

**Opening Statement by Mr. Jose Antonio Ocampo,
Under Secretary-General for Economic and Social Affairs,
Delivered by
Mr. Patrizio Civili, Assistant-Secretary General for Economic and Social Affairs
at
ECOSOC High-Level Segment Second Preparatory Meeting
on “Resources Mobilization and Enabling Environment for Poverty Eradication in
the Context of the Implementation of the Programme of Action for the Least
Developed Countries for the Decade 2001-2010”**

New York, 17 March 2004

Madame President,
Honourable Ministers and
Distinguished Delegates,

The Least Developed Countries are confronted with numerous formidable challenges. These range from generalized extreme poverty, lack of basic social services like health and education, absence of well functioning institutions and governance structures, lack of infrastructure and limited availability of resources both domestic and external. Many of these countries also suffer from post-conflict traumas or serious problems of social disintegration and instability.

In the first preparatory meeting held on 17 February, we deliberated on some of these challenges in the broader context of LDCs situation at the global and regional levels. It was generally felt that if the current trends continued, LDCs can neither achieve the objectives of the Brussels Programme of Action nor the Millennium Development Goals. This is particularly so for African LDCs.

At this meeting, specific country situations need to be analyzed to better understand the development constraints faced by LDCs and the ways to overcome them both by domestic policies and through international cooperation. I wish to focus on two major issues that are relevant to the countries that will be discussed at the roundtables today and tomorrow.

Too many LDCs are currently engulfed in conflict, or just coming out of one. Eighty per cent of the world's twenty poorest countries have suffered a major civil war in the past 15 years. On average, countries coming out of war face a 50 per cent chance of relapsing in the first five years of peace. It must be recognized that a central aspect of creating an enabling environment in LDCs is that there can be no peace without development and no development without peace. Where development fails, countries can become trapped in a vicious circle. Moreover, weak governance structures and extreme poverty are some of the major sources of perpetuating this cycle. Hence, economic policy and stronger institutions can play an important role in preventing potential socio-economic tensions from turning violent.

Although in varying degrees, several countries have made progress in developing a long term and multidimensional approach to peace and development. Development partners can and must do more to support LDCs' national efforts, including towards conflict prevention and the transition to sustainable peace. There is substantial scope for increasing aid and changing its allocation and administration, including better targeting to the countries most at risk of break down.

The UN system is striving to better coordinate its peacemaking and peacekeeping activities with emergency relief, peace building and development efforts in a seamless, multidimensional and long term approach. A lesson learned from Sierra Leone and East Timor is the need to integrate development into the very early stages of international crisis response.

With the Ad Hoc Advisory Groups on Burundi and Guinea-Bissau, ECOSOC has established a role in international support to African post-conflict countries. The Group on Burundi, established in

August 2003, has recently presented its report to ECOSOC, calling for support to the country in the transition phase and making recommendations on the way forward. The Group on Guinea-Bissau continues to play an important role in mobilizing support to the Transitional Government. In July this year, the Council will make an assessment of this new mechanism and may consider its possible extension to other countries.

Madame President,

Another important dimension of a country's high risk for social conflict or civil war that can keep it mired in poverty is its dependency on primary commodity exports. The profitability and immobility of resource extraction make natural resources vulnerable to looting. Conflicts in many LDCs are very often financed by the revenues generated from the illicit sales of these resources. There have been some efforts to address this factor through the adoption of mandatory and voluntary measures. But more needs to be done. The international community may consider adopting an international policy framework to curb the flow of financial resources to rebel groups.

According to the recently published report by UNCTAD on "Development in Africa: Trade Performance and Commodity Dependence" most of the poor African countries are trapped in commodity dependence trap. The dependence of African and others LDCs on commodity exports should be reduced. This calls for increased international support towards export diversification, including through long term structural changes.

Preferential market access schemes, including the Everything But Arms initiative and the African Growth and Opportunity Act, are steps in the right direction. But the relatively low degree of utilization of such schemes shows that there is scope for improvement. In addition to the alleviation of structural impediments in the supply capacities of these countries, the relative unpredictability of the preferences themselves, the persistence of overly stringent rules of origin, cumbersome administrative procedures for receiving preferential treatment and non-tariff barriers to trade in preference-giving markets must also be addressed. Only then the utilization and effectiveness of preferential schemes will be enhanced.

Madame President,

The challenges I have mentioned must be addressed first and foremost by LDCs themselves. National ownership is critical not only to a successful development strategy but also to successful peace-building initiatives. However, these challenges can only be fully met if the partnerships forged at Brussels and in other international conferences are translated in concrete actions at the national and global levels.

At the national level, effective governance and enabling environment are crucial in meeting these challenges. Significant benefits can also be obtained by fostering more effective partnerships engaging representatives of civil society and the private sector in the policy process.

At the global level, there have been some encouraging signs in increasing aid flows. Still, developed countries' actions are falling short of the commitments made at Brussels and Monterrey. They also need to pay much greater attention to the coherence of their policies in terms of their development impact.

The development partners should also continue to strengthen policy framework like the Poverty Reduction Strategy Papers (PRSPs) that is critical for ensuring access to concessional aid and debt relief for a large number of LDCs. This would also require sustained commitment to making the process work.

In fact, sustained commitment and targeted actions should form the core of national and international endeavours to root out the deep-seated poverty in these 50 countries. One tenth of humanity living in LDCs certainly deserves more peaceful and prosperous future.