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Interactive thematic session

GOVERNANCE, PEACE AND SOCIAL STABILITY

Summary prepared by the Conference secretariat

1. The first interactive thematic session (14 May 2001) on **Governance, Peace and Social Stability** aimed to (i) promote interactive debate on key governance issues among LDC ministers, UN agencies and other relevant intergovernmental agencies and donors; (ii) discuss deliverables relating to governance, peace and social stability; (iii) discuss commitments by LDCs and the international development community to improve governance for sustainable human development; and (iv) identify follow-up actions by LDCs at the country level and support from development partners.
2. The four issues with respect to governance highlighted in the background document entitled “Critical issues and deliverables” (published by UNDP) relate to:
 - Improving public sector institution performance;
 - Improving electoral and parliamentary systems and processes;
 - Improving respect of human rights and access to justice;
 - Conflict prevention, management and resolution for durable peace.

3. The session focused on these issues from the perspective of LDCs, donor countries and development agencies. The notable outcome was the affirmation of the general principle highlighted in the Millennium Declaration that good governance is a critical factor in securing sustainable human development. It is significant as a means of preventing or resolving conflict and as a foundation for social stability. It is also one of the main conditions for effective public-sector management, development cooperation and a catalyst for economic growth. Good governance enables LDCs to benefit from increased trade and increased aid.

4. The urgency of the issue was underscored by the findings of the high-level panel that reviewed progress on the LDC Plan of Action in the 1990s (A/CONF.191/IPC/16). The findings made clear that a number of LDCs have been exposed to a crisis of governance, manifested by the persistence of poverty, corruption, poorly conceived and weakly implemented policies, erosion of social norms and accumulation of political and social conflicts. However, in a number of LDCs there has been a positive change in governance. They have embraced democracy and accepted organizations promoting good governance (such as NGOs, media and citizen groups), which have flourished and increasingly demand that Government be accountable. Some Governments have shown political will and taken bold steps to reform the public sector and address corruption.

5. Good governance is a complex notion whose precise meaning needs to be fitted to national circumstances. However, major elements, including the rule-of-law, transparency and accountability, good public-sector performance, democratic governance, participation of the poor and decentralization, are utilized to promote a "culture of peace".

6. Governance also has profound international dimensions, including fair and equitable arrangements for trade, financial flows, investment, ODA and security. If LDCs are going to move on to the kind of sustainable growth path necessary for real poverty reduction, a more equitable international economic and political system that provides them with a real voice and real opportunities is fundamental. However, in recent years, the global trading system has not worked to the benefit of the poor. LDCs' share of global trade has halved over the past two decades. In the long term, innovative thinking on ways to bring the poor into the mainstream of the global economy is needed. Many countries lack the capacity to participate in international trade agreements, let alone mainstream trade initiatives to delve directly into broader poverty reduction strategies. In this regard, LDCs require further direct support through initiatives such as the Enhanced Integrated Framework -- a unique six-agency initiative including UNDP -- that assists LDCs to build a coherent, fully-integrated trade policy clearly linked to national priorities.

7. The overall objective of improving public sector performance for the delivery of services in LDCs can only be accomplished through the creation of an enabling environment which will ensure effective resource utilization and partnership-building, promote effective society-wide participation and sustain the rule-of-law and equitable distribution of wealth. In this regard, the speakers focused on the need to ensure the application of basic principles of participation, decentralization, transparency and accountability. It was stressed that there is

no “one size fits all” approach to public-sector reform, which must be multidimensional. In order to improve aid effectiveness, donor support should be long-term and programmatic.

8. Public finance management encompassing reforms to broaden the fiscal base and ease the debt burden, supported by prudent debt management, plays a crucial role. In addition, public sector performance also depends on (i) appropriate sectoral policies in key social areas such as health and education; (ii) productive capacity enhancement, depending on a vibrant financial sector; and (iii) the streamlining of legal and regulatory frameworks. It was also noted that increased feedback from users of services, as well as competition in the private and public sectors, improves quality and efficiency. With these principles, governance institutions could ensure that aid resources, both domestic and international, would meet the above objectives.

9. A number of key aspects for improving electoral and parliamentary systems and processes were highlighted. Through the recognition of their basic human rights, individuals, such as refugees and displaced persons, would have a more significant role to play. In this regard, the speakers continually underscored empowerment rights such as education and the empowerment of women as vitally important. Of particular note is the progress made in this area by Bangladesh and Uganda. It was stressed that democracy is a culture which does not evolve overnight, and it was pointed out that, in most developing countries, democracy-enhancing mechanisms are weak, requiring further resources. In this respect, it is essential that civil society be represented.

10. With respect to human rights, a broad international consensus is emerging, led by the developing countries themselves. This encompasses a broad and balanced approach, placing equal emphasis on all human rights – civil and political, economic, social and cultural, as well as the right to development. Human rights education and empowerment (especially of women) were considered to be the best investment a State could make. To guarantee human rights, it is necessary to ensure that the people have access to justice. This is an enormous challenge for illiterate people without the financial means to afford redress in the courts. The use of Government agencies and traditional institutions was considered helpful in this respect. Migrants deserve respect and the problems they face must be addressed by Governments. Governments could derive important developmental aspects if they establish public capacities for migration management and development policies in order to capitalize on the assets, knowledge and networks of migrants. The time has come for Governments to realize that refugees have enormous capacities that could be harnessed to foster development. Therefore, it is necessary to abandon shortsighted and short-term policies and adopt long-term strategies to enable them to eventually return to their homeland and contribute to development.

11. Conflict prevention, management and resolution for durable peace are enhanced by efforts to provide dialogue, fight against poverty and inform and educate in order to limit exclusion. In this regard, the redistribution of resources is essential. For example, in Angola, two funds have been set up in order to reintegrate soldiers who want to start a new decent life

and to help raise small and medium-size enterprises to reduce poverty by affording self-employment.

12. Implementing strategies to achieve good governance is contingent on access to requisite resources. UNDP announced the establishment of a Trust Fund for Democratic Governance, with a special window for LDCs. This new global multi-donor trust fund on democratic governance is supported by Norway and other development partners. In addition, the Swedish Minister for Development Cooperation, Migration and Asylum, announced a substantial increase in Sweden's financial allocation for development cooperation priorities being assigned to conflict prevention and good governance.

13. The session concluded on a note of cautious optimism. Improving governance in conditions of widespread poverty is a major challenge, but, with the support of their development partners, LDCs are making important progress.

