



DEVELOPMENT COOPERATION FORUM

Caucus of Least Developed Countries

5 June, 14.00 – 17.00

UN Conference Center, Addis Ababa

Summary

The LDC Caucus took place on 5 June at the UN Conference Center in Addis Ababa. It was attended by around 40 participants from LDCs, including parliamentarians. The aim of the meeting was to catalyze a shared vision and a common course of action for LDCs with respect to the deliberations on the post-2015 development agenda, with its expected emphasis on sustainable development and further poverty reduction. Participants from LDCs were invited to share their views on the renewed global partnership for development.

In his introduction, **Mr. Gyan Chandra Acharya**, USG and High Representative for LDCs, LLDCs and SIDS highlighted successes and challenges of LDCs with respect to meeting the MDGs and fostering development. He provided suggestions on what a post-2015 partnership needs to include. It should not be limited to ODA, although that remains critical for the medium term. Equally important are market access, technology access, and support for FDI.

He further stressed the need for coherence between support and other policies and to make sure results on the ground are achieved. Thus priority should be given to the most vulnerable countries. Furthermore, the key priority areas of the IPoA need to be reflected in the post-2015 development agenda. These include: productive capacity building, including through rapid development of infrastructure and energy; green growth policies to achieve sustained, equitable, and inclusive economic growth; structural transformation; food security; poverty eradication; resilience building and sufficient policy space to pursue the agenda of structural transformation and productive employment.

Mr. Wu Hongbo, USG of UN-DESA highlighted that the voice of LDCs is needed as input to the post-2015 development agenda. He also stressed that further work is needed in preparation of an agreement, mentioning the Bangkok declaration and the SIDS meeting in 2014 as important milestones. There is already broad agreement on some key issues, including that the Millennium Declaration continues to guide the efforts of member states, the centrality of poverty eradication, the need to address the unfinished business of the MDGs. He also mentioned that a larger portion of the poor will live in LDCs by 2030.

Furthermore Mr. Wu stressed that the Post-2015 agenda must build on the IPoA. He suggested that in order to make stakeholders more accountable relevant information needs to be collected. The DCF can play a key role in this respect.



H.E. Mr. Ahmed Shide, State Minister for Finance and Development of Ethiopia in his opening remarks stressed the ambition to leave the LDC status and move to the next stage of development. He mentioned that only few commitments of the MDGs have been implemented and stressed the growing role of emerging countries, including enhanced South-South cooperation.

He suggested a new vision for economic transformation in LDCs and stressed the crucial role of national ownership and policy space instead of conditionality. He further mentioned that the new goals should be flexible to accommodate the specific situation of different countries. They should include a fair trading regime and incentives for inflows of foreign capital. He finally urged participants to unify voices to have a better chance to influence the ongoing debate.

H. E. Mary Jarvase Yak, Deputy Minister for Planning from South Sudan explained that her country only became a member of the LDC group late last year, after gaining independence a year and a half ago. As much of the infrastructure and institutions were destroyed during the civil war, South Sudan is basically starting from scratch, with very low rates of reaching the MDGs and other development goals. For example due to the scarcity and bad conditions of roads more than half of the country becomes inaccessible in the rainy season.

Ms. Yak also stressed that state building is not easy, especially in fragile or post-conflict situations and that security is crucial for social, economic, and sustainable growth. She mentioned the South Sudan Economic Partners Forum, which was held in Washington earlier this year, organized by the main development partners, 40 governments and institutions. The participants agreed to enhance their partnership in the spirit of the New Deal for Fragile States, including agreement on benchmarks for reform and delivery based on commitments on both sides, and strengthening of institutions for effective delivery of services. Ms. Yak also mentioned that South Sudan had concluded an investment facilitation agreement with the US and is negotiating similar agreements with other partners. A private sector conference will be held in Juba later this year to showcase investment opportunities.

Ms. Noumea Simi, Assistant CEO Finance at the Ministry of Finance, Samoa informed that the main challenges Samoa is facing are inequality, youth unemployment, the impact of climate change and natural disasters. Over the last 3 years Samoa was affected by the effects of the financial and economic crisis on tourism, a tsunami and a cyclone. Thus strengthening resilience with help of key development partners is one of the main priorities. While climate change is the most critical challenge for pacific SIDS, discussions should also include opportunities, especially with respect to the blue economy.

Donor coordination in Samoa has the aim that development partners focus on domestic priorities, based on inclusive processes. This also feeds into the transition strategy out of LDC status. With respect to monitoring an arrangement with a shared vision and shared commitments has been made. Ms. Simi stressed that commitments need to be attractive to all partners.

Mr. Babatunde Mohamed Sanny Gado, Adviser to the Minister of Finance, Benin highlighted that the implementation of MDGs is a reality in Benin. All policy frameworks are in line with MDGs, including the growth strategy. Several MDG goals are expected to be met by 2015, including primary education, child mortality and access to water. In other areas progress towards meeting the MDGs was slow, due to the poor quality of growth, administrative gaps and external causes, including insufficient aid. Mr. Gado mentioned in this context that the Gleneagles commitments have not been met.



Furthermore he suggested that the renewed partnership should take into account the country contexts. The process should be more inclusive also for monitoring. The lessons learned by Benin include the relevance of the stability of a macro framework, the quality of public expenditure greater contribution of the private sector for wealth creation, prioritizing Infrastructure, more emphasis on quality of social services in addition to access to services, more emphasis on social protection. Mr. Gado concluded with a quote by Nelson Mandela: Overcoming poverty is not a task of charity, it is an act of justice.

Mr. Adeyemi Dipeolu, Director of the Capacity Development Division of ECA provided an African perspective to the post 2015 debate. He stressed the importance of partnerships, which can have a catalytic role, unlocking opportunities and reducing challenges. One of the main challenges of African LDCs from the IPoA is improving the monitoring, including through a peer review mechanism.

Most African LDCs are still dependent on primary commodity exports and some benefitted from high oil prices. The resulting increase in average income in these LDCs, including Equatorial Guinea and Angola, which have met the criteria for graduation. However while some LDCs are among the fastest growing countries they also have unequal societies. Thus there needs to be more focus on productive capacity, including quality in various sectors. With respect to issues of measurement and data, he mentioned that some MDGs in some LDCs cannot be measured.

In order to cope with global trends, including changing demographics, growing youth population, urbanisation, impact of climate change on agriculture and health, African countries need to move towards a green economy. Mr. Dipeolu also highlighted the changing partnership dynamics, including new actors, new platforms and new approaches. There is a key role for emerging countries, but so far their degree of commitment is limited. LDCs need to voice their concerns in the new platforms, including G-20 and BRICS. He also stressed the complexity of the processes related to post 2015, including the OWG on SDGs, the HLP etc., which puts a strain on LDC capacity. The post 2015 process should take note of the African perspective, including the shared vision of the African Common Position, which was prepared through regional consultation.

During the **interactive discussion** it was stressed that LDCs need to be at center of the new agenda, and that LDCs need to speak with a common voice at the upcoming forums. The IPoA could be used as a bargaining tool in this respect.

With respect to new goals it was highlighted by several participants that MDGs are an unfinished business and that inequality, and quality aspects beyond the MDGs need to be considered.

The need to enhance effectiveness of support, building on the Busan outcome, and avoid the misuse of resources was also stressed as well as the need to strengthen regional and South-South cooperation strengthened.

With respect to mobilising own resources for development in LDCs, including from natural resources, it was agreed that this is very important for sustainable development but it is not evident whether this should be included in the renewed partnership. LDCs need to consider what to discuss in what forum.

Mr. Gyan Chandra Acharya in his closing remarks summarized the reasons for prioritizing LDCs as having the highest proportion of poverty, which is deep rooted and limited capacity to deal with poverty. As new challenges from climate change etc. have to be addressed an intensified partnership is needed.



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5 June 2013, 2.00 – 5.00 pm
UNECA Headquarters, Room 5
Addis Ababa, Ethiopia

Agenda

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| 2.00 – 2.15 | Welcome and Introduction
Wu Hongbo, USG of UN-DESA
Gyan Chandra Acharya, USG and High Representative for LDCs, LLDCs and SIDS |
| 2.15 – 2.30 | Opening Remarks
H.E. Mr. Ahmed Shide, State Minister for Finance and Development, Ethiopia |
| 2.30 – 3.00 | Presentations of country experiences
H. E. Mary Jarvase Yak, Deputy Minister for Planning, South Sudan
Noumea Simi, Assistant CEO Finance, Ministry of Finance, Samoa
Babatunde Mohamed Sanny Gado, Adviser to the Minister of Finance, Benin |
| 3.00 – 3.15 | Regional challenges and perspectives
Adeyemi Dipeolu, ECA |
| 3.15 – 4.45 | Interactive discussion |
| 4.45 – 5.00 | Closing
Gyan Chandra Acharya, USG and High Representative for LDCs, LLDCs and SIDS |