

# Outcome Document of UN LDC IV: *Framework Issues and Strategic Concerns*

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## STRUCTURE OF THE PRESENTATION

- I. Draft IPoA: Framework Issues
- II. Draft IPoA: Review of Contents
- III. Implementation Challenges



## **I. Draft IPoA: Framework Issues**

1. Performance of the LDCs in the post-BPoA period
2. Lessons learnt – National and Global
3. Structural change, MDGs and Graduation
4. Going Beyond “Business as Usual”



## I. Draft IPoA: Framework Issues

- Analytical Issues
- 1. interfacing with ongoing global initiatives
- 2. focusing on productive capacity
- 3. addressing specific vulnerabilities of certain countries
- 4. specific tools of delivery for concrete targets
- 5. issues of external economic and environmental shocks

## I. Draft IPoA: Framework Issues

- Analytical Issues
- 6. role of new global actors, instruments and cooperation modalities
- 7. positive incentives for graduation
- 8. collateral domestic reform agenda
- 9. time horizon and timeline of new partnership
- 10. follow up and monitoring mechanism



## II. Draft IPoA: Review of Contents

### Objectives

- Enable half the number of LDCs to graduate from the category by 2020
- Halve the proportion of people living in poverty and suffering from hunger by 2015 (in line with MDG) and achieve 75 percent reduction by the end of the implementation of the PoA
- Promote human dignity, ensure human security and foster inclusive human and social development and gender equality, the empowerment of women, and women's full enjoyment of all human rights
- Build viable national productive capacity through structural transformation
- Reverse LDCs' marginalization through their effective integration into the global economy
- Achieve at least 7 percent of GDP growth per annum and increase the investment to GDP ratio to 25 per cent over the decade
- Strive to generate and sustain full and productive employment and decent work for all, particularly for women and youth
- Enhance national resilience of LDCs to economic, social, environmental vulnerabilities
- Strengthen the capacity of Government to create an enabling environment for accelerated and sustainable economic and social development in LDCs
- Enhance developmental and good governance at all levels
- Address development and security challenges

## II. Draft IPoA: Review of Contents

Area	BPoA	IPoA (Draft)
<i>Articles</i>	116	144
<i>Principles</i>	05 -An integrated approach -Genuine partnership -Country ownership -Market considerations -Result orientation	07 -Country ownership and leadership -An integrated approach -Genuine partnership -Balanced role of the states and market considerations -Result orientation -Security and solidarity -Equity
<i>Priority areas for action</i>	- Fostering a people-centred policy framework - Good governance at national and international levels - Building human and institutional capacities - Building productive capacities to make globalization work for LDCs - Enhancing the role of trade in development - Reducing vulnerability and protecting the environment - Mobilizing financial resources	-Productive capacity -Agriculture, food security and rural development -Commodities and trade - Human and social development, gender equality and empowerment of women - Multiple Crises and other Emerging Challenges - Financial resources for development and capacity building - Good governance at all levels



## II. Draft IPoA: Review of Contents

Issue	BPoA	Draft IPoA
Review of Implementation of earlier PoA	X	✓
Number of <i>Goals and Targets</i>	30	50
Priority Areas of Action	Included in <i>Commitments</i>	Addressed directly
Joint Actions by LDCs and DPs	X	✓
Graduation and Smooth Transition of LDCs	Addressed only under one priority area (i.e. Enterprise Development)	Separate section devoted to the issue (in addition to addressing under the Priority Area on <i>Financial resources for development and capacity building</i> )

## II. Draft IPoA: Review of Contents

### Priority Area Wise *Goals and Targets*

#### Productivity Capacity

- Increase value addition in natural resource-based industries by 50 per cent;
- Diversify into at least 2 value-added sectors or new and dynamic sector products in each of agriculture, manufacturing and services sectors;
- Strive to provide 100 % access to internet facilities by 2020;
- Increase total primary energy supply per capita to the same level as other developing countries;
- Double the share of electricity generated through renewable energy sources by 2020;
- Achieve a 50 per cent increase in combined rail and paved road mileage by 2020.

#### Agriculture, Food Security and Rural Development

- Make substantial progress toward halving the proportion of people suffering from hunger;
- Increase investment in rural infrastructure by 50 percent;
- Ensure access to national or regional emergency food stocks in all LDCs.



## II. Draft IPoA: Review of Contents

### Priority Area Wise *Goals and Targets*

#### Commodities and Trade

- Increase the share of LDCs trade in global trade from 1 percent to 1.5% by 2016 and to 2% by 2021;
- Broaden LDCs' export base by reducing export concentration ratio to 40 percent and reducing the share of the three most important exports in total exports;
- Provide stable, secure and predictable duty-free and quota-free market access on a lasting basis for all products originating in all LDCs.

#### Human and social development, gender equality and empowerment of women

- Achieve universal access to primary education by 2020;
- Achieve a 50 per cent improvement in levels of adult literacy by 2020, especially for women, and equitable access to basic and continuing education and training for all adults;
- Eliminate gender disparities in primary, secondary and tertiary education by 2020;
- Reduce the infant mortality rate to below 35 per 1,000 live births by 2020;
- Reduce the under 5 mortality rate below 45 per 1,000 live births by 2020;
- Reduce the maternal mortality rate by three-quarters of the current rate by 2020;
- Reduce by half by 2020 the proportion of people who are unable to reach or to afford safe drinking water;



## II. Draft IPoA: Review of Contents

### Priority Area Wise *Goals and Targets*

#### **Human and social development, gender equality and empowerment of women...cont'd**

- Increase the percentage of women receiving maternal and prenatal care by 60 per cent;
- Reduce the spread of HIV/AIDS and the incidence of malaria and other major diseases;
- Make accessible, through the primary health care system, reproductive health services as soon as possible and no later than the year 2020;
- Build the educational and skills capacity of young people and achieve full and productive employment and decent work for young people;
- Increase the provision of affordable housing and housing-related infrastructure;
- By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers;
- Halve, by 2020, the proportion of people without sustainable access to safe drinking water and basic sanitation;
- Achieve equal access of women and girls to education, basic services, health care;
- Accelerate effort to promote women's rights and gender equality;
- Provide social protection to poor and vulnerable groups.

## II. Draft IPoA: Review of Contents

### Priority Area Wise *Goals and Targets*

#### Multiple Crises and other Emerging Challenges

- Contain the adverse impact of exogenous shocks on growth and development;
- Focus increased attention to mediation, conflict resolution and peacebuilding in the LDC's affected by conflicts;
- Increase ODA disbursements to LDCs hit by exogenous shocks;
- Increase the number of domestic instruments, including stabilization funds, revenue management legislation, that help smooth government spending over cycles.

#### Financial resources for development and capacity building

- Raise domestic savings to at least 15 per cent of GDP by 2020;
- Increase tax revenue to GDP ratio to at least 20 per cent by 2020;
- Ensure the fulfilment of ODA commitments of the Brussels Programme of Action by 2013; increase ODA provided to LDCs to 0.25 per cent of DAC countries' GNI by 2015 with a target of increasing it to 0.40 per cent by 2020;
- Increase the share of aid provided as budget support and ensure that aid is channelled through recipient-country systems;
- Achieve sustainable debt ratios in all LDCs by 2020;
- Strive for full cancellation of multilateral and bilateral debts owed by LDCs to creditors, both public and private;



## II. Draft IPoA: Review of Contents

### Priority Area Wise *Goals and Targets*

#### Financial resources for development and capacity building ...cont'd

- Provide specific debt relief measures for LDCs which are not HIPC;
- Promote a doubling of the share of FDI that is channeled to productive capacity building and infrastructure development in LDCs;
- Institutionalize an Investment Preference Regime for LDCs;
- Foster the development impact of remittances;
- Launch specific initiatives such as co-development schemes that engages all stakeholders;
- Developing countries that are in a position to do so should provide duty-free and quota-free market access for all products originating in all LDCs;
- Increase the share of trade flows and financial flows between LDCs and other developing countries;
- Earmark at least 100 additional scholarships annually for the students of each LDC to study science and information and communication technologies in other developing countries;
- Increase number of LDCs ratifying or acceding to the United Nations Convention against Corruption and making progress in its implementation;
- Ensure that all LDCs make information related to budgets and their execution publicly available, in accordance with their national legislation;
- Increase participation of LDCs in relevant international fora;



## II. Draft IPoA: Review of Contents

### Priority Area Wise Actions in Draft IPoA

Priority Areas	Actions			
	<i>LDCs</i>	<i>DPs</i>	<i>Joint</i>	<i>Total</i>
Productive capacity	12 (30.8)	14 (35.9)	13 (33.3)	39 (100)
Agriculture, food security and rural development	5 (29.4)	4 (23.5)	8 (47.1)	17 (100)
Commodities and trade	6 (18.2)	21 (63.6)	6 (18.2)	33 (100)
Human and social development, gender equality and empowerment of women	38 (57.6)	28 (42.4)	0 (0.0)	66 (100)
Multiple Crises and other Emerging Challenges	14 (34.1)	19 (46.3)	8 (19.5)	41 (100)
Financial resources for development and capacity building	20 (23.8)	53 (63.1)	11 (13.1)	84 (100)
Good governance at all levels	4 (36.4)	3 (27.3)	4 (36.4)	11 (100)
<b>Total for all priority areas</b>	<b>99 (34.0)</b>	<b>142 (48.8)</b>	<b>50 (17.2)</b>	<b>291 (100)</b>

Note: Figures in parentheses are percentages of row totals

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## II. Draft IPoA: Review of Contents

### Relevance of *Goals & Targets* for MDG Attainment

Sl.	Priority Areas of Action	No. of Goals and Targets	Relevance for MDGs
1	Productive capacity	06	Important for poverty and other MDGs
2	Agriculture, food security and rural development	03	Have direct impact on poverty related MDG attainment
3	Commodities and trade	03	Indirect contribution to MDG attainment
4	Human and social development, gender equality and empowerment of women	17	Directly related to Health and Education related MDGs
5	Multiple Crises and other Emerging Challenges	04	Important to attain MDGs in the context of poverty and climate change
6	Financial resources for development and capacity building	14	Relevant for MDG on Development Partnership
7	Good governance at all levels	03	Important for attainment of all MDG related targets





## II. Draft IPoA: Review of Contents

- How much the analytical and operational concerns have been addressed?
- Concrete deliverables - Consolidation and incremental?
- Empirical consistency of the targets?
- Underdeveloped issues?
- Coherence of policies – development partners?
- Detail action plan vs national/contextual realities?
- Use of creative formating



### III. Implementation Challenges: (a) Resources

Area	Benchmark (2008)	Draft IPoA Target	Comments
ODA (% of DAC GNI)	0.09% (USD 38.4 bln)	0.25% by 2015 0.40% by 2010	- Based on the 2008 GNI, ODA to LDCs will have to be USD 168 bln by 2020 to reach 0.4% (calling for an average annual flow of USD 17 bln).
Share of FDI to LDCs	5.1%	Doubling from benchmark	-Past trend suggests that doubling the share of FDI to LDCs may be achieved -Challenging part would be to channel FDI in employment generating productive sectors with higher value addition
Invest – GDP Ratio	23.2%	25% (2020)	-Regional disparities in the context of infrastructural gap and supply-side constraints will need to be adequately addressed to attain this goal

### III. Implementation Challenges: (a) Resources

Area	Benchmark (2008)	Draft IPoA Target	Comments
Tax – GDP Ratio	12.6%	20% (2020)	<p>-To achieve this target by the end of 2020 the tax revenue collection of LDCs will need to be at least 3.7 times of that of 2010</p> <p>-This may require favourable reform and administrative efforts from the LDCs</p>
Domestic Savings – GDP Ratio (excluding oil exporting countries)	14%	15% (2020)	<p>-Between 2001 and 2008, the share grew by 5 percentage points (from 9% to 14%).</p> <p>-Given the trend, the target seems to be on the lower side</p>



### III. Implementation Challenges: *(b) Follow-Up & Monitoring*

Issue	BPoA	Draft IPoA	Comments
<i>Role of the UN System</i>	Dedicated sub-section on the role of UN System as a whole issue	Merged within the texts on national, regional & global level initiatives	A dedicated section/sub-section could add greater emphasis on the issue
<i>National Level</i>	Existing review mechanisms by DPs, in the context of mobilizing external resources for LDCs, should continue	DPs urged to establish internal review mechanisms with full involvement of LDCs	Though an encouraging proposal, the viability lies in the intention of the DPs to become subject to external scrutiny



### III. Implementation Challenges: *(b) Follow-Up & Monitoring*

Issue	BPoA	Draft IPoA	Comments
<i>Regional Level</i>	<i>Periodic</i> monitoring and review of progress of PoA implementation	<i>Biennial</i> review of PoA implementation	D-IPoA focuses on predictability by specifying review interval. However, <i>will it be an extra burden on the stakeholders?</i>
	UN should take note of capacity strengthening needs of regional commissions in undertaking sub-regional and regional follow-ups	This provision is missing in the D-IPoA	Text of the D-IPoA needs to be revisited in this context

### III. Implementation Challenges: *(b) Follow-Up & Monitoring*

Issue	BPoA	Draft IPoA	Comments
<i>Global Level</i>	UNGA should monitor implementation of PoA under specific item on its agenda	In addition to that, D-IPoA calls for period review at the Annual Ministerial Review	Emphasises upon enhanced regularity and further intensification in the review process
		UNGA called upon to consider conducting regular high-level <i>triennial</i> comprehensive reviews of the PoA	
		UN-OHRLLS should undertake a global campaign for “Partnership against Poverty in LDCs” in cooperation with the UN system organisations	



### III. Implementation Challenges: *(b)* Follow-Up & Monitoring

- Istanbul Review Forum?
- Independent Review Mechanism?





### III. Implementation Challenges: *(c) Political Commitment*

On the part of

- **LDC Governments**
- **Development Partners**  
- G20
- **International Development Agencies**
- **Media**
- **CSOs**



*Thank You*