



# Open Forum for Partnership

Lectures, debates and presentations on the development challenges of the  
most vulnerable groups of countries

2012

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## Introduction

Soon after the creation of the United Nations Office of the High Representative in early 2002, the Open Forum for Partnership was launched as a platform for entities of the United Nations system, policy makers, academia and development practitioners, often located outside New York, to share their perspectives on development challenges that face the three most vulnerable groups of countries: the Least Developed Countries (LDCs), the Landlocked Developing Countries (LLDCs) and the Small Island Developing States (SIDS). In this setting, development partners have had the opportunity to share experiences and information on their work in support of these groups of countries.

The Open Forum sessions have proven to be very insightful and worthwhile activities, attracting the wide participation of representatives from the Permanent Missions to the United Nations, various United Nations organisations, the United Nations secretariat staff, non-governmental organisations and the private sector.

The lively interactions between different development actors at these sessions have provided a fresh look at the challenges facing the most vulnerable countries, and the obstacles confronting the international community as it engages with the developing world.

A recurrent theme at the Open Forum sessions - which have tackled current topics ranging from poverty, economic growth and structural change to the Rio+20 follow up and the post-2015 development agenda - has been the need for a stronger partnership between the most vulnerable countries and the international community. While these countries have the primary responsibility for engendering economic growth and sustainable development and reducing poverty and environmental susceptibility, they lack the necessary human, technical, financial and institutional capacities to do so. Unfortunately, international support to these vulnerable countries has, in most cases, continued to fall short of what is necessary to achieve the MDGs.

This volume presents a summary record of Open Forum sessions held during 2012, at the United Nations Headquarters in New York. The very nature of these forums, as open and spontaneous interactions between presenters and participants, has prevented much uniformity in the way the proceedings have evolved. The enclosed proceedings have also been published on the UN-OHRLLS website ([www.un.org/ohrls](http://www.un.org/ohrls)).

# 1. Economic Growth and Structural Change: Priorities for the Least Developed Countries

UN-OHRLLS organized an academic roundtable on 9 March 2012 at the Faculty House of Columbia University in New York City. It was jointly sponsored by the Office, the World Bank, Development Research Group, International Trade and Integration Unit and Columbia University, Asia Pacific Economic Cooperation (APEC) Study Centre and School of International and Public Affairs (SIPA). Approximately 100 participants from permanent missions to the United Nations, academia, civil society, the private sector and media attended the event.

The United Nations High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Cheick Sidi Diarra, in his introductory remarks highlighted the importance of the Istanbul Programme of Action for the least developed countries (LDCs) for the next Decade, which was adopted by the international community in 2011 in Turkey. The 10-year action-plan constitutes a renewed partnership on favour of LDCs and seeks to address the structural handicaps of the LDCs in a bid to eradicate chronic poverty and improve livelihoods. Governments agreed in Istanbul that bolstering productive capacity remained key to the economic transformation of the LDCs. Mr. Diarra highlighted that despite progress with respect to growth and achieving some of the United Nations Millennium Development Goals (MDGs), the LDCs continue to be vulnerable, mainly due to external shocks, such as volatile commodity prices and especially increasing food prices. Furthermore he stated that “the Istanbul Programme of Action calls for a shift in the development paradigm, with a rebalancing of priorities between the productive sectors and social sectors as well as a balanced role of the state and the market.”

The Permanent Representative of Turkey to the United Nations, H.E. Mr. Ertuğrul Apakan stressed that the LDCs are important members of the global community and that their development process poses major challenges for the international community, but at the same time LDCs also have huge untapped potential. He mentioned that the implementation of the IPoA necessitates structural transformation as well as mainstreaming LDC issues not only in national development plans but also in international processes like the Rio+20 Conference.

The Permanent Representative of Nepal to the United Nations, H.E. Mr. Gyan Chandra Acharya recalled that the 48 LDCs are characterised by low human development, low income, and high vulnerability to economic shocks. He reiterated that international support in the form of ODA, trade and investment is indeed critical for their graduation from LDC status. He stressed that structural change needs to bring progress for people, progress which can be sustained in the long-run and that the issue of equity remains key to the development of LDCs.

Dr. Justin Yifu Lin, Chief Economist and Senior Vice President of the World Bank, in his keynote address on: Challenges, Opportunities, and Strategies for Structural Transformation in Least Developed Countries, highlighted that the LDC group of countries grew at an average of 5.6 per cent between 2000 and 2010, the result of which has seen some countries double their incomes. He however cautioned that despite these impressive gains, unemployment levels, poverty rates and a series of natural calamities continue to pose severe constraints to development in these countries and that their economic structure has remained stagnant over the past 30 years. In what he referred to as 'new structural economics' Dr. Lin encouraged governments in the LDCs to consider the dual approach of upgrading both 'hard' and 'soft' infrastructure, He however warned that the LDCs should steer away from replicating the industrial infrastructure of high-income countries, but instead implement a comparative advantage strategy, which attracts the start-up of new businesses in industries that are in line with the economy's comparative edge.

He further recommended that governments collect and provide much-needed information that reduces the risks for firms to invest in new technologies. This includes investigating exports of countries with similar characteristics, which are at a somewhat higher income level, to identify potentially viable export sectors, for which then the government could provide support like sector specific infrastructure. "I am convinced that, by following their comparative advantage, low-income countries facing high unemployment can seize the bonanza of the 85 million manufacturing jobs China will shed in the coming years because of fast rising wages for unskilled workers. This type of new dynamic, which is embedded in my theory of New Structural Economics that I outlined today, is highly relevant to the United Nations's agenda," Dr. Lin said. He closed his statement by highlighting the importance of agricultural development for poverty reduction and the notion that natural resources don't need to be a curse if managed properly. A multi-polar growth world can provide new opportunities for LDCs, who need to step up efforts to grasp opportunities for structural transformation.

A panel discussion on Economic Growth and Structural Change: The Role of Resources, Employment and Growth-Enhancing Trade followed, moderated by Mr. John S. Wilson, Lead Economist, Development Economics Research Group, The World Bank and Visiting Fellow, Columbia University. The panel discussions focused on the role of resources, employment and growth-enhancing trade. There was agreement among the panellists that increasing decent employment is the only sustainable way to reduce poverty. Implementing the Istanbul Programme of Action requires focused action in key areas, with emphasis on the state in promoting change, mobilizing resources, and expanding trade opportunities.

Dr. Frannie Léautier, Executive Secretary of the African Capacity Building Foundation, reiterated the relatively high growth rates in LDCs over past decade due to stable macroeconomic policies, increased remittances and FDI, among other factors. However, this

growth was mostly jobless. She stated that institutions have improved in many LDCs but need more flexibility to deal with emerging challenges and changing circumstances. In this context she also stressed huge data gaps for employment by sector, which are a constraint to effective policy design and implementation. Such data would be crucial for planning support for structural transformation which is pro-poor. She also highlighted that LDCs need to increase their capability to negotiate aid packages that are conducive to transformation. She further mentioned some sectors with potential for development including in the areas of culture, art, history and tourism, which could be developed based on local skills. For example the construction industry, which could make more use of traditional techniques and local materials, has the potential to create short term employment but requires long-term vocational training for more durable job creation. She concluded by presenting a list of priority actions including building resilience to shocks, increased focus on food security, improved access to services, more focus on employment generation, and more attention to economic and financial governance to use limited resources more effectively. Finally she highlighted the importance to focus more on capacity development in order to transform societies and economies, increase production and productivity and improve the knowledge, skills and policy space for enhanced learning from implementation.

Dr. Léonce Ndikumana, Andrew Glyn Professor of Economics at the University of Massachusetts at Amherst, also focussed his presentation on Africa, where most LDCs are situated, stressing that inequality is a key constraint to poverty reduction. This is evident in the growing frustration of youth, not only with respect to unemployment. As youth gets better educated their demand for voice and respect also increases. He mentioned that African countries were often able to achieve high growth but experienced great difficulty to sustain it. The volatility of growth is driven by the agricultural sector, which is still mainly rain fed and prone to adverse climate effects. There is evidence that countries with more diversified sectors of production experience more stable growth, although not necessarily higher growth. However in Africa most LDCs experienced real de-industrialisation and export concentration. He concluded by outlining elements of a strategy for structural change:

- Covering the base: Refocus the mission of agriculture to achieve food security,
- Managing natural resources including moving up the value chain and promoting a responsible private sector,
- Nurturing ‘patient’ transitions with respect to productive and employment-generating service-sector-led growth, low-carbon growth path and technology-led growth path’
- Avoiding counter-productive dichotomies including a leading strong state [and, not or] efficient markets, robust domestic markets [and, not or] trade based on dynamic

comparative advantage, as well as robust domestic resource mobilization [and, not or] productive foreign capital, democratic consolidation [and, not or] economic prosperity.

Dr. Aaditya Mattoo, Research Manager at the World Bank, stated that changing patterns of international integration offer new opportunities for LDCs. He further explained that the nature of trade is changing and becoming more fragmented. Recent research shows that many firms enter exporting but then drop out. He also stressed that designing policy in a changing world creates new challenges. Thus the need to reduce transaction costs by building improved infrastructure and improve the business environment are becoming ever more important. Dr. Mattoo stressed the crucial role of improved regulation, which reduces monopolistic power, in this context. With respect to changes required in the international trading system he highlighted the importance of multilateral agreements, the need to increase Duty-Free Quota-Free (DFQF) market access, going beyond the 97% of tariff lines as well as a reduction in non-tariff barriers. He also called for restraint with respect to introducing export restrictions as has happened following the recent price surges for several agricultural products as well as continuing reform of rules for trade in services. Finally Dr. Mattoo stressed the need for better evaluation of projects that are targeting supply side constraints. This is of special importance with respect to increasing resources for Aid for Trade as agreed in the IPoA.

During the discussion Dr. Léautier stressed the role of Diaspora networks for the ICT sector and the pharmaceutical industry in India. Dr. Ndikumana provided an example of fiscal policy in Uganda, which is discussed in an open and transparent process with all stakeholders. Dr. Mattoo explained that with respect to education, new concepts are needed. He gave the example of Mozambique, which introduced new paramedics for basic health services, which are both more affordable and also much less likely to leave the rural areas or emigrate as demand for them elsewhere is limited.

Dr. Lin stressed that trade in services still needs to follow the comparative advantage of a country. In his view it provides new opportunities but the development of the services sector will not be sufficient. To generate sufficient employment development of the manufacturing is also needed.

The conclusions of the meeting proposed a shift in strategy and the way of thinking, starting from what is available and proceeding step by step to achieve ambitious and at the same time realistic goals.

## **2. Monitoring of the implementation of the Istanbul Programme of Action to strengthen mutual accountability in Least Developed Countries**

This event was jointly organised by the Permanent Mission of Turkey to the United Nations and the United Nations Office of the High Representative for LDCs, LLDCs and SIDS (UN-OHRLLS) and took place on Thursday, 5 July 2012, as a side event to the 3<sup>rd</sup> Development Cooperation Forum. Approximately 50 participants including government representatives, civil society and the UN system attended the event.

Mr. Cheick Sidi Diarra, Under-Secretary-General and High Representative for LDCs, LLDCs and SIDS in his introductory remarks reiterated that the Istanbul Programme of Action (IPoA) states that monitoring and follow-up should not focus only on goals and targets, but also on actions, in order to strengthen the principle of mutual accountability. He also highlighted that in preparation for the 2012 DCF evidence was provided that mutual accountability improved the quality of national development strategies, results frameworks, and public financial management systems. Likewise, it increased the degree to which providers align their cooperation with national strategies and systems. Thus, mutual accountability has increased the results of development cooperation by reducing transaction and administration costs, duplication and project proliferation, and increasing predictability. Mr. Diarra closed his remarks by expressing his expectation that enhanced mainstreaming of the IPoA into national development strategies as well as development cooperation strategies of partners would provide a common framework on which national aid policies that clearly define the roles and responsibilities of each actor can be developed. This would be an important step towards mutual accountability and could contribute to improving the quality of aid by aligning it to LDC priorities.

H.E. Ms. Amélia Tomás Muendane Nakhare, Deputy Minister of Planning of Mozambique, shared the experience of her country with mutual accountability, which was one of the most successful cases according to a DCF survey. In Mozambique the mutual accountability process was initiated in 2004, comprising a performance assessment framework with those 19 donors, which provide budget support. It also includes a matrix with performance indicators for Mozambique and her partner countries. The performance indicators for partner countries are based on the principles of the Paris Declaration. A ranking of donors according to their progress towards the performance indicators created peer pressure. These results have also been reported in the national press and development partners during the following years focused on indicators in which their performance was lowest.

Ms. Nakhare also highlighted some of the challenges Mozambique is facing. One is to convince other donors and new players to join the mutual accountability mechanism. Mozambique is currently working on a code of conduct for all partners. The other challenge is a lack of credible incentives and sanctions that Mozambique can use. In 2012 certificates were awarded to the donors with the highest performance. In her conclusion Ms. Nakhare stressed that there is no one fits all mechanism for mutual accountability. However, she highlighted that strong leadership, a clear framework for development cooperation, frank dialogue with partners, and credible mutual incentives are key to successful mutual accountability mechanisms and ultimately development effectiveness.

Dr. Debapriya Bhattacharya, Distinguished Fellow of the Centre for Policy Dialogue (CPD), Bangladesh and Chair of LDC IV Monitor focused his intervention on mutual accountability and the implementation of the IPoA. He stated that mutual accountability is the most difficult element of the Paris Declaration to implement and progress has been very limited. He identified the attribution of responsibilities and responsibility for risks from external factors that would impede on results as well as power imbalance as main challenges for real mutual accountability.

With respect to the implementation of the IPoA he reiterated that analysis of the previous Brussels Programme of Action had concluded that the implementation and monitoring had been quite weak, partly because it was never mainstreamed into national policies of LDCs and development partners. In addition attention had shifted to the implementation of the MDGs and is now shifting towards fragile states. He suggested that in order to get sufficient attention it is necessary to align the IPoA with other processes and to strengthen leadership of the LDCs. The role of new actors in the IPoA could contribute significantly to monitoring and implementation but there is a need to integrate this better with official processes. He concluded that there is the need for champions to advance the implementation of the IPoA.

Dr. Arjun Karki, International Coordinator of LDC Watch stated that the implementation of the IPoA has not made much progress to date. The majority of LDCs are still in a state of development emergency. He stressed that the right to development needs to be ensured. In this respect true political will and vision in both LDCs and development partners is required. The ultimate goal has to be accountability to the people.

He further highlighted that conditionality would be counterproductive to mutual accountability and ownership. He called for a strengthening of the UN global accountability mechanism and the involvement of CSOs in planning, implementation and monitoring of development strategies. He also suggested that aid should be allocated to countries which need it most.

During the interactive discussion the question was raised how the IPoA could get more prominence given that in the past the LDC issues were overshadowed by MDG and PRSPs, and now the focus of the international attention is shifting towards Sustainable Development Goals (SDGs). The importance of having LDCs and their priorities fully included in other international processes was stressed in this context. It was also reiterated that the focus needs to be on the implementation of commitments. It was also stressed that resources would be crucial for the achievement of goals and that more advocacy is needed in that respect.

At the closing of the event H.E. Mr. Ertuğrul Apakan, Permanent Representative of Turkey to the United Nations said that the various processes related to the IPoA, Rio+20 and the post 2015 development agenda should all fit together. Turkey is committed to increase resources for LDCs and contribute to the monitoring of the IPoA. He also stressed the important role of the civil society and the private sector in that respect. He further highlighted the importance of including all relevant stakeholders in the monitoring, which also should include actions not only results.

H.E. Mr. Gyan Chandra Acharya, Permanent Representative of Nepal to the United Nations, Chair of LDC group reiterated that it is crucial that development partners integrate the provisions of the IPoA into their aid strategies. He stressed the importance of parliaments in development partner countries to make progress on this front. He also highlighted that the debates during the DCF should acknowledge that the proportion of the poor is highest in LDCs, even as most of the poor in absolute numbers live in middle-income countries. He also called for more focus on strengthening the capacity of LDCs to improve mutual accountability.

### **3. Sustainable Development and Least Developed Countries: Supporting LDCs towards a Green Economy**

Organized as a side event to the 3<sup>rd</sup> Development Cooperation Forum as a collaborative effort of the Permanent Missions of Finland and Zambia to the UN along with the Department of Economic and Social Affairs (DESA) and the UN-OHRLLS, this panel event took place on 6 July 2012. H.E. Mr. Jarmo Viinanen, Permanent Representative (PR) of Finland to the UN chaired. The audience benefited from the presentations of H.E. Hon. Mr. Miles Sampa, Deputy Minister, Ministry of Finance, Zambia, H.E. Mrs. Anne Sipiläinen, Under-Secretary of State for Development, MFA, Finland, Mr. Cheick Sidi Diarra, USG and High Representative for LDCs, LLDCs and SIDS, and Mr. Navid Hanif, Director, Office for ECOSOC Support and Coordination, UN DESA, and the concluding remarks of Dr. Mwaba Kasese-Bota, PR of Zambia to the UN.

In the opening remarks, Mr. Viinanen mentioned that the agreements reached at the recent Rio+20 Conference would play an important role in the implementation of the Istanbul Programme of Action (IPoA). However, LDCs still faced significant problems of poverty and limited capabilities to cope with them. He emphasized that commitment and a strengthened cooperation of the international community is vital in overcoming the challenges of the LDCs through capacity building.

Mr. Sampa's presentation was based on the example of Zambia, an LDC that was caught between development urgencies and the green economy initiatives. As the Deputy Minister stated, deforestation was one of the biggest MDG challenges that his nation was facing at the moment, and the government had been incentivizing the private sector to cease cutting trees. As a country that has the sixth largest reserve of copper in the world, Zambia receives a fair amount of investment in the mining sector. However, this poses a serious problem of water pollution, since waste from the mining industry is contaminating nearby rivers that are sources of drinking water for the Zambian population. He provided the example of a programme encouraging the use of solar power in rural areas and assisting with the prevention of tree-cutting, which usually serves as an energy source for the rural population. Mr. Sampa discussed that a green economy was a rather feasible goal, but a precondition was to raise awareness among the Zambian people. He added that the Zambian government needs to introduce laws to protect the environment from pollution through the mining sector as well as to educate citizens about their rights to campaign against companies violating such regulations, if necessary.

The second panelist, Ms. Anne Sipiläinen, delivered that the government of Finland recognized the importance of the IPoA and said that if the programme was properly implemented, it would

make a real difference for the LDCs. The priorities of the IPoA are set by the LDCs and include productive capacity development, infrastructure, energy, science and technology, private sector development as well as agriculture and food security. She mentioned that Finland would provide the LDCs with technical and financial support to promote a green economy and technology transfer to improve their productive capacity. Mrs. Sipiläinen emphasized that LDCs were important partners of Finland and would be increasingly so in the future. Currently, five out of the seven most important partners of Finland are LDCs. She recalled that in Istanbul, heads of states agreed on an ambitious goal of half of the LDCs reaching the criteria for graduation by 2020 and stated that in order to achieve this goal, governments, the private sector, the UN and other multilateral organizations all had to cooperate.

Mrs. Sipiläinen underlined the significance of increasing the number of donors from the group of newly industrialized countries. She explained that in the LDCs there had been a significant increase in the support to rural development. She added that LDCs were well-positioned in terms of their rich natural resources which could contribute to sustainable growth. Sustainable development should synergize economic and social development and environmental protection, identify new green growth opportunities, and create incentives for investments. At the same time it gives adequate investment protection, and manages sustainably the natural resource base as an integral part of poverty eradication strategies. Mrs. Sipiläinen concluded her presentation by mentioning that thousands of private sector representatives had been present at the Rio+20 conference and underlined the significance of their involvement in reaching sustainable development. In addition, she emphasized that financing should come from a number of different sources, public, private and innovative sources. The Under-Secretary of State explained that there were some cases where the actions related to capacity building in LDCs of the donors and the multilateral organizations were not satisfactory, thus it was important to take into consideration each country's priorities and concerns.

Mr. Cheick Sidi Diarra started his presentation by stating that the LDCs have a low-carbon profile and rich natural capital that were conducive to sustained economic growth. A green economy could enable them to be competitive in emerging economic sectors. He suggested that LDCs' early stage of industrialization made it possible for them to adopt technologies which offered greater energy and resource efficiency. He urged the LDC governments to prioritize energy access, set national targets for universal access, and put in place plans and the enabling environment to deliver them. He said that the developed partners were dedicated to enhancing the energy sector, including in renewable energy, other clean energy sources and natural gas through financial and technical assistance.

Another aspect mentioned by Mr. Diarra was agricultural development in LDCs that supplied the bulk of basic food and provided subsistence and other income to more than half of the LDCs'

population. He mentioned that the number of organic producers in LDCs was growing, most of them being smallholders. Diversification of their agricultural sector through horizontal diversification into organic crops offered important opportunities. The USG stated that ecotourism was another major green growth option for at least half of the LDCs. In spite of the opportunities, he mentioned two main challenges with respect to financing the investments in a green economy, which could be more costly and risky than traditional investments, and access to new technology that was adapted to the conditions in the LDCs. He added, that South-South cooperation and triangular cooperation had an important part to play as technology and expertise from other developing countries was often easier to adopt to LDCs conditions. At Rio there had also been a call for the UN system and other relevant international organizations to support LDCs in capacity-building for developing resource-efficient and inclusive economies. Mr. Diarra warned that measurable results with respect to poverty reduction, equality and sustainable development would take time to materialize in all countries but even more so in LDCs with their high vulnerabilities and capacity constraints.

Mr. Navid Hanif started his presentation with the statement that the green economy is not the destination, but a road to sustainable development. He shared that the fossil fuel age had to end, however the LDCs had challenges in terms of poor technology. Despite the challenges, Mr. Hanif mentioned that these countries also had certain potentials that the advanced economies lack: it requires the latter group to make major changes to achieve green economy, but not the former. The director of the Office for ECOSOC Support and Coordination argued that the premise of LDCs' challenges consists in their poor access to financing of green economy projects. He further discussed four main areas of impact of the green economy and sustainable development: first, economic incentives such as taxation, especially subsidizing of fossil fuels, regulation and financing; second, structure of the green economy - zoning laws and agriculture; third, investment and natural capital; fourth, investment in human capital through social services. Mr. Hanif suggested that LDCs should focus on the following areas: First, the LDCs need to increase the productivity and returns on their natural resources by re-negotiating the contracts with the mining companies. Second, LDCs have to assess the climate change risks in a more systematic way. Third, building infrastructure, effective waste management, and a reduction of the carbon footprint are essential in achieving the goal. The governments' role in all these actions is of utmost importance. Lastly, the international community needs to cooperate to increase the access of LDCs to funding in addition to capacity improvement. Mr. Hanif acknowledged that any transformation would be both costly and required time, but if LDCs took advantage of their potentials, sustainable development was achievable.

During the interactive discussion, the PR of Lao's PDR posed a question about options that the LDCs had aside from the assistance from the international organizations in terms of reaching

sustainable development. Mr. Diarra addressed the question by mentioning that the Asian LDCs had the chance of benefitting from regional cooperation with neighbors that had a rather high GDP growth such as China and India. The USG added that the Asian regional power link could supply hydropower surplus to Lao's DPR. Moreover, he stated that the country had a stable production of rice and investment inflows in the manufacturing sector, and these factors combined could serve as the basis of economic development of Lao's DPR. Mr. Hanif added that an increasing number of major investors had been engaged in renewable energies compared to twenty years ago.

A representative of the World Bank requested further elaboration from the panelists on the issue of valuation of natural resources. Mr. Hanif recognized that accurate valuation of the natural resources was a critical challenge of the mineral-rich LDCs, and that improved data would be a precondition for policy planning and implementation. Mr. Diarra added that governments of the mining-intensive LDCs should create policy measures oriented at transferring mining and other related technology to the home countries and the local populations. Lastly, mining corporations should generate and manage dividend wisely.

In closing, Dr. Mwaba Kasese-Bota summarized that the green economy was a definite challenge for the LDCs, but they had their respective advantages. The PR of Zambia highlighted that sustainable development was an equivalent of finding the appropriate balance between the development prospective and economic sustainability. She urged the donors not use the green economy as a conditionality, but rather a catalyst to reach sustainable development.

## **4. The LDC agenda in a post Rio+20 perspective: How Rio+20 follow-up could help advance the implementation of the Istanbul Program of Action?**

### **Co-chairs:**

H.E. Mr. Narayan Kaji Shrestha 'Prakash', Deputy Prime Minister of Nepal

H.E. Mr. Ahmet Davutoğlu, Minister of Foreign Affairs of Turkey

H.E. Mr. Paul Magnette, Minister of Development Cooperation of Belgium

### **Moderator:**

Mr. Gyan Chandra Acharya, USG and High Representative for LDCs, LLDCs and SIDS

### **Panellists:**

Mr. Andris Piebalgs, EU Commissioner for Development

Mrs. Rebeca Grynspan, USG and UNDP Associate Administrator

Mr. Otaviano Canuto, Vice-President, PREM, World Bank

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The Forum was organized with a view to promoting the LDC agenda and implementing the Istanbul Programme of Action (IPoA) in a post-Rio+20 context. It took place in the sidelines of the 67<sup>th</sup> session of the General Assembly on Wednesday 26 September 2012. The objective of the event was threefold: to highlight some of the similarities between the Rio+20 Outcome Document, “The Future We Want”, and the IPoA, to recognize some of the constraints LDCs face in pursuing both sustainable development and the IPoA, and finally, to identify measures, initiatives and mechanisms that could enable the two documents, “the future we want” and the IPoA, to be mutually supportive.

The event was co-chaired by Nepal, Belgium and Turkey, and moderated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS). It was attended by high-level representatives from LDCs and their development partners, including UN system organizations. Welcoming remarks were made by Mr. Narayan Kaji Shrestha 'Prakash', Deputy Prime Minister of Nepal, Mr. Ahmet Davutoğlu, Minister of Foreign Affairs of Turkey, and Mr. Paul Magnette, Minister of Development Cooperation of Belgium, in which achievements of their respective countries with regards to support for LDCs were outlined, and renewed political commitment to LDCs was expressed. Mr. Gyan Chandra Acharya, USG and High Representative for LDCs, LLDCs and SIDS, delivered a speech in which he addressed some of the unique challenges that LDCs face in the context of the sustainable development aspirations outlined at the Rio+20 Conference. He particularly emphasized that Rio+20 outcome has called for effective implementation of IPoA

and integrated its priority areas in it. He stressed that Rio+20 has placed poverty alleviation as the greatest challenge and an indispensable requirement for sustainable development. Further highlighting the opportunity for LDCs to follow green growth path, he called for stronger support for an integrated approach to sustainable development. Following this were comments by the panellists Mr. Andris Piebalgs, EU Commissioner for Development, Mrs. Rebeca Grynspan, USG and UNDP Associate Administrator, and Otaviano Canuto, Vice-President, PREM, World Bank, who each expressed their views on the issue.

### ***Towards a triple win approach***

Many participants highlighted some of the difficult challenges and multiple crises that LDCs currently face despite the measurable progress they have made in some areas. Their environmental and economic vulnerability combined with low levels of human development and poverty create a situation in which, perhaps more than ever, LDCs need global support to meet internationally agreed development goals that work in their favour and address their specific needs with more ODA and other support measures from development partners.

Participants agreed that the priorities outlined at the Rio+20 Conference in June 2012 were both relevant and complimentary to the objectives of the IPoA for LDC development. Some posited that ‘triple win’ approaches to development are indeed possible, in which states can pursue economic growth, environmental protection and social development simultaneously. A reforestation project in Niger which benefitted farm land, improved conditions for women and created employment, was cited as one example of such an approach. The triple win approach stands in contrast to the perspective that development necessarily reflects a trade off, where the pursuit of one aspect is always at the expense of another. Rather, sustainable development and the objectives outlined in “The Future We Want” that highlight environmentally sustainable approaches to a range of sectors, including water, energy, agriculture and infrastructure, can work to enhance and promote the achievement of the IPoA. In terms of energy, these goals focus on leveraging the energy sector in order to increase access to modern energy in LDCs and to promote the availability of affordable alternative energy for all citizens. They also prioritize sustainable agriculture and soil management practices which can help ensure the availability of and access to food, which is of particular importance in LDCs. It was also mentioned that fragile and conflict affected countries among LDCs face an even bigger challenge. It was also pointed out that capacity building, governance and institution building have an important role to play in promoting sustainable development. It was highlighted that 60 per cent of UNDP’s core resources go to LDCs.

### ***Mechanisms to achieve sustainable development and poverty eradication***

Several initiatives were discussed that could increase the effectiveness of the implementation of the goals of “Future We Want” while ensuring that they work in favour of LDCs. On the one hand, national ownership needs to be strengthened in order for LDCs to have greater control over their own destiny and steer the direction of their development. In addition, the presence of robust institutions at all levels (international, national, regional, local) that are democratic, transparent and accountable is a prerequisite for sustainable growth. The challenge of achieving good governance remains an important constraint to development in LDCs, and improving institutions is central to addressing this issue. Participants agreed that current levels of ODA represent a good starting point, but that they should continue to rise in the coming years to fulfil the commitments made. They also stressed however that there is a need to look beyond ODA and to tap further into the trade potential of LDCs by reducing trade barriers and promoting trade preferences for LDCs, such as the Everything but Arms (EBA) initiative of the European Union, as well as investment and transfer of technology.

The discussions underlined the importance of sustainable and inclusive growth in LDCs. They highlighted that LDCs need to graduate in a way that is sustainable in the long-term and not based solely on strong economic growth rates. The goals and objectives that resulted from the Rio+20 discussions are supportive of this kind of growth, and should be pursued alongside the objectives outlined in the IPoA in order to create legitimate and lasting change in LDCs. Discussions also underscored the need to account for natural capital depletion in wealth estimates. One advantage of such an approach is that it helps improve decision-making on natural resource use.

### ***The way forward***

LDCs face complex and multiple challenges. But LDCs also have an opportunity to promote sustainable development through green growth as they can leapfrog into this path without necessarily going through the traditional path. Their multiple vulnerability and poverty level demand comprehensive support from development partners in the area of ODA, trade, investment, private sector development and technology. The South-South cooperation needs to be further enhanced. Strong national leadership and good governance will be necessary to strengthen development effectiveness. Mutual accountability calls for stronger national ownership and efforts together with enhanced level of global partnership. As the Rio+20 outcome has integrated IPoA, its effective implementation will provide a stronger foundation for sustainable development and poverty alleviation in LDCs. LDCs need to be given due priority in the implementation of the Rio+20 outcome in a holistic manner. Effective implementation of the outcome of internationally agreed goals in favour of LDCs will contribute to enhance the prospect of graduation of as many LDCs as possible in the years ahead.

