



Brainstorming Meeting on the substantive preparation for UNLDC IV: “Towards a new partnership for LDCs”

New York, 14-16 July 2010

In preparation for the Fourth United Nations Conference on the Least Developed Countries (UNLDC-IV) to be convened in Istanbul, Turkey, from 30 May to 3 June 2011, the Office of the High Representative for the LDCs, LLDCs, and SIDS (UN OHRLLS) organized a brainstorming meeting in New York on 14-16 July 2010. The meeting sought to ensure a strategic approach to the drafting of a new programme of action for the LDCs for the next decade, to identify priorities for a renewed partnership in their support, as well as to develop methodological guidance to be used for the appraisal of the 10-year implementation of the Brussels Programme of Action (BPoA). Approximately 50 experts, including policymakers and development practitioners from LDCs and partner countries as well as representatives from the UN system and civil society discussed ways “Towards a new partnership for LDCs” in seven topical sessions spanning two and a half days. Each session consisted of several specialist presentations of about 10-15 minutes followed by an interactive discussion. All presentations and related materials can be found online at <http://www.unohrlls.org/en/orphan/771/>.

Opening remarks by Cheick Sidi Diarra, Under-Secretary-General and High Representative for LDCs, LLDCs and SIDS and Secretary –General of the Fourth United Nations Conference on the Least Developed Countries

In his opening remarks, Mr. Diarra welcomed the meeting as an opportunity to lay the foundations for a renewed partnership framework in support of LDCs’ development and transformation over the next decade. He called on participants to identify key priorities for such renewed partnership in preparation of an outcome document for the conference and to develop a methodological guidance to be used in the appraisal of the implementation of the BPoA. Subsequently, Mr. Diarra provided an overview of the preparations for UNLDC-IV undertaken at the national and regional levels and of the pre-conference events planned by OHRLLS and other inter-agency partners. Covering crucial issues such as trade, productive capacities, migration, or the human rights dimension of development, these events would include representatives from a wide spectrum of stakeholders including governments, parliamentarians, civil society, and private sector to ensure the emergence of a substantive agenda that is based on a broad variety of perspectives. Mr. Diarra concluded by calling on all stakeholders to leave behind “business as usual” at the Fourth Conference and deliver a strengthened, results-oriented partnership framework to eradicate poverty and ensure a better future for the more than 800 million people living in the 49 LDCs.

Introduction by Lakshmi Puri, Director of OHRLLS

As a natural starting point of any plan of action for the next decade, Mrs. Puri urged participants to develop a thorough understanding of the causes behind the disappointing development experience of LDCs. This knowledge together with an analysis of the new challenges and opportunities that have arisen since the Third Conference in Brussels in 2001 should guide all stakeholders towards renewing their partnership for LDCs' development. Ms Puri stressed that overcoming LDCs' economic vulnerability and proclivity to crises required a set of innovative policies. These could include crisis-mitigating global stimulus packages for LDCs, the creation of thematic funds, resource centres and dedicated technology banks, as well as progressive ODA targets such as doubling ODA over a pre-determined period of time. Mrs. Puri called on participants to identify key priority undertakings to be contained in a new programme of action and gave a brief overview of priorities that emerged from the national and regional reviews undertaken thus far. These included enhanced productive capacity building, fomenting an agricultural revolution in LDCs, financial resource mobilization for LDCs, improving market access, developing physical infrastructure, supporting environmentally sustainable development, ensuring universal access to essential services, and improving governance at all levels. Participants were reminded by Mrs. Puri that in almost all of these respects, committed and forward-looking LDC-country leadership was critical to success and should therefore be strongly encouraged.

Session 1: Methodology for measuring progress towards the implementation of the BPoA

During this session, participants shared their experiences with measuring progress related to the implementation of the commitments, goals and targets of the BPoA, including the MDGs

Presentation by Susanna Wolf, OHRLLS

Ms. Wolf began her presentation by reminding participants that part of the objective of the UNLDC-IV conference is “to undertake a comprehensive appraisal of the implementation of the Programme of Action for the Decade 2001-2010 by the least developed countries and their development partners, share best practices and lessons learned, and identify obstacles and constraints encountered as well as actions and initiatives needed to overcome them;” (A/RES/63/277). She gave a brief overview of previous assessments and noted that only for a small number of goals, more than half of the LDCs have fulfilled them. Ms Wolf noted that one shortcoming of previous BPoA reviews was that commitments without explicit targets, namely commitments 2, 5, and 6, were largely neglected. Participants were therefore invited to discuss how to better assess developments regarding these commitments. Ms. Wolf suggested that there should be more focus on the role of each development partner in implementing all commitments and targets of the BPoA. Where goals have not been reached, the reasons for this should be carefully examined. Ms. Wolf concluded by proposing that participants discuss possible new criteria for assessing progress, such as being on-target or off-target.

Interactive discussion

Participants agreed that a methodological appraisal of the BPoA would broadly cover two areas. First, the progress towards attaining the goals and commitments, including actions, agreed upon in the BPoA needed to be assessed. Which ones had been reached and where was further progress necessary? What were the reasons for either outcome? The second area would assess whether the BPoA was an adequate framework for addressing LDCs' development needs. Were the goals and commitments the right ones? Where should they be amended, for example as a result of changes in the past decade since the BPoA was agreed in 2001?

Assessing the progress towards achieving the goals and commitments of the BPoA

Where reliable data is available, quantitative measures of progress would be an easy way of determining not only whether a target has been reached or not, but also what the current distance from target levels is. Participants noted, though, that data availability remained a major shortcoming in many LDCs, so further investment in data collection and administration capacities would be necessary. It was stressed however that even where data were available, establishing causality in statistical terms was very difficult, as observed phenomena were usually too interrelated to clearly link certain aid measures to outcomes such as economic growth or poverty reduction. For example, it was pointed out that the relatively high average growth rates in LDCs from 2003 to 2008 might not be mainly driven by the BPoA. Quantitative measures of progress therefore needed to be supplemented by qualitative case studies tracing the implementation and effects of aid measures and providing an assessment of regional and topical efforts. In particular, an assessment methodology should include ways of measuring whether and to what extent the actions agreed upon in the BPoA had been taken and what their effects had been. Given the large number of actions contained in the BPoA – 150 for LDCs and 178 for donor countries – a grouping into areas of action might prove useful. Such an analysis should also clearly state who was responsible for undertaking each action, reflecting the shared but differentiated responsibilities embodied in the BPoA. The final goal in this respect would be to devise a concrete and comprehensive accountability framework encompassing all commitments, targets, and measures associated with the BPoA. Such framework should detail the role of all development partners, notably including an appraisal of the technical assistance provided within the UN system and of the extent to which LDCs had mainstreamed the BPoA in their national development strategies. Both for the qualitative and quantitative assessments, a clear methodology of integrating the national and regional review reports as well as other LDC-related sources from UN agencies such as UNCTAD, DESA or UNDP has to be drawn up.

Assessing the framework of the BPoA

Participants agreed that evaluating progress towards reaching the goals and commitments of the BPoA was critical to determining whether or not these goals and commitments should be retained, amended or dispensed with in a new programme of action (PoA). Some commitments, namely commitments 2, 5, and 6, had no explicit goals and targets attached to them, or were formulated in very vague terms, thus eluding rigorous appraisal

by design. Similarly, for several goals, data existed only for a limited number of LDCs. Goals and commitments affected by such deficits should be considered for revision. A structural appraisal of the BPoA would also include an assessment of the extent to which the BPoA accounts for the new challenges and opportunities that had arisen in the past decade, ranging from the emergence of new donors to a series of crises that would influence development efforts in the years to come. Indeed, assessing the development impact of these crises and of external shocks more generally should receive particular attention, even if discerning their impact was a complicated task. One proposed approach was to look not at the financial crisis as the object of analysis, but to build on econometric work concerning the status question of “what it means to be an LDC” and examine whether the financial crisis - or the BPoA for that matter - had brought about structural breaks and changes regarding that status. It was also stressed that ten years of tracking BPoA implementation had yielded information about the validity of timelines attached to the goals and commitments and whether they sufficiently accounted for heterogeneity within LDCs. Some goals might be much easier or harder to meet for some LDCs than for others given the structure of their economies, for instance. In such cases, new criteria for assessing progress, for example being on or off track and an evaluation of efforts undertaken – not just results attained – should be included. Additionally, a methodological appraisal would work towards formulating a notion of what it means for the BPoA to have been successful or not. Certain goals and commitments might receive greater weight in this respect. Such an appraisal would also leave room for various aspects not explicitly covered by the goals and commitments, for example their unintended consequences or BPoA’s performance in raising aspirations among development partners.

Attribution of development outcomes to the BPoA

Participants noted that in many cases, even rigorous quantitative and qualitative analysis could not allow an unambiguous attribution of development outcomes to the BPoA in the sense that without the BPoA, such progress would definitely not have taken place. This was mainly due to the complexity of the issues at stake and the impossibility of verifying such counter-factual considerations. Moreover, the coexistence of several partly overlapping development agendas, such as the MDGs, the Monterrey Consensus, or the WTO Doha Development Agenda, made it hard to attribute specific outcomes exclusively to any one of these efforts. Some participants therefore cautioned against paying disproportionate attention to matters of causality and attribution. Several participants pointed at the need of consolidating the variety of ongoing efforts. To this end, identifying the areas where the BPoA differed from other agendas might be useful. Generally, participants agreed that reviewing the implementation processes of related development agendas could help improve the structural analysis of the BPoA, for example as far as the effect of having a large number of goals on review and follow-up was concerned.

Session 2: Areas of success and failure of the BPoA

This section focused on the reasons behind relative success or failure in reaching the objectives of the BPoA, for example the impressive increase in GDP growth rates versus the lack of poverty reduction. It provided lessons learned for the design of a new partnership.

Presentation by Deb Bhattacharya, UNCTAD

Mr. Bhattacharya identified several areas of success of the BPoA, for example in increasing the international recognition of the special needs of LDCs. He also noted that the BPoA had been successful in raising aspirations of the international community. However, at the national level in LDCs the translation of the BPoA into national development strategies, such as PRSPs had been limited. Concerning the generally successful performance with respect to growth, investment, trade, macroeconomic stability and FDI before the financial crisis, Mr. Bhattacharya stressed that the large heterogeneity in these results should be noted as only few countries had driven the average group's success rate while and international support measures had only partially contributed to it. Mr. Bhattacharya also remarked that progress in the areas of poverty reduction and capacity building had been limited, constituting a major failure of the BPoA in his view. Furthermore major structural handicaps such as export concentration and dependence on volatile commodity prices had not changed much. He stressed the importance of governance on the side of LDCs and development partners including policy coherence, and noted that some progress had been made in terms of accountability, i.e. through the African Peer review mechanism (APRM) process. He concluded by stressing the importance of strengthening the voice and participation of LDCs in relevant international fora.

Presentation by Ousmane Badiane, International Food Policy Research Institute

Mr. Badiane's presentation focused on ways of maximizing the linkages between economic growth and poverty alleviation against the background of limited resources, significant social needs, low observed growth compared to the large potential, and significant shares of population exhibiting low productivity levels and high vulnerability – all characteristics of the LDCs. Mr. Badiane called for a more rigorous analysis of the poverty impact of growth and proposed two indicators to better measure this impact: (1) "Poverty Overhang" as the extent to which current growth had failed to reduce poverty to the maximum possible, and (2) "Growth Deficit" defined as the extent to which future growth might fail to sustain the current pace of poverty reduction. He stated that in order to maximize the poverty alleviating effects of growth, investments must target directly the employment of the poor and vulnerable and aim to enhance their productivity. In his opinion, the best returns in this respect were to be found agricultural and public sector investments.

Interactive discussion

Successes

Participants echoed Mr. Bhattacharya's point that a great success of the BPoA had been in raising aspirations among development partners and in serving as a reference point for the development cause in LDCs. Other initiatives and day-to-day development cooperation efforts benefited from this as a positive externality. The BPoA had also revived awareness to several ideas contained in previous programmes of action and expanded on them, especially concerning the specific needs of the LDCs. The BPoA could be seen as a definite success in that way. Participants identified another area of success in the overall macroeconomic performance of LDCs in the past decade. Average GDP growth rates had been in excess of 7 per cent for more than half of the LDCs in recent years. Similarly, investment ratios had improved to 25 per cent of GDP for some LDCs, in line with goal 2 of the BPoA. While not explicitly part of the goals, other indicators of macroeconomic stability such as inflation or current account balances had also generally improved at least before the onset of the global economic crisis. It was noted, however, that performance had been very heterogeneous and thus averages on economic growth or investment were not representative for all LDCs. Educational attainment was also an area of progress and success for the BPoA, for instance concerning primary enrolment figures and gender equality therein. Moreover, political reforms concerning democratization, transparency, and the judicial system in LDCs had generally advanced over the past decade.

Failures

Participants agreed that many of the above-mentioned successes had yet to fully translate into significant poverty alleviation. Increases in living standards for the poorest were far short of what economic growth figures would suggest, mainly because growth and investment had been concentrated in the natural resource sector. Even where such poverty reduction had occurred, it was not always reflected in higher employment. This suggested that gains were attained chiefly as a result of aid measures and might prove unsustainable as aid flows fluctuated. Another missing link was between educational attainment and labour productivity. Higher enrolment figures alone were not sufficient to establish improvement in the education sector. Indeed, many of the successes in that respect had failed to translate into better employment opportunities for graduates due to poor quality standards and still difficult job markets. Moreover, the commendable progress regarding governance and democratization had so far done little to reduce the sometimes drastic socio-economic inequalities prevalent in some LDCs. Participants agreed that the BPoA had failed to acquire adequate clout on the global political stage compared to other initiatives and fora such as the MDGs, the WTO Doha round, or the G20 summits. This could be due to a lack of regular high level meetings as convened by the G20, for example, or result from shortcomings in the BPoA such as the sometimes vague wording. Moreover, the large number of goals and the lack of prioritization among them might prevent the BPoA from taking center stage in today's fast-paced global policy arena. Mindful of the need for coherence of international policy measures, it was argued that recent stimulus and bail-out packages in industrialized countries had harmed LDCs' competitiveness. Over the past decade, the BPoA had also failed to encourage

donor countries to live up to their commitment of providing 0.15-0.20 per cent of GNI as ODA to LDCs. Some important policy areas had not received what some participants thought was the adequate measure of attention in the BPoA, for example agriculture, employment, or the special needs arising from post-conflict situations in some LDCs. Several of these areas were discussed in more detail during subsequent sessions. Lastly, the extent to which LDC governments mainstreamed the BPoA in their national development agendas was seen as insufficient by some participants. This might be due to the fact that aid funding was not clearly linked to the measures and goals contained in the BPoA.

Session 3: Emerging Challenges for LDCs

This session identified the main effects that the food and energy, financial and economic crisis as well as climate change had on the achievement of the goals of the BPoA and the vulnerability of LDCs.

Presentation by Charles Gore, UNCTAD

Mr. Gore presented emerging challenges for LDCs along four basic categories: global, national, governance-related, and concerning the development of a new underlying development model for LDCs. The global challenges he discussed included migration and knowledge and technology transfer, whereas the main national issue Mr. Gore debated was population growth and the resulting employment needs. Mr. Gore explained that governance, too, could be separated in national and global aspects. A national one would be democratic institution building, for instance, whereas a chief global governance issue would be the emergence of new actors, for example as part of South-South cooperation. He concluded by discussing ways toward a new general development model for LDCs. Mr. Gore contended that none of the previous development models, such as the “Washington Consensus”, the MDG model, or a model based on export-led growth supposedly underlying the BPoA, was an optimal model for a new PoA, and so further thinking would be required in this area.

Presentation by Frannie Léautier, African Capacity Building Foundation

In her presentation, Ms. Léautier grouped emerging challenges into three categories, namely global challenges such as climate change or technological transformation, regional challenges such as demographic issues, water and energy shortages, or logistics and infrastructure issues, and finally country level challenges such as governance and ethnic, religious, or political violence. Ms. Léautier highlighted that the ability to deal with all three types of challenges depended on the extent to which LDCs are the drivers of their own agenda, and detailed three scenarios, dubbed “optimistic”, “realistic” and “gloomy” in her presentation.

Presentation by Paul Desanker, UNFCCC

Mr. Desanker reminded participants of the imminent threat that climate change poses for many LDCs. Adaptation efforts so far had not been sufficient, he said. However, low domestic coping ability due to limited human and institutional capacities in many LDCs

meant that international support measures were crucial to bring about the necessary adaptation measures. For example, the special LDC fund set up for this had yet to receive adequate financial means to fulfill its tasks, Mr. Desanker stated. Among other things, Mr. Desanker called for a stronger LDC negotiating group within UNFCCC and for a better coordination of the various programs and initiatives addressing climate change.

Interactive discussion

Participants agreed that population growth was an increasingly acute problem for many LDCs. They discussed the example of Mali, where the annual number of young job market entrants has been projected to increase from about 180,000 in 2005 to 450,000 in 2025. Harnessing the tremendous potential inherent in this demographic development and aptly dealing with the risks that accompany it would be crucial, participants highlighted. Furthermore, it was noted that the multiple crises of food and energy prices and in the global financial system would influence development in LDCs in the years to come. Prior to the global downturn, growth in LDCs was supported by beneficial global economic conditions such as rising commodity prices and increasing FDI from industrialized countries. Participants agreed that these conditions were unlikely to return in the near future. Consequently, development stakeholders were encouraged to devise new strategies of dealing with crises in food and energy security in particular.

It was discussed that, partly as a result of the global financial crisis, ODA budgets were under particular scrutiny in fiscally troubled donor nations as reflected in recent opinion polls, where a majority of poll respondents in several countries favored a reduction of ODA.

Participants discussed how to account for the continuing trend of urbanization in LDCs, for instance concerning its implications and possible conflicts for policy measures geared towards enhancing the agricultural sector.

It was stressed by some participants that climate change was both an imminent threat to many LDCs and an area of regrettably slow progress and thus development partners needed to take action and help LDCs mitigate some of the most negative and immediate effects of climate change. Current funding of such measures is insufficient, they argued.

Not so much a challenge as an opportunity for development in LDCs, South-South cooperation was intensely discussed in this session. The representatives of Brazil and China in particular highlighted the ways in which South-South cooperation differed from more traditional aid relationships. Besides representing a new source of funding, development partners such as Brazil or China could share the lessons learned from their own recent development experience with LDCs, for example their experience with social protection programs.

Session 4: Addressing specific structural vulnerabilities of LDCs

This section proposed development strategies tailored to the specific circumstances of LDCs. Based on the notion that the primary responsibility for development in LDCs rests with LDCs themselves and taking into account their heterogeneity, the discussion focused on key actions needed to increase resilience to shocks.

Presentation by Alex M. Mubiru, African Development Bank

Mr. Alex Mubiru reminded participants of the enormous growth potential of African LDCs, as exemplified by the strong growth performance in recent years. Realizing this potential would require addressing seven key underlying vulnerabilities that still confronted the development process, Mr. Mubiru explained. He went on to discuss each of these seven vulnerabilities in detail: LDCs' vulnerability to external shocks, their non-competitive economies, an underdeveloped manufacturing sector, low savings rates, underdeveloped human resources, insufficient infrastructure, and the absence of regional integration. Based on these challenges, Mr. Mubiru proposed a set of key policies required for African LDCs such as prioritizing investments in the competitiveness of LDC economies.

Presentation by Andrea Cornia, University of Florence

In Mr. Cornia's view, a new and comprehensive development model for LDCs would include new, pro-poor macroeconomic fundamentals, a fiscal pact, a comprehensive trade and FDI regime, inclusive labor market policies, and expanded social assistance and insurance. To better address the vulnerabilities of LDCs, he proposed three clusters for LDCs: low agricultural productivity LDCs, small and highly vulnerable SIDS, and politically fragile LDCs. Measures proposed by Mr. Cornia included compensation funds to cover the costs of exogenous shocks, additional financing for climate change adaptation and mitigation, and less costly access to green technologies for LDCs.

Presentation by Fahmida Khatun, Centre for Policy Dialogue

Ms. Fahmida Khatun focused on the environmental vulnerability of LDCs, a type of vulnerability that increased dramatically in recent years, she said. Several LDCs were on the list of countries that are most severely affected by climate change, but air and water pollution as well as natural disasters also needed to be considered when addressing the diverse problem of environmental vulnerability. Ms. Khatun proposed a range of national and global public policy measures such as technology transfer and increased financing for climate change adaptation.

Interactive discussion

Several interventions called for a more detailed analysis of the structural vulnerabilities of LDCs to better understand and address their development needs. This could include clustering along economic, social, or geographical criteria as discussed in the presentations delivered during this session. It was proposed that aid allocation should be linked to indicators of structural vulnerability as compiled by UNCTAD or the Commonwealth Secretariat, for example. Two major structural vulnerabilities were especially emphasized, namely food security and export concentration.

Food Security

Participants repeatedly emphasized that several LDCs had turned from net food exporters to importers in recent years. It was underscored that this trend would have to be reversed if food security is to improve persistently. Moreover, the agricultural sector in LDCs was

said to have enormous potential for job creation and investment there would induce larger beneficial economic and social multiplier effects than would be the case in most other sectors. Participants stated that it had to be ensured that efforts to enhance agricultural development were commensurate with development in other sectors such as manufacturing and did not impede the structural transformation towards higher value products that would be required for LDCs to further develop in the long run. Support measures to promote agricultural development therefore had to address not just food production but the entire value chain associated with agriculture, for example agro-processing, transport, or research and development in this field. National and international policy arrangements were said to be an important part of ensuring food security. Participants discussed Malawi's experience in using agricultural subsidies to become a food exporter as an example of successful, country-specific policy making. Unwaveringly upheld agricultural subsidies in donor countries were criticized as detrimental to agricultural development in LDCs.

Export concentration and market access

In order to reduce economic vulnerability, LDCs were recommended to diversify their economies, thereby overcoming disproportionate dependence on exporting commodities. Participants noted that this required more comprehensive market access for LDCs across all product types. It was stated that progress in providing duty free quota free access for LDCs should be continued with the aim of reaching complete coverage in the near future. Participants moreover urged development stakeholders to work towards a timely conclusion of the WTO Doha development round. It was argued that Aid for Trade measures to support trade capacity building in LDCs should generally be expanded, mindful of the lackluster progress in this area, exemplified by the fact that funding for aid for trade measures grew slower than overall ODA in recent years. Some interventions called on donors to increase funding both for the enhanced integrated framework (EIF) and for the World Bank Trade Facilitation Facility in order to make them more effective tools for trade facilitation. The rules of origin applied to LDC products would need to be simplified with a view to maximizing trade facilitation, participants said. A comprehensive framework for trade facilitation would furthermore seek to minimize non-tariff barriers such as inadequate product or labor standards, an area that should receive more attention according to some participants. Some interventions pointed out that South-South cooperation was also increasingly important in this respect, given that LDCs now incurred more than 50 per cent of their trade volume in developing countries, and China was the single biggest export market for LDCs. Moreover, participants highlighted that while sometimes inducing vulnerability, economic specialization may also enhance competitiveness, and so LDCs needed to strike the right balance between diversification and retaining these Ricardian advantages.

Session 5: Mobilizing international support for LDCs

This section summarized changes in international relations and suggested how support measures including aid, debt relief, market access, and adaptation to climate change could be improved to increase their effectiveness.

Presentation by Rob Vos, DESA

Mr. Vos reviewed the current measures and status of international support including ODA and international trade, and presented the limitations and ineffectiveness of these measures. In order to improve the quality of these supports, Mr. Vos recommended a set of policies to strengthen the effectiveness of ODA by following more country-specific approaches. He moreover advocated improving current trade arrangements, for example by increasing Aid for Trade funding. Mr. Vos also highlighted the need for a smooth transition framework for graduating LDCs.

Presentation by John Wilson, World Bank

Mr. Wilson reiterated the significance of Aid for Trade measures in current ODA to LDCs and elaborated on the benefits of Aid for Trade. These included its catalytic role in supporting trade as an engine of growth and diversification as well as fighting protectionism. He noted that Aid for Trade measures reduced trade transaction costs, which he said was ever more critical given the fragile and changed patterns of global demand since the global recession. Mr. Wilson presented the successful experience with Aid for Trade policies in some LDCs and LLDCs. He pointed out critical gaps that he said obstructed further progress on Aid for Trade implementation, such as basic data availability, an analysis of effectiveness, the need to leverage large infrastructure investments, and greater clarity and coordination. In his view, key priorities in moving forward were enhanced South-South cooperation, public-private partnerships and expanding market access.

Presentation by Kimberly Elliott, Center for Global Development

Ms. Elliott summarized the recommendations from a recent CGD report for a working group on trade preferences, including that high-income countries should expand trade preference coverage to all products and all LDCs, as preferences for 97% of product lines could still include a large share of LDC exports. She stressed the need to make rules of origin more trade-promoting especially by allowing for cumulation among all LDCs, and to ensure program stability and predictability to encourage investment. Advanced developing countries with such programs should adopt the same principles by 2015, she stated. In her view, coordination between trade and aid measures needed to be improved. Ms. Elliott noted that it was important to recognize that trade facilitation was needed in both developed (SPS) and developing (customs, infrastructure) countries.

Presentation by Andra Koke, European Commission

Well aware that many goals of the BPoA had not been reached yet, Ms. Koke said that the EU remained firmly committed to its development strategies, especially concerning LDCs. She noted that overall development aid from EU countries had doubled in the past decade, to € 49 billion in 2009, equivalent to 0.42 per cent of EU GNI. ODA to LDCs had increased from € 7.5 billion (corresponding to 0.09 per cent of GNI) in 2000 to € 13.5 billion (equivalent to 0.12 per cent of GNI) in 2009. According to Ms. Koke, the EU also played a central role in rebuilding debt sustainability for LDCs, for example through the HIPC initiative.

Interactive discussion

Participants agreed that while some progress had been attained in recent years, the BPOA remained an unfinished agenda, as several review reports including the regional review meetings had concluded. Mobilizing renewed international support was therefore seen as a key concern for all development partners. ODA budgets had generally fallen short of agreed commitments of 0.15 – 0.20 per cent of GNI, even if the EU, for example, almost doubled its ODA to LDCs over the past decade. Several participants expressed the view that it was unlikely that traditional donors would increase ODA in the short to medium term due to the effects of the financial crisis and the predominance of austerity measures. Besides increasing ODA volumes, it was also said to be important to target ODA more effectively. Regarding Aid for Trade measures, for example, research had shown that spending on trade policy and regulatory reform had higher returns than investments in infrastructure, yet the former area was often neglected at the expense of the latter, it was argued. Some participants raised doubts about the resource endowment and effectiveness of the EIF but it was clarified that EIF resources could be used to develop projects for which then the larger resources of the AfT programme could be accessed. Donors were called upon to continue the trend towards delivering more of their ODA as grants rather than loans and to reduce conditionality attached to their funding. Likewise, it was said that the commendable progress on debt relief as part of the HIPC program should be carried forward, as unsustainable debt levels remained a risk for some LDCs, especially since interest rates were expected to increase in the near future.

Participants agreed that governments needed to better harness other external financial flows such as migrant worker remittances to finance development needs, for example by issuing specific bonds addressing the recipients and senders of remittances. Other innovative sources of financing were also discussed, as well as the need to increase access to technology. In this respect the suggestion by UNCTAD to establish multi-donor trust funds and other models which could provide support to domestic enterprises was discussed. However participants also warned against the risk of increasing aid fragmentation through the establishment of new funds.

South-South cooperation was a promising new source of financing for development, which had been growing rapidly in the last decade, and its specific characteristics needed to be taken into account, participants underscored. Aside from financial and technology transfers, many emerging countries had sizable sovereign wealth funds that could invest in LDCs. Concerns were voiced regarding Chinese exports to LDCs, which might destroy domestic markets by exporting cheap manufacturing goods with which domestic producers were not able to compete. On the other hand, it was argued, Chinese exports to LDCs had raised consumer welfare as access to affordable goods had increased.

Private sector involvement, for instance in the form of public private partnerships, was encouraged throughout the discussions. While international support measures to LDCs remained essential, it was also highlighted that LDCs needed to improve the mobilization of domestic resources to reduce their dependence on such aid. Participants pointed out that tax levels in LDCs were very low, suggesting that better taxation was a promising area for increasing financing for development. Achieving greater political clout and representation for LDCs' concerns in international fora was seen as crucial for mobilizing renewed international support, especially as this had been identified as a domain of

failure of the BPoA. Participants proposed that the public good character of LDC development should be highlighted by development partners. With a population soon to pass one billion people, LDCs held major economic potential as a market. On the other hand, avoiding the severe consequences of continued underdevelopment in LDCs was a common global concern, it was said.

Session 6: Priority areas for a new PoA

Based on the discussions on the first two days, this session identified priority areas for a new programme of action. The discussions identified what is required from LDCs and their development partners and also identified some deliverables which could speed up LDCs' transformation and sustainable development.

Presentation by Mehmet Arda, Galatasaray University

While stressing the need for overview and coherence given the broad range of issues to be addressed, Mr. Arda also highlighted that most development goals were closely interlinked and convergent. Overly focussing on some issues at the expense of others should therefore be avoided, he noted. That said, a new PoA needed to make sure it addressed trade and especially also non-tariff barriers, agriculture, ODA levels and how to boost them, the composition and level of FDI to LDCs, technology and IT transfer, South-South cooperation, infrastructure, and governance in LDCs. Mr. Arda said that the overarching goal should be to bring about graduation from the LDC category, and this goal should be emphasized in a new PoA. It should also address heterogeneity among LDCs and support country-specific policies. Clustering LDCs at the policy level might be useful in this respect, but a dilution of the LDC category was to be avoided, Mr. Arda said.

Presentation by Adrian Gauci, UNECA

In his presentation, Mr. Adrian Gauci said that a key priority of any new PoA needed to be the achievement of real and effective universal access to social services in LDCs. Such access had to be made available in an equitable and inclusive way. Progress attained so far had not been equally spread geographically and between genders, for instance, and so renewed efforts at the global, regional and national levels were paramount in this respect, Mr. Gauci stressed. Other priorities included building a coherent and comprehensive data repository for LDCs to allow for comparative regional analysis and to enhance knowledge sharing between LDCs and developing countries. A new PoA would also have to champion the decentralization of public service provision in LDCs, Mr. Gauci said.

Interactive discussion

The priority areas for a new program of action emerged from the successes, failures and new developments discussed throughout the event. There was widespread agreement that growth and poverty reduction should remain the principal goals as well as graduation from the LDC category. Many participants identified agricultural development and food security as the top priority in upcoming years, because it was both the most imminent

threat to livelihoods in these countries and carried enormous potential for employment creation and economic development. Because of their growing relevance, recent developments in South-South cooperation also needed to be treated as a priority concern in a new PoA, it was argued. Participants furthermore agreed that such a program would need to be even more LDC specific in order to distinguish LDCs' special development needs from the wider development efforts as embodied by the MDGs, for instance. However, several participants argued in favour of retaining some MDG related priorities. With respect to LDC specific needs, a focus on reducing vulnerability and coping with risks was proposed. Knowledge and technology transfer was widely cited as a new priority area given its much increased role in the international economy since the BPoA was agreed in 2001. Participants moreover called on development stakeholders to make the negotiation of a new PoA at the Fourth Conference on Least Developed Countries in 2011 an open and inclusive process, thereby improving on perceived shortcomings of the Brussels conference in this area. A significant pre-condition to setting up an effective program was to agree on the general model and approach to development that such a program inevitably rests on, either explicitly or implicitly. Participants concluded that the underlying development model of the BPoA was to facilitate development by relying on export-led growth. Due to new developments over the past decade and experiences in other developing regions, this model would require some adjustment. Furthermore, it was noted that not all priority areas for a new PoA were necessarily new, but instead had to be carried forward from the BPoA, for example increasing market access or productive capacity building. In this context the importance of increased coherence of policies of both sides was highlighted. Finally, providing an adequate transition framework for smooth graduation was identified as a priority concern voiced by many LDCs.

Presentation by Robert Johnston, Statistical Consultant to OHRLLS

Mr. Johnston provided a short overview of recent developments in child and maternal mortality in LDCs. Periodic estimates of maternal mortality undertaken by the WHO and UNICEF often had to rely on insufficiently robust data from censuses and population surveys, Mr. Johnston said. However, Mr. Johnston pointed out that recent work by Christopher Murray at the University of Washington provided new and more reliable estimates of both child and maternal mortality in LDCs. In both areas, they differ significantly and positively from previous UNICEF/WHO estimates, which had already hinted at an improvement in LDCs, Mr. Johnston noted. In a second presentation, Mr. Johnston informed participants about the conceptual and technical differences between gross domestic product (GDP) and gross national income (GNI). He stressed the sometimes significant differences between the two concepts and pointed out the need to properly account for them when measuring and analyzing development outcomes.

Session 7: Improving the monitoring and review mechanisms

This session reviewed the gaps and shortcomings of the current monitoring and review mechanisms and discussed options for improvements. Proposals for prioritizing and suggestions for additional measures of progress were discussed.

Presentation by Rushidan Rahman, Bangladesh Institute of Development Studies

In her presentation, Ms. Rahman stressed the need for a comprehensive, multi-dimensional monitoring and review mechanism that covered short-, medium-, and long-run developments alike. A monitoring methodology should ideally be integrated into a new PoA from the beginning, for adding it later might lead to inconsistencies, she said. LDCs should be included in designing monitoring mechanisms, and their specific circumstances and heterogeneity reflected in them. Furthermore, findings should be synthesized to get a clear overview of progress in different areas such as health, education or the social sector. Echoing earlier remarks about the need for comprehensive and coherent data, Ms. Rahman advocated compiling a clear guidance of the kind of data required by development partners as an explicit part of a new PoA. While goals should be as verifiable as possible, Ms. Rahman warned that making them overly specific could be counter-productive, as the impression of excluding items that are not explicitly mentioned might arise. For example, specific listings of transport deliverables often omitted inland waterways that are of great relevance for Bangladesh, Ms. Rahman argued.

Interactive discussion

Improving the monitoring and review mechanisms was identified as a key element of facilitating progress towards reaching the goals and commitments that development stakeholders agreed upon. A broader and clearly defined integration of national and regional reviews as well as reviews by parliaments and civil societies in LDCs, for example, should be part of any overhaul of the structure of the BPoA, it was argued. Likewise, review reports from different agencies such as UNCTAD or DESA should be better coordinated and responsibilities for monitoring clearly assigned, participants highlighted. Moreover, it was said that special agency expertise in some areas, for instance by the ILO in employment or by the WTO in trade, should be enlisted to make the best use of existing capacities when improving the monitoring and review mechanisms. The MDG monitoring task force was described by some participants as a good example of how to coordinate monitoring efforts drawing on a variety of sources. As discussed in previous sessions, clustering LDCs according to criteria such as vulnerability or commodity dependence could be a way of improving monitoring mechanisms, some participants stated. It would give policymakers more precise knowledge about areas of progress and stagnation, they said. Some controversy arose on whether or not ranking LDCs according to their progress in several areas would be a helpful element of monitoring efforts. As discussed in the first session, it was furthermore argued that data collection and administration needed to improve, in order to make data both more accurate and up-to-date. Participants called on development stakeholders to emphasize the large existent demand for such data more clearly and urged policymakers in LDCs to better use available data in their day-to-day policymaking. Some interventions focused on the need to set up a qualitative monitoring framework to regularly assess development progress and policy implications by means of qualitative analysis. This was seen as necessary due to the shortcomings of quantitative analysis such as insufficiently robust data and statistical problems of establishing causality between policy measures and development outcomes.

Session 8: Conclusion

Ms. Lakshmi Puri, director of OHRLLS, provided a summary of the envisaged contents of an appraisal of the BPOA as well as for a draft programme of action.

Appraisal

Ms. Puri said that the comprehensive appraisal was expected to shed light on key accomplishments and critical constraints in delivering the goals of the current programme, and suggest new strategies to address the gaps identified at national, regional and global levels. Based on the outcome of the appraisal the Conference would identify effective international and domestic policies in support of LDCs.

Ms. Puri highlighted that the appraisal should focus on the implementation of the seven commitments of the BPOA during the past decade through both qualitative and quantitative assessments of the main agreed actions, based on a thematic clustering of key areas. The principles of the BPOA should be assessed as to what extent they had been applied and whether they were all still relevant. Furthermore, the appraisal should evaluate the effectiveness of the underlying development strategy embodied in the BPOA for LDCs' development, Ms. Puri said. The appraisal should also look into the extent to which BPOA was successful in increasing the political voice and representation of LDCs in global economic governance.

She underscored that the appraisal should focus on the following thematic areas: economic growth, poverty reduction, human and social indicators; productive capacities; environmental vulnerability and challenges; governance; adequacy of international support measures and their performance, including official development assistance, trade and debt relief, foreign direct investment, technology transfer; progress towards overcoming economic vulnerability, achieving structural transformation and graduation; the adverse effects of exogenous shocks, such as the multiple global crises (food, energy, financial and economic) on BPOA implementation; and improvement in data quality and coverage. Trends within different groups of LDCs (regional or characteristics), country examples and before-after analysis should be used throughout the appraisal. South-South Cooperation, regional integration, gender equality should be analyzed throughout the thematic areas, as cross-cutting issues. A methodological note would be annexed to the appraisal with a view to identifying the limits/constraints of the assessment.

New Programme of action

According to Ms. Puri, the new Programme of Action (PoA) must be both aspirational and inspirational in nature. Its raison d'être was rooted not only in the ethical need to help the poorest countries in the world, but also in an element of "common good" whereby it was in the economic, political, environmental and social interest of development partners to engage into a committed partnership in support of LDCs' development and transformation.

The LDCs must be considered as part of the solution to many global problems. The renewed and strengthened partnership would learn from and update the BPOA, but would be more focused and systematically conceived, Ms. Puri stated. The partnership would be comprehensive and ambitious, while remaining realistic. Emerging challenges should be

addressed in the new PoA, with a focus on increasing resilience to external shocks and natural disasters. The new PoA should recognize the growing diversity among LDCs, without disintegrating the unity of the concept. An approach valid for all least developed countries was to be adopted not to undermine the common denominator but special needs would be identified and based on those, it would become clear which LDCs are most affected, Ms. Puri said.

A draft outline for a new PoA should include general principles including a new development paradigm, a new set of priorities and a revised set of actions focusing on LDCs and development partners. International support measures should be strengthened and enhanced in all areas including ODA, debt relief, FDI, trade, and access to technology.

At the conclusion of the meeting it was agreed that draft outlines of the appraisal as well as a new PoA would be circulated to all participants for their comments.