Donors Can Better Engage the Private Sector for Development in LDCs

Hosted by the UN Global Compact, Bertelsmann Foundation and Endeava

Though collaboration with the private sector has become an important part of donors' development strategies, there has been little focus on LDCs whose development is crucial to achieving the MDGs. This workshop presented the findings of a new study published by the UN Global Compact and UNDP in collaboration with the Bertelsmann Foundation and Endeava entitled Partners for Development – How Donors Can Better Engage the Private Sector for Development in LDCs. In order to inform the concrete implementation of the report's recommendations, 45 partici-



pants from donor agencies, the private sector and intermediaries from LDCs discussed its findings related to the following themes: design of donor programs, outreach, implementation and evaluation & learning.

KEY OUTCOME

During the discussion, participants agreed on the following recommendations:

- Each donor programme should reflect the unique social, political and economic challenges of the LDCs.
- In order to attract more companies to LDCs, local

NGOs and experts should be involved in reaching out to the private sector and contributing to the implementation and scaling up of their collaborations on the ground.

- Donors must use local knowledge to better link their programme outcomes to LDC development objec-

tives, gain trust, and ensure project sustainability.

- Donors should better coordinate their activities in LDCs to avoid duplication of work and maximize the impact of their efforts.
- Finally, donor projects should be open to LDC company engagement.

Promoting Institutionalization of the LDCs Private Sectors: Best Practices of Turkey

Hosted by TOBB

Learning from Turkey's successful private sector development, the event presented best practices for promoting business in the LDCs. The panel highlighted the policy framework that has allowed the private sector in Turkey to flourish. Speakers also discussed the role of entrepreneurship and public-private partnerships.

Attendees concluded that the contributions of entrepreneurs as well as public-

private collaborations are crucial to economic growth. Building the capacity of women and youth, particularly through experience-sharing programs, is an efficient way to promote entrepreneurship. Participants also emphasized the natural link between education and entrepreneurship and recommended increasing university-industry dialogue. Finally, TOBB also expressed its desire to facilitate the transfer of the Turkish business community's knowledge and expertise to the LDCs in cooperation with the assistance of international financial institutions.



Organized Industrial Zones as a Tool for Regional Development

Hosted by TUSKON and the Turkish Ministry of Industry and Commerce

Organized as a panel and a workshop, this event focused on how organized industrial zones can be an efficient method of industrialization for the LDCs. Speakers drew upon lessons learned from the development process

of Turkey and how organized industrial zones significantly contributed. Attendees found that sharing knowledge and experience about the process of creating organized industrial zones is crucial to their development. Finally, participants discussed a recent industrialization project in Nigeria and the possibility of expanding this type of project to the LDCs.



High-Level Meeting on Investment and Partnerships

Hosted by the Prime Minister of Turkey, this high-level luncheon convened Heads of State and Government, chief executives and other top leaders. The event provided the opportunity for the private sector to engage in dialogue with high-level government officials from around the world.

WELCOME AND OPENING ADDRESSES



H.E. MR. BAN KI-MOON,

UNITED NATIONS SECRETARY-GENERAL

I urge business to commit to corporate sustainability and responsibility and the highest standards of business ethics. These are the principles embodied in the United Nations Global Compact. Many companies here today are already involved in the Global Compact, and I encourage its further spread in the LDCs. One of the core elements of the Global Compact is its focus on good governance. I urge governments to do everything they can to stamp out corruption and pursue peace. Doing so will give businesses the confidence to invest for the long-term.



H.E. MR. JOSEPH DEISS,

PRESIDENT OF THE SIXTY-FIFTH SESSION OF THE UN GENERAL ASSEMBLY

Investing in productive capacities and enhancing the role of the private sector is important in any economy, but for the LDCs this is a must. Speaking about private sector development would not be credible without having the private sector on board. Governments and business have complementary roles and partnerships should encompass representatives from the private sector.



H.E. MR. RECEP TAYYIP ERDOGAN,

PRIME MINISTER OF TURKEY

Turkey has set a target of allocating a total recourse of 200 million dollars per year as of 2012 for technical cooperation projects and programs as well as for the scholarships in line with the needs and capacities of the 48 LDCs. This is not about charity or mercy. On the contrary, I am talking about economic preferences imposed by the global development and the spirit of solidarity. The path to sustainable, accelerated and inclusive growth passes through enhancing the production capacities of the LDCs and building their economic infrastructure.

MR. RIFAT HISARCIKLIOGLU,
PRESIDENT OF TOBB

The trend is clear: The global trade volume is increasing, wealthy countries are becoming even richer while poor countries are becoming poorer. In order to decrease the number of LDCs, we need to open our doors to multilateral trade and entrepreneurship. The Union of Chambers and Commodity Exchanges of Turkey (TOBB) is very experienced in developing free industrial zones and promoting entrepreneurship. We are ready to share our experience.



MR. RIZANUR MERAL,
PRESIDENT OF TUSKON

Businesses must invest in Least Developed Countries. The Confederation of Businessmen and Industrialists of Turkey (TUSKON) is committed to invest in private sector development in the LDCs. Not only is TUSKON organising the Trade Fair of the LDC-IV Conference. Last year alone, TUSKON organized 25 business delegations to the LDCs. TUSKON will continue to be a strong partner of LDCs on their path to wealth and prosperity.



MR. GEORG KELL,
EXECUTIVE DIRECTOR OF THE UN GLOBAL COMPACT

It is the first time in the history of the United Nations that a UN conference has a parallel Private Sector Track. The objective is to achieve two goals: First to improve the environment for business to grow by encouraging more governments to pursue good governance and secondly to both support existing and launch new partnerships which have transformative power.





1

1) MS. MICHELLE BACHELET
*UNDER SECRETARY GENERAL, EXECUTIVE
 DIRECTOR, UN WOMEN*

I call on all business leaders to demonstrate your commitment to policies and practices that empower women by signing the CEO Statement of Support for the Women's Empowerment Principles, and to act swiftly and effectively to advance women's economic empowerment. It is not only the right thing to do: it is a strategy for growth and development. We must go beyond microfinance, and design strategies and initiatives that increase women's access to a diverse set of financial services, including savings instruments, remittance transfers, credit and insurance.



2

2) MS. NGOZI OKONJO-IWEALA
MANAGING DIRECTOR, WORLD BANK

We need to think more strategically and systematically about how to approach private sector development in post-conflict LDCs given the enormous challenges they face compared to non-conflict states. The World Bank Group's experience from working in countries such as Rwanda, Liberia and Sierra Leon shows that it is not business as usual. Fragile countries need to show early results and progress, especially on the jobs and investment front, to help avoid new outbursts of violence.



3

3) MR. MUHTAR KENT
*CHAIRMAN & CEO, THE COCA-COLA COMPANY,
 UNITED STATES*

Let's be clear — this is not charity. We see great promise in the markets of the LDCs. In fact, the only way Coca-Cola can achieve the aggressive growth targets we have outlined in our 2020 Vision is by hundreds of millions of people in these nations ascending out of poverty and into the middle class over the next 10 years. We at Coca-Cola have a vested interest here and we have invested more than USD 1 billion over the last 10 years in the world's poorest nations. And we are committed to



4

investing another USD 2 billion over the next 10 years. By 2020, our goal is to reach out and empower over 5 million women entrepreneurs across our value chain with training, mentoring and other programs designed to grow their businesses.

4) MR. A.K. AZAD
*PRESIDENT, FEDERATION OF BANGLADESH
 CHAMBERS OF COMMERCE AND INDUSTRY,
 BANGLADESH*

I would like to submit the following three important points on infrastructure development in the LDCs: 1) Private sector should be involved through concessionary arrangements and public-private partnerships. 2) Infrastructure development should happen through regional cooperation. 3) The engagement of companies that better understand LDC conditions should be encouraged and the base of potential investors should be diversified. In particular, new energy services firms possess capabilities to invest in and manage wind, hydropower and solar projects.



5

5) MS. BEATRICE NKANZA
CEO, LUSAKA STOCK EXCHANGE, ZAMBIA
 Good governance and transparency play an essential role in fostering the private sector in the LDCs. Corruption negatively impacts businesses by raising transaction costs, undermining fair competition, distorting development priorities, and impeding long-term foreign and domestic investment. There is a need for governmental commitments to sound policies and rigorous enforcement of anti-corruption and transparency measures will improve the climate for investment, partnerships and business operations.

KEYNOTE REMARKS

6) MR. RONA YIRCALI

CHAIRMAN, FOREIGN ECONOMIC RELATIONS BOARD, TURKEY

In the next five years, we will establish new business councils in Ghana, Nigeria, Angola, Uganda and Tanzania. In collaboration with the Union of African Chambers of Commerce, Industry, Agriculture and Professions, we will open a Turkish African Chamber to institutionalize economic cooperation between African countries and Turkey. The aim is to integrate the LDCs into the global market and increase the number of Turkish green field investments in the LDCs. Recognizing the importance of rebuilding the infrastructure of Afghanistan, we have decided to establish national vocational training centres for construction workers in cooperation with the Turkish Employers Association of Construction Industries.

7) MS. PINAR ECZACIBASI

FOUNDING PARTNER OF GP TRUST FINANCE AND CONSULTING, TURKEY

Companies in both developed and developing countries recognize that climate change presents significant risks to their operations and value chains, but also, through adaptation, opportunities to create value. Businesses require an enabling environment – clear market and policy signals – to invest and operate in developing countries. Economic incentives are essential to unleash investments that will provide infrastructure, technological and financial solutions and services in the effort to build climate resiliency.

8) MR. FIRAT AYDENIZ

MEMBER OF THE BOARD, AYDENIZ GROUP, TURKEY

Aydeniz Group is working on an airport project in Afghanistan, a road project in Ethiopia and an island resort investment in Maldives. While trying to find solutions through workshops and conferences like this one, all – including LDCs – must invest in their future by setting up a good education system for their young generations. I strongly believe that with such sustainable educational schemes, LDCs could achieve the highest progress over a shorter time line compared to any economical and political schemes.

9) MR. JEAN-GUY CARRIER

SECRETARY GENERAL, INTERNATIONAL CHAMBER OF COMMERCE

To maintain the recent momentum toward recovery, concerted efforts will be required to keep protectionist tendencies in check and to recommit to build a stronger and more effective multilateral trading system that serves developing countries. Concluding the Doha Round is particularly important in this respect. These efforts will need to be accompanied by measures to support access to trade finance for low income countries and small banks in developing countries. Increasing trade liberalization among developing countries and export diversification into services can help mitigate the impact of crises and global volatility.

10) MR. ISMAIL KISACIK

CEO, LC WAIKIKI TAHA HOLDING, TURKEY

We had only intended to buy our products from Bangladesh, but the opportunity and more importantly, the friendship and the support of the people and Government of Bangladesh encouraged us to invest in production facilities in the country. I firmly believe there are better business opportunities in LDCs, with low production costs, than those in the developed countries. Any firm with the right plan, not only taking, but giving at the same time, is capable of cooperating effectively and serving the greater social good in these countries, while acquiring commercial profits.



PRIVATE SECTOR STATEMENT

Subsequent to the High Level Meeting on Investment and Partnerships, a Statement was issued by the Private Sector Steering Committee (see page 2) that contained a series of recommendations to Governments to support entrepreneurship and private enterprise, promote domestic markets, invest in infrastructure, connectivity and workforce development, encourage foreign investment, increase international trade and engage in partnerships.

PROMOTING OPPORTUNITY, GROWTH AND DEVELOPMENT

The Fourth UN Conference on the Least Developed Countries (LDCs) has brought together governments, civil society and the private sector in a unique forum to exchange ideas and recommendations to address the pressing need to promote opportunity, growth and development in the LDCs. The private sector is poised to build on the strong economic growth in many LDCs in the last few years and is convinced that substantial private investment will flow to the countries that can establish a conducive business environment and a level playing field. To that end, the private sector offers the following recommendations:

I. Commit to Growth and Opportunity

The LDCs hold enormous potential to become more prosperous, globally competitive economies. But in order to realize that potential, each country needs to commit to promoting growth and opportunity, take control of its own development and ensure national ownership of the development process. Economic development must be home grown and reflect its history, culture, circumstances and context. This commitment to growth and opportunity is the first step for promoting business confidence.

II. Support Entrepreneurship and Private Enterprise

Open markets and private enterprise are critical for development. No other human activity matches private enterprise in its ability to assemble people, capital and innovation in order to create productive jobs and produce goods and services profitably — the source of wealth creation. LDCs need to encourage and enable responsible and sustainable business, entrepreneurship and small and medium-sized enterprises, and ensure a fair, competitive playing field for all business.

III. Establish a Conducive Operating Environment

All forms of private enterprise — domestic markets, foreign investment and international trade — require an operating environment conducive to growth and development, including: peace and stability, the rule of law, good governance with accountability and transparency, the absence of corruption, adequate infrastructure, an educated workforce, clear property rights and enforceable contracts. As the top priorities, LDCs must work to establish peace and stamp out endemic corruption where it exists. Creating the right conditions for private enterprise may require strategic reforms to long-standing regulatory practices and may challenge the economic, political and social status quo of an economy, but doing so is absolutely essential to unlocking the full potential of private enterprise and open markets in a way that can promote economic growth, environmental protection and social development.

IV. Promote Domestic Markets and Capital Formation

For most countries — developed and developing — the main source of economic growth and job creation is a competitive domestic market and particularly the creation of small and medium-sized enterprises. Nurturing and supporting domestic growth should be central to any development effort. LDCs need to set the right framework to encourage domestic savings and investment, including stable macroeconomic policies that limit capital flight, reliable government data on market conditions, sound information disclosure practices and clear and efficient regulatory frameworks for doing business that reduce informality, including getting a business license, hiring workers, obtaining permits and

paying taxes. In order to increase access to capital, LDCs should promote domestic stock exchanges and bond markets, and support capital market information flows.

V. Invest in Infrastructure, Connectivity and Workforce Development

Railroads, highways, and information and communications technology — the basic tools of transportation and communication — are essential links between regional and international markets, supply chains, and value chains. Improved coordination between public and private investment in infrastructure can have a multiplier effect on development assistance. As competitive economies also require a well-educated workforce with access to advanced skills, training, and differentiated expertise, LDCs should build up their science, technology, engineering, and mathematics educational resources and vocational skills training capabilities.

VI. Encourage Foreign Investment

LDCs should complement efforts to develop domestic markets by promoting inward foreign investment, which requires the same conducive operating environment as the domestic market. Foreign investment is a vital source of capital and increased competitiveness and productivity in the national market, and is also a source of significant secondary job creation by domestic enterprises. Given that the majority of foreign investment is directed to larger markets for domestic consumption, smaller LDCs should promote regional integration in order to create larger, regional markets that will attract more foreign investment.

VII. Increase International Trade

Just as open domestic markets are critical for development, open international markets are also critical to realizing the growth potential of LDCs. As a priority, all governments should work to reduce trade barriers and successfully conclude the Doha Development Round at the earliest opportunity. LDCs should also seek to develop regional and South-South trade. LDCs should invest in transportation infrastructure, improve the efficiency and transparency of customs and transit systems.

VIII. The Power of Partnerships

Effective partnerships between and among governments, the private sector and civil society are particularly useful in addressing complex and inter-related challenges. Such partnerships have proven vital in areas where no single actor can successfully address an issue on its own. The private sector recognizes the power of partnerships and is increasingly taking the lead to initiate them.

IX. The Role of the International Community

The international community should coordinate development assistance to ensure that the impact of aid is fully felt by the recipient country and should be invested in helping LDCs establish a conducive operating environment for entrepreneurship and private enterprise. Beyond financial assistance, the international community should create appropriate and relevant incentives and benchmarks for effective development and promote active information sharing among LDCs about successful efforts.

The private sector stands ready to work as a partner with governments and other actors to advance these recommendations and achieve the full potential of the LDCs.

Trade Fair

Showcasing export and other commercial opportunities available in the LDCs, the Trade Fair provided unique opportunities for business-to-business transactions and dialogue. The Trade Fair, organized by The Confederation of Businessmen and Industrialists of Turkey (TUSKON), featured over 160 private sector exhibitors, including 23 from the LDCs — companies from all LDCs had been invited.

By all accounts the Trade Fair was a resounding success for participants. LDC representatives had the opportunity to showcase goods and services produced locally and interact with potential investors from LDC and non-LDC economies. Lively interactions were observed on the Trade Fair floor throughout the week. In addition, with the aim of establishing investment and collaborative opportunities, LDC business representatives participated in unique match-making exercises with non-LDC private sector participants (a component of TUSKON's "Trade Bridge" methodology — see page 15).

Observations and informal reports made during the course of the Trade Fair indicate that a number of transactions and collaborations were in the making. These include import and export opportunities explored for Haitian and Senegalese products. In ad-

dition, companies from non-LDC countries expressed interest in entering markets in Madagascar (e.g. machinery, materials) and Malawi (e.g. construction, tourism).

A survey conducted immediately after the Trade Fair confirms that representatives from Bhutan, Burundi and Madagascar completed business transactions with Turkish companies. Exhibitors found the Trade Fair to be a great opportunity to promote their country — not only as a business and investment opportunity but also as a tourist destination. LDC representatives reported that during the course of the week they had approximately 200 visitors to their booths. The visitors were representatives from both the private and public sectors.



The following LDCs were represented during the course of the Trade Fair: Afghanistan, Bangladesh, Benin, Bhutan, Burundi, Cambodia, Gambia, Guinea, Haiti, Kiribati, Lesotho, Madagascar, Malawi, Myanmar, Nepal, Rwanda, Samoa, Senegal, Solomon Islands, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu and Zambia.



The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

