



Die
Bundesregierung

**Statement of the Federal Republic of Germany
at the
Fourth United Nations Conference on the Least Developed Countries**

Istanbul, 9 - 13 May 2011

Check against delivery!

Chairperson,

Excellencies,

Ladies and gentlemen,

- Let me start by thanking the Government of Turkey, which has done such an outstanding job in organizing this important conference.
- Turkey plays an important role as a "bridge builder," as an emerging-market country. Turkey is sharing its experience and know-how for the benefit of LDCs. And, in particular, Istanbul symbolizes the fact that new players are joining the global partnership for LDC development.
- The fourth United Nations Conference on the Least Developed Countries must become a special success. If we want to reach the goals we all confirmed at last year's MDG summit, the LDCs in particular need to find their way out of poverty.
- Germany therefore supports the ambitious goal of halving the number of LDCs by 2020. We need to make a point of setting the bar high. Otherwise we will achieve too little.
- I am optimistic that we can really attain this goal. Five of the ten fastest-growing economies in the world over the last decade have been LDCs. I congratulate these countries on their impressive achievement.
- There is clear evidence that the key to overcoming poverty lies within the LDCs themselves. The fundamental prerequisites for sustainable development and inclusive growth are peace and security, good governance, the rule of law, and respect for human rights. And for people to make full use of their opportunities, education is essential.
- Which ones are the strong countries in sub-Saharan Africa? Those with more rule of law, more market economy and more democracy are at the top. And those with less rule of law, less market economy and less democracy are at the bottom.
- That is why Germany is pursuing a new balance between supporting and challenging its partners. We support reforms in the LDCs, but we are also increasingly calling for good governance as a condition for our support, and not as a result.
- External assistance is important but the mobilization of domestic resources is important as well.
- Each country is responsible for tapping its own potential. Germany will actively support the LDCs in tapping their potential to the full.

- We will continue to support the LDCs through a variety of instruments and with substantial amounts, notwithstanding the need to consolidate our federal budget.
- Germany is currently working with 24 LDCs through bilateral country programs, and with another five LDCs as part of regional programs.
- Over the past decade, Germany's contributions to LDCs have doubled in absolute terms. They now stand at 2.4 billion euros a year.
- We are the second largest contributor to the Least Developed Countries Fund for adaptation to climate change.
- We are planning to double our investment in education in sub-Saharan Africa by 2013.
- And Germany uses innovative finance mechanisms to mobilize more funds for development. For example, we are increasingly blending government and market funds in middle-income countries. The leverage can be as high as one to ten. As a result, we can use more of our budget for grants to LDCs. More innovative finance for middle-income countries creates more "classic" funds for LDCs.
- We continue to work toward an ODA ratio for LDCs of at least 0.15 per cent of GDP. However, that cannot be the only criterion for judging our activities.
- During the preparatory negotiations, there were calls for new and even higher ODA targets. But more money does not automatically translate into more development. It is how the funds are used that matters. We want to be judged by the results and quality of our cooperation.
- That is why we will devote increased efforts to improving the effectiveness of our assistance.
- For this purpose, we want to improve the division of labor among donors. Where all donors pursue the same activities, there is a huge need for coordination. LDCs should not be burdened by the red tape of the many bilateral and multilateral agencies.
- We will also press ahead with the reform of the UN system for more efficiency and effectiveness in the field of development cooperation.
- Germany has done its homework. It has taken a major step forward in line with the international aid effectiveness agenda by merging several implementing agencies into one, the new GIZ. We invite others, too – other countries, the EU, other donors –, to use the services of this new, very effective and very professional organization.
- And we want to ensure that the various international processes become more closely interlinked. I am thinking, in particular, of the Istanbul Plan of Action, the process for MDG implementation and the High-Level Forum on Aid Effectiveness in Busan.

- We will only achieve our goal of halving the number of LDCs if we increase the involvement of the private sector and civil society as partners. Development is certainly not a matter for governments alone, it is a challenge for society as a whole – in our partner countries and also in our own country! Development requires that all players within society put their potential to work.
- During the new development decade, Germany will make the development of productive capacities in LDCs a special focus of its development policy.
- In this endeavor, we also want to increase our work with multinational companies from emerging markets. A forthcoming study we commissioned shows that these companies can be important players for development. We intend to strengthen their positive role, for example by jointly promoting corporate social responsibility policies and practices and by encouraging them to further engage in multi-stakeholder processes at the global and local levels.
- I expressly welcome the fact that the involvement of emerging-market countries in South-South cooperation has grown enormously. It is essential that these countries gradually take on even more responsibility within the global partnership for the world's poorest countries and people.
- We have also been calling for further improvements in the international framework. There needs to be unrestricted market access for products from least developed countries. Through the Everything But Arms Initiative, we in the EU met the promise we made at the last LDC conference. I would like to encourage other industrialized countries to join us in giving LDCs free access to their markets.
- And I would like to encourage the LDCs to clearly formulate their trade-related priorities and needs so that we can support them in an even more targeted manner through aid for trade.
- Ladies and gentlemen, I am convinced that this decade can become the decade of the rise of the least developed countries. Germany – its government, but also its private sector and its civil society – will actively support them in tapping their potential to the full.