

## **Task Team Post 2015 Development Agenda**

### **Working Group B: Identification of emerging development challenges**

#### **Think piece on countries with special needs (LDCs, LLDCs, SIDS)**

#### **OHRLLS**

##### ***i) Introduction***

LDCs, LLDCs and SIDS and their special needs and vulnerabilities are all specifically mentioned in the Millennium Declaration (paragraphs 15, 17 and 18). For LDCs special focus is given to market access, debt relief and development assistance. For SIDS the development of a vulnerability index is called for and for LLDCs increased financial and technical assistance to help them overcome the impediments of geography by improving their transit transport systems are highlighted. Consequently ODA to LDCs, LLDCs and SIDS as well as duty free market access for LDCs are included in MDG 8.

The main difference between the LDCs, LLDCs and SIDS and other developing countries is their greater vulnerability to external shocks and climate effects, their smallness and remoteness. They also are the groups of countries with less access to resources which will thus need continuous international support due to their specific vulnerabilities.

Despite the special attention given to LDCs, LLDCs and SIDS, they are among the groups that recorded the slowest progress towards reaching the MDGs. As the 2011 MDG gap report concludes, intensified efforts in bridging the gaps between expectations and delivery are needed to ensure these countries and regions are on track to achieve the MDGs by the target date.

##### ***ii) Why should a focus on LDCs, LLDCs and SIDS be part of the global development agenda?***

While some progress has been made by LDCs, LLDCs and SIDS since 2000, even though of limited and uneven nature, the recent triple crises and the increasing impact of climate change have painfully exposed the specific vulnerabilities of these three vulnerable groups to global shocks and natural disasters. The new global partnership needs to prioritize these most vulnerable groups of countries with a view to support them in their efforts to leave their poverty traps. It also needs to focus on building resilience for long term sustainable development in the broadest sense.

Another reason for focusing on LDCs, LLDCs and SIDS is the expected poverty dynamics in these groups of countries for the coming years. While a large share of the poor currently live in middle income countries, projections indicate that in 25

years the largest proportion of the poor will live in LDCs. This is largely attributable to their slower progress towards poverty reduction and higher population growth. Reversing these trends requires scaling up international support in favour of these groups of countries.

The post 2015 development framework should appropriately reflect the first priority of the Istanbul Programme of Action (IPoA) for the LDCs, which focuses on developing productive capacities. Thus specific focus should be given within the new global development agenda to related support for example through incentives for investment in the most vulnerable countries, measures to promote their trade especially in labour intensive industries and leveraging of ODA to increase other capital inflows.

The IPoA also focuses on reducing vulnerabilities of least developed countries and addresses new challenges to development, including the effects of the interlinked food, fuel and economic crises and climate change, with a strong focus on structural transformation through increasing productive capacity. It contains a dedicated priority area of action on multiple crises and other emerging challenges. The continued vulnerability of least developed countries to economic shocks and natural disasters and the effects of climate change require a renewed focus on resilience. Development partners committed to support least developed countries' risk mitigation strategies and strengthen their capacities in this respect. As least developed countries need additional, predictable and adequate technical and financial support for climate change adaptation and mitigation, the Istanbul Programme of Action calls for enhancing climate financing provisions, including the early operationalization of the Green Climate Fund, and assisting least developed countries to enhance capacities in clean energy production, trade and distribution, including renewable energy development. To enable least developed countries to deal with the increased scale and scope of natural disasters, the Programme of Action calls for increased public awareness and coherence and decentralization in disaster risk reduction. Development partners committed to support the least developed countries to strengthen their capacity to reduce their vulnerability to natural disasters, including through regional initiatives and sharing of knowledge and expertise. These emerging challenges need to be at least partly reflected in a new global partnership to increase coherence of different UN programmes.

The Almaty Programme of Action has as its overarching objective that of fostering genuine partnerships between landlocked and transit developing countries, with the support of their development partners with a view to establishing efficient transit transport systems that will help LLDCs reduce their marginalization from the world economy. The challenges of being landlocked have, over time, reduced the competitiveness of domestic economic operators in these countries, leading to an overall economic performance that has been consistently worse than their neighbours' when measured by GDP, foreign direct investment inflows and merchandise imports and exports. High transaction costs and inefficiencies constitute important barriers to trade and FDI and thus to economic growth and poverty reduction. Major focus of international support measures for LLDCs is in areas such as trade facilitation, aid for trade geared towards the removal of trade and transit bottlenecks and the development and

maintenance of critical infrastructure. Furthermore, the LLDCs' economies are characterized by limited productive capacities and a non-diversified export structure - typically concentrated on few bulky primary agricultural and mining commodities - making them highly vulnerable to external shocks. Notwithstanding improved export performances, the LLDCs' share of world trade in goods continues to hover below 1 per cent. These specific vulnerabilities of LLDCs should continue to feature in the new global partnership as continued and focused support to these vulnerable countries is needed.

Many SIDS are taking the position that climate change poses a security threat. While the security dimension flowing from the adverse impacts of climate change and possible Security Council involvement is not established this could be brought further to the fore in the coming years, if more Member States also begin to share this sentiment.

**iii) *Possible ways to reflect the special situation of the most vulnerable countries in the new global partnership***

The revision of goals of a new global partnership needs to take into account the vulnerabilities of LDCs, LLDCs and SIDS. One of their common characteristics is the limited capacity with respect to institutional setups and the design and implementation of development programmes. Thus the goal of capacity building, including statistical capacity and the strengthening of appropriate technology transfer mechanisms, should be more explicit in a new framework. There may be a need to better collate best practices in these vulnerable countries and widely disseminate such findings among the vulnerable countries.

Equity is also an important issue that requires special attention in designing the new global partnership. In addressing the varied productive capacity needs and specific vulnerabilities of these three groups of countries, special emphasis must be given to reducing disparities and promoting equity within and among countries.

Instead of confining reference to LDCs, LLDCs and SIDS in some successor of MDG8, their vulnerabilities should be made one of the priorities of a new framework and be treated as cross-cutting issue, making specific reference to these groups in areas of specific relevance to them.

**iv) *Context in which the relevant issues are or should be incorporated into the inter-governmental process.***

The Istanbul Programme of Action, Almaty Programme of Action and Barbados Programme of Action and negotiations for their successors or Mid-Term Reviews as well as lessons from the monitoring of their implementation are closely interlinked with the process of defining a post 2015 development agenda. In the Istanbul Programme of Action donor countries agreed to review their ODA commitments in 2015 and consider further enhancing the resources for LDCs for that reason. Thus the mid-term review of the Istanbul Programme of Action

should be closely linked to the discussion about the post-2015 MDG development agenda, with which it coincides.

The General Assembly (A/RES/66/214) decided to convene in 2014 a comprehensive 10 year review conference of the Almaty Programme of Action for the LLDCs. It is also envisaged that there will be a third global conference on the sustainable development of SIDS to be convened in 2014.

There is a need to coordinate the preparations of such conferences and their outcomes, in order to allow for the relevant inter-governmental processes to produce maximum synergies with the post-2015 MDG development agenda process.