

PRE-CONFERENCE EVENTS ORGANIZED IN PREPARATION  
FOR THE FOURTH UNITED NATIONS  
CONFERENCE ON THE LEAST DEVELOPED COUNTRIES



Partnership Against Poverty  
UN LDC-IV

TURKEY • 2011  
ISSUE TWO



United Nations Office of the High Representative for the Least  
Developed Countries, Landlocked Developing Countries and  
Small Island Developing States (UN-OHRLLS)



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## FOREWORD

The General Assembly decided in its resolution 63/227 to convene the Fourth United Nations Conference on the Least Developed Countries (UNLDC IV) at a high level in 2011.

The Conference has the mandate to comprehensively assess the implementation of the Brussels Programme of Action; share best practices and lessons learnt, and to identify obstacles and constraints encountered as well as actions and initiatives needed to overcome them. It will also identify new challenges and opportunities for LDCs; reaffirm the global commitment to address the special needs of the LDCs; mobilize additional international support measures and actions in favour of the least developed countries. Finally it will result in a renewed partnership between the least developed countries and their development partners.

It requested the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) to ensure effective, efficient and timely preparations for the Conference and to further mobilize and coordinate the active involvement of the organizations of the United Nations system. Thus the Office of the High Representative organized four interagency consultative group meetings during 2009 and 2010 to coordinate the United Nations-system activities in support of the preparatory process for the Conference. Forty five United Nations-system organizations participated in these meetings, which agreed on a list of pre-conference events.

Between December 2009 and October 2010 six thematic pre-conference events took place with participation of all stakeholders. The outcomes of these events have been summarized in the first issue of this publication.

Ten more pre-conference events have taken place at the end of 2010 and in early 2011. The outcomes of all the pre-conference events will provide important substantive inputs to the outcome of the UNLDC IV Conference.

The second issue of this publication compiles the outcomes of the following pre-conference events:

The Policy Dialogue on “Promoting Democratic Governance for LDC Development: Towards a more inclusive, responsive and capable state” was jointly organized by UNDP and OHRLLS and took place on 8 December 2010 in Geneva, Switzerland.

The main issues discussed were the nexus of ownership, capacity and empowerment, the question how capacities can be harnessed so that countries can be freed from dependency on aid, and the necessity of good governance at both national and international levels.

The Workshop “Aid for Trade: Barriers and Opportunities for LDCs” was sponsored by the World Bank and organized in collaboration with OHRLLS. It took place on 13 December 2010 in Geneva, Switzerland. The event presented a high-level opportunity to review priorities in the global aid for trade agenda as they relate to trade facilitation and competitiveness in the LDCs.

FAO, in collaboration with the UN-OHRLLS together with IFAD and WFP, organized a pre-conference event on 16 December 2010 in New York entitled “Enhancing Food Security through Agricultural Development and Access to Food and Nutrition”. Within the overall thematic area of enhancing food security through agricultural development and improved access to food for better nutrition, the pre-conference event was dedicated to exploring strategies for enhancing food and nutrition security in the LDCs, taking into account best practices, opportunities and threats from various parts of the world.

The Government of Turkey in cooperation with UNIDO and with UNOHRLLS organized the pre-conference event entitled “Science, Technology and Innovation: Setting Priorities, Shaping and Implementing Policies for LDCs”, which took place in Istanbul, Turkey on 7-8 February 2011. The meeting focused on the importance of an effective Science, Technology and Innovation (STI) approach. It was noted that the STI capabilities of the LDCs need to be enhanced to increase the quality of life, find innovative solutions to societal problems, increase the competitiveness of the nation, and foster and diffuse S&T awareness in society.

The pre-conference inter-regional forum on “Intellectual Property for Least developed Countries: Building a Knowledge Base for Innovation and Creativity to Promote Development” was held in Geneva on February 14 and 15, 2011. The Ministers, ambassadors, permanent representatives and senior officials, who participated in the forum, recognized the importance of innovation and creativity for social, economic, cultural and technological transformation in the LDCs and called for the presentation of WIPO deliverables at the UNLDC IV Conference. WIPO’s deliverables focus on: intellectual property and innovation policies and strategies; enhanced human technical skills; improved access to knowledge and strengthened knowledge infrastructure; establishment of technology and innovation support centers (TISCs); strategic use of branding; national capacity building based on needs assessment; enhanced support for documentation digitization, protection and commercialization of IP assets including Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources.

The Government of India in cooperation with the Office of the High Representative for LDCs, LLDCs and SIDS organized a Ministerial Meeting on “Harnessing the Positive Contribution of South-South Cooperation for LDCs’ Development” from 18-19 February 2011. The discussions during the meeting rotated around two main topics: one setting out the special needs and vulnerabilities of LDCs and the other scoping the new context and quantum leap in South-South Cooperation and the potential of such cooperation for LDC development now and in terms of a 2020 vision for it.

The UNFCCC organized in collaboration with OHRLLS the pre-conference event on “Climate Change, Climate Variability and Extremes, Land Degradation and Biodiversity Loss: Challenges and Opportunities” held in New York on 28 February 2011. The meeting had several interactive sessions that reviewed the progress made in achieving Commitment 6 in the Brussels PoA of reducing vulnerability and protecting the environment, highlighted national experiences and identified emerging priorities for the New Programme of Action.

In preparation for the Fourth United Nations Conference on the Least Developed Countries (UNLDC IV) the International Telecommunication Union (ITU) organized a pre-conference event on “Digital Inclusion for LDCs: Innovation, Growth and Sustainability” on 7-8 March 2011 in Geneva, Switzerland. The meeting sought to review progress made towards the implementation of the 10-year Brussels Programme of Action (BPoA), and to explore innovative ways of using information and communication technologies as a catalyst in alleviating poverty and stimulating growth in least developed countries under the new Istanbul Programme of Action.

The pre-conference event on “Promoting universal access to essential services” was convened by OHRLLS on 10 March, 2011 in New York. The four themes which were considered during the event were promoting universal access to: education, energy, health and water & sanitation. The main findings from the event of what was needed to promote universal access to essential services in LDCs included: the need for strong political will and leadership from governments; adequate policies, plans and regulatory framework needed to be put in place; the link between social protection and economic

growth needed to be reaffirmed; promoting access to each of the four themes are interlinked; the need for public/private partnerships needed to be further explored; the need for decentralization of these essential services and the involvement of local communities/authorities was highlighted.

The pre-conference event on “Growth, Employment and Decent Work in LDCs” was organized by ILO in cooperation with OHRLS on 29 March 2011 in New York and reviewed trends in LDCs; highlighted challenges and opportunities for structural transformation, job creation and poverty eradication; and provided a portfolio of policy options to be tailored to country needs and circumstances.

I hope that the information contained in this publication will further deepen the discussions of the negotiations of the new Programme of Action for the Least Developed Countries for the decade 2011-2020 to be adopted at the Forth United Nations Conference on the Least Developed Countries on 9-13 May 2011 in Istanbul, Turkey.



Cheick Sidi Diarra  
Under-Secretary-General  
Special Adviser on Africa  
High Representative  
and  
Secretary-General  
of the Fourth UN Conference on  
theLeast Developed Countries



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**Policy Dialogue on Promoting Democratic Governance  
for LDC Development:  
Towards a more inclusive, responsive and capable state**

8 December 2010

GENEVA

## EXECUTIVE SUMMARY

The first day of the Policy Dialogue focused on the global discourse related to the development of Least Developed Countries. The Fourth UN Conference on LDCs (LDC IV), which will be organised in Istanbul in May 2011 is a process underpinned by a bottom-up approach starting with the country-level preparations feeding into regional and global-level preparations. The outcomes of these various meetings have concluded that, while progress had been made in some areas of the Brussels Programme of Action, its implementation remained an unfinished agenda and the goal of poverty reduction still elusive.

The Opening statements stress that Governance and growth are both necessary for a more inclusive development, as well as being crucial to ensure the ownership of development processes by LDCs themselves. There was a strong focus on the need to ensure gender equality, and women's empowerment, as neglecting women's role has severely undermined the social, political and economic progress of many societies. At the same time, it was also argued that Governance alone cannot be the solution for development and poverty reduction. The effects of globalisation, climate change, investment in the agricultural sectors, and re-examining the framework of development aid must also be taken into account.

The nexus of ownership, capacity and empowerment, the question how capacities can be harnessed so that countries can be freed from dependency on aid, and the necessity of good governance at both national and international levels were all raised. Indeed, it was underlined that the principles that underpin national governance are equally important at the global level. A clear example is the demand for LDCs for greater voice and participation in international forums, which is about inclusion, and governance. Within the international context, South-South cooperation was seen as a key lever and resource, and one that has been under-utilised as an approach within the realm of governance.

At the national level, accountability and transparency of the State were deemed to be extremely significant. This was raised not only vis a vis financial accountability, but also accountability from the Government towards citizens. Linked to this, and throughout the discussion, there was a strong recognition that people must be at the centre of development processes as key stakeholders, and not only beneficiaries – this refers to all citizens, including the most marginalised section of society.

It was also highlighted that typologies of countries matter, and the specificities of countries must be addressed adequately. This was particularly pertinent in the context of countries in, or emerging from crisis, and being aware and addressing the root causes of conflict and poverty were seen to be extremely important.

The youth in LDCs was seen to be by and large sidelined by development partners. Youth empowerment, and working with them as a specific group that presents distinct opportunities and challenges were highlighted.

After the deliberations, a number of factors and an overview of recommendations and issues to be taken forward by member states in the drafting of the next programme of action in Istanbul were suggested.

Firstly, it was stated that the approach in preparing for the LDC IV conference is as important as the outcome. If the results are to stress the value of inclusive participation, the process must also be inclusive, and include, as it does, the engagement of multiple stakeholders. Suggestions articulated the need for the next programme of action to address the maturing of democratic governance in different contexts. Issues related to women's active participation, strengthening the role of the media and civil society, ensuring that Parliaments are able to fulfill their oversight role, ensuring equitable service delivery, ensuring accountability and transparency in public processes were highlighted in particular.

It was recommended that the next programme of action include explicit indicators so that progress can be measured over time. In this regard, the issue of statistics and data were brought up, and the challenges of aggregate data and statistics necessitate action. South-South Cooperation needs to be given a more important role for the achievement of the MDGs, as well as those targets set in the next programme of action.

In conclusion, it was stated there is a need for more policy space for LDCs to ensure a more effective form of governance and political leadership to enable the promotion of a strong developmental state. The support required for the development of LDCs is not only an issue of poverty reduction, but it is also about addressing global security challenges. Unlike the Brussels Programme of Action, the next Programme of Action needs to be a finished agenda, not an unfinished one.

“Promoting Democratic Governance for LDCs’ Development  
Towards a more Inclusive, Responsive, and Capable State”

(Geneva, Manotel Hotel Royal, December 8, 2010)

**Minutes**

## OPENING REMARKS

Mrs. Geraldine Fraser-Moleketi (Director of the Democratic Governance Practice, UNDP Bureau for Development Policy) welcomed Mr Cheick Sidi Diarra (Under Secretary-General, Special Advisor on Africa, and High Representative, for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, UN-OHRLS).

Mr. Diarra thanked UNDP, and in particular the Administrator, the Director of DGG and her team, for taking the lead in organizing this important event. He expressed full confidence that these deliberations would lead to a successful outcome and would make a significant contribution to next Programme of Action to be adopted in Istanbul next year.

Mr. Diarra emphasized the progress achieved by LDCs in the area of governance, referring to UN Secretary General’s latest report<sup>1</sup>, and providing examples of the important progress achieved by some LDCs in the implementation of Extractive Industries Transparency Initiative (EITI) principles<sup>2</sup>. He emphasized the overall tangible progress made by LDCs and elaborated on the preparation process for the Fourth UN Conference on LDCs (LDC IV), which will be organised in Istanbul in May 2011.<sup>3</sup> –a process underpinned by a bottom-up approach, starting with the country-level preparations feeding into regional and global-level preparations. Many LDCs have submitted national reports which have contributed to the regional-level preparations, and two regional preparatory meetings for LDC IV which were convened (Dhaka, Bangladesh from 18 to 20 January 2010 and Addis Ababa, Ethiopia on 8 and 9 March 2010). Their outcomes concluded that, while progress had been made in some areas of

<sup>1</sup> UN Document A/65/80

<sup>2</sup> The extractive industries transparency initiative (EITI), endorsed by the UN General Assembly in 2008, is also gaining momentum in the LDCs. 15 LDCs have been candidate countries as of April 2010, having completed the sign-up phase and working towards full implementation of all initiative principles and criteria. Liberia is the first LDC that was evaluated as initiative-compliant on 14 October 2009. Sierra Leone and the Democratic Republic of the Congo disclosed mining revenues for the first time in 2010.

<sup>3</sup> By adopting the latest UN Resolution on Least Developed Countries, the General Assembly decided convene the Fourth United Nations Conference on the Least Developed Countries from 9 to 13 May 2011 in Istanbul, Turkey, at the highest possible level, in line with the mandate specified by the General Assembly in its resolution 63/227, in view of the critical importance of the Conference; and also decided to hold the second session of the Intergovernmental Preparatory Committee in New York, from 4 to 8 April 2011, for five working days; - UN Document A/C.2/65/L.55(Second committee resolution)



the Brussels Programme of Action, its implementation remained an unfinished agenda and the goal of poverty reduction still elusive.

While some progress can be noted in the area of governance in many LDCs, the capacity of Governments still needs to be further improved. Reference was made to the Group of Ten Eminent Persons, formed by the Secretary-General, and co-chaired by the President of Mali, Alpha Oumar Konaré, and the former President of the World Bank, James Wolfensohn. The first preparatory committee meeting will be convened in January 2011 and the negotiations of the draft Istanbul outcome will be expected to start in April 2011. To ensure participation by a broad spectrum of stakeholders in the Conference, UN-OHRRLLS will also organize Interactive Civil Society Hearings in the framework of the General Assembly in New York in 2011, and it has launched a Private Sector Steering Committee to seek an active contribution of the private sector. UN-OHRRLLS counts on all the UN system and all Member States to ensure that the Istanbul Conference is a success.

Mrs Fraser-Moleketi thanked Mr Cheick Sidi Diarra for an extensive overview, and welcomed the Ambassador of Turkey HE Bozkurt Aran to the World Trade Organization in Geneva.

HE Ambassador Bozkurt Aran, Ambassador of Turkey to the WTO commended UNDP for organizing the event and for selecting such an important topic. He warmly welcomed speakers who travelled from overseas and thanked Mr Diarra. He mentioned that he has already participated in a number of preparatory committee events – recently one on civil society and UNCTAD, during which important issues were raised, such as: diversification, trade, tourism, FDI, transfer of technology, capacity-enhancing of LDCs.

HE Aran stated that Good Governance and growth are both necessary for a more inclusive development, as well as being crucial to ensure the ownership of process by LDCs themselves. The statement focused on gender equality and women's empowerment, a crucial issue since neglecting women's role has severely undermined the social, political and economic progress of many societies ; he anticipated that the issue of Gender will be key in the future Istanbul Programme of Action. Gender inequalities (for example in Nepal where the salary of a man is 40% higher than the salary of a woman) limit access to education, health, job opportunities. He added that many LDCs implemented programmes to support women's entrepreneurship, providing the successful examples of Bhutan (UNESCO Confucius Award on Inclusive literacy) and Rwanda (the only country in the world where more than half of parliamentarians are women). Reference was also made to regional instruments, such as the African Charter of Human rights and the Protocol on the Rights of Women in Africa, ratified by many LDCs. Turkey, as an emerging Partner, is seeking to strengthen the capacities of LDCs and encourages everyone to seize every opportunity to enable real change in the life of ordinary people.

Mrs Fraser-Moleketi emphasized the centrality of democratic governance and welcomed the Permanent Representative of Nepal to the UN HE Gyan Chandra Acharya and Chair of the LDC Group.

HE Ambassador Gyan Chandra Acharya, Permanent Representative of Nepal to the United Nations, expressed himself on behalf of the LDC Group. He commended the convening of this important meeting and recalled that good governance is an essential condition for progress in any country. Reference was made to the Commitment 2 of Brussels PoA, but also to the Monterrey Consensus (2002), the Doha Outcome of Financing for Development (2008), and the recently adopted Outcome of the MDG High-level plenary meeting (2010). He stated that without effective governance, goals are difficult to achieve and to sustain, hence the importance of national ownership.

Good Governance and a capable State are closely linked to targeted service delivery, the fight against corruption, and progress towards a society free from hunger and disease and with the right to

development. Inclusive development and equality cannot be achieved without an appropriate role for the State. He added that there was a general acceptance that LDCs were moving ahead in the right direction, making reference to some progress highlighted in UNDP's latest Human Development Report for instance ; civil society and media have a key role to play, besides the need for a capable and developmental State. At the same time, progress is not automatic, and requires political will and leadership. Given the unique circumstances that LDCs face, characterised by weak institutions, and the difficulty in retaining quality citizens, LDCs require necessary assistance – both financial and technical – from the international community.

He advocated for a multistakeholder approach and recalled the need to prevent a deterioration of the international context (e.g. need to end the Doha Round), calling for a focus on both national and international governance and for an effective mutual accountability mechanism. He qualified the meeting as useful to discuss concrete and action-oriented inputs regarding the capability of the State and recalled that the most vulnerable LDCs are more likely to have poor institutions and to suffer from conflict. The State is rightly at the centre of this discussion (as opposed to the State/Market dichotomy which used to be the assumption in the eighties). Both Market and State are key and the right combination for LDCs would be to ensure a structural change and improve resilience; more market and capacities to promote trade growth are also essential. The importance of domestic resource mobilization (less than 10% of GDP is actually tax-based in LDCs) was emphasized, as was the support to parliaments and the fight against corruption, referring to UNDP's work in these areas. As far as the implementation of the BPoA is concerned, the report of the Secretary-General insists on the need for a strong committed global partnership, including South-South cooperation and calls for effort in terms of ODA distribution (LDCs' share of Donors' GNI at this stage is 0.09% only). HE Acharya concluded by stating that it is of utmost importance to build on the momentum of the « MDG Summit », and to ensure that Istanbul marks a turning point for a new Programme of Action, and to accelerate achievement of the MDGs.

Ms. Fraser-Molekti invited Ms. Rebeca Grynspan, UNDP Associate Administrator and Under-Secretary General to address the meeting.

Ms. Rebeca Grynspan, UNDP Associate Administrator and Under Secretary General began by making reference to the most recent Human Development Report which demonstrated that that people all over the world are today, on average, healthier, better educated, and wealthier than ever before. She highlighted that over the last four decades, the top ten movers up the Human Development Index include not only countries well known for rapid growth but also countries such as Laos and Nepal that have made important strides in health and education. In the last decade only, five African countries - Burkina Faso, Ethiopia, Mozambique, Rwanda, and Uganda – were among the top ten movers. She stressed that leaders can play a very important role in improving people's lives without growth being the determining factor. Such improvements however require political will, smart policies, the continuing commitment of the international community, and inclusive, responsive and capable states.

She stated that capable institutions which, through the promotion of rule of law, enabling regulatory environment, and delivery of basic infrastructure, act as a strategic partner of the private sector, thereby providing the impetus for private sector activity, trade, and growth. At the same time, these require a number of measures which are essential for functioning governments: broadening of the fiscal base through improved domestic resource mobilization, professionalizing of the civil service, anti-corruption regimes, building in-country capacity to collect and analyze data, and effective and inclusive allocation of resources. In addition to capability however, there is also a need to build inclusive institutions that can ensure inclusive participation of people as actors, and which work towards the achievement of the MDGs. This includes investment in human development through education,

health, gender equality, fostering agriculture, social protection systems, access to financial markets for micro and small business, access to energy – all areas that form a core part of UNDP’s agenda and efforts to achieve the MDGs (through the Breakthrough Strategy and the MDGs Acceleration framework), and which are also reflected in the Brussels Programme of Action.

However, in addition to the technical efforts and support that are provided, Ms. Grynspan underscored that democratic governance is also about politics, and that « politics matter for human development since since expanding peoples’ choices is also about how and by whom they are governed. She stated that effective and democratic governance has the potential to help societies overcome tensions, prevent conflict, take tough decisions, and provide services in a way that is perceived to be fair and just. It is through transparent, accountable and effective governance that growth and development can become inclusive, responsive and sustained.

In looking forward, she expressed the need for LDC IV to build on the momentum of the 2010 MDGs Summit, and to foster the partnerships needed to address the special needs and concerns of LDCs, a partnership in which UNDP stands ready to take on its role.

Mrs Geraldine Fraser-Moleketi emphasized the recent reconsideration of the dichotomy Market/State. She invited participants to discuss on Politics (capital P) and on the need to ensure inclusiveness and participation to improve the future.

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**SESSION 1: « Review and analysis of Commitment 2 Implementation », co-chaired by the Permanent Representative of Nepal to the United Nations and Chair of the LDC Group, HE Ambassador Gyan Chandra Acharya, and Ms. Rebeca Grynspan, UNDP Associate Administrator, and Under Secretary-General.**

Presentation by Mrs. Geraldine Fraser-Moleketi: (Full Presentation and Desk Review available here)

« The LDCs represent the poorest and most vulnerable segment of humanity »  
- Secretary-General Ban Ki-moon.

Mrs. Geraldine Fraser-Moleketi made reference to the recent UNCTAD report and meeting and recalled that one billion people are currently living in LDCs. The Brussels PoA is a comprehensive strategy for LDCs to meet the MDGs and to promote sustainable development. Commitment 2 of the Brussels PoA deals exclusively with international and national governance. In regard to the national level, it is stated that: « Successful implementation of the objectives, policies, commitment, and measures contained in the Programme of Action will require, at the national level, among other things that these be supported by good governance through transparent, accountable, and efficient institutions and practice within the Government, the private sector, and civil society ».

The Desk Review and Analysis of the implementation of Commitment 2, which focused on national governance issues was then presented. National governance is significant for multiple reasons: recent global crises have once again brought the role of the State to the forefront. Furthermore, in addressing international issues, state institutions need to be capacitated, and be inclusive and responsive to the different needs of people. These key ideas fit well in recent discourse, as UNCTAD LDC report 2010 re-emphasizes an increased and more balanced role of the State. Moreover, the initial inputs for the next PoA point to a more inclusive state, emphasizing inclusion, equity, human and social development, transparency and accountability in addition to economic growth.

The Desk Review, based on national reports prepared by LDCs and complemented by existing literature, is grounded on three mutually interdependent principles that define Democratic Governance

(inclusive participation, responsive governing institutions, international principles), and emphasizes the following findings:

- Inclusive participation: National reports focus mainly on women, without attention to other marginalized groups. They highlight the legal frameworks, regulations, quotas, affirmative actions put in place to address gender equality. (Increased representation of women in countries like Tanzania, Benin, Sao Tome and Principe; public sector reforms in Mozambique; expansion of FM radio coverage in Burkina Faso).
- Responsive institutions : Key institutions were established to deepen democratization; law-making was improved and old and anachronistic laws were replaced ; reforms were initiated to improve the judiciary and criminal justice sector ; Public Administration reforms and strengthening were pursued, decentralization rules and regulations were put in place.
- International principles: International conventions were ratified (follow-up required). 33 LDCs completed the Universal Periodic Review and 32 LDCs are now signatory of the UN Convention Against Corruption.

Despite relative progress, the presentation stressed that the results achieved as a consequence of governance reforms varied. Some specific issues that remain to be addressed include: the need to include marginalized groups (indigenous, minorities, vulnerable groups, youth, discriminated majority groups); local governance should be seen as important vehicle to strengthen institutions and enhance inclusive participation; a closer look at accountability and transparency for development is required; the importance of a clear separation of powers and of investigating media is also to be stressed.

Finally, while there are many specific technical issues that remain to be addressed, there are some broader contextual issues that should guide deliberations, including:

- Democratic governance and development are political issues, and need to be addressed as such.
- The link between Democratic Governance and Human Development and Poverty Reduction need to be better articulated.
- LDCs are heterogenous (SIDS, countries in crisis with specific priorities, opportunities challenges and demands) and these differences must be taken into account. Citizens ownership is of utmost important, to create a balance between demand and supply.

Presentation by the Permanent Representative of Tanzania to the United Nations [Geneva], HE Mr Matern Y.C. Lumbanga

After expressing words of appreciation to the organizers, HE Mr Matern Y.C. Lumbanga recalled that Commitment 2 of BPoA was important and that Tanzania was one of the countries fully committed to its implementation. The purpose of the presentation was to highlight how Tanzania had implemented Commitment 2, how governance fit within National Development Policy, and how the African Peer Review Mechanism (APRM) strengthened the reform process in Tanzania.

Ambassador Lumbanga began by stating that Good Governance alone could not be the solution for development. Currently authoring a book on pro-poor policies and the involvement of the poor and women in the development process, he emphasised the importance of taking into account effects of globalization and climate change, to invest more in the agriculture sector, and to re-examine the question of aid vis-a-vis investment and trade. Peace and security issues are also essential for development. In Africa, the New Partnership for African Development (NEPAD) was presented as the central organ of African Union, and a major step towards improved governance in Africa, particularly, the APRM, which he stated has transformed Africa. Tanzania will be peer-reviewed in 2011.

He reflected on some examples undertaken for governance reforms in Tanzania:

- Public sector reform programme targeting the regionalization of civil service; rationalisation and improving the efficiency of public service delivery; public service pay reform, and a reduction in corruption.
- Public management reform targets at the simplification of the financial structure and fight against corruption.
- National framework for good governance, which includes a stand-alone programme on governance, and one that addresses anti-corruption. This strategy and action programme is still being implemented – new laws have been put in place (power of judges to arrest and prosecute); enhancement of the multi-party system (more than 18 registered parties, although only eight are active).

Generally, according to a UNDP governance assessment of 2004, Tanzania was rated as the only country to improve on most aspects related to governance. As a result, political participation is fairer, and capacities have been enhanced.

Ms Rebeca Grynspan, co-Chair of the session, highlighted the complexity of the issue and commended the reference to the anti-corruption and public financial programme which tackles a key issue. She also emphasised that the developing world is asking for more economic opportunities, and not only for more aid. She also made reference to Tanzania, which is one of the “Delivering as One” countries in UNDP, and is the most advanced in terms of coordination with the Government. She informed participants that the case of Tanzania would be presented at a future UNDP Executive Board Meeting.

## **SESSION 1: DISCUSSION IN PLENARY**

Comments and questions:

HE Mr Kisiri (Ambassador, Head of Africa-Caribbean and Pacific Committee, Geneva)

- South-South Cooperation (SSC) is important for the achievement of the MDGs. Where can SSC be strengthened?
- A very good assessment of Tanzania’s situation was provided. There is a real need to increase investment in agriculture. Where can connectivity with rural population be enhanced (modern technologies and infrastructure)?

Mr Masood Amer, Assistant Country Director (UNDP Afghanistan Country Office):

- Is a review available on non-formal institutions ? In the case of Afghanistan, public order has been maintained in Afghanistan with informal institutions.
- Democratic governance is critical, and as stated earlier, concerns politics. How UNDP address this political challenge while maintaining its neutrality?

Mr Marcus Leroy, Minister Counsellor and Special Coordinator for MDGs, Ministry of Foreign Affairs, Belgium:

- Women are the bedrock of economies in African countries, which is particularly visible at the village level, where they are really empowered. Why and how do women lose their empowerment when shifting from the village to the national level?

HE Mr A.K. Abdul Momen, Permanent Representative of Bangladesh to the United Nations in New York:

- Today, there are more LDCs than in the 1970s, which is a cause for concerns.
- Good governance is important but not sufficient. A major issue is trade. A significant change in the terms of trade and an improvement in human resource development are required. Modern transportation and more support from partners are required. Without global structural changes and the support of global community, goals cannot be sustainably achieved.

HE Mr Mothae Maruping, Permanent Representative of Lesotho to the UN in Geneva:

- In 2011, CEDAW will be reviewed (Human Rights Council)
- 40% of ministers in Lesotho are women and the country is proud of a higher rate of enrollment of youth in schools.
- The population in LDCs is very young, and needs to be addressed.
- LDCs are very diverse – there is a need to absolutely avoid the one-size-fits-all approach. Specific attention should be paid to landlocked countries, as well as questions of transit, corridor to the sea, Almaty Plan of Action, and the role of regional organisations such as the Southern African Development Committee (SADC)
- 2010 was the year of « Makes Peace Happen in Africa » – peacekeeping efforts and governance
- The entire international community bears a responsibility regarding anti-corruption.

Mrs. Helen Beck, Deputy Ambassador, Permanent Mission of the Solomon Islands to the UN in New York:

- A mix of policies and instruments is required to address governance issues, and the sustainability of progress is important (in particular through the creation of economic opportunities)
- The particular challenges of post-conflict countries need to be put forward, and addressed explicitly.
- It is necessary to raise support to LDCs, through strong partnership to make those institutions work on the ground, and to create effective mechanisms.
- In terms of trade, it is necessary to improve the terms of change and work on the supply side
- She points out the need to put emphasis on the development of food security in agriculture and the availability of renewable resources, in particular in highly energy dependent countries such as Solomon Islands
- For many countries, climate change is not only a vital issue, but an issue of survival.

Honourable Ephraim Kayambe, Member of Parliament (Malawi):

- There is a real need to reflect on the role of parliaments to enhance governance.
- Issue of food security is a priority.
- The participation of people in all processes is key.
- Progress should be made on maternal mortality.

Mr Hamish Jenkins, UN-Non-Governmental Liaison Service, Geneva:

- How can we ensure that we also deal with the democratization of economic governance in these times of serious economic democratic governance crisis? The border between international and national governance is quite blurry.

Foreign Affairs, Switzerland/ Mission of Switzerland:

- The agriculture sector presents opportunities for LDCs, but also a lot of risks.

HE Mr Jean-Francis Zinsou, Permanent Representative of Benin to the United Nations in New York:

- Governance is of utmost importance in Benin -where in 2000 a programme entitled « National Study on Long-term Perspectives » was launched to identify possible orientations
- 2025 is the deadline of a governmental programme which articulates the national strategy to ensure that Benin is a well-governed country
- Benin has suffered various climate perturbations and disasters: 77 communes in 2008, now 44 out of 77 (flash appeal recently launched by the UN)
- Various relevant mechanisms exist now in Benin, for example, the « Haut commissariat a la gouvernance concertée » in charge of ensuring transparency.
- The Government of Benin has placed the accent on the role of the State and on the achievement of work in infrastructure, development of hospitals, delivery of free malaria treatments for children, free C-sections, provision of microcredit for the most marginalized -in particular women- among others.
- The decentralization of territorial and deconcentrated administrations are essential for local development plans.
- To address challenges of corruption, the public procurement process has been codified.
- A limitation on the role of Parliament was established to curb the increasing politicisation.
- The State needs to be more active regarding national savings

HE Dinesh Bhattarai, Ambassador and Permanent Representative of Nepal to the United Nations, Geneva:

- The role of the State has now been brought to the forefront, and it is not possible to go on with business as usual.
- People must be involved in the development process.
- The effectiveness, accountability and transparency of the State is key
- Democratization should enable the enhancement of political rights
- It is worth asking why a majority of countries in conflict appear to be LDCs?
- Transformation should take place because of strong institutions.
- How do we engage with the youth? The Istanbul PoA should include this as a key issue.

Final comments from the panel of respondents:

Ms. Geraldine Fraser-Moleketi:

- SSC is a key issue to be brought forward, and can be linked particularly to Information and Communication Technologies, and knowledge sharing. (link with ICT in particular, knowledge sharing, etc). It is also worth to draw on the extensive network that UNDP has established and nurtured.
- There is a demand from LDCs for greater voice and participation at international forums, which is fundamentally about governance, and inclusion. Attention should also be paid to economic governance.
- Governance is central to the APRM, and it is important not to separate social and economic rights, with civil and political rights.
- Progress on anti-corruption is important and must be continued. In this regard, Parliaments have an important role to play in fulfilling their oversight role.
- There is broad agreement on the role of the State, and there is a need to have a comprehensive way to engage, and to ensure that citizens are an integral part of the development process.

HE Ambassador Matern Y.C. Lumbanga

- The contributions from the discussion enrich the overall debate.
- The agricultural sector needs to be supported by improving infrastructure, fertilisers, and mechanisation. At the same time, rural community empowerment must also be ensured.
- While women are the productive actors at the village level, it does not necessarily mean that they are empowered. Investing in women is rewarding, and has much impact on the whole family.
- The terms of trade are not to the advantage of LDCs. There is a need to diversify and avoid mere assistance.
- Governance can only be sustainable with economic and social development.

Nepal, co-Chair of the session, thanked participants for an insightful and forward-looking discussion. He expressed his hope that there would be further discussions on the following issues: the reinforcement of democracy and development agendas ; the respective roles of the State and the Market; the discussions on partnership and coherence to reduce poverty and promote security.

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**SESSION 2: « Contributions of Democratic governance », chaired by Mr. Marcus Leroy, Minister Counsellor and Special Coordinator for the MDGs, Ministry of Foreign Affairs, Belgium**

Presentation by Mr Bartholomew Armah, Senior Advisor of BCPR (Full Presentation available here).

- Armed violence and conflicts are a major threat to human security. Conflicts are concentrated on LDCs and Middle Income Countries (MICs). Conflicts undermine trust and have an impact on livelihoods, education, gender, particularly, gender based sexual violence, and health, with increasing incidences of HIV. Moreover, there are 42 million displaced people today as a result of conflict. MDGs can be achieved in conflict-affected countries, however, it must be noted that out of the 34 countries that are most lagging in reaching the MDGs, 22 are affected by conflict.

- Natural disasters also have a devastating effect. For instance, the 2010 earthquake in Haiti provoked the loss of approximately 250,000 people, while in economic terms, the loss amounted to US\$8 billion.
- Peace-building and disaster management should be integrated in national development plans. Moreover, Peacebuilding must be underpinned by low-level of corruption.

Presentation by Ms. Christine Roth, Deputy Executive Secretary, UNCDF

- UNCDF's mandate, which focuses its work in 40 LDCs, and aims to increase access to capital and micro-finance, and explores other mechanisms and channels at the local level. Some of the challenges in LDCs include a lack of revenue, and in the context of local governance, an ill-defined relationship between national and local government levels, among others.
- The first entry points for UNCDF are local governments and local elected officials since their good performance create a virtuous circle. Local governance is also a platform for inclusive development
- UNCDF creates consultative processes at local level; it provides some seed capital to enable better responsiveness to the needs of people, and successes in Benin, Niger, Burkina Faso are already seen. UNCDF also helps to identify bottlenecks at the local and national levels, in areas such as public financial management and fiscal decentralisation. For example, some LDCs have requested for assistance in the reformulation local governance strategies in Nepal, Tanzania, Yemen.
- UNCDF also intervenes in the areas of service delivery at local level and participatory planning, and examples range from Laos to Haiti. Through investment, UNCDF also strengthens the capacity of local governments in public financial management, by ensuring the respect of rules in public contracting, and the introduction of local information platforms.
- UNCDF, in collaboration with UNDP has also undertaken a flagship initiative on gender responsive budgeting and planning, which has taken place in Mozambique, Rwanda, and Sierra Leone among others. Ms. Roth advocated for systems that are capable to promote good governance and sanction bad performance and to use media to disseminate information on local governments' performance.

Presentation by HE Dr. AK Abdul Momen, Permanent Representative of Bangladesh to the UN

HE Momen stated that good governance alone was not sufficient to induce economic growth. Many LDCs have fragile economies and the challenges faced by LDCs represent a global security issue. The share of global trade represented by LDCs have not increased and the cost of labor is a major issue that disadvantage LDCs. ODA remained at a low level, and the grant component of ODA decreased (48% of ODA in 1990-91, now 1.9%). He reiterated that LDC IV should explicitly tackle the issue of global partnerships

HE Momen identified some areas where good governance is required, focusing largely on global partnerships and trade-related issues, including:

- proactive global partnerships
- participation – multiparty democracy
- food security and agricultural investment
- quality of infrastructure
- employment creation
- quality of technology (knowledge-based)
- development of financial and product markets

- quality of business management
- labour market flexibility
- terms of trade plus free access to trade
- quality of financial and political institutions
- transaction costs, economic costs and openness
- transparency, accountability and responsiveness
- equity and inclusiveness

The establishment of an LDC Fund for Fragile States was also recommended.

## SESSION 2: DISCUSSIONS IN PLENARY

Comments and questions:

HE Mr Matern Y.C. Lumbanga, Ambassador of Tanzania:

- LDCs are primarily responsible for MDGs achievement, but what is the role of developed economies?
- In the context of local governments, actions should be taken against bad practices.

Ms. Helen Beck, Deputy Ambassador, Permanent Mission of Solomon Islands at the United Nations in New York:

- For countries in crisis, an international rescue instrument should be created.
- In addressing the particular case of countries in crisis, it may be useful to maintain a ‘watch list’ with the corresponding development packages.
- Corruption is a major hamper to development, and needs to be addressed.

HE Mr Dinesh Bhattarai, Ambassador and Permanent Representative of Nepal to the United Nations in Geneva:

- Poverty can be a cause of conflict, and there is a need to ensure that the root causes are addressed.
- In the context of local governance, UNCDF’s interventions have been successful in many instances, but why are there no scaling up initiatives?
- Freedom has to go with development.

Ms. Shabnam Mallick, MDG Manager, UNDP Solomon Islands Country Office

- There was a reference made to the UNDP-UNCDF initiative in the Solomon Islands, which was a 15 year long programme, with US\$14.5 million.
- There is a need to discuss the capability approach.

Mr. John Samuel, Oslo Governance Center, Democratic Governance Group, UNDP

- Economic growth and capital formation provide an indicator of development.
- Bangladesh is also a country with the least number of conflicts
- There is a need to enhance civil society in LDCs It is worth to note that some countries that are not LDCs have a high aggregate HDI, but often, a significant percentage of the population is situated below the poverty line, as in the case of India for instance.

Mr Leulseged Tadesse Abebe, Third Secretary at the Permanent mission of Ethiopia to the United Nations in Geneva

- Democracy can help to create the consensus needed to bring sustainable development
- Ownership of the development and governance process is essential.
- It may be interesting to undertake a study on the nexus between democracy and development in LDCs.

Umesh Palwankar, Advisor, UNDP Comoros Country Office

- In a post-conflict environment, Disarmament, Demobilisation, and Rehabilitation (DDR), justice, and security sector reform are crucial.
- It is important to analyse the link between a capable State and development.
- It is worth to ask if there is sufficient focus on redistributive growth?
- There is a need for a better interaction public/private sector.

Response from the panel:

Mr Bartholomew Armah, Senior Advisor of BCPR

- There is a need to discuss the role of development partners in post-conflict settings. How can investment be induced?
- Basic, as well as more complex infrastructure development are interlinked, and also represent a dimension of democratic governance.

HE Dr. AK Abdul Momen, Permanent Representative of Bangladesh to the UN

- Bangladesh is a very large contributing country (peacekeeping/peace-building)
- Remittances do contribute significantly to the economic growth, and the development of LDCs. It is important and necessary to strengthen global and regional partnerships.
- There is the need to design mechanisms to reward performance and excellence – a capable state means better management in many respects.

Ms. Christine Roth, Deputy Executive Secretary, UNCDF

- Our responsibility is to ensure that interventions trigger a virtuous circle.
- Up-scaling interventions at the national level requires political will; leverage can be sought via various partnerships with other organisations.
- Culture is an important factor, and one that should be considered in deliberations.

Rapporteurs' Closing remarks – Session 2:

Mr Philliat Matsheza, Policy Advisor, International Principles Cluster Leader, UNDP/BDP/DGG:

- The nexus between conflict and MDGs achievement is an important factor, and whereas all LDCs face many challenges, these are even more significant in conflict-affected countries.
- The issue of infrastructure is critical –and in that regard the discussion on partnership is very interesting

- The discussion on domestic accountability however is missing, and no attention has been given so far to the issue of capital flight.
- The inequality element should be addressed in the context of discussions on national ownership.

Mr Patrick Keuleers, Senior Policy Advisor, Responsive Institutions Cluster Leader, UNDP/BDP/DGG:

- Post-conflict and disaster risk management represent opportunities to promote democratic governance (e.g. Disaster management enables ministries to better coordinate, etc.).
- Decentralization is a major issue, and it important to note that political reforms take place over a long period of time.
- It is crucial to bring stakeholders at local level together. Some critical new challenges have been identified. For instance, the work accomplished by UNREDD at the local level on climate change, which has traditionally been a national level issue, shows the feasibility and relevance of addressing it at and from the local level perspective.
- Revenue collection and taxation have become essential triggers for democratic governance , and those issues should not be neglected
- In the new PoA, it would be important to address the question of how to address the maturing of democratic governance. Within the context of statistics and data, democratic governance is about addressing issues hidden behind aggregate data and statistics.
- The issue of information management has hardly been raised but should be further discussed.

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### **SESSION 3: Looking beyond 2011, chaired by Mr. Arjun Karki, Global CSO Coordinator for the LDC IV Conference, and Director, LDC Watch**

Mr. Arjun Karki, Global CSO Coordinator for the LDC IV Conference, and Director, LDC Watch, introduced the panel who will discuss the challenges related to democratic governance in a forward looking manner.

Presentation by HE Mr Jean-Francis Regis Zinzou, Ambassador and Permanent Representative of Benin to the United Nations in New York:

- HE Zinsou stated that Benin has been engaged in the preparation of the Istanbul Conference for the past 18 months.
- 2010 marks the 50th anniversary of the independences in Africa and Benin has ensured the leadership of symposium of African scientific personalities and members of civil society in November 2010. This group diagnosed the situation of African countries (33 are LDCs) and highlighted the importance of an endogenous development, put forth the suggestion to have excellency polls, and the need to identify leading sectors in each country.
- Other key issues to address include: the need to promote financial reforms and public-private partnerships; ensuring the mobility of human resources; supporting women and the youth; creating job opportunities. The nuclear and telecommunication sectors could also effectively support development. The relevance of the legal empowerment of the poor was also stressed.

The Chair recalled that Benin played a historical role in LDC advocacy. More efforts should be made to better articulate ways to handle LDC challenges. The BPoA included actions to be taken both from LDCs and from international partners.

Presentation by Honourable Mr Ephraim Kayembe, Member of Parliament, National Assembly of Malawi:

- Mr Kayembe expressed his gratitude to the Inter-Parliamentary Union (IPU) for its support.
- He stressed that Malawi is currently handling challenges affecting the implementation of Commitment 2 of BPoA to enable the country to move towards achieving the MDGs by 2015. In this regard, the importance of achieving acceptable and transparent levels of inclusiveness, responsiveness and participation was stressed.
- A number of questions were raised, including: in the context of MDGs, how can governance help to reduce extreme poverty and bring more participation of poor people in the decision-making processes, within a legal framework? Can governance help in improving transparency and accountability?
- Looking beyond 2011, he stated that this Policy Dialogue provides the opportunity to identify and prioritize areas to be recommended for inclusion in the new PoA, such as the need to confront gender inequalities to enhance women's involvement; the call for a greater and stronger coordination among key stakeholders; the importance of strengthening of the role of media; the reduction of high maternal and child mortality rates; the commitment and release of funds on time; addressing the issue of climate change; increasing investment; and finally, increasing the role and involvement of parliaments in the development of the new PoA.

### **SESSION 3: DISCUSSIONS IN PLENARY**

Comments and questions:

HE Mr Leulseged Tadesse Abebe, Third Secretary at the Permanent Mission of Ethiopia in the UN in Geneva:

- It must be recognised that market fundamentalism has failed. A strong developmental and democratic State is needed, with a wider policy space.

Mr Marcus Leroy, Minister Counsellor and Special Coordinator for MDGs, Ministry of Foreign Affairs, Belgium:

- In the agriculture sector, an important measure relates to Small-scale farmers in LDCs. What are some of the measures that can be taken to mainstream them (majority are women) into the formal economy?

Mr Cosmas Gitta, Chief, Policy Division, UNDP Special Unit for South-South Cooperation:

- It is important to promote national development with a regional perspective (e.g. ASEAN). In addition, development partners must help LDCs to free themselves from aid dependence. we need to help LDCs free themselves from their aid dependence. LDCs need to be gainful participants and stakeholders in global development, including through South-South cooperation.
- Questions related to incentives to attract domestic and foreign investments must also be asked.

Mrs Helen Beck, Deputy Ambassador, Permanent Mission of Solomon Islands to the UN in New York:

- Pro-poor ICT targeted investment programmes should be developed
- Beyond 2011, the international dimension of democratic governance would be the priority.

- The level on domestic resource mobilization is still low in LDCs and the issue of capital flight remains an obstacle to development.

Mr Azed Girmal, Member of CSO Steering Committee:

- It is crucial to strengthen the capacities of local governments so that they are able to understand the nature and implications of commitments such as the Brussels PoA, and the future ones that will come into place.

The Chair invited participants to reflect on the aid architecture, including in terms of quality of aid.

Reactions and responses from the Panel:

HE Mr Jean-Francis Zinsou, Ambassador and Permanent Representative of Benin to the UN in New York:

- LDCs need to identify endogenous development priorities (food strategies for instance) and take control over their resources
- If the issue of value generation is addressed, FDI will naturally increase. Governance will play a key role in that respect.
- LDCs should take advantage of all available opportunities and knowledge, referring in particular to the issue raised by the Solomon Islands with regard to ICTs.

Honourable Ephraim Kayambe, Member of Parliament, National Assembly of Malawi:

- For the implementation of the PoA, LDCs will need resources ; however, they should not only rely on development aid
- Challenges faced by LDCs are quite different from one region to another.

HE Mr Jean-Francis Zinsou, Ambassador and Permanent Representative of Benin to the UN in New York:

- In LDCs, each family should be considered as an enterprise.

Conclusion by Session 3 Rapporteur:

Ms. Linda Maguire, Policy Advisor, Inclusive Participation Cluster Leader, UNDP/BDP/DGG:

- The objective of this session was to provide an overview of DG recommendations and issues to be taken forward by Member States in the drafting of a new LDG programme of action. Istanbul needs to be a finished agenda, not an unfinished one.
- The approach to preparing for the LDC IV conference is also important – the process and the outcome. If the results are to stress the value of inclusive participation, the process must also be inclusive and include, as it does, engagement of multiple stakeholders such as parliament, civil society, etc.
- In this session, two examples were shared about the actions taken by countries to implement the BPoA, and what recommendations can be taken forward for the next PoA, based on those experiences.
- Some points gleaned from the earlier sessions were also echoed in this session : the nexus of ownership, capacity and empowerment; the question how capacities can be harnessed so that countries can be freed from dependency on aid; the necessity of good governance at both national and international levels.

- Discussion about national development with a regional perspective also took place. These highlighted that the typology of countries matter, as different countries have specific needs. It is essential that the new PoA recognises this.
- South-South Cooperation was seen as a key lever and resource, but one that has been under-utilised as an approach within the realm of governance.
- The importance of addressing the root causes of poverty and conflict were raised, as was the need to focus on youth empowerment, and the youth as a specific group that offers distinct opportunities and challenges. It was also mentioned that pro-poor ICT investment programmes can address the information gap that exist.
- LDCs, including at the local level will need to be cognizant of the number of obligations and commitments that are being made, and must have the capacity to understand them, and establish mechanisms and strategies to implement and monitor the fulfilment of those commitments.
- Finally, it was raised that the new PoA will need to include explicit indicators.

## CONCLUDING REMARKS

Ms. Geraldine Fraser-Moleketi, Director of UNDP/BDP/DGG thanked participants for the rich debate, in which diverse voices were heard. A wide range of issues were stressed, including the importance of advancing peace, security, development and human rights. The need to achieve the MDGs, and the need to address maternal mortality, including through progress on reproductive rights, the need to focus more on the youth were all significant elements of the debate. The discussion was also a call for strengthened partnerships, mutual accountability, improved service-delivery, and enhanced knowledge-sharing, including through South-South cooperation.

Mr Cheick Sidi Diarra, High Representative, UN-OHRLS expressed his sincere gratitude to the Director of DGG and her team for the efficient organisation of the Policy Dialogue. He also thanked Turkey for its overall engagement, and expressed thanks to the Permanent Representative of Nepal for his full commitment in the preparatory process. He extended his particular gratitude to the participants who have travelled from the capitals to attend the meeting.

Mr. Diarra stated that improved governance cannot be seen in isolation, rather it is a cross-cutting enabler for all other development aspects. A number of specific points should be considered in moving forward. Firstly, the PoA needs to focus more on post-conflict and fragile states. In this regard, specific regional organisations may have a role. There is a need for stronger local government institutions, which should go hand in hand with sufficient resources. It was also clearly articulated that the role of Parliaments will be essential in both the preparation leading up to Istanbul and in the implementation of the new PoA. This is especially important in view of mainstreaming the new PoA in national development plans and strategies, and to increase resource mobilisation. He further highlighted the need to provide more policy space for LDCs, to ensure a more effective form of governance and political leadership, to enable the promotion of a strong developmental State. The international support for LDCs is not only an issue of development and poverty reduction, but it is also about addressing a global security challenge. While many commendable positive effects were presented today, the difficult tasks ahead will be to identify clear deliverables and mainstream them in the new PoA.



**Aid for Trade:  
Barriers and Opportunities for LDCs**

13 December 2010  
GENEVA



### **Workshop in preparation for:**

The Fourth United Nations Conference on the Least Developed Countries 2011

### **Sponsored by:**

The World Bank – Development Research Group

The World Bank's Development Research Group (DECTI), in cooperation with the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS), held an official LDC-IV pre-Conference event in Geneva on Monday, December 13, 2010. The one day event, held in advance of UN LDC-IV – to take place in Istanbul in May 2011 -- provided an important opportunity to inform priorities and coordination going forward on trade and development issues as they relate to the LDCs, specifically.

### **Participants and Speakers:**

Approximately 100 participants from government, industry, universities, and international and regional organizations attended the workshop. The World Bank delegation from HQ at the event was led by Managing Director, Mahmoud Mohieldin, and consisted of Christopher J. Thomas, Advisor (MDM), John Wilson, Lead Economist (DEC), Ishac Diwan, Country Director (AFR), and Benjamin Taylor (DEC). Selina Jackson, Special Representative to the WTO and UN in Geneva (EXT) also participated.

Speakers from outside the Bank included: Pascal Lamy, Director-General of the World Trade Organization; Cheick Sidi Diarra, UN Under-Secretary-General, Special Advisor on Africa, High Representative and Secretary-General for the Fourth UN Conference on the Least Developed Countries; Ambassador Gyan Chandra Acharya, Permanent Representative of Nepal to the United Nations and Chair of the UN LDC Group; Husnu Dilemre, General Director, Undersecretariat of Foreign Trade, Turkey; Patricia Francis, Director, International Trade Centre; Dorothy Tembo, Executive Director, Enhanced Integrated Framework (WTO); Paul Collier; William Egbe, President, Coca Cola South Africa; Mustafizur Rahman, Executive Director, Centre for Policy Dialogue, Bangladesh; Ambassador Mothae A. Maruping, Permanent Representative of the Kingdom of Lesotho to the UNOG and UN Agencies in Geneva, to the WTO and to Switzerland; and Sarah Thorn, Director of Federal Government Relations, Walmart.

### **An Aid for Trade Agenda for the LDCs:**

The event presented a high-level opportunity to review priorities in the global aid for trade agenda as they relate to trade facilitation and competitiveness in the LDCs. Panel discussions centered on the following themes:

- Aid Effectiveness and Trade: What Do We Know and Need to Know?
- Aid for Trade: Factors Driving Progress Ahead
- Success Stories: The LDCs and Trade Integration
- Aid for Trade and Priorities for LDC-IV in 2011

Discussions were comprehensive and addressed trade-related priorities and challenges in the LDCs from many perspectives, including the private sector, academia, multilateral organizations, and LDC government representatives.

**Among the issues raised in presentations and discussion were:**

- The importance of investment in data, research, and analytical tools on aid effectiveness and trade, especially in regard to the LDCs. New approaches to knowledge products and partnerships tailored to the LDCs on aid effectiveness and trade is needed, and the Bank and other institutions can assist in this agenda, including as part of the UN LDC-IV process.
- The need for increased coordination between the LDC agenda and other multilateral development agendas, including that of the G20. As pointed out by WTO DG Lamy in his opening remarks, enhanced coordination between LDCs and emerging economies is increasingly important, as more than half of LDC exports now go to these markets. One key component of this is duty-free, quota-free market access for LDCs.
- Going forward, the LDCs need to take a more pro-active approach in making the WTO's system of enforcement mechanisms work to their advantage. This includes full implementation of existing commitments and enhanced monitoring of commitment enforcement.
- Natural resource endowments present a significant opportunity and potential source of income for LDCs in the coming decade. However, in order to maximize the development potential that comes with these endowments, careful investment and capacity building strategies are critical. Paul Collier cited the United Arab Emirates and other resource-rich emerging economies as useful examples for LDC investment strategies.
- The small size of most LDC markets makes economic integration critical to ensuring competitiveness and increased private sector investment. As noted by Bill Egbe, President of Coca Cola South Africa, public-private partnerships are a key tool in informing country integration strategies.
- The private sector has an increasingly important stake in ensuring LDCs are fully integrated into global value chains. Whereas before many private sector initiatives in LDCs were primarily philanthropic in nature, such initiatives – including those of Walmart and Coca Cola -- now represent important components of business development strategies. This has resulted in increased willingness and engagement from the private sector in capacity building and technical assistance efforts. LDCs governments ought to take advantage of this increased engagement in their development policies.

**A New Partnership on Aid Effectiveness and Trade Research: Next Steps**

As part of its contribution to the LDC-IV process, the World Bank took steps at this pre-Conference event—with a proposal for a new Aid for Trade Effectiveness Research Partnership—to assist the world's least developed countries in benefiting from trade-related research, data and knowledge. The proposed partnership calls for coordination on research to improve trade aid effectiveness for the least developed countries (LDCs) in a post-financial crisis environment. It would build on the World Bank's new 'Open Data, Open Knowledge, Open Solutions' initiative outlined by Bank President Robert B. Zoellick in September 2010.

**More information on the partnership can be found at the World Bank website:**

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22791439-menuPK:34457-pagePK:34370-piPK:34424-theSitePK:4607,00.html>





UN-OHRLS

**Enhancing Food Security through Agricultural Development  
and Access to Food and Nutrition**

16 December 2010

NEW YORK



UN-OHRLLS

## OUTCOME REPORT

The Fourth United Nations Conference on the Least Developed Countries (LDC-IV) which will take place in Istanbul, Turkey, from 9-13 May 2011, will offer a renewed opportunity to the LDCs and the international community alike to address food insecurity and agricultural development challenges facing the LDCs. The Conference has two broad objectives: (a) undertake a comprehensive assessment of the results of the implementation of the Brussels Programme of Action (BPAO) for the LDCs for the Decade 2001-2010; and (b) adopt new measures and strategies for the sustainable development of the LDCs into the next decade.

The 123<sup>rd</sup> session of the FAO Council which met in November 2002, expressed its support for the 2001 Brussels Programme of Action (POA) for Least Developed Countries. The Council adopted the decision to mainstream the relevant sections of the BPOA into the overall framework of the Organization's work and called upon FAO to continue to participate in the implementation of those sections of the BPOA relevant to its mandate. Although many FAO activities contribute to various elements of the BPOA, four Commitments are particularly relevant to FAO's mandate and work programme. These are: building human and institutional capacities (Commitment 3); building productive capacities to make globalization work for LDCs, particularly in agriculture, agro-industries, rural development and food security (Commitment 4); enhancing the role of trade and development, notably for trade in commodities and regional trading arrangements (Commitment 5); and reducing vulnerability and protecting the environment, including vulnerability to natural shocks (Commitment 6)<sup>4</sup>.

As part of the preparatory process to the LDC-IV Conference in 2011, FAO, in collaboration with the UN-OHRLLS together with IFAD and WFP organized a pre-conference event entitled "Enhancing Food Security through Agricultural Development and Access to Food and Nutrition", focusing on the following sub-themes: a) Ensuring Access to Food and Nutrition in LDCs; and b) Effective Strategies for Mitigating/Coping with volatilities in LDC food markets. Within the overall thematic area of enhancing food security through agricultural development and improved access to food for better nutrition, the pre-conference event was dedicated to exploring strategies for enhancing food and nutrition security in the LDCs, taking into account best practices, opportunities and threats from various parts of the world.

The event was held on 16<sup>th</sup> December 2010 at UN HQ, New York, USA and attended by about 200 representatives from Member States to the UN, the UN system including UN Secretariat departments, UN specialized Agencies, Funds and Programmes, Non-Governmental Organizations. The Minister of Agriculture of Turkey and the Special Adviser for the Prime Minister of Nepal co-chaired the event. The Secretary of State in charge of Agriculture from Angola and other high-level Representatives from Bangladesh, Haiti, Uganda, a Farmer Organization and the Common Fund for Commodities made substantive presentations.

### Summary of Key Issues and Recommendations<sup>5</sup>

Operationally effective mechanisms for enhancing food security through agricultural development and improved access to food and nutrition in LDCs involve measures over the long term which must be addressed at both the national and international level in order to boost sustainable investment, innovation and productivity. However, in the short term, measures such as social safety nets and bilateral food-related development assistance are important in ensuring that sufficient food is available to the poorest households. Also assistance to poor smallholder farmers to boost production – for example, by

<sup>4</sup>FAO will present its comprehensive appraisal of activities for the BPOA under these Commitments during the LDC-IV Conference in Turkey.

<sup>5</sup>An overview of the key recommendations are presented first followed by specific recommendations on each of the two sub-thematic issues.

expanding their access to such vital inputs as seeds and fertilizer are critical. At the international level, preparing a coordinated global response to global speculation in food prices is another urgent task. This should include measures to allow concerted government intervention in food markets if there is a strong indication that speculation is driving prices. Similarly, international coordination could help minimize the potentially dangerous implications of food hoarding and restrictions or bans on food exports. Producer-consumer cooperation schemes, and schemes that promote integrated agricultural production should be reviewed and if possible modified or develop new schemes to respond to emerging challenges faced by LDCs.

A priority in the medium term is to address the under-capitalization that limits food production and productivity in LDCs. Inexpensive and reliable credit for small farmers and enhanced public investment in infrastructure and irrigation are therefore important. With greater public and private investment in agriculture and rural development, and especially in agricultural R&D, LDC small-holder farmers could mobilize their potential, improving not only their own nutrition and incomes but national food security and economic growth as well. Another priority in the medium term is to reduce long-standing agricultural export subsidies and domestic support policies in developed countries, which have hurt LDC agriculture. In this regard, the current wave of rising commodity prices offer a double dividend. In many LDCs, they can motivate farmers to boost production. And in the developed world, where they offer farmers a decent return without the need for subsidies, policy makers can use the opportunity to phase out the subsidies and invest the freed-up financial resources in agricultural development in LDCs. An agreement on agriculture in the current Doha Round of negotiations could help capitalize on this dividend.

In the long term, raising agricultural productivity in LDCs is clearly crucial in addressing the substantial increase of both food consumption and land use for non-food purposes. At the national level, it needs to become a priority in development strategies. LDCs must design a policy framework that creates the right incentives for investment in agriculture and defines the appropriate mix between food and export crops. They must provide the necessary infrastructure and extension services. They should calibrate their national trade policies to promote agriculture production; eliminate non-tariff and other barriers to agricultural trade and investment; and provide better training and knowledge to farmers and other actors along the value chain. At the international level, these efforts must be supported through increased ODA and investment in appropriate infrastructure and agricultural R&D, and by removing distortions in the international agricultural market.

#### ***(a) Strategies for Ensuring access to Food and Nutrition in LDCs***

LDCs' food security agenda should focus on agriculture and rural development by promoting sustainable production, productivity and rural development. At the same time, coherent policies to foster economy-wide growth, which is inclusive and environmentally sustainable, are to be pursued in conjunction with social protection mechanisms such as safety nets for the most vulnerable. Increase attention should be given to promoting access to health care and education in rural areas as this will substantially contribute to productivity and economic growth and, more importantly, improve nutrition and food security.

Open and un-impeded trade flows and efficient markets have a positive role in strengthening food security. National and regional strategies should promote the participation of farmers, especially smallholders and women, into community, domestic, regional and international markets. LDCs' trading partners should make every effort to reduce trade distortions and refrain from erecting new



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barriers to trade and investment and from implementing WTO-inconsistent measures that are detrimental to LDCs. On the other hand, LDCs must strive to improve access to information, promote conducive business environments and investment in rural infrastructure, such as transportation, processing, storage facilities and irrigation schemes.

Increase and enhance commercialization of small-scale production of macro and micronutrient rich foods and reduce post-harvest losses to maintain nutrient levels in commonly eaten foods. Select plants and breeds to increase nutrient content and develop education and marketing strategies to increase consumption of diverse macro and micronutrient rich foods. Include improved nutrition as a goal of agricultural research, promote gender sensitive agricultural technologies and develop food-based approaches suitable to local agro-ecological conditions and priorities of different LDCs.

Promote improved family feeding practices and complementary feeding for young children based on locally available foods and develop appropriate nutrition messages that extension agents can disseminate through agriculture extension services and farmers field schools. The critical role of women in agriculture, food and nutrition security should be recognized with concrete actions for to empower them.

Build capacity, drawing on experience across sectors and from national to local levels and scale-up support to regional learning institutions, policy institutes, national and international CSOs/NGOs and farmers' organizations. Enhance support to small farmers to enable them become small scale entrepreneurs by improving their access to technology, finance, and markets.

Provide strategic long-term support in LDCs for: policy formulation and implementation; operational capacity to monitor and evaluate outcomes; institutional and management capacity to address intersectoral issues; technical capacity to track progress and tap into opportunities, and handle challenges drawing on local knowledge and practical skills. Establish partnerships and synergies between: intersectoral policies on agriculture, health, climate change, food security and nutrition; financial institutions (e.g. WB, AfDB, ADB, IFAD), regional bodies (e.g. AU, NEPAD, ASEAN, SAARC), and the private sector. National efforts should be supported and complemented by regional and international initiatives. Existing initiatives and programmes, such as the CAADP in African LDCs should be further supported.

### ***(b) Effective Strategies for Mitigating/Coping with Volatilities in LDC Food Markets***

In past episodes of extreme volatility, interventions have frequently failed, since budgetary constraints faced by many LDCs and the sheer scale of the problem have generally precluded any meaningful success at stabilisation. Accordingly, interventions have been short term, limited to the micro level such as targeted consumer subsidies and safety net programmes, or even counterproductive measures - such as export restrictions which compounded uncertainty and undermined the role of trade. Some LDCs also tried to use food reserves to buffer volatility, but these have proven unmanageable, costly and ineffectual, especially if shocks lasted for extended periods of time.

LDC governments and their development partners should seek better coherence and coordination in their responses. These must yield both greater assurances of unimpeded access to global supplies, and improved confidence and transparency in market functions. An improved public global surveillance system on export availabilities and import demands would help temper uncertainty and enable countries to equip themselves better before the full impacts of crises transpire. Such measures would also help stabilise the market.

If evidence points to prices being driven away from fundamental values, it would be unjust for countries to bear the welfare cost of excess volatility. Regulation on speculative activities would then be justified, but it must be balanced so as not to undermine the functioning of markets.

Reforms of existing institutional facilities, such as the Compensatory Financing Facility and the Exogenous Shock Facility of the International Monetary Fund, could help LDCs cope during times of crisis by providing global safety nets. These institutions need to act *ex ante* rather than *ex post*: e.g. by providing import financing or guarantees to alleviate the burden of credit and foreign exchange constraints which have afflicted LDCs' ability to meet food needs in the past.

Safety nets at the international level are not the only option. LDCs themselves need to explore or reinforce measures to protect the most vulnerable, including through enhanced social protection: cash-based transfers, community asset creation and school feeding programs at the household and community level, and emergency food reserves at the national level. Such reserves should not try to fight volatility, but to mitigate its consequences by providing poor people direct access to food. In the long run, LDCs can lower their vulnerability by appropriate investments that enhances agricultural productivity for a diverse set of crops that proves both competitive and sustainable, as well as by promoting dietary diversification.

### **Challenges for LDC-IV and the Istanbul Programme of Action**

The greatest challenge for the LDCs and the International community is to develop a programme of action that will effectively address the diverse and complex problems facing LDCs agriculture and to ensure sustainable access to food<sup>6</sup>. Compounding LDCs' long standing problems of food insecurity and low level of agricultural development are new challenges which threatens to derail LDCs' progress. These emerging challenges are becoming even more acute in light of the converging crises of food, climate change and the ongoing financial and economic downturn. Without an effective international response, these challenges will serve to heighten the vulnerability of LDCs and reverse hard earned gains made by LDCs on the economic and social fronts.

It is expected that the LDC-IV Conference will agree on a set of new measures building on the UN's Comprehensive Framework for Action (CFA)<sup>7</sup> which reaffirms the importance of a comprehensive approach to food and nutrition security that incorporates availability of food, as well as its access, utilization and sustainability. The new measures to be adopted by the Conference should serve to enable the LDCs to overcome their development challenges for the next decade and beyond.

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<sup>6</sup> For a detailed assessment of these challenges, see: Globalization, Agriculture and the Least Developed Countries, paper prepared for the UN Ministerial Conference "Making Globalization Work for the LDCs", Istanbul (Turkey) 9-11 July, 2007. Published as Chapter 4 in "Making Globalization Work for the Least Developed Countries". UNDP 2008: [http://www.unohrlls.org/UserFiles/File/Publications/LDC/LDCs\\_Istanbul\\_ENGLISH\\_final.pdf](http://www.unohrlls.org/UserFiles/File/Publications/LDC/LDCs_Istanbul_ENGLISH_final.pdf)

<sup>7</sup> [http://un-foodsecurity.org/sites/default/files/UCFA\\_Final.pdf](http://un-foodsecurity.org/sites/default/files/UCFA_Final.pdf)





**Science, Technology and Innovation for LDCs:  
Setting Priorities, Shaping and Implementing Policies for LDCs**

7-8 February 2011  
ISTANBUL, TURKEY

## INTRODUCTION

In order to provide an input to 4<sup>th</sup> United Nations Conference on the Least Developed Countries (LDC IV), TUBITAK and UNIDO have organized a Preparatory Event entitled “Science, Technology and Innovation: Setting Priorities, Shaping and Implementing Policies for Least Developed Countries” on February 7<sup>th</sup> and 8<sup>th</sup>, 2011 in Istanbul.

Inaugurated by H.E. Prof. Mehmet Aydın, the Turkish Minister of State responsible for Science and Technology, the meeting was attended by:

- Ministers and many senior officials from 48 LDCs;
- H.E. Gyan Chandra Acharya, Permanent Representative of Nepal to the United Nations, Chairman of the LDC group;
- Ambassador Lakshmi Puri, Director of UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS);
- Experts from international organizations such as UNESCO, European Commission, European Investment Bank and World Bank; and
- International Researchers specialized on the development studies.

Prof. Mehmet Aydın, Minister of State responsible for Science and Technology, delivered the opening speech of the event and Turkey’s progress in Science, Technology and Innovation (STI) has been highlighted. It was also noted by the Minister that the experiences and dynamism of Turkey that can be a best practice for the sustainable development of the LDCs. Furthermore, Prof. Mehmet Aydın argued that poverty eradication requires a broad approach and focusing on economic aspects does not suffice any more in order to achieve the international development goals.

In his statement, Prof. Mehmet Aydın indicated that the advancement of countries with a substantial economical basis is highly dependent on the existence of dynamic institutions and structures that positively affect the innovation and to consistently invest in the generation of scientific knowledge, to put forward the legal framework and infrastructure, to mobilize public funds and to stimulate the private sector in order to promote the country-wide implementation of scientific and technological research activities.

Having mentioned the studies that have been carried out within that framework in Turkey, Prof. Mehmet Aydın emphasized Turkey’s initiative towards the LDCs indicating Turkey’s awareness of the close link between science and technology and sustainable development.

In the context of the international cooperation, UNIDO Policymaking Organs Secretariat Director Ms. Fatou Haidara indicated that UNIDO has a long lasting cooperation with Turkey; and Turkey decided to transform the field office established in 1967 to a UNIDO Centre in 2010 and to make regional cooperation studies.

Within this framework, Ms. Fatou Haidara stated that a series of international training programmes have been organized in cooperation with Turkish International Cooperation and Development Agency (TİKA). Also, she argued that despite the improvements that were witnessed in the LDCs in the last decade, the LDCs are still behind the goals decided in the areas of economy and social development. Ms. Fatou Haidara, drawing attention to the obstacles against LDCs’ accessing to technology and information in addition to the insufficiency of physical infrastructure, stated that the number of researchers per million in the LDCs is 95,4 in 2010, while 4000 in the OECD countries. In relation

to this, she emphasized the importance of science and technology for development and stated that the developments in this area will break this vicious cycle.

The Director of UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS), Ambassador Lakshimi Puri pointed out that the technology transfer to the LDCs could not be realized. In addition, H.E. Puri stated that the international cooperation may play a significant role for the scientific and technological improvement of LDCs and as the development partners, the experiences of the countries like Turkey may be beneficial in this framework. Moreover, Ambassador Lakshimi Puri has emphasized the national responsibility and the main responsibility belongs to the LDCs, therefore the LDCs have to constitute the necessary policies.

H.E. Gyan Chandra Acharya, Chairman of the LDC group, stated that the contributions to the least developed countries are based on strong commitments while the LDCs will get benefit from long-term and continuous support. Additionally, H.E. Gyan Chandra Acharya suggested the establishment of a separate fund for capacity building and technology bank and argued that establishment of an international network will facilitate LDCs' Access to necessary technologies.

Hence, with focusing on the idea that “sustainable development goals of LDCs can be realized by the improvements in the fields of science and technology” was declared jointly by all these introductory speeches.

The idea of “sustainable development goals of LDCs can be realized by the improvements in the fields of science and technology” was declared jointly by all the participants.

## **SUMMARY OF THE PRE-CONFERENCE EVENT**

### **Significance of the Event**

An effective Science, Technology and Innovation (STI) approach is indispensable for welfare as a key driver to the development and sustainable growth. The STI capabilities of the LDCs are needed to be enhanced in order to increase the quality of life, find innovative solutions to societal problems, increase the competitiveness of the nation, and foster and diffuse S&T awareness in society. Indeed the challenges of economic development are not going to be addressed properly until science and technology issues are better integrated into the basic economic development strategies of the LDCs. It is generally accepted that, the lack of Science, Technology and Innovation (STI) capabilities is both a cause and an effect of being least developed.

LDCs are characterised by unarticulated innovation systems, lack of sufficient entrepreneurial activities and under-resourced institutions. Furthermore, Official Development Assistance (ODA) backed support is weak and overall transfer of technology through the acquisition, diffusion and adaptation of STI has not taken place sufficiently.

Current data on the development of LDCs shows that there has actually been a de-industrialization in the LDCs over the last decade. Much of the Foreign Direct Investment (FDI) went into extractive sectors which are known for not leading to technology transfer and lacking value addition and local skills building. Also, their inclusion in global value chains has been inadequate and therefore has not resulted in sufficient diffusion of technology into LDCs.

Furthermore, while the World Trade Organization TRIPS agreement under Article 66(2) obligates the developed countries to provide incentives to their enterprises to promote and encourage transfer

of technology to LDCs and help establish a sound and viable technological capability, studies show scant evidence of Article 66.2 having been implemented adequately.

In this context, the vital role of STI for removing the barriers beyond the development of LDCs must be recognized and emphasized during the 4<sup>th</sup> UN Conference on LDCs as a separate agenda item.

## SUMMARY OF PAPER PRESENTATION SESSIONS

### *Session I: “The Role of STI in the development of LDCs”:*

It began with the presentation of Prof. Gretchen Kalonji, Assistant Director-General for Natural Sciences, UNESCO. Ms. Kalonji, in her presentation entitled “Science, Technology and Innovation in LDCs: How can we do more and better?” emphasized that discussing science, technology and innovation for development in LDCs means first of all addressing much more fundamental, even imperative development issues, namely looking critically into: development vision(s), development-stages, resources, knowledge and skills availability and about the global environment. Furthermore, she stated that development models must be people-centered and inclusive, based on local realities and must take advantage of local knowledge and innovation capacities; based on the country’s potential to solve global issues. In accordance with this, she stressed the South-South cooperation, in 4 particular with regard to the role that emerging economies in the South play in supporting less-developed countries in constructing their pathways towards sustainability and the achievement of the MDGs.

Following, the Session continued with Prof. Susan Cozzens presentation entitled “Equity and Equality in STI Development in LDCs “. Prof. Cozzens, Director of the Technology Policy Center at Georgia Institute of Technology, mentioned the challenging conditions that exist in least developed countries for using science, technology, and innovation for development. She stated that it is crucial for all development goals to build equity and equality into the effort, including in science, technology, and innovation. She also suggested reducing inequalities in both vertical and horizontal dimensions – that is, rich-poor gaps and gaps between culturally-defined groups such as genders, ethnicities, or religions – as the only way to unleash the full development potential of an LDC. Accordingly, she argued that the effort to use STI for development needs to be immersed in the problems of everyday life of the population and discussed the options for program design that are available to help direct STI plans towards these objectives.

Prof. Jan Fagerberg, from Centre for Technology, Innovation and Culture, University of Oslo, presented on “Technological and Social Factors in Development: The Importance of Capability Building”. He stated that for a long time the standard developed-country advice (the so-called Washington consensus) to policy-makers in the developing world was that they should try to replicate the institutions and policies, particularly with respect to trade and foreign investments, already in place in the developed part of the world (e.g., the United States). He argued, instead, that this advice was based more on ideology and (widely shared) beliefs than solid empirical evidence. He additionally stressed the fact that developing countries that adopt Western-type institutions and practice openness to international trade and foreign direct investments do not perform better than those that don’t.

### *Session II: “Challenges and opportunities for LDCs for STI Development”:*

Prof. Michael Kahn as the expert of South Africa Research and Innovation Associates presented “Roaring ahead: LDCs, their growth, and the role of STI”. Kahn focused on STI and development in the context of globalization, the rise of China and India, and the emergence of ‘roaring’ LDCs whose

growth rates often exceed those of the BRICs. Accepting the importance of STI in economic growth, he stated that one must ask what this means for these commodity exporting LDCs and their nascent innovation systems. Following, he argued that to build, monitor and manage their innovation systems LDCs require quality management information concerning STI activities but this is currently in short supply. In addition to strengthening SET education, he discussed that the states should thus institutionalize the capacity to measure and monitor their innovation systems.

Prof. Prasada Reddy from Lund University presented “Emerging Global Business Environment and LDCs” to which he began with discussing the global business environment which is characterized by three prominent features: 1) Liberalization of economies worldwide, particularly for trade and investment (both at macro and sector-levels). This brings international competition to the door-step of domestic enterprises. Nations and enterprises are compelled to specialize in activities that they can do relatively better; 2) Changes in science, technology and innovation (STI) dynamics. New technologies are derived from basic science, enabling even those nations that do not have much industrial experience to participate in technology development (a shift from ‘learning-by-doing’ paradigm to ‘learning-by-training’). Then, he clarified the link between the technology / innovation and the competitive advantage and argued that improvement of human resources and S&T Infrastructure (Centres of Excellence – CoEs) in LDCs can help in overcoming the lacking points in LDCs.

Prof. Charles Gore, special coordinator for Cross-sectoral Issues Division for Africa, LDCs, UNCTAD, made his speech on “Innovative Uses of Development Aid and STI Promotion in LDCs”. He argued that it is vital to introduce innovative uses of development aid to promote science, technology and innovation (STI) in LDCs and that a new STI fund for financing enterprise development in LDCs (the International Spark Initiative) should be set up. Additionally, he discussed how aid has been used to promote STI in LDCs during the Brussels Programme of Action and how it has been a low priority, with disconnected projects and the need for the establishment of National Innovation Funds which would be financed through international transfers (ODA or grants from private foundations).

Dr. Leonidas Karapiperis, advisor responsible for Relation with International Organisations, European Commission summarized the studies within the framework of “EU-LDC STI cooperation for sustainable development”. He stated that strengthening of the scientific, technological and innovation capabilities of these countries is an important enabling condition in addressing the challenges the LDCs are facing and mentioned the EU contributions to this through its development and research policies and related programmes.

The next presentation was made by Prof. Peter Healey, Saïd Business School, University of Oxford. In his presentation “Framing Development: Migration, Accountability and Policy”, he argued that the rapid development of the BRIC powers establishes a new context for the least developed countries: certainly economically, as evidenced by the BRICs’ changing contributions to global carbon emissions, but also politically, as the models of development appear to proliferate, and the sources of development funding increase. He also focused on the need for a research project on how inequality features in the migration of the highly skilled, in what constitutes accountability in some widely-used, everyday technologies, and in the development of science and technology policy frameworks.

### ***Session III: “Challenges and opportunities for LDCs for STI Development – 2”:***

Prof. Dennis Anderson, Chairman of Management and Information Technology at St. Francis College, made the first presentation. In “STI development is about connecting everything from policy to human resource”, Anderson stated that in order to create a sustainable development for science, technology and innovation, the LDCs must assess what resources (materials, lands, expertise, experts, human resources, etc.) they have available and reinvent themselves by reconnecting and realigning

their strategy, policy, investment, knowledge management, leaders, policy makers, experts, scientists, research and academic institutions, and business community. In accordance with this, he stated that there are a number of strategic steps that the LDCs can take to develop STI infrastructure including the domestic capacity building, development of knowledge workforce and repatriating or reintegrating diaspora but these initiatives need a bold leadership and political will as well as the sound policies.

Dr. Erika Kraemer-Mbula, Tshwane University of Technology, in her presentation “Adjusting innovation perspectives to the context of LDCs” mainly argued that the discussions on innovation dynamics have gradually moved away from the identification of innovation as R&D to the idea of innovation as a process of social interaction. She stated that the innovation systems approach has allowed identifying the diversity of agents and interactive factors that collectively generate assimilate and exchange the knowledge that lead to successful innovations. Hence, she mentioned the need to adjust certain elements of the innovation system framework for it to capture the specific context of LDCs, where informal businesses, traditional knowledge, rural populations and non-manufacturing activities (eg. natural resources) still represent the majority.

Dr. Gerold Heinrichs, Head of International Cooperation Department and SEA-EU-NET Coordinator, PT-DLR, in “Science Diplomacy: Bi-Regional platforms as a tool to close development gaps - the FP7-INCONETS with Southeast Asia and with the Pacific” presented information on the EU-Framework Programme 7 that funded “SEA-EU-NET” project, which has been set up to expand scientific collaboration between Europe and Southeast Asia in a more strategic and coherent manner. Upon this, Mr. Heinrichs concluded that bi-regional development policy platforms are tools to develop a coherent regional approach of collaboration in science and to work on specific projects and programmes with immediate outcomes to scientist and the broader public.

Dr. Mongi Hamdi, Head, Science, Technology and ICT Branch/DTL, UNCTAD, in “Science, Technology and Innovation Policy Reviews” argued that the STI was not considered a core part of development strategy, particularly in the case of the least developed countries but considered to be something for more advanced, while less fortunate countries. Furthermore, he discussed that today policy makers are discovering the importance of STI capacity to address development challenges facing their countries. Hence, he pointed out that policy makers in LDCs are coming to the conclusion that building STI capacity should be elevated from a missing or marginal element of the development agenda to an essential component of every country’s strategy for reducing poverty, and stimulating economic and social prosperity.

#### ***Session IV: “Supporting Technology Transfer that Complements Domestic Capacity Building”:***

Nilgun Taş, Senior Industrial Development Officer, Unit Chief, Business, Investments and Technology Services Branch, UNIDO, presented “Linking Industrial Development Efforts with Science, Technology and Innovation Policies”, in which she mentioned the complex challenges and opportunities that the LDCs are facing as they undertake efforts to build up their capacities for sustainable industrial development. Accordingly, she argued that linking industrial development efforts and policies with science, technology and innovation policies through a holistic and systemic approach could ensure more efficient and effective use of scarce resources and contribute to economic development significantly in LDCs.

Prof. Caroline Wagner, from Penn State School of International Affairs, introduced a new model for Science, Technology, and Innovation for Development in the LDCs with her presentation “THICK: a new model for Science, Technology, and Innovation for Development in the LDCs”. Wagner repeated the common idea that science, technology, and innovation (STI) can contribute to economic development and social welfare in least developed countries (LDCs), but existing policy models do

not fully reflect the emergence of what is now a globalized innovation system. Hence, arguing that LDCs can strengthen national capacity to harness innovation for economic development by focusing on a combination of local STI investments fortified with regional and global links, she presented the THICK model that clusters the five essential functions required to implement a knowledge-based growth policy within LDCs: technology; human resources; institutions and infrastructure; collaboration and communications; and knowledge embedded within culture and industry.

Alfred Watkins, Science and Technology Program Coordinator, World Bank in “Fostering Technology Transfer and Entrepreneurship: Converting STI Capacity into Business Opportunities” stated that with appropriate support and training from STI capacity building partners, LDC local universities, research institutes, innovation agencies, and consulting firms can develop the skills and professional linkages that they will need to perform these functions. Relating this to develop skills to spin-in technology, modify it for local use, and spin it out to the local market place and to develop the entrepreneurship skills to convert these technologies into viable businesses, Watkins argued that in order to have a real, sustainable impact, innovative STI capacity building partnerships need to focus on both facets.

Prof. Mozammel Huq, Strathclyde University in Glasgo, in “Technological Capability Building: Some Useful Lessons to Less Developed Countries”, stated that the failure of most developing countries to build domestic technological capability has remained a major bottleneck for gaining competitiveness. He showed the main concern as how a developing country can acquire the required abilities, thus enabling it to adapt imported technologies and use them as a springboard for further innovations. He also the consensus regarding the need for improving the ability of a developing country to operate imported technology efficiently and effectively, thus enables it to compete in the international market.

Concluding Session – “Road Map for the Development of Science, Technology and Innovation: Setting priorities and implementing policies for LDCs”:

Firstly Ambassador Mithat Rende, Director General for Multilateral Economic Affairs of Turkey, made a brief speech on Turkey’s preparations for the 4<sup>th</sup> UN LDC Conference that will be organized on 9-13 May 2011 in Istanbul.

Following H. E. Mr. Rende’s speech, Dr. Alioune Sall, International expert on science, technology and innovation, African Futures Institute, presented a summary of the Preparatory Event and mainly argued that the role of STI in the development of LDCs is highly significant as all the participants to the Event mentioned. Upon this, Dr. Sall suggested a road map for the LDCs to follow in three items: dare to think, dare to speak, dare to act through which he indicated the need for having a conceptual clarity, acquiring constituency for change, and getting into action.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions:

First, lessons learned from emerging economies demonstrate that countries that are developing well functioning innovation systems and innovation friendly governance succeed in their structural transformation.

Second, Openness to ideas, entrepreneurs and people that are different, appears much more important than Openness to trade and mimicking Western institutions which no guarantee to avoid the low growth trap.

Third, developing innovation capacity within enterprises is the key to economic dynamism in the LDCs. Aid for STI should go beyond the traditional boundaries, and support enterprise based learning and innovation. This includes, for example, enterprise-centered training activities, the development of domestic business linkages and the development of STI-related international linkages, including scientific cooperation and commercial linkages. This includes STI capability-building in enterprises for Value-chain development schemes, Cost-sharing partnerships with transnational corporations' subsidiaries investing in LDCs in order to forge new supply linkages with domestic firms and strengthen the capabilities of existing suppliers, and Supporting professional associations and non-governmental organizations to engage in specific technical training and capacity building at the local level.

### Recommendations:

The following recommendations have emerged from the discussions at the pre-Conference Event, based on the background papers which had been prepared by Experts, and they will provide inputs for the 4<sup>th</sup> UN Conference on LDCs.

Nº	Recommendation	To be undertaken by
1	Institutional change is required, but reforms do not happen easily. There are costs –even social costs– involved in establishing and running new institutions. However, unarticulated knowledge systems in LDCs may only be upgraded through context specific smart institutionalization. The very aim of this process should be to establish a favourable and enabling environment to facilitate acquisition and adaptation of technology.	LDCs with the assistance of their Development partners
2	A substantial increase in the share of STI in ODA is necessary. ODAs should be channelled to address under-investment of STI-related activities in the LDCs.	Development partners
3	ODAs may also be utilized to encourage return migration which may bring new skills and abilities.	LDCs with the assistance of their Development partners
4	In LDCs, the development and diffusion of appropriate technologies is a must for economic development in general and industrialisation in particular. However, in the context of the appropriate technology, a general consensus appears to have emerged in the sense that the technology is likely to be 'labour-intensive, simple to operate and repair, (and capable of) producing products for low income consumers at small scales and with a minimally-harmful impact on the environment'.	LDCs

5	Wages in new emerging economies (i.e. BRICS countries) are a fraction of those in North. Therefore, the new techniques used in these environments are likely to be more labour intensive and they will also need to be considered in the context of the relatively weak infrastructure which exists in these countries. Also, in this context, the South-South cooperation and the triangular cooperation may provide better results in respect to the 'appropriate technology' agenda.	LDCs with the assistance of Development partners in particular within South-South cooperation framework
6	The international donors could trigger much greater efforts to enable scientific STI solutions to LDCs related challenges.	Development partners
7	Development in productive capabilities in reality mainly occurs in productive enterprises. In that respect, the shortage of entrepreneurship capable of transforming innovative ideas into products or processes should be carefully addressed, so as to further promote the development cooperation.	LDCs
8	The absence of effective demand is another systemic failure in most of the LDCs. The demand inducement policies are important but such policies should be designed with the fact that low income consumers require functionalities in the products.	LDCs
9	As Research and Development (R&D) is an integral part of the learning process involved in the successful transfer of technology, this needs to be addressed in the development strategies of LDCs especially as R&D expenditures (as a percentage of GDP) are extremely low (or even negligible) in these countries.	LDCs with the assistance of their Development partners
10	Absorptive capacity, as the core of the LDCs development, should be improved. However, meanwhile, local needs, local realities and circumstances of the LDCs should be taken into account in order to enable these countries benefiting from local knowledge.	LDCs
11	Diversification is a necessity for structural transformation that requires technology absorption and production capabilities. Tapping into global value chains may provide such opportunity and this should be kept in the development cooperation strategies.	LDCs with the assistance of their Development partners
12	Higher-quality activities necessitate contextually new knowledge. In this regard, upgrading absorptive capacities through local investment is necessary.	LDCs
13	Since developing human capital and building up mechanisms for technological learning is a critical component for STI development, education policy becomes an integral part of STI-related policies. Therefore, there is a necessity to promote STI-related curriculum in the education system of LDCs.	LDCs
14	Enabling technologies (Information and Communication Technologies, biotechnology, nanotechnology, etc.) may provide valuable opportunities by inducing creative minds with local innovations. Therefore, it is highly recommended to develop actions for the diffusion of enabling technologies.	LDCs with the assistance of their Development partners

15	Since political initiative is crucial for the mentioned steps to be made, LDCs must create an enabling legal and political infrastructure and long-term national strategic plans in order to trigger the STI development.	LDCs
16	Regionalism is an emerging subject for most of the LDCs, especially in African countries. In this context, it is highly recommended to promote STI-related topics in the regional dialogue platforms.	LDCs and their Regional Economic Commissions
17	The development partners and donor countries should enhance their support which may lead to successful technology transfers (involving technology absorption and diffusion) towards LDCs.	Development partners
18	Promotion and realization of a development friendly IPR regime is necessary for the graduation of more countries from the LDCs group.	International Organizations and Development Partners
19	Development of green technologies needs to be considered as the ecological challenges of the LDCs is likely to become the main issue in the coming years. This will be even more critical for the landlocked developing countries and small island developing states.	LDCs with the assistance of their Development partners
20	Strong need for dedicated programmes that address the special needs of LDCs.	Development partners



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**Inter-regional Forum on “Building a Knowledge Base for  
Innovation and Creativity to Promote Development”**

February 14 - 15, 2011  
GENEVA, SWITZERLAND

## **I. BACKGROUND: WIPO PREPARATION FOR THE UN LDC IV**

In a Ministerial Meeting that was held in Geneva on July 23 and 24, 2009, Least Developed Countries (LDCs) Ministers requested WIPO to cooperate fully with the LDCs delegation for the preparation of the Fourth United Nations Conference on the Least Developed Countries, scheduled to be held in Istanbul, Turkey, in 2011. In response to the Ministerial request, the World Intellectual Property Organization (WIPO) organized regional forums, for English, French and Portuguese speaking Least Developed Countries (LDCs) and a Pre-conference Forum in Geneva.

The Regional Forum on the Use of Intellectual Property for Development for the English speaking African LDCs was held in Kampala, Uganda, on December 8 to 9, 2009. The Forum for French speaking African LDCs was held in Cotonou, Benin, on April 13 and 14, 2010. The Regional Forum on the Use of Intellectual Property for Development for Asia and the Pacific LDCs was held in Dhaka, Bangladesh on July 19 and 20, 2010, and the Regional Forum for Portuguese speaking LDCs was held in Maputo, Mozambique, on November 22 and 23, 2010. The Pre-conference Forum was organized on February 14 and 15, 2011 in Geneva.

The above mentioned regional forums were attended by ministers, parliamentarians, business and industry entrepreneurs, heads of research organizations and academicians. The participants to the forums emphasized that any cooperation in the area of IP should contain a new vision and direction to address the need of LDCs to use invention and creativity for development and improvement of the living conditions of the people in those countries.

In this connection, participants called for incorporation of specific issues such as transfer of knowledge to the LDCs to bridge the knowledge gap and contribute to the eradication of poverty at the national level; establishment of technology centers in each of the LDCs to access technical and scientific information for development, documentation and digitization of information on traditional knowledge to build a data base in order to make information easily accessible for development; encouraging the innovative approach for the promotion of goods and services of LDCs for value addition. The regional Forums requested that these priority issues should form part of WIPO's deliverables at the Istanbul conference.

Following the completion of the LDCs regional process and as part of WIPO's cooperation with the LDCs in the context of their preparation for the Fourth United Nations Conference, a Pre-conference inter-regional Forum in preparation for the Fourth United Nations Conference was held in Geneva on February 14 and 15, 2011.

## **II. FORUM FOR AMBASSADORS AND SENIOR OFFICIALS ON INTELLECTUAL PROPERTY FOR LEAST DEVELOPED COUNTRIES: BUILDING A KNOWLEDGE BASE FOR INNOVATION AND CREATIVITY TO PROMOTE DEVELOPMENT**

The Pre-conference Forum which was organized in WIPO Headquarters addressed the conclusions of the various Regional Forums on WIPO deliverables under an overarching theme of "Building a Knowledge Base for Innovation and Creativity to Promote Development". The Forum was attended by ministers that presided over the regional forums, ambassadors, permanent representatives and heads of intellectual property offices, intergovernmental organizations, and the private sector.

The main objective of the Forum was to provide an opportunity to summarize the conclusions of the regional forums held in Kampala, Cotonou, Dhaka and Maputo, and facilitate discussions and finalization of the identification of the WIPO deliverables to be submitted for the consideration of Ministers during the Fourth United Nations Conference on LDCs.

The Forum was chaired by the Global Coordinator for LDCs (Nepal). Dr. Francis Gurry, Director General of WIPO, made a welcome address and outlined in detail the initiatives taken by WIPO for the benefit of LDCs to use innovation and creativity for development. He also mentioned the various activities undertaken by WIPO in preparation for the Fourth United Nations Conference on LDCs.

Ministers who chaired the Regional Forums reported the conclusions of their respective Forums with emphasis on the various key decisions on WIPO deliverables. Participants took note of the various regional forums reports.

Mr. Supachai Panitchpakdi, the Secretary General of UNCTAD made keynote addressed on the use of invention and creativity to build a knowledge base for the development of the Least Developed Countries.

Mr. Pascal Lamy, Director General of WTO, made keynote address on the use of innovation and creativity for the promotion of trade of the Least Developed Countries.

The Forum also heard a video message, on the various preparatory process undertaken so far and expected results from the Conference, as well as level of participation at the Conference, from Mr. Cheick Sidi Diarra, Under-Secretary-General, Special Adviser on Africa and High Representative, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS) and Secretary General of the Fourth United Nations Conference on LDCs.

The keynote addresses and the message noted with appreciation the various WIPO tools for accessing technical and scientific information for technological capacity-building. They commended the new approach initiated by the Director General of WIPO, which brought together development partners, especially international organizations, to promote a balanced IP system that would help LDCs achieve their development goals.

It was acknowledged that the approach of the Director General of WIPO offered a new alternative for development, using innovation and creativity as a tool for tackling problems related to technological capacity building and the overall development problems of LDCs.

Following the Keynote address, Mr. Geoffrey Onyeama, Deputy Director General of WIPO, Development Sector, together with other WIPO officials and program managers made presentations to the Forum on selected topics on innovation and creativity. The presentations at the Forum focused on the topics of WIPO deliverables for LDCs IV based on the concept paper titled “WIPO DELIVERABLES FOR THE LEAST DEVELOPED COUNTRIES” prepared by the WIPO Secretariat taking into account the discussions and recommendations of the various regional forums organized by WIPO in preparation for UN LDC IV.

The ministers and participants strongly recommended that the WIPO deliverables mentioned below should be presented at the Fourth United Nations Conference on LDCs for consideration and approval by Ministers:

- i. Intellectual property and innovation policies and strategies;
- ii. Enhanced human technical skills;
- iii. Improved access to knowledge and strengthened knowledge infrastructure;
- iv. Establishment of technology and innovation support centers (TISCs);
- v. Strategic use of branding;
- vi. National capacity building based on needs assessment;

- vii. Enhanced support for documentation digitization, protection and commercialization of IP assets including Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources.

Ministers, ambassadors, permanent representatives and senior officials who participated in the forum, recognizing the importance of innovation and creativity for social, economic, cultural and technological transformation in the LDCs, requested that the document on WIPO deliverables be transmitted to the WIPO meeting to be organized on the occasion of the Fourth United Nations Conference on the Least Developed Countries in Istanbul, Turkey, for approval by Ministers and implementation in the years ahead.

### **AGREED CONCLUSION OF THE FORUM**

We, the Ministers, Ambassadors, Permanent Representatives of the Least Developed Countries to the United Nations Offices and other International Organizations in Geneva, Senior Officials of the Governments of the Least Developed Countries participating in the Forum for Ambassadors and Senior Officials on Intellectual Property for Least Developed Countries (LDCs): Building a Knowledge Base for Innovation and Creativity to Promote Development organized by the World Intellectual Property Organization in Geneva on 14 and 15 February, 2011;

Recognizing the importance of innovation and creativity for social, economic, cultural and technological transformation in the LDCs;

Having discussed the importance of formulating national intellectual property and innovation policies and strategies for building a knowledge base to promote development;

Reaffirming the vital importance of improving the institutional and policy framework for the modernization and development of the innovation systems and institutions of the LDCs;

Appreciating the various initiatives of the Director General of WIPO to assist the Least Developed Countries to develop and strengthen the promotion, protection, management and exploitation of innovation and creativity to facilitate economic, social, cultural and technological development;

Noting with appreciation the results of the Regional Forum on the Use of Intellectual Property for Development for the English speaking African LDCs held in Kampala, Uganda, on December 8 to 9, 2009, the Regional Forum on Intellectual Property for French speaking African LDCs held in Cotonou, Benin, on April 13 and 14, 2010, the Regional Forum on the Use of Intellectual Property for Development for Asia and the Pacific LDCs held in Dhaka, Bangladesh on July 19 and 20, 2010 and the Regional Forum on Intellectual Property for Policy Makers of the Portuguese speaking Least Developed Countries held in Maputo, Mozambique, on November 22 and 23, 2010 which were organized by WIPO to assist LDCs' preparation for the Fourth United Nations Conference for the Least Developed Countries which will be held from May 9 to 13, 2011 in Istanbul, Turkey;

Noting the emphasis attached by the Ministers, Parliamentarians, Senior Government Officials, Business, Trade and Industry representatives, Academicians, Civil Society representatives and other relevant stakeholders who participated in the Regional Forums to use innovation and creativity for development and improvement of the living conditions of the people in LDCs;

Noting that the WIPO Development Agenda has agreed on a number of recommendations to support IP institutions and capacity building in LDCs in order to promote national development;

Recalling the discussions at the Regional Forums focusing on the need for a specially focused program with the vision and resources of WIPO to bring about a change in the state of LDCs' individual national innovation and creativity systems and to that effect, the identification of the major

areas of deliverables of WIPO for implementation in phases during the years ahead, following the Fourth United Nations Conference on the Least Developed Countries;

Extending appreciation and gratitude to the Director General of WIPO for his new initiatives for the benefits of LDCs, the excellent arrangements made for the present Forum and for his warm hospitality;

Agree that the following will constitute WIPO deliverables for the Fourth United Nations Conference on the Least Developed Countries:

- Intellectual Property and Innovation Policies and Strategies
- Enhanced Human Technical Skills
- Improved Access to Knowledge and Strengthened Knowledge Infrastructure
- Establishment of Technology and Innovation Support Centers
- Strategic use of Branding
- National capacity building based on needs assessment
- Enhanced support for documentation digitization, protection and commercialization of IP assets including Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources

Agree that the document titled “WIPO DELIVERABLES FOR THE LEAST DEVELOPED COUNTRIES” be annexed to this decision for transmission for the approval of the Ministers at the meeting to be organized by WIPO in Istanbul, Turkey, on the occasion of the Fourth United Nations Conference on the Least Developed Countries. Any member wishing to propose amendment to the “WIPO DELIVERABLES FOR THE LEAST DEVELOPED COUNTRIES” may do so before March 15, 2010.





**Harnessing the Positive Contribution of South–South Cooperation  
for LDCs’ Development**

18-19 February 2011  
NEW DELHI, INDIA

## INTRODUCTION

The Government of India, in collaboration with the Office of the High Representative for LDCs, LLDCs and SIDS, organized a Ministerial Meeting on “Harnessing the Positive Contribution of South-South Cooperation for LDCs’ Development” from 18-19 February 2011. The event was attended by 33 Ministers and 42 Permanent Representatives and Deputy Permanent Representatives. All 48 LDCs were represented at the Meeting.

The Office of the High Representative for LDCs, LLDCs and SIDS prepared two background papers for this meeting: one setting out the special needs and vulnerabilities of LDCs and the other scoping the new context and quantum leap in South-South Cooperation and the potential of such cooperation for LDC development now and in terms of a 2020 vision.

## BACKGROUND PAPER ON “THE NEEDS OF LDCs”

LDCs have the highest rates of poverty, hunger and malnutrition. They lag far behind other developing countries on many social development indicators and are largely off-track in meeting their Millennium Development Goals. They suffer from narrow production bases, poor physical infrastructure, high unemployment (driven by young, growing populations), low productivity and low productive and institutional capacities, even in industries where they hold potential comparative advantages.

Developing productive capacities in the LDCs requires increased investment, both public and private, funded through domestic and external sources. It also needs technological acquisition and innovation, transmitted through trade and FDI and through purposeful domestic and international measures that encourage research and development and technology transfer. The technology needs of LDCs relate to pro-poor and mass application technologies that could improve access to essential goods and services such as water, sanitation, energy, shelter, education and health services and medicines.

Enhancing productive capacities requires a vibrant private sector and productive entrepreneurship in LDCs. The private sector in LDCs suffers from poor access to finance, skills shortages and poor physical infrastructure. It also features a ‘missing middle’ in its structural make-up, with most firms being either small or large, and a large informal sector. The development of domestic medium-sized firms and knowledge systems holds much promise for addressing private sector challenges in LDCs.

Infrastructure limitations continue to constrain growth and development in LDCs. The energy sector provides only a tiny portion of the service received in other developing countries. Regional approaches are the most cost-effective way to expand power supply across LDCs. Such an expansion provides an opportunity to harness their vast, but untapped, renewable energy resources.

The LDCs lack transport services that enable an adequate level of connectivity within their borders and with their neighbouring countries. Such connectivity is essential for the smooth movement of people, goods and services. The development of all modes of transport, including roads, railways, ports and airports, is needed in these countries. Although some aspects of information and communication technologies (ICT) have made steady progress in LDCs, particularly access to mobile telephone services, there are many needs in this sector that are still unmet. Internet access, particularly to broadband service, lags considerably behind.

The modernization of agriculture holds much promise for achieving food security and structural transformation in LDCs. Significant productive gains in agriculture will increase food production and access, reducing hunger. They will also generate foreign exchange earnings to cover imports of intermediate and capital goods, which constitute essential inputs for any nascent manufacturing sector. LDCs need a Green Revolution.

Although a number of LDCs have seen trade performance improve, their production and export bases are still heavily concentrated in a limited number of primary commodities

with little value addition. The high volatility of commodity prices has had detrimental effects on LDCs' export earnings, investment, economic growth and social development. Reforming and expanding the coverage of preferential market access, and ensuring greater value addition and value retention from the exploitation of these primary commodities, constitute some of the pressing needs of LDCs that must be addressed if trade is to work for them.

LDCs contribute very little to global warming, accounting for only a marginal share of global green gas emissions, yet they are the most vulnerable to climate-change effects. They are more likely than other developing countries to experience reduced agricultural output, growing food insecurity, an increased risk of conflict over scarce land and water resources, increased prevalence of certain vector-borne and water-borne diseases (such as malaria), deteriorated infrastructure and increased migration.

Confronting these challenges and harnessing the great potentials associated with low-carbon development require that LDCs deploy effective and bold adaptation and mitigation measures. However, these measures cannot be delivered without sufficient financial resources, technological know-how and institutional capacity. Development partners should help bridge LDC needs and available financial, technological and human resources. Specific support should be channelled to LDCs.

The main source of financing most LDCs have relied on is ODA, although FDI and remittance flows have grown in importance over the recent years. Given the size of the financial needs of LDCs, these traditional flows and rising innovative financing schemes need to be scaled up and a hefty portion of these flows should be channelled to productive sectors. The growing prominence of emerging economies as important sources of financial flows for LDCs holds potential for achieving this. LDCs should not depend entirely on external sources to finance their development. Securing sustainable development requires that they also ratchet up their efforts to mobilize domestic resources, both public and private. Increasing the efficiency of tax collection, broadening the tax base and efforts to develop domestic capital markets are some of the measures needed if LDCs are to boost their domestic savings and channel these resources into productive sectors.

## **THE POTENTIAL OF SOUTH-SOUTH COOPERATION IN MEETING THE NEEDS OF LDCs**

The emergence of the South is a potential force-multiplier for LDCs' development. However, LDCs are yet to benefit fully from South-South cooperation and lack the necessary supply capacity to take advantage of increased opportunities.

South-South merchandise trade has grown on average 12.5% a year, compared with 7% for North-North trade and 9.8% for North-South trade. The total volume of South-South Merchandise trade rose from 600 billion USD in 1995 to nearly 3.14 trillion in 2008. Developing countries have increasingly undertaken market access schemes for LDCs, providing DFQF market access resulting in significant increases in LDC exports.

In 2008, LDCs' exports to China totalled 40.46 billion USD, to the EU 37.94 billion, to the US 36.73 billion, to India 6.28 billion, to South Africa 5.95 billion, to Japan 3.28 billion and to Brazil 2.86 billion. However, barriers to South-South trade are higher than those governing Southern trade with other partners, and distance-related costs are higher. OECD research shows that the potential benefit from freer South-South trade may indeed be at least as large as the gains developing countries can obtain from better access to rich countries' markets (North-South trade).

There has been a massive growth of intra-GSTP trade in the last decade. UNCTAD suggests that intra-GSTP tariff cuts of 20% would generate export gains of 8 billion USD. Regional economic integration, including through bilateral and regional trade agreements (RTAs), has been making significant contributions to expanding trade and investment among Southern countries. Regional

arrangements offer important possibilities to enhance economic space, attract FDI to the region on better terms, and pool the economic, human, institutional, technological and infrastructural resources and networks of participating countries. It allows domestic firms to learn how to operate internationally and achieve economies of scale. It enables diversification of exports and it entails lower adjustment costs than integration with high-income developing or developed countries.

FDI inflows to LDCs have increased dramatically, six times higher in 2008 (US\$ 32 billion) than in 2000, helped largely by rising commodity prices, privatization, improved growth prospects, liberalization and greater integration into production networks. Annual South-South FDI flows have increased from around 12 billion USD in 1990, peaking at 187 billion USD in 2008. South-South FDI presents an opportunity to take advantage of new wealth and investment within the countries of the South, to mobilise it for the benefit of LDCs and to further bolster Southern solidarity, empowerment and development.

LDCs can greatly benefit by importing technologies from other Southern countries and through technology transfer assistance. This may be relatively cheaper and often more applicable given the comparable level of development, similar climatic conditions and often geographical and cultural proximity.

LDCs face a massive resource gap and are dependent on outside sources of financing. Much of recent ODA has gone to social sectors reflecting the MDG agenda while productive sectors have received less than 5% of resource flows. ODA is uneven in terms of distribution, rationale and predictability. The untying of aid has seen some progress.

Recently, the sources of aid have diversified with greater contributions coming from the South. China provides assistance to more than 50 African countries. India has so far provided over 7.5 billion USD in Lines of Credit to developing countries, including LDCs. Their aid and loan programme increased to an estimated 609.5 million USD in the 2008/9 fiscal year, up from 392.6 million in 2007/8. Brazilian financial and technical co-operation was estimated at 437 million USD in 2007, up from 365 million in 2006. South Africa's development assistance amounted to 109.4 million USD in 2008/9, up from 62.6 million in 2007/8. Turkish official development assistance amounted to over 780 million USD in 2008.

South-South cooperation has a long history of offering policy experiences and appropriate technologies to boost agricultural productivity. Donor and recipient countries share similar soil and climatic and ecological conditions. South-South development support is relatively predictable because around three quarters of it is disbursed within the scheduled financial year, facilitating appropriate fiscal planning. Projects are executed faster than those under DAC donors. Policy conditionality in South-South development cooperation is almost absent, but often tied to the procurement of goods and services from the provider country.

## OPENING REMARKS

Indian Foreign Secretary, Her Excellency Ms. Nirupama Rao, welcomed delegates, noting the long-standing partnership between India and the LDCs, strengthened by shared histories, similar developmental challenges and a common vision. Ms. Rao reiterated India's firm commitment to the needs of LDCs and opened events with a ceremonial lighting of the lamp.

In the inaugural address, External Affairs Minister His Excellency Mr. Shri SM Krishna warmly welcomed all delegates and noted the significant opportunities presented by South-South cooperation, as exemplified by the development cooperation programme India already holds with many LDCs. However, he emphasised the limited progress made in the LDCs in achieving both the Millennium Development Goals and the Brussels Programme of Action and the need to redouble efforts. The

LDCs themselves should lead the way on this with development partners playing a supportive role. South-South cooperation must be additional and not a substitute for North-South cooperation. Mr Krishna pointed to the high expectations and potential opportunities of UN LDC IV, encouraging a results-oriented agenda for action. To this end, His Excellency announced:

- i. An additional 5 scholarships every year under the Indian Technical and Economic Cooperation (ITEC) Programme for each LDC.
- ii. A special fund of US\$ 5 million over the next five years for the follow-up to UN LDC IV.
- iii. A US\$ 500 million credit line facility over the next 5 years to be used specifically for LDC projects and programmes.

Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Cheick Sidi Diarra, welcomed delegates and thanked the Government and people of India for their generous hospitality. Mr. Diarra expressed appreciation for India's dynamic efforts in promoting South-South cooperation and their scaled-up contributions as a major partner of the LDCs. Drawing attention to UN LDC IV, Mr. Diarra emphasised the bottom-up approach taken in preparations with several Pre-Conference Events completed and planned. He encouraged Member States to engage fully in negotiations on the proposed outcome.

Mr. Diarra emphasised the significant and growing importance of South-South cooperation in the development of the LDCs, citing substantial changes in the global distribution of resources, the needs and capabilities of countries, economic and political power and growing economic interdependence. Countries of the South are at the centre of this transformation, accounting for increased shares of global exports, foreign direct investment, technology and technical know-how and demonstrating a quicker recovery from the global financial crisis.

However, Mr. Diarra noted that, despite some progress, LDCs remain at the bottom of the development ladder, suffering from old challenges such as poverty, unemployment and disease as well as new ones such as food, energy and financial crises and climate change. South-South cooperation can be an important complement to development support with the potential to be a force-multiplier in implementing a focused and coordinated New International Support Architecture. Such an architecture can adopt improved market access for LDCs, an investment preference regime encouraging incentivised investment in the LDCs, increased sharing of technical and technological know-how, scaled-up development assistance and increased synergies cross development efforts. Mr. Diarra called upon countries of the South to contribute to providing such support and to show solidarity by producing a forward-looking and results-oriented Istanbul Outcome.

Minister of Foreign Affairs for the Republic of Turkey, Mr. Ahmet Davutoglu, thanked the Government of India for their warm hospitality and underlined the importance of this particular Pre-Conference Event for UN LDC IV, as shown in such high-level participation. He stated that, as a developing country, Turkey is honoured to host a UN Conference drawing up renewed and invigorated partnership to the benefit of LDCs. He emphasised the critical juncture at which we now stand and the need to act and deliver on a new global vision with a tangible set of commitments and deliverables. His Excellency spoke of the right of all nations to inclusive, equitable growth and sustainable development under a new development architecture and the need for innovative ideas and modalities to make this happen.

Minister Davutoglu expressed regret at the problems faced by LDCs in meeting the Millennium Development Goals, exacerbated by recent crises, and spoke of the need to address the situation collectively as a set of global issues. He added that Turkey has been a strong supporter of

South-South cooperation and stands ready to engage further in this kind of partnership. He also said that Turkey will make a significant contribution to the monitoring and follow-up of UN LDC IV. The Istanbul Programme of Action must be forward-looking, action-oriented and implemented with a clear political will shared by all sectors of society in order to bring about substantial change. His Excellency encouraged participation of the highest level at LDC IV and is looking forward to welcoming all in Istanbul.

During the meeting, the following four presentations were made:

1. Mr. J.S. Mukul, Joint Secretary at the Ministry of External Affairs, made a presentation on the Indian Technical and Economic Cooperation (ITEC) Programme.
2. Mr. Amar Sinha of the Department of Commerce, Ministry of Commerce and Industry, made a presentation on India's Duty Free Preference Scheme.
3. Mr. TCA Ranganathan, Chairman and Managing Director of the Export Import Bank of India, made a presentation on India's Lines of Credit.
4. Mr. RK Upadhyay, Chairman and Managing Director of Telecommunications Consultants India Limited, made a presentation on the India-Africa e-Connectivity Programme.

## GENERAL STATEMENTS

In their general statements, participating Ministers and other delegates underscored that South-South Cooperation has emerged as a vital force in the world economic landscape. It was also highlighted that South-South cooperation is more important than ever before because of the emerging challenges that the world is facing such as the economic and financial crisis, the energy crisis and climate change.

It was underscored that, since the 1990s, other Developing Countries (ODCs) have become important economic partners of the LDCs. Delegates expressed hope that new South-South economic relationships are likely to strengthen further over the coming decades. The speakers stressed that there is no doubt that a major opportunity is arising from South-South linkages and Regional Trade Agreements. South-South cooperation covers financial flows, such as loans and grants for social and infrastructural investment projects, as well as the sharing of experiences, technology and skills, preferential market access and trade-oriented support and investment.

Speakers highlighted that, during the last two decades, substantial changes have taken place at the global level in the control and distribution of resources and in the capabilities and needs of countries. Economic and political power has shifted toward the South due to high and sustained growth rates in larger developing countries, particularly China, India, Brazil and South Africa. Countries of the South are at the centre of the new geography of international trade as producer, trader and consumer in global markets.

Participants underscored the importance of South-South cooperation in fostering domestic economic linkages, technological transfer, diversification and upgrading of output and exports and the strengthening of State capacities in LDCs. They also highlighted that there is a growing need to strengthen and intensify South-South development cooperation in order to make substantial progress in poverty eradication, economic growth and the promotion of sustainable development.

Some delegates suggested that best practices and good lessons learnt from other developing countries could be utilized in LDCs. In this context, they called strongly upon the UN system to strengthen existing UN mechanisms for promoting technical and trade-related cooperation among developing countries as well as triangular cooperation. Successes should be systematically documented and disseminated so as to maximize their benefits.

There are unprecedented and growing complementarities among countries of the South creating a complementarity-competitiveness continuum. It was underscored that a South-South cooperation strategy focused on a number of key thrust areas, identified for and by LDCs in the new draft Programme of Action, should be considered favourably in order to further consolidate and expand the transformation that is taking place in South-South trade, investment and economic cooperation. Delegates highlighted that this would enable the South to play the role of a genuine partner for sustained economic growth, diversification, employment and poverty reduction in LDCs and in the rest of the world.

Delegations expressed appreciation to the Government of India for allowing duty free and preferential access to Indian markets, for increased FDI to LDCs in bank lending/soft loans and increased technology transfer, exchanging of know-how, technical assistance and capacity-building to all LDCs in general and for Africa in particular.

## CLOSING REMARKS

Indian Minister of State for External Affairs, His Excellency Mr. Shri E. Ahamed, was encouraged and inspired by the value attached to South-South cooperation by Ministers and their appreciation of India's involvement. He thanked all delegations and participants for their commitment, active participation and guiding contributions. The Minister asserted India's keen interest in building upon the Delhi Declaration to gain strong commitment in Istanbul.

Under Secretary-General Mr. Cheick Sidi Diarra expressed deep appreciation for Ministers' active participation in discussions and for their concrete recommendations in the Delhi Declaration that will make an important contribution in Istanbul. Mr. Diarra expressed his sincere thanks to the Government and people of India for their warm hospitality and to the Permanent Mission of India to the UN in New York for their special efforts. He reserved special thanks to the generous commitment of the Government of India to South-South cooperation and called for participation of the highest level at the Fourth United Nations Conference on Least Developed Countries in Istanbul.

The Meeting adopted the "Delhi Declaration" by acclamation.

## DELHI DECLARATION

1. We, the Foreign Ministers, Ministers and Representatives of the Least Developed Countries and India attended the India-LDC Ministerial Conference on "Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries" in New Delhi during 18-19 February 2011 to foster and further strengthen our mutually reinforcing development partnership, solidarity and commitment to socio-economic advancement of the LDCs. The conference was organized in cooperation with UN-OHRLLS to develop meaningful inputs for the Fourth UN-LDC Conference (UN-LDC IV) to be held in Istanbul from 9-13 May 2011.
2. We call upon the international community to express its highest political commitment in support of the Istanbul Program of Action and to the successful and ambitious outcome of the Fourth UN-LDC Conference.
3. We underscore that the interconnected and globalized world has made it essential for the international community to accord its highest priority to the cause of LDCs to ensure global peace, security and prosperity; and urge that the Istanbul Conference must galvanize global action in support of the development needs of LDCs, whose progress would bring greater global growth and opportunities for all. The LDCs' perspective must be taken into account while making decisions on global economic governance.

4. We underline that addressing extreme poverty, building productive capacity through structural transformation, spurring economic growth, enhancing participation in international trade and building resilience against vulnerabilities are key development challenges of the LDCs.
5. We note with concern that international efforts so far have lacked a comprehensive approach to effectively address the challenges faced by the LDCs, evident in the number of LDCs having increased from 25 in 1971 to 48 in 2011, and press for strengthening of international support mechanisms in favour of LDCs to augment their resources, productive capacity, institutional strength and policy space to lead their respective national development processes; and in this regard call for augmenting ODA, South-South cooperation and triangular cooperation for a comprehensive implementation of the Istanbul Program of Action.
6. We call for an ambitious Istanbul Program of Action that aims to get at least 50% of LDCs at the threshold of graduation by 2020.
7. We underscore the need to have a strong in-built review mechanism in the Istanbul Program of Action for monitoring and evaluating progress and to provide a smooth and effective transition to graduating countries.
8. We note with satisfaction the increase in South-South Cooperation and South-South trade and investment flows and its positive impact on the LDCs' development process and commit to further strengthening this partnership, which we see as a complement, and not a substitute to North-South cooperation.
9. We note that the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, the Marrakech Framework for the Implementation of South-South Cooperation and the Yamoussoukro Consensus on South-South Cooperation constituted a comprehensive framework for continuing efforts by developing countries to resolve their shared problems and acknowledged the various national, sub-regional and regional initiatives to promote South-South cooperation and called for greater dialogue and exchange of experiences to increase their coherence.
10. We acknowledge the need to reinvigorate the United Nations development system in supporting and promoting South-South cooperation, and to this effect urge the United Nations funds, programs and specialized agencies to take concrete measures to mainstream support for South-South and triangular cooperation to help developing countries, at their request, to develop capacities to maximize the benefits and impact of South-South and triangular cooperation in order to achieve their national development goals and internationally agreed development goals, including the Millennium Development Goals.
11. We emphasize that promoting economic growth is fundamental to reducing poverty and attaining the Millennium Development Goals and in this regard note the importance of creating a domestic environment conducive to growth of private enterprise and attracting foreign direct investment in LDCs.
12. We express deep concern at the precarious state of global food security including food price volatility and inflation and its destabilizing impact on the LDCs, and call for bringing about an agricultural revolution in LDCs to achieve self-sufficiency in food.
13. We reaffirm our commitment to promoting access to energy and strengthening energy security to reduce poverty and meet other development challenges in LDCs.

14. Noting that the share of LDCs in global trade in spite of the Duty Free Quota Free scheme extended by development partners continues to be around 1%, we appeal to countries to address the bottlenecks in the program including stringent rules of origin, complex procedures and supply side constraints to enable LDCs to have a greater share in global trade.
15. We call for an early conclusion of the DOHA Round with a development based outcome to allow meaningful integration of the LDCs in the multilateral trading network.
16. We underscore the significance of science and technology, research and innovation in stimulating development in the LDCs and in this regard call upon developed countries to facilitate transfer of technology to LDCs to support science & technology initiatives.
17. Citing the success of the India- Africa E-Network, mobile telephony, mobile-banking and renewable energy programs in LDCs, we appreciate that technological leapfrogging has brought immense socio-economic gains and also opened vast opportunities for addressing developmental challenges in LDCs.
18. Deeply concerned at the debt situation of several LDCs, we strongly appeal for the creation a debt sustainability framework for LDCs to address their systemic vulnerabilities and to build resilience in their economies.
19. We recognize that Climate Change presents a major threat to livelihoods in developing countries, particularly in LDCs and other vulnerable countries and pledge to work together to take forward the Cancun agreements to find effective solutions based on the principle of equity and common but differentiated responsibility and respective capabilities. We call for immediate disbursement of fast start funds agreed under Cancun Agreements to the LDCs and special allocation of resources under the Green Climate Fund for LDCs along with transfer of environmentally sound technologies to LDCs to meet their urgent adaptation and mitigation needs. We urge the parties to urgently reach agreement on the design of the Fund and the measures to significantly scale-up long-term financing for meeting mitigation and adaptation needs in developing countries in accordance with the provisions of the Convention
20. We thank the participation of Turkey, Finland, Australia, Hungary, Slovenia, China, United States of America, Germany, Croatia, Georgia European Union, Italy, France, UNDP and UNCTAD as Observers in the Conference.
21. The Ministers and Representatives of LDCs and other participants at the Conference welcomed and thanked the Government of India for announcing new initiatives in support of the development needs of LDCs comprising 5 additional slots annually under the Indian Economic and Technical Cooperation (ITEC) Program to each LDC; US\$ 5million over the next five years for follow-up activities of the Istanbul Program of Action; and a Line of Credit of US\$ 500 million over the next five years to be used specifically for projects and programmes of Least Developed Countries.
22. The Ministers and Representatives of LDCs thanked the Government of India for the warm hospitality and excellent arrangements made for hosting the India-LDC Ministerial Conference and for India's continued commitment and support to the cause of the LDCs.





**Climate Change, Climate Variability and Extremes,  
Land Degradation and Biodiversity Loss:  
Challenges and Opportunities**

28 February 2011

NEW YORK



## INTRODUCTION

On Monday 28 February, 2011, UN-OHRLS and UNFCCC hosted a Pre-Conference Event on 'Reducing Vulnerability due to Climate Change, Climate Variability and Extremes, Land Degradation and Biodiversity Loss: Environment and Development Challenges and Opportunities for LDCs' in New York from 10:00 to 18:00 hours. The meeting was well attended by more than 80 participants including Ministers (Honourable Minister of Forestry and the Environment of The Gambia and Chair of the Least Developed Countries under UNFCCC, Mr. Jato S. Sillah, and the Honourable Deputy Minister of Natural Resources, Energy and Environment of the Republic of Malawi, Mr. Ephraim Mganda Chiume), several Ambassadors, Permanent Representatives from and representatives of Permanent missions in New York, senior level officials from LDC countries, and representatives of UN agencies and other international agencies including UNDP, UNEP, WMO, UNCCD, WFP, UNFPA, IOM, UNFCCC, UNOHRLS, UNESCO, UNDESA and The World Bank.

The Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Cheick Sidi Diarra, officially opened the meeting. In his remarks he highlighted the great importance of climate change as a factor affecting the achievement of both the Millennium Development Goals and the Brussels Programme of Action. He stated that concerted and coherent efforts are needed to urgently tackle the development challenges of LDCs in order to mitigate and adapt to climate change, and to transform their economic structures so that they can pursue sustainable economic development.

Mr. William Kojo Agyemang-Bonsu of the Financial and Technical Support Programme at the UNFCCC noted that the environment underpins development and livelihoods in LDCs. He stated that the last Conference of Parties (COP) in Cancun laid a strong basis for action in the LDCs with progress made in funding, technology, adaptation and on REDD and the CDM and that he hopes for a strong strategic vision for LDCs at this very important event and at UN LDC IV.

Minister for Forestry and the Environment of The Gambia, H.E. Mr. Jato S. Sillah, acknowledged the limited, slow and uneven progress of LDCs in meeting the Millennium Development Goals, and the reversal of this progress caused by the multiple crises recently impacting on the sustainable development of LDCs. He emphasised that, although climate change is one of the most complex and urgent challenges facing humanity, it is citizens of the LDCs who are most vulnerable and who are seeing the reversal of recent development gains. For the LDCs, mitigating and adapting to climate change means reducing and coping with its adverse effects that are already present on an everyday basis. LDCs have engaged actively in regional and global forums and initiatives, committed to multilateral agreements and prepared and submitted their NAPAs. However, LDCs need the support of development partners in order to finance meeting the impacts of climate change, build human and institutional capacities to undertake research and plan and implement counter-measures, and to strengthen technological capacities to implement low-carbon development strategies.

Chairman of the LDCs group, H.E. Mr. Gyan Chandra Acharya, stated that Session 16 of the UNFCCC COP in Cancun made some decisions of particular interest to the LDCs, but these have yet to be ensured. Responses to the challenges of climate change in LDCs require the mobilization of financial resources and technical cooperation in a proportionate and comprehensive manner and on a sustainable basis. LDCs need quicker and fuller disbursement of finance and to have their needs properly accounted for. Mr. Acharya called for the early conclusion of a legally-binding successor to the Kyoto Protocol, the disbursement of committed funds, adequate representation, the building of capacity for tackling biodiversity loss, assured benefit from signing the Nagoya Protocol and the provision of technology and capacity to tackle climate change-related issues.

Permanent Representative of Turkey to the UN, Mr. Ertugrul Apakan brought particular attention to the issues of biodiversity loss, erratic weather and natural disasters and their impacts on agriculture

and stressed the need for LDCs to develop human and institutional capacities, integrate environment thinking in their national development plans and implement their NAPAs. LDCs are compelled to divert limited resources away from development to overcome climate change. They need preferential access to advanced clean technologies for win-win, environment-friendly growth. Mr. Apakan noted the significant achievements made in Cancun, particularly the confirmation of support for fast-track finance to LDCs. He reiterated Turkey's determination to make UN LDC IV an even greater success and to create the momentum for renewed commitments, reinforced partnerships and concrete action.

The meeting had several interactive sessions that reviewed the progress made in achieving Commitment 6 in the Brussels PoA of reducing vulnerability and protecting the environment, highlighted national experiences and identified emerging priorities for the New Programme of Action.

Ms. Lakshmi Puri, Director of UN OHRLS, summarised the meeting and officially closed the meeting. She thanked delegates for rich and lively deliberations which produced a number of beneficial insights including first hand national experiences, insights into challenges faced, achievements made and significant lessons learned, understanding of the importance of policy synergies and ideas on should be included in the new PoA. She called for active and constructive input from all parties on the drafting of the Istanbul Programme of Action text and for an ambitious, forward-looking and results-oriented outcome.

## REVIEW OF THE BRUSSELS PROGRAMME OF ACTION

Mr. Saleemul Huq presented a review of progress made on, and constraints to, achieving Commitment 6 in the Brussels PoA of reducing vulnerability and protecting the environment. This did not stipulate any quantifiable targets, but asserted that LDC-specific objectives defined in Agenda 21 and Rio +5 should form the basis for action. Mr. Huq outlined the ways in which climate change, biodiversity loss, desertification and other forms of environmental degradation disproportionately impact upon the LDCs, experienced as threats to livelihoods, external shocks, natural disasters, human displacement and social and political upheaval.

For example, LDCs suffer 34% of the global human deaths linked to climate change, the largest causes being the spread of malaria and water borne diseases, and this number is expected to rise to 41% by the year 2030. The number of people in LDCs affected by extreme events has almost doubled, rising from 100 million during the period 1970–1979 to 193 million over the period 2000–2010. In the context of a globalized economy, a lack of economic diversity and reliance on climate-sensitive commodities for export, such as agricultural products, expose LDCs to the double threat of economic and environmental shocks. It is estimated, for example, that for every 1 degree Celsius rise in average global temperatures, average annual growth in poor countries could drop by 2–3 percentage points, with no change in the growth performance of the developed countries. As the countries with the lowest indicators of socioeconomic development, LDCs lack many of the key elements to adaptive capacity to climate change and other environmental crises.

Efforts to address the impact of climate change in LDCs include:

- The United Nations Framework Convention on Climate Change (UNFCCC) which has established a special programme for LDCs. National adaptation programmes of action (NAPAs) provide the main avenue for translating global commitments into action on the ground in the LDCs.
- The United Nations Convention on Biological Diversity (UNCBD) which has assisted LDCs to prepare national biodiversity strategies and action plans (NBSAPS).
- The United Nations Convention to Combat Desertification (UNCCD) which has helped prepare national action programmes (NAPs) to combat desertification.

- The World Meteorological Organisation (WMO) which established a Programme for LDCs to enhance national institutions to provide weather, water and climate information and services to decision makers and all other users concerned.

Numerous barriers persist. LDCs have been hampered by weak infrastructure, the inability to provide basic services and a lack of resources to meet development objectives. Lack of data hampers accurate assessments. Only between 11-16% of funds pledged to developing countries during the fast-start 2010-2012 period have been designated for adaptation, that is, a meagre 3 billion US dollars for the entire period. The LDC Fund disbursed a meagre US\$ 4 million per LDC (in 32 countries) to support climate change adaptation projects between 2001 and 2010. LDCs are left behind in technology development and transfer. LDCs often lack logistical support and have limited capacity to engage in negotiations.

## NATIONAL EXPERIENCES

The meeting saw insightful presentations on the national experiences of The Gambia, Malawi, Bangladesh, Ethiopia and Haiti in mitigating and adapting to climate change.

In The Gambia, projected climate change-related impacts in the Gambia this century include: reduced crop production by as much as 40% by some estimates; loss of biodiversity and wildlife, especially migratory species; inundation from rising sea levels with the entire city of Banjul to be potentially lost; loss of fisheries, especially loss of shrimp yield by up to 50%; a northward shift in vegetation cover; reduced biomass by up to 43% by 2100; and a reduction of water flows accompanied by increased salinisation. These particular issues are cross-cut by capacity-related needs. The Gambia requires improved research and observation, particularly related to station networks, equipment, data storage and processing and human and institutional capacities. The Gambia also needs to grow scientific knowledge through public education and training and technology transfer and requires sufficient international cooperation through science and technology transfer as advocated under the Kyoto Protocol. Gambia has the political will, but success is dependent upon international commitment.

In Malawi, climate change has caused poor crop yields or total crop failure leading to food shortages, malnutrition and disease; disruption of hydroelectric power generation as a result of siltation; droughts and floods, resulting in low fish production and loss of biodiversity (fisheries contribute 4% of GDP and over 60% of animal protein intake in Malawi); and great impact on women who travel long distances to fetch water. Malawi has developed a National Framework for Managing Climate Change Responses and a NAPA, focusing on: improving community resilience through the development of sustainable rural livelihoods; restoring forests in river basin catchments to reduce siltation; improving agricultural production under erratic climatic conditions; improving preparedness to cope with droughts and floods; and improving climate monitoring. Malawi has initiated initiatives with development partners on rural livelihoods, land management, ozone depleting substances, fertilizer and farm input subsidies, agricultural productivity, forestry, electrification, blended petrol and taxation.

In Ethiopia, important policy, legal and institutional measures have been undertaken since 1995 with growing awareness and commitment. Interventions include: diversifying the application of renewable energy; increasing the application of compost to enhance soil fertility and productivity; increasing vegetation cover through the management of areas closed off to grazing; enhancing ecosystem capacity to maximize goods and services sustainably; reversing and halting unsustainable consumption and production; building a climate-resilient economy by 2025; and boosting the process to achieve these goals. Ethiopia is fostering a rule-based compliance, cooperation and synergistic approach amongst actors and stakeholders. Challenges relate to levels of human capital, social capital and physical

capital, reversing and halting the deterioration of natural capital and eradicating financial bottlenecks. However, the most critical challenge is the lack of technology transfer.

Haiti's NAPA identified sectors most vulnerable to climate change, namely agriculture and land degradation, coastal zones and water management, and the most vulnerable communities including farmers and areas like cities, river beds, steep slopes and coastal areas. These sectors and communities were the most affected by the 2010 earthquake. Besides financing, Haiti needs assistance to build national institutions and capacities from planning to implementation. Two NAPA projects have been submitted for funding to the Least Developed Countries Fund. The first project, on strengthening adaptive capacities of the coastal communities, was approved in December 2010 and implementation should start soon. The second project, elaborated after the earthquake, was granted expeditious processing and is currently pending the approval of the Global Environment Facility. One of the greatest challenges is implementation on the ground which needs more efficient support.

## **KEY EMERGING PRIORITIES FOR THE NEW PROGRAMME OF ACTION**

H.E. Mr. Jarmo Viinanen, Chair of the Preparatory Committee of UN LDC IV, gave a briefing on how environmental issues are being reflected in the preparatory process for the Conference. Climate change and other environment-related issues are reflected both as specific priorities and linked to other key objectives in the draft Programme of Action. For example, the draft takes up climate change as a threat to the livelihoods of millions of poor and vulnerable people in LDC's as well as the urgent need for technical and financial support for climate change mitigation and adaptation for LDC's.

Mr. Viinanen commented on the roles and responsibilities of LDCs and development partners. For LDCs, this means developing and implementing national development strategies and policies and taking effective national measures. For development partners, this means making available funding, simplifying procedures, ensuring adequate representation, providing access to technology and implementing clean development mechanism projects in LDC's.

## **WMO**

Mr. Kaliba Konare, Director of the Office for the LDC Programme and Regional Coordination at the World Meteorological Organisation, made a presentation on Addressing Climate Variability, Extremes and Natural Disasters for LDC Development. Mr. Konare noted that the socio-economic impacts of climate-related extremes are on the rise as more frequent and intense natural hazards, which are climate-related, are increasingly exposing vulnerabilities. Human and economic losses are also increasing.

Mr. Konare stated that many LDCs remain focused on post-disaster response, but need to develop adequate early warning systems. These involve: observing, detecting and developing hazard forecasts and warnings; assessing the potential risks and integrating risk information in warning messages; distributing, rapidly and reliably, understandable warnings to authorities, risk managers and the population at risk; and emergency preparedness and response to warnings at all relevant levels to minimize the potential impacts.

This requires: strong support from the government and alignment of policies, planning, legislation and resources; coordination among national technical services for monitoring, detecting, forecasting and development and issuance of authoritative; authoritative and reliable dissemination channels; community emergency preparedness measures and capability to activate them; and effective feedback mechanisms. Early Warning Systems need to be designed with a multi-hazard approach



to ensure leveraging resources and capacities, cost-effectiveness, inter-operability, maintenance and sustainability. LDCs need to strengthen their national meteorological and hydrological institutions and raise their profile within national development frameworks.

## **UNFCCC**

Mr. Paul Desanker of the UNFCCC Secretariat gave a presentation on Strengthening Capacity and Resources for LDCs to Reduce Vulnerability to Climate Change. The LDC Work Programme at the UNFCCC comprises of six elements: supporting the preparation and implementation of NAPAs; establishing and strengthening national climate change focal points to enable the effective implementation of the Convention and the Kyoto Protocol; providing training in negotiating skills and language to develop the capacity of negotiators from the LDCs; promoting public awareness programmes; development and transfer of technology; and strengthening the capacity of meteorological and hydrological services. Methods and tools developed include technical papers and publications, implementation guides databases and lists of frequently asked questions.

The UNFCCC continues to monitor the preparation and implementation of NAPAs. As of November 2010, donors had pledged \$ 313 million to the LDCF with cumulative net funding allocated, committed or disbursed by the GEF Council and CEO amounting to \$ 154 million. 38 countries had officially submitted one or more NAPAs to the GEF with 19 projects endorsed and 19 pending approval. The UNFCCC also gave a presentation on the Clean Development Mechanism which is under-utilised in LDCs.

## **WORLD BANK**

Ms. Kanta Kumari Rigaud of the World Bank made a presentation on Coping and Building Resilience to Climate Change through Mainstreaming Resilience in Development. The World Bank identifies 6 action areas: supporting climate actions in country-led development processes; mobilizing additional concessional and innovative finance; facilitating the development of market-based financing mechanisms; leveraging private sector resources; supporting accelerated development and deployment of new technologies; and policy research, knowledge, and capacity building.

Ms. Rigaud brought attention to the Pilot Programme for Climate Resilience (PPCR) which aims to help highly vulnerable countries pilot and demonstrate ways to integrate climate risk and resilience into core development planning. The programme has \$900 million in pledges and each pilot costs 20 to 80 million US\$. Pilot countries include Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen and Zambia with two regional programmes.

Current priorities of the programme are building informational and institutional capacities, promoting comprehensive approaches to risk reduction and sustainable development, customizing adaptation approaches to country contexts and building the capacities of LDCs to access finance. Lessons learned from the programme include: the need for country leadership, participatory consultation, private sector engagement and effective use of financial incentives.

## **UNDP**

Tom Twining-Ward of the UNDP gave a presentation on Strengthening LDC Participation and Capacity in Implementing the Rio Conventions. Of the countries UNDP assists, 25 are LDCs and 17 are SIDS. The UNDP's approach involves developing technical capacity, integrating climate change risks, giving policy and institutional support, demonstration projects and other capacity building. Major projects include the Africa Adaptation Programme, the "Boots on the Ground" Programme,

## THE UN PROGRAMME

on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD), the Biodiversity and Ecosystems Programme, and Capacity Development for Policy Makers to Address Climate Change. UNDP also supports 26 LDCs with their national communications to the UNFCCC and has supported 32 LDCs to undertake National Capacity Self-Assessments. Key outcomes of these programmes include: strengthened long term planning, improved institutional frameworks, the building of knowledge and knowledge management, ministerial engagement, technical and financial assessments, climate-proofing of development plans, increased knowledge of, and access to, environmental finance.

## WFP

The WFP emphasized that climate change is a multiplier of existing risks to food security. In LDCs, the absence of efficient social safety nets and social protection systems worsens food insecurity. They emphasized that achieving food security under a changing climate requires a twin-track approach based on two pillars: (a) increasing food production and availability across the globe and in at-risk areas; and (b) ensuring increased access by the most vulnerable and the poorest to adequate food and nutrition, including through more efficient social protection systems and enhanced disaster risk reduction capacities.

## MESSAGE TO THE FOURTH UNITED NATIONS CONFERENCE ON LDCs

The lively ensuing discussions suggested the following key messages to the Fourth United Nations Conference on LDCs.

- strengthen the human and institutional capacities and resources of LDCs to mitigate and adapt to climate change and other environmental issues.
- Cope with and build resilience to climate change through mainstreaming resilience in development agendas, programmes, budgeting and processes at national, sub-regional, regional and international levels.
- Strengthen LDC participation and capacity in implementing the Rio Conventions.
- Strengthen synergistic relationships between the Rio Conventions and other international programs, including delivery of technical advice and support
- Promote the role of a New Green Deal for LDCs with provisions for scaled-up, effective green technology transfer and 'leapfrogging'.
- Provide large-scale opportunities for low-carbon development and technology innovation and transfer to address social and environmental goals, for LDCs to effectively benefit from the global green new deal;
- Set goals, targets and indicators, monitoring, evaluation and follow-up to ensure that LDCs make progress in addressing climate change and other environmental issues under the New Programme of Action.
- Establish a framework that ensures that forests are conserved and benefits are captured by marginal groups;
- Address enduring inequalities in global economic relations between countries;
- The need for quicker disbursement of committed funding which is unacceptably slow.
- Promote experience sharing within the countries and between countries.





**Digital Inclusion for LDCs:  
Innovation, Growth and Sustainability**

7-8 March 2011  
GENEVA, SWITZERLAND



## FINAL REPORT

In preparation for the Fourth United Nations Conference on the Least Developed Countries (UNLDC-IV) to be convened in Istanbul, Turkey, from 9 to 13 May 2011, the International Telecommunication Union organized a pre-conference event in Geneva. The meeting sought to review progress made towards the implementation of the 10-year Brussels Programme of Action (BPoA), and to explore innovative ways of using information and communication technologies as a catalyst in alleviating poverty and stimulating growth in least developed countries under the new Istanbul Programme of Action.

The meeting was attended by Senior Government Officials, Ambassadors, Heads of United Nations Organizations, and Civil Society. Mr. Houlin Zhao, Deputy Secretary-General of ITU, Mr. Brahim Sanou, Director, Telecommunication Development Bureau, ITU, Mr. Cheick Sidi Diarra, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, H.E. Ambassador Oguz Demiralp, Permanent Representative of Turkey to the UN, Geneva, and Mr. Petko Draganov, Deputy Secretary-General of UNCTAD provided opening remarks.

Following the opening ceremony, an interactive lively high level debate session on 'Making the MDGs come true for the LDCs' which was chaired by H.E. Ambassador Khadija R. Masri, Permanent Representative of the African Union to the U.N., Geneva took place. The discussants included Mr. Cheick Sidi Diarra, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Brahim Sanou, Director of Telecommunication Development Bureau, ITU, Mr. Petko Draganov, Deputy Secretary General, UNCTAD, Mr. Kiflé Shenkoru, Director, Division for Least Developed Countries, WIPO, Ms. Najat Rochdi, Deputy Director, UNDP Office, Geneva

The first session of the meeting on 'Information and Communication Technologies in LDCs' was chaired by Mr. Brahim Sanou, Director, Telecommunication Development Bureau, ITU. An overview presentation was made by Mr. Cosmas Zavazava, i.a. Chief of Projects and Initiatives Department, BDT, ITU on 'Unlocking Digital Dividends for the LDCs through ICTs.' The following were the panelists for this session: H.E. Ambassador Mr. Dinesh Bhattarai, Permanent Representative of Nepal to the U.N., Mrs. Gertrude Akapelwa-Ehueni, Chairperson, Zambia Information Communications Technology Authority, and Mr. Patrick Mwesigwa, Acting Executive Director, Uganda Communications Commission. Panel discussion was followed by the contributions by the remote participants from Benin, India, Austria.

Session II on 'Creating an Information Society for All: Attaining the World Summit on the Information Society Goals' was chaired by Mr. Matthias Kern, Basel Convention Secretariat/UNEP. The discussants included Mr. Torbjorn Fredriksson, Chief of ICT Analysis Section Science, Technology and ICT Branch Division on Technology and Logistics, UNCTAD, Mr. Jaroslav Ponder, Strategy and Policy Advisor, ITU, Mr. Raul Zambrano, Senior Policy Advisor, ICTD & e-Governance UNDP/BDP/DGG, Ms. Susan Teltscher, Head, Market Information and Statistics, ITU, Mr. Víctor Vázquez López, Senior Legal Counsellor, WIPO, Md Shahid Uddin Akbar, Chief Executive Officer, Bangladesh Institute of ICT in Development (BIID).

Session III on 'Priorities for LDCs under LDC IV with respect to making ICTs more accessible and the driving engine to growth, sustainability through innovation' was chaired by Mr. Cosmas Zavazava, i.a. Chief of Projects and Initiatives Department, BDT, ITU.

Based on deliberations, the participants adopted the following text and recommended that this should be submitted to the second session of the Intergovernmental Preparatory Committee for the Fourth



United Nations Conference on the Least Developed Countries that will be convened from 4 to 8 April 2011 at United Nations Headquarters in New York and subsequently to the fourth United Nations Conference for the LDCs in Turkey:

We, the participants, at the Digital Inclusion for LDCs: Innovation, Growth, and Sustainability, ITU pre-conference event for the LDC-IV, firmly believe that:

Following the adoption of an international framework for cooperation which was laid out in the three United Nations programmes of Action (PoAs) for LDCs, the objectives of these three PoAs have not yet been fully met.

Progress has been made in many areas particularly in the last decade under the aegis of the Brussels Programme of Action, particularly in the domain of information and communication technologies where governments have put in place an enabling environment for ICT investment, leading to increased investment and growth in mobile networks and services.

Information and communication technologies facilitate progress in other sectors such as trade, productive capacities, environment, disaster risk reduction, disaster management, education, gender mainstreaming, health, agriculture, and climate change as these technologies permeate every facet of human life.

The inclusive and multi-stakeholder implementation and follow-up process to the World Summit on the Information Society (WSIS) is making positive contributions to the creation of an information society in LDCs which has the potential to contribute to employment generation, job-creation, growth, productivity and long-term economic competitiveness.

Information and communication technologies play a catalytic role in the attainment of the Millennium Development Goals (eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, Malaria and other diseases, ensure environmental sustainability, and develop a global partnership for development). The target for ICTs is the most advanced of all the MDG targets.

New technologies such as broadband have great potential for accelerating the achievement of the Millennium Development Goals by the internationally-agreed deadline of 2015. There is an existing broadband divide between the rest of the world and LDCs that needs to be addressed. Regulated access to broadband and broadband enabled services have to be enhanced.

Mobile technologies have gone a long way in contributing towards the bridging of the digital divide in LDCs. However, the access gap to ICTs between rural and urban areas remains an issue to be addressed.

The seven convergent and interdependent forces of Policy, Infrastructure, Technology, Innovation, Content and Applications, People and Government which were identified by the Broadband Commission for Digital Development should be harnessed by the international community to build a Broadband Development Dynamic.

Global climate patterns are changing and will continue to change at rates unprecedented in recent human history. The impacts and risks associated with these changes are real and already felt in many countries and communities particularly in least developed countries. Climate change threatens global efforts of achieving the Millennium Development Goals and sustainable development. Information and Communication Technologies are involved in environment and climate change monitoring, data dissemination and early warning.



Government-wide leadership and commitment is needed in establishing appropriate legal and regulatory frameworks that include putting in place pro-ICT tax regimes and ensure that ICT are on top of the agenda in national economic planning. Development of national e-strategies as an integral part of national development plans and poverty reduction strategies plays an important role in turning of the LDC Conference outcomes and WSIS targets into action. Development Partners play an important role in bridging the digital divide in LDCs.

ICT data collection, dissemination and analysis are essential for benchmarking and monitoring digital divide and information society. Measurement of the impact of ICTs on socio-economic development in LDCs plays an important role for national strategic planning. Repositories to document the best practices in the area of ICTs in LDCs should facilitate implementation of the Programme of Action. In this regard, the work of the Partnership on Measuring ICT for Development should be used as a basis to ensure international comparability of ICT data and statistics. Assistance in the area of ICT data collection and processing should be provided to LDCs through support to National Central Statistical Offices that are already involved in statistical data management.

Capacity building in the ICT Sector is needed at national and regional level. This assistance is expected to be provided by International Organizations and other development partners.

A multi-stakeholder approach is needed and private sector participation is critical. Policy-makers need to engage with industry and investors to promote policy objectives more broadly and attract domestic and foreign investment into the ICT sector. Global solidarity and commitment was felt necessary for achieving the goals of Programme of Action by due date. Multi-stakeholder platforms/initiatives, like Connect the World, may help to mobilize the financial, human and technical resources for addressing development challenges with the use of ICTs.

The importance of ICT for development in LDCs has been stated, however financing models for implementation of ICT projects still remains as an urgent necessity to ensure sustainability in mid and long term. Sustainable use of ICTs needs to be considered so that it does not pose threats to health and the environment, in particular when the equipment reaches its end of life. Appropriate e-waste management measures such as recycling, re-use and proper disposal mechanisms are needed in partnership with the international community.

Intellectual Property to include issues of patents should contribute to the overall access to technology by LDCs. Measures should be taken to ensure that preferential and differential treatment are put in place in favor of LDCs.

In addition to the public sector, financing of ICT infrastructure by the private sector plays an important role in many countries and that domestic financing is being augmented by North-South flows and South-South Cooperation.

The international community recognizes the 'power-to-unlock' which comes with ICTs and innovation which should be highlighted in the next Programme of Action for LDCs, and the potential of these technologies to accelerate the achievement of the MDGs and other internally-agreed development goals and key knowledge society priorities such as those of the WSIS by 2015, in the context of the new digital realities and opportunities of the networked society and economy.



Partnership Against Poverty  
UN LDC-IV



UN-OHRLS

## **Promoting Universal Access to Essential Services**

10 March 2011

NEW YORK

## INTRODUCTION

The pre-conference event on promoting universal access to essential services was convened on 10 March, 2011. The greatest asset of any country, including LDCs, are its women, men and children – its citizens. Human development is also at the essence of the MDGs where strong evidence suggests that while many developing countries are advancing steadily towards the attaining the MDGs, LDCs continue to fall further behind others on most indicators.

The Brussels Programme of Action for LDCs (BPoA) also recognised this fact. But the BPoA also recognised that efforts at development of human capacities in LDCs have been affected by such factors as low school enrolment and low health, nutrition and sanitation status and by the prevalence of the HIV/AIDS pandemic and malaria, as well as by natural and man-made disasters. Coupled with the need to formulate long-term policies and strategies in health, education, employment and rural development, and sustainable development in general, the need to facilitate universal access to basic services by LDCs citizens was also recognised in the BPoA.

There is a need for increased investment in the human, physical, and institutional infrastructures including those in the health, education, water and energy sectors. The development and improvement of services in the aforementioned sectors are intrinsically linked to creating an enabling environment where economic growth, particularly among the poorest of the poor, can be nurtured.

Attempts to promote access to essential services should focus on the poorest of the poor, who are often the most marginalized. This is because studies have found that economic growth alone is not sufficient to stop the marginalization of LDCs to improve the standards of living of its populations. According to commentators, what is necessary for poverty reduction is a strategy of pro-poor growth in which economic growth is combined with reductions in inequalities within societies. As such efforts to promote access to basic services and build infrastructure will need to be done within a pro-poor context.

## OBJECTIVES

The objective of the meeting was to promote access to essential services in LDCs. It involved a stock take of the progress achieved and the identification of remaining gaps and challenges in promoting essential services in LDCs. The meeting also pointed the way forward for all stakeholders on the subject matter, particularly as it related to a new programme of action to be decided upon in Istanbul. This is premised on the fact that the promotion of access to basic services in LDCs for their citizens will in-turn boost the development prognosis of LDCs.

The issues that were discussed during the event centered on the following general questions: Are there any best practices and success stories on access to essential services in LDCs? What are these successes and how were they obtained? Can they be replicated in others LDCs as well? What are the constraints and challenges faced by LDCs in providing universal access to essential services to their citizens? How can resources be mobilised to support the efforts of LDCs in achieving universal access to essential services for their populations? How can development partners, both governmental and corporations from the north and south, be encouraged to invest more in social entrepreneurial projects with promotion of access to basic services objectives?

## EXECUTIVE SUMMARY

The four themes which were considered during the event were promoting universal access to: education, energy, health and water & sanitation. Three LDC Ministers attended the meeting and contributed to the discussions through presentations of their national experiences in the above four areas. The UNESCO Director-General also participated at the event. UNESCO, UNIDO, UNICEF and UNDESA moderated the panels on universal access to education, energy, health and water & sanitation respectively. Two CSOs from LDCs also attended the event. The Permanent Representatives of Nepal and Turkey made opening remarks as the Chair of the LDC group and host country of UNLDC IV respectively.

The meeting reaffirmed the need to develop policies that link economic and social considerations. This is premised on the fact that the development of human capacities in LDCs have been affected by such factors as low school enrolment and low health, nutrition and sanitation status. The meeting underscored the need for strong political will and commitment in promoting universal access to essential services in LDCs. While the advantages of public/private sector partnerships was recognized as a vital ingredient in ensuring that access to essential services was enhanced in LDCs the leadership role that national governments play must also be enhanced. Examples of this leadership role included better coordination at the national level among government authorities, well planned and adopted policy and regulatory frameworks as well.

The need to adopt incentive measures that would attract entrepreneurs to invest in providing essential services was also highlighted. The meeting heard that the creation of enabling environments that are conducive to SME delivering essential services at an appropriate and affordable rate could contribute to increasing access to essential services. The need for decentralization of services was also raised as a way to address the disparities that have emerged in LDCs between the rural and urban dwellers, with the rural dwellers missing out on infrastructure and facilities as well as access to the essential services. Examples of successes in decentralization involved the energy sector and the move from centralized grids to off-grid installations in rural areas which have proven to be hugely beneficial for the rural dwellers in LDCs.

The need to adopt new technologies was also raised during the event. While this need spanned across all four themes they were emphasized much more in the discussions on access to energy and water & sanitation. The point was made that initial up-front investments to acquire appropriate technologies can be very costly. Discussions on this issue revealed that in fact costs involved in acquiring some newer technologies are starting to decrease as research and development continue to improve on certain technologies in all the four thematic areas considered.

The need to focus on good business models was also underscored as a factor that can promote access to essential services in LDCs. Discussions centred on the importance of putting in place business models upon which entrepreneurs can deliver successful essential services in LDCs. This, it was underlined, called for greater capacity building in LDCs on how these models can be tailored to specific LDC situations and circumstances. It was acknowledged that capacity building in appropriate business practices was not always at the forefront when considering issues on essential services but the argument was made that without such interventions access to essential services, including in the four themes being considered may not be as successful as it could be.

Participants were in agreement that the outcome of Istanbul and a new programme of action for the next decade should highlight the need to access essential services. This is premised on the need to encourage the development of policies that link social and economic considerations at the national level that is supported through appropriate international support. The meeting also acknowledged that universal access to essential services is an accelerator of development as it opens opportunities for individuals and it strengthens the resilience of societies.

## SUMMARY OF DISCUSSIONS

In her opening remarks, the Director-General of UNESCO, highlighted some sobering facts as it relates to access to education in LDCs. She pointed out that 25 Million Children are still not in primary schools in LDCs. The disproportionate number in male and female in school was underscored by the fact that 41 percent of rural women are not in school. Further of the 796 million adults who lack basic literacy skills a full two-thirds of these are women.

She suggested five causes of action that could be taken to promote greater access to education. First, she urged States to improve the affordability of education. She highlighted that investing in girls' education as especially important and called for consensus on this issue that was evident at the MDG Summit last September to be translated into action. Secondly, she urged that the demand for teachers must be met. She underscored this by stating that some 1.9 million new teachers were needed to achieve universal access to primary education by 2015. Thirdly, she underlined the need to enhance post-primary education on LDC stating that secondary education is too often reserved for a minority, while higher education is a luxury. Fourthly, she highlighted the development multiplier effect that literacy can contribute which is essential for eradicating poverty, reducing child mortality, curbing population growth, and promoting gender equality. Fifth, she urged all to tackle the 'financing gap'. She noted that LDCs are investing more in education but also stated that spending will have to increase and it will have to become more efficient.

Ambassador Mr. Abdulkalam Abdul Momen, the Permanent Representative of Bangladesh, who presented his countries experiences on access to education, stated that the Constitution of the People's Republic of Bangladesh acknowledged education as a basic right of the people and enjoined on the State to ensure the provision of universal and compulsory free primary education to all children, and removing illiteracy.

Further the 14 percent of total government expenditure is allocated to education. Given diversion of resources owing to climate vulnerabilities, maintaining this commitment to the education sector is imperative in order to achieve Education for All (EFA) and the Millennium Development Goals (MDGs). The commitment of the government is to achieve 100 percent literacy by 2014.

Some good practices that already exist in Bangladesh include partnerships between NGOs and civil society organizations with partial support from the government that serve some of the most deprived children who cannot afford to enroll in government schools and/or are dropouts.

Improving the quality of primary education, creating a child friendly atmosphere at primary schools, creating adequate physical infrastructure provisions, reducing opportunity costs of school attendance, providing incentives for key players at both demand and supply levels and building mass awareness plus providing state of the art technology are some of the key areas that need particular attention for achieving the millennium targets

The two panellists, Mr. Michael Bruenforth and Ms. Carol Bellamy made their presentation highlighting the challenges and opportunities that LDCs face in their efforts to promote universal access to essential services. Ms. Bellamy identified four key challenges that impede access to essential services which include: a stall in progress which could see reduction of children in school if efforts are not redoubled; a stagnation of development assistance and education financing; a need to improve attendance of more girls attendance as many are still being left behind; and countries in armed conflict which account for 40% of children out of school.

She called for the need to work faster, dig deeper and leave no child out. She welcomed the strong political commitment displayed by Bangladesh and encouraged other LDCs to also show similar

commitments. The need to shift the focus from one on access one on quality was also raised. The need for accountability on curriculum, on teaching quality, on payment of teachers was also pointed out as an important factor. Leave no child behind: girls, rural, minorities, need to achieve 100%.

In the ensuing discussions the representative of Benin highlighted the importance of quality education. He highlighted the need to progress on the sciences as well as literacy and posed the question on what needed to be done to encourage LDC governments to establish policies which will allow for training people in science. The link between education and the job market was also raised as an issue that needed to be adequately addressed. The representative of India also asked what the experiences can be shared on LDCs private sector and private schools in primary and secondary education?

In responding, the Bangladesh Ambassador highlighted the example of a stipend programme which saw each family will get around \$1.30 each month if child attends 75% of classes, keeps good grade and does not get married. He stated that this has had a dramatic impact, increasing girls' enrolment. On the private sector involvement, he stated that in Bangladesh, 98% of schools are privately owned. Government pays teacher salaries, but schools are basically private institutions. The Government provides training to community leadership to run schools well. At the tertiary level, better schools are private owned, some for profit some non profit. In Bangladesh the role that the private sector is playing in education access has been successful.

Ms. Bellamy stated that no single intervention works but she also highlighted that cash transfers have worked well. She also pointed out that one inhibitor of girls going to school is proximity of the schools from their homes. In this regard any forms of transportation, including provision of bikes can assist. She recalled that discussions on quality of education is a recently development as understandably more focus has traditionally been on access and enrolment. In this regard she suggested that focus on early learning reading capacity is important as this could lead to better assessments of what quality education might mean.

The moderator, Mr. Hans D'Orville, underscored the formidable challenges that LDCs face in promoting access to education and underlined the fact that the access to education goals, including MDGs, will not be reached if funding is inadequate. He also offered a response to the problem with science enrolment which he associates with the need for early start in education. The need for mentoring programmes where successful students mentor others was also raised as an avenue in the pursuit of quality education.

On the panel on access to energy in LDCs Dr. George Assaf opened the session by emphasizing that energy is a key instrument for sustainable development in LDCs. Access to sustainable and reliable energy sources is a critical element in ensuring universal access to essential services and reducing poverty. Furthermore, access to energy is vital to supporting the productive sectors in these countries, and can enhance productivity, competitiveness, and economic growth in LDCs.

H.E. Mr. Louis Seck, Minister of Renewable Energy and Biofuels of Senegal, began his remarks by stating that energy is indispensable for human and economic development. He said that increased access to energy leads to better education and health, food security and higher income in developing countries. He noted that Senegal is dependent on petroleum import, and most of the household energy supply comes from forestry resources (84%). The government is now focusing on how to promote access to modern energy. Through the establishment of Senegal Rural Electrification Agency, the government has been working on rural electrification in partnership with local and international private sectors. Senegal is the second country after India which has an independent ministry dedicated to renewable energy and biofuels, and the ministry has set the following priorities: diversify national energy resources and promote renewable energy and biofuels.

Minister Seck mentioned the following as key drivers of renewable energy development in Senegal: political commitment; utility driven grid-based electrification; substantial financial platform addressing customer affordability, right pricing, cost recovery, and tariff structure; program planning and prioritization; poor-targeted and gender-sensitive approach; reducing investment and operating cost; and effective use of ODA. He emphasized the importance of an appropriate institutional framework conducive to development of renewable energies. He also proposed the creation of a special UN fund dedicated to the development of renewable energy projects and creation of a programme to develop renewable energy capacity.

In his remarks, H.E. Mr. Bounthavy Sisouphanthong, Vice-Minister for the Planning and Investment of the Lao Peoples Democratic Republic underscored energy financing as a major obstacle for LDCs. Aside from the need for more effective use of official development assistance (ODA), the Vice-Minister urged for more private sector participation in energy projects. He also stressed the importance of developing capabilities and capacities in developing countries to implement energy policies effectively, including educating human resources and consumers, as well as creating knowledge base for sharing experiences, transfer of technology, and know-how. Governments should also be able to prioritize which energy projects to pursue. Vice-Minister Sisouphanthong stated that political will and national commitment are crucial.

Ms. Christine Singer noted that the energy problem facing LDCs is not a technology problem, but rather, a problem of access to technology and finance. Expertise and solutions are available, but the problem is how to transfer these to the LDCs. Engaging the private sector (private financing / capital) is key, however, investors always look for business plans and proven business models. Ms. Singer also emphasized the role of public and private partnerships (right blending of private and public capital) in creating energy solutions for developing countries.

Ms. Richenda van Leeuwen also stressed the need for market-based solutions, noting that capital is available. However, investors are cautious about risks involved and look for business models before stepping in. There are various options to addressing energy access problems, including grid-connections, mini-grid, and decentralized solutions. Ms. van Leeuwen also highlighted that sub-national conditions (e.g. local banking policy) should be conducive to development of energy solutions and programmes.

In closing the session, the Moderator provided a summary of the main points by the panellists, as follows: Access to reliable and modern energy is crucial not only to providing basic services, but also to developing productive activities and promoting economic growth in LDCs; LDCs should have an institutional and legislative/regulatory framework conducive to development of reliable and renewable energies; On the issue of financing, the following measures are important: partnership with the private sector; consider the creation of a 'UN fund' to support energy initiatives in LDCs; and more effective use of official development assistance (ODA); Importance of developing capacities to implement policies and projects effectively: educating potential human resources and consumers, and creating a knowledge/technology sharing base; Energy problem is not a technology problem: it is about access to technology and access to finance. It is necessary to bring in the private sector/entrepreneurs, but doing so requires investable business plans and appropriate business models; Right balance between private and public capital should be evaluated to produce the right investment projects; The international community, multilateral and bilateral institutions, the United Nations, have key roles to play in promoting energy access to LDCs; but political will, national commitment, and sub-national and local engagement are also important.

On the panel on the access to health in LDCs Mr. Loaiza (UNFPA) made a presentation which highlighted the many challenges that LDCs face in gaining access to health services, and in the particular

area of reproductive health (RH). His presentation showed that progress in increasing access to RH is possible. This was witnessed in the 1990s which saw significant gains in RH. However, since 2000, RH has been at a virtual standstill. This stalled progress is not uniform. Studies have shown that there is a growing disparity between the wealthier citizens and the poor in LDCs. It was pointed out that progress has general stalled there has been some progress among the portions of society that are most advanced in terms of their social-economic standing.

He also highlighted the correlation on access to RH to the socio-economic status of women and pointed out that significant disparities still exist even among LDCs. He also underscored the need focus efforts on overcoming disparities in both access and utilization of RH services in LDCs. He also stressed the important role that high-quality data can play on issues affecting health, including in the formulation of appropriate policy measures.

Mr. Jean-Marie Tétart stated that water, sanitation, energy are conditions to develop infrastructures and health networks (hospitals, health centres) in rural areas as in urban one. They are also a prerequisite for other essentials services as education, nutrition, and obviously for economic growing. As such they are linked to sustainable development. He suggested that Building wells, latrines, organizing collect of waste are not hard technical and industrial problem. The cost to set up basic services is not unaffordable nor for the society nor for local community. He pointed out that the difficulties for improving quick access for all to basics services in rural areas as in urban one appear more as a governance issue and often as a lack of real political will.

In explaining the UN-Habitat “International Guidelines on Access to basic Services for All” in his presentation he stated that its purpose is to propose a new framework of governance with a double political and technical dimension. The political dimension, he explained, required participation, decision-making and leadership. On the other hand the technical dimension required assessment, planning, negotiation of contracts, accounting mechanism, monitoring and impact assessments. Furthermore, both dimensions required transparency and appropriate training of the stakeholders. So the need for appropriate capacity building was raised in this context as well. He also highlighted the benefits that can occur from technical cooperation relations between municipalities in the developed countries and LDCs authorities and gave specific examples of such cooperation in Togo and Benin.

In this regards he called for all LCDs to engage an assessment of the concordance of their situation in regard of the UN Habitat Guidelines on Access to basic services for all suggesting that this could be a recommendation of the new Istanbul programme of action for the decade 2011-2021. He also suggested that a second recommendation could be to establish a national inter stakeholders committee in LDCs for access to basic services for all.

The moderator for the health panel Mr. Thomas O’Connell (UNICEF) highlighted the cross cutting nature of health and the need to better promote access to health services in LDCs. He highlighted the need to strengthen the private sector in this area as well, noting that in many LDCs health services are provided by non-government organizations, including religious organizations. He stressed the need for appropriate policy frameworks to be established, in order to ensure better delivery of health services. The conditions of the most marginalized groups in society needed to be kept in focus and social protection policies needed to be strengthened as well.

On the panel on access to water & sanitation in LDCs, H.E. Mr. Ogunlade R. Davidson Minister of Energy and Water Resources (Sierra Leone) highlighted that the Sierra Leone government acknowledges that access to water & sanitation is: a basic human right; key to human development; a vital input to economic growth; and is necessary for gender balance in wealth creation. He highlighted that in recognition of the importance of water & sanitation, the government has given political priority to this issue. One of the key processes Sierra Leone has embarked upon involves the introduction

of the Inter-Ministerial WASH Committee for effective coordination of activities by key partners in the sector. The mandate of this committee is to improve planning and coordination mechanisms by strengthening partnerships in the WASH sector.

The Minister also stressed the need for better evidence-based decision making. In this regard the use of data which involves the mapping of water facilities for both public hospitals and community water points has been initiated. The need to improve national monitoring systems also meant that a Community Led Total Sanitation (CLTS) Task Force is also contributing to the monitoring of CLTS through a peer review mechanism. The need for a well functioning national planning process was also highlighted in the Minister's presentation. These included the need to create accountable institutions where they are lacking as well as the formulation of actionable national plans. The need for resource capacity development was also highlighted as well as the need for institutional strengthening.

Ms. Clarissa Brocklehurst (UNICEF) outlined the linkages between: water to health, HIV/AIDS and Nutrition; education; poverty and gender, pointing out that 88% of diarrhoeal deaths are preventable. She also stressed that home-based WASH helps to reduce opportunistic infections and that improving WASH in schools has an impact on enrolment levels, particularly for girls. Further, 5.5 billion productive days per year lost due to diarrhea and burden of fetching water and women & girls bear the brunt of fetching water & benefit most when distances are reduced. She highlighted the statistics on child deaths which show that diarrhea continues to cause the deaths of 1.5 million children annually. A full 88% of these deaths are attributable to poor WASH.

Some of the suggestions she made for a way forward on this issue included the need for greater political commitment from governments, including LDCs authorities. The need for better targeting of resources was also stressed. She also called for strengthened national systems that could result in improved coordination on issues concerning water & sanitation. The need for stronger partnerships was also highlighted. These could involve private-public partnerships as well. Finally, she underscored that there are already examples of best practices readily available including in LDCs. She stressed that the solutions should be simple and sustainable.

Ms. Jaehyang So (World Bank) in her presentation highlighted the high cost involved in lack of sanitation and stressed that solutions to tackling the sanitation problem should be premised on Enabling Services, Developing Services and Sustaining Services. She highlighted that low-income stable countries had made some progress since 1990 to 2008 in: increasing coverage of water supply; reducing open defecation; keeping up with population growth in urban water supply.

Government leadership was pinpointed as crucial if countries are to progress on the issue of water & sanitation. The importance of public-private partnerships was also raised as important in this context. Ms. So agreed with the notion, espoused by Ms. Brocklehurst that instead of building latrines focus should be on creating demand. She argued that significant leveraging effects are possible in this sector and that effective knowledge can stimulate demand from households and government. She stressed the need to work with all partners including Donors, National Institutions and Policy makers, Public and Private Service Providers and Schools/Communities. The focus of all these partnerships should always be the citizens.

The delegation of Zambia, highlighted the difficulties and obstacles in access to water and sanitation to a population that is widely dispersed and questioned what could be the way forward for such countries. In his response, the Sierra Leone Minister espoused the need to better harvest rain water to be utilized during the drought season. A delegation from the CSO also commented on the possibility of leveraging the climate change funds to address water concerns as the water scarcity is being linked to the adverse effects of climate change.

The moderator for the water & sanitation panel, Mr. Nikhil Chandavarkar (UNDESA) highlighted the important role that public-private partnerships can bring in ensuring the area of access to water & sanitation in LDCs can be better addressed. He also highlighted that cross-cutting nature of access to water in particular and how this can have impacts on the welfare and wellbeing of a country. The linkages to the three other themes discussed during the meeting being energy, health and education, was also underscored by the moderator.

In closing, Ms. Lakshmi Puri (OHRLS) thanked all the participants and the panellists and moderators for their excellent contributions to the discussions. She welcomed the fact that there were concrete recommendations made during the event. She highlighted the fact that the event had been organized pursuant to the outcomes of the preparatory meetings being convened in African and Asia and was confident that the outcomes of the event would make a contribution to the informal consultative process currently underway on a new programme of action for the next decade that will be adopted in Istanbul.





International  
Labour  
Organization



UN-OHRLS

**Growth, Employment and Decent Work in  
the Least Developed Countries**

29 March 2011  
NEW YORK



The panel discussion hosted by the International Labour Organization focused on the promotion of job intensive growth and development in LDCs. It served as the launch of the ILO report entitled “Growth, Employment and Decent Work in the LDCs” which reviews trends in LDCs; highlights challenges and opportunities for structural transformation, job creation and poverty eradication; and provides a portfolio of policy options to be tailored to country needs and circumstances.

The panel pointed out that the high growth episodes many LDCs had witnessed in the period prior to the global financial crisis were mainly linked to external factors such as high prices of commodities or a bouncing back from many years of lost ground. In spite of such economic growth, very few LDCs had graduated and poverty reduction had been marginal. The underlining labour market conditions were worrisome: lack of creation of paid employment, stagnant wages, and growing informality in the face of high fertility and urbanization rates. The key labour market challenge for LDCs was not unemployment but the large numbers of the working poor.

In prospect, there was scope for some economic improvement given that some better fundamentals were in place - some macroeconomic stability, higher education levels and improved governance - and there remained a wide convergence gap with countries at the technological frontier. It was noted that some green shoots and islands of success could be witnessed in Africa (Malawi, Ethiopia, Rwanda) and even more in Asia (Bangladesh, Cambodia), which could be linked to a new heterodox mix of policies.

The key challenges ahead were (a) to accelerate economic growth; (b) to ensure it could be sustained over time in the context of an increasingly volatile international economic environment; and (c) to make it more inclusive and job-rich, enhancing resilience of local households and enterprises and social and political stability.

The policy conclusions advocated by the panel were multilayered and had to be tailored to national circumstances and priorities. A long-term development vision encompassing the objectives of productive employment and decent work and widely shared through social dialogue, provided the necessary compass to enhance coherence and complementarities between measures in different areas.

In general, the panel pointed to the composition of output as the first order of importance in order to accelerate growth – i.e. from low productivity sectors (rural and informal) to high-productivity exports in manufacturing and modern services. Successful structural transformation would not result automatically from further liberalization of trade and financial markets. It required macroeconomic frameworks with more focus on competitive real exchange rates and capital account management (and less concentration on nominal monetary targets) and public investments to improve infrastructure and provide local enterprises with better access to finance, technology and skills.

Achieving a well-integrated domestic economy, with strong inter-sectoral and rural-urban linkages, was key to put the LDCs on a path of sustainable and job-rich growth.

Labour market and social policies and institutions were a critical complementary tool to make growth both more inclusive and sustainable over the medium term.

There was growing evidence of the positive economic impact of improved social protection through labour market interventions, cash transfer schemes and public programmes providing employment to targeted vulnerable groups (youth and women) while accounting for better local infrastructure and some adaptation to climate change. Good design was a tool to minimize moral hazard and the risk of long-term dependence on public transfers.

Policies were needed to support the transition from the informal to the formal economy. It was emphasized that the range of labour market institutions that are in place in LDCs, including



employment protection legislation and minimum wage, should be seen within a broader view of social protection, and not as constraints. Efforts were needed to improve their efficiency and avoid unnecessary judicial and administrative hurdles.

Finally, the most critical challenge was to mobilize and manage domestic and external resources to finance fiscal policies and effectively implement reforms.

The panel acknowledged that, within a framework of mutual accountability, international assistance had an important role to play, not only through trade concessions and improved market access but also through adequate concessional finance and debt relief to improve fiscal space in LDCs; stable and reliable ODA levels; and technical assistance to develop and reward local capacity to design and manage effective macroeconomic policies and social programmes. The ILO had a wealth of distinctive experience and knowledge in the employment and decent work areas and was ready to partner with donors and LDC recipients. The joint UN initiative for a Social Protection Floor, lead by the ILO and WHO, was singled out as a very effective way to step up international support and national investment in the productive capacities and the economic and social resilience of people in the LDCs.





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