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**SUMMARIES OF THE NATIONAL PROGRAMMES OF ACTION
FOR THE LEAST DEVELOPED COUNTRIES
FOR THE DECADE 2001-2010
(For 23 LDCs in English: Vol.I)**

**RESUMES DES PROGRAMMES NATIONAUX D'ACTION
DES PAYS LES MOINS AVANCES
POUR LA DECENNIE 2001-2010
(Pour 20 PMA en français: Vol.II)**

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(FOR 23 LDCs IN ENGLISH)**

INTRODUCTION

The summaries of the National Programmes of Action for the LDCs for the Decade 2001-2010 have been prepared by the secretariat of the Conference in the same languages in which the Programmes were received (English or French). They flag major objectives, constraints and desirable actions identified at country level. These summaries are based on the format of the draft (global) Programme of Action for the Least Developed Countries for the Decade 2001-2010 submitted to the Conference by the Intergovernmental Preparatory Committee at its third session on 6 April 2001. The main goals of the summaries are:

- To provide additional inputs for the finalization of the new global Programme of Action for LDCs;
- To give a clear picture to decision-makers of LDCs and their development partners of the priorities and planned actions in the specific LDC national programmes.

BANGLADESH

A. national development objectives and priorities

1. The Programme of Action aims at consolidating the gains achieved during the previous decade and at contributing to a significant improvement in the human conditions in Bangladesh during the 2001-2010 decade. The national policies' priorities will therefore be:

- Achieving a significant reduction in extreme poverty.
- Developing human resources to support long term development.
- Achieving gender equality and empowerment of women.
- Removing supply side constraints to accelerate growth and employment generation.
- Achieving competitiveness of domestic production.
- Integrating with the globalised economy.
- Promoting good governance and social stability.
- Reducing vulnerability and preserving the environment.

B. Factors facilitating or constraining development

Facilitating factors

- Bangladesh has achieved an impressive reduction of population growth, which should make higher resources available per capita in terms of education, health, etc.
- FDI has surged in Bangladesh during the last decade. However it is mainly confined to export processing zones (EPZs) and nationalised utilities.
- Bangladesh is endowed with a vibrant network of NGOs and community-based organisations (CBOs), which are collaborating with and supplementing effectively the Government efforts in the task of addressing poverty.
- Bangladesh has seen the implementation of various micro-credit programmes, which have proved successful in empowering women and reducing the social negative impact of poverty.

Constraining Factors

- Due to its topography and difficult climatic conditions Bangladesh is vulnerable to natural disasters (floods and cyclones). It should nevertheless be noted that drawing from past experiences, Bangladesh has significantly improved its capacities to cope with disasters, as was shown during the 1998 floods.
- The agriculture sector still suffers from a lack of diversification.
- An inadequate level of power supply due to lack of new investments, low maintenance, and poor management results in an incapacity to match a rising demand.

- Other constraints such as lack of a skilled work force, discrepancies in communication and port facilities, corruption and red-tape, and inefficient loss making state owned enterprises also hinder the industrial development of Bangladesh.
- Erosion, increase in salinity of land, deforestation and mismanaged use of pesticides and chemicals have among other factors led to a degradation of the environment.
- Market access conditions in developed countries, especially on products of the textile and clothing industries, are still impeded by tariff and non-tariff barriers (rules of origin, anti-dumping, quantitative restrictions, etc.). This affects the development of the export-led industries in Bangladesh. Moreover, preference erosion (due to the phasing out of the MFA, or reduction in tariffs on products imported from competing countries under GSP schemes) will pose a serious threat to the textile and clothing industry of Bangladesh, which accounts for about 75% of the country's export earnings.
- Contrary to the commitments under the 1990 Action Programme, Bangladesh has seen a downward trend in external development assistance. The utilisation level of aid was also unsatisfactory.
- Finally, even though the Chittagong Hill Tracts peace accords signed in 1997 significantly eased the inter-ethnic tensions and allowed a demilitarisation of the conflict, social stability still has to be improved. Full implementation of the accord is still to be carried out.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

- The objective will be to achieve a “pro-poor” growth. In order to do so, increased access by poor people to basic social services and infrastructures, productive resources and decision making will have to be provided.
- The Government will seek to pursue efficient market-based development, based on sound macroeconomics and augmenting productive capacities through private initiative.
- Moreover, mainstreaming the gender perspective in the conception, design and implementation of all development policies will be a key instrument in the fight against poverty. These policies will be delivered in a framework conducive to respect of the principles of human rights, social justice and democracy.

Commitment 2: Promoting good governance

- The objectives will be to improve transparency, accountability and the prevalence of the rule of law.
- The Government will therefore step up its efforts to establish an effective, fair and stable institutional, legal and regulatory framework, through human capacity building among other things. It will also set up a National Human Rights Commission and the Office of the Ombudsman.
- Decentralisation of decision making and financial resources will be necessary. The efforts in favour of the empowerment of women will have to be pursued.

Commitment 3: Building human and institutional capacities

Reducing the burden of ill-health:

2. The objectives are to reduce infant and maternal mortality, eradicate the gender gap in terms of health and life expectancy, and more generally to improve the access of the poor to health services.

3. Among other measures suggested are:

- The setting up of Community Clinics (CC).
- The increase in distribution and coverage of Essential Service Packages (ESP).
- Inclusion of health concerns into all programmes and policies that can affect health.
- Setting up of basic primary health infrastructures.

Reducing nutritional deprivations:

4. Nutritional deprivation has to be tackled. There remains a strong gender gap in this issue. To this end, support should be provided to the further expansion of the National Nutrition Programme (NNP) which targets pregnant and lactating mothers and children under 2 years of age.

Reducing the burden of illiteracy:

5. The objectives are to increase literacy, achieve universal primary education, close the gender gap regarding education, and to expand technical specialised and professional education and training facilities.

6. To this end, it is recommended that:

- The focus on non-formal education be pursued, through the reinforcing of centre based NGO programmes, the pursuit and expansion of the Total Literacy movement at the decentralised level and continued support for education centres run by voluntary organisations.
- Expansion of the food-for-education programmes.
- More schools will have to be built.
- As the demand for secondary education is likely to increase over the next decade, appropriate measures will have to be envisaged as from now.

Commitment 4: Building productive capacities to make globalisation work for LDCs

High priority for energy and infrastructure development:

7. In order to improve infrastructures for development, including the provision of energy, actions will be required to:

- Reform the parastatal bodies to provide more room and efficient support to the private sector.

- Create complementary infrastructure facilities such as the generation, transmission and distribution of power, optic fibre gateway, etc.
- Improve physical facilities and management of the country's major ports, to facilitate trade.

Agricultural development:

8. The goal will be to achieve diversification of agricultural productions. Three strategies will be implemented simultaneously in order to do so:

- Intensification of crop agriculture, through expansion of irrigation and better water management, production and distribution of improved quality seeds. Improved infrastructure support will also have to be provided.
- Diversification into competitive products. Actions will need to be taken to foster the development of non-rice crops (vegetables, fruits, spices, oilseeds, etc.). Enhanced quality control and agro-processing investments will be pursued, as well as an improvement in rural infrastructures (transport and communication).
- Development of non-crop agriculture. Policies should aim at supporting the development of stockbreeding and fish farming, which offer strong development prospects. Actions should be taken to develop finance and veterinary services in Bangladesh.

Industrial development:

9. The strategy regarding industrial development will seek to address the following issues:

- Resolving the problem of industrial finance: a new industrial financing system will have to be set-up.
- Trade liberalisation reforms have often been too abrupt in the past. Sequencing of trade policy reform will have to be carried out more progressively in the future and will have to be accompanied by adequate steps to relax various supply-side bottlenecks.
- The Government will have to seek to pursue a competitive exchange rate policy, to enable the competitiveness of Bangladesh's exports to match competing countries.
- The country will have to seek to retain national competitiveness of the ready-made garments sector after the termination of the Multi-Fibre Agreements. Actions will be necessary to increase productivity and reduce transaction costs in the sector. Bangladesh should also aim at diversifying into the sector of leather and leather products, through putting the emphasis on skill and technology upgrading.
- Bangladesh will also have to take the following steps to realise the potentials of information technology industries: improve and decentralise telecommunications facilities, develop skilled manpower, provide financial and fiscal support and provide marketing assistance.
- Finally, in order to support the development of small and cottage industries, measures such as increased public investment in training, research, market promotion, provision of finance and preferential fiscal measures will have to be taken.

Commitment 5: Enhancing the role of trade in development

- Improved participation in multilateral trading negotiations will be sought, through human and institutional capacity building, in the field of market access, finance, and technology transfer.
- Regional cooperation will be improved in the areas of human and productive capacity-building, health, education, agriculture, water resources, environment, science and technology, trade and investment, and transport.

Commitment 6: Reducing vulnerability and protecting the environment

- Mainstreaming of environmental sustainability will be introduced into all programmes and projects, in the framework of the National Environmental Management Action Plan, Forestry Master Plan and National Conservation Strategy.

Commitment 7: Mobilising financial resources

- The financial requirements of the programme are estimated at Tk 7240 billion (approximately US\$ 134.4 billion), This is expected to be financed up to 78% from domestic sources, due to *inter alia* improved fiscal management, a strengthened banking system and reduced weight of external debt.
- Improved fiscal management will be sought through greater mobilisation of domestic resources (development of capital markets, micro-finance) and better management of public expenditures.
- The legal framework of banking will have to be reinforced. Depoliticisation of banking will have to be ensured, as well as enhanced monitoring by the central bank. Reform of the public sector financial institutions will have to be pursued. Venture capital and micro-finance systems will have to be strengthened.
- The Government will also aim at improving the image of the country to potential foreign investors by highlighting the measures taken to improve the business national environment.
- Debt relief by bilateral donors will be needed to reduce pressure on external reserves and generate more resources for poverty alleviation and development.

BHUTAN

A. National development objectives and targets

1. Bhutan's national development vision is to promote and maximise the happiness of all its people through human development, sustainable economic progress and good governance. GDP annual average growth is forecast at 7.2 per cent.

B. Constraining factors

2. Land-lockedness, distance from seaports, rugged and mountainous topography, small, remote and scattered settlements which increase the unit cost for development infrastructure and provision of social services.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centered development

3. Promotion and implementation of policies and programmes that aim at expanding human potential, opportunities, choices and well-being of the people. The strategic human development mission would involve not only enhancing income and employment generating activities but also improving access to and quality of education, health care, water and sanitation.

- Increase access to health services and improve their efficiency and quality.
- Promote sustainability in health services through population planning and resource mobilisation.
- Increase school enrolment and meet the goal of education for all.
- Increase the basic education level from class VI to class VIII.
- Enhance literacy rates.
- The cultural heritage has served as a powerful, unifying and integrating factor of harmony, social cohesiveness, and happiness. For a small vulnerable country, the preservation of its distinct culture also provides a very important means to safeguard and strengthen national identity, unity and security.

Commitment 2: Good governance

4. Good governance will be effected through the continued development and evolution of relevant institutions and systems and human capacities for managing development activities, and expanding opportunities and choices for people and their participation in decision-making processes. Good governance will be based on the principles of efficiency, transparency and accountability with the appropriate legal framework.

Commitment 4: Building productive capacities to make globalisation work for Bhutan

Industry

- Privatize and support the private sector through the creation of an enabling environment and human resource development in both public and private sectors.
- Develop the necessary policies and legal framework to facilitate trade and industrial activities.

Agriculture

5. Agriculture has enjoyed high priority in resource allocation in all development plans.
 - Enhance food security through achieving higher self-sufficiency in agricultural supply, primarily in food grains and maintaining a certain minimum level (30-32 per cent) of local production of rice, and increase value of horticultural exports (300 per cent by 2012).
 - Commercialisation of agriculture through vocational training, rural credit and technical services, establishment of an enabling regulatory framework, and development of internal and external agricultural markets.
 - Development of farm infrastructure.
 - Rural development and poverty alleviation.

Transport and communication

6. Physical infrastructure has a direct impact on expanding economic opportunities and on achieving human development objectives. For a land-locked country, an efficient and reliable transport system is vital to the country's socio-economic development.
 - Develop a sustainable and regionally balanced road network that is safe, convenient and economical;
 - Uphold past capital investment in roads;
 - Further develop air transport services (formulation of a civil aviation master plan, construction of an all-weather alternate airport, upgrading of Paro international airport, and human resource development);
 - Provide efficient, reliable and accessible telecom services on a sustainable basis;
 - Provide rural telecommunication services.

Commitment 5: Enhancing the role of trade and development

- Export promotion and diversification of both products and markets;
- Promote integration of Bhutan into the regional and international trading systems (Accession to the WTO by 2007).

Commitment 6: Reducing vulnerability and protecting the environment

- Preserve and sustain country's natural resources;
- Maintain the biological diversity and essential ecological balance;
- Establish adequate pollution abatement techniques and waste management systems;
- Ensure scientific, technical professional, financial and institutional capacity to achieve environmentally sustainable development.

Commitment 7: Mobilising financial resources

- Bhutan's aid requirement will be mostly in project and programme assistance. Development assistance will be critical for the implementation of various development projects planned in the National Plan of Action. Ten per cent of donor assistance would be needed for budgetary support for the recurrent costs generated by the various development activities.
- The Government will direct the external assistance to selected priority sectors where donor experience and expertise are more relevant.

CAMBODIA

A. National development objectives

1. Cambodia's Programme of Action 2001-2010 aims at creating a fair, just and peaceful society through a policy of sustained growth and development to raise the living standards of all Cambodians. The programme contains specific goals and targets to be reached through specific measures in the economic, infrastructure and social sectors. Specifically, it aims at:

- Raising GDP per capita to \$500 by 2010.
- Reducing extreme poverty by half.
- Raising life expectancy at birth to 60-63 years.
- Raising adult literacy to 90%.
- Ensuring safe drinking water for all.
- Providing hygienic sanitation facilities for everyone.
- Making power supply available to all urban residents and to rural villages.
- Ensuring access to a nearby public telephone.
- Ridding the country of landmines.
- Securing further reductions in gender inequalities.

B. Factors constraining economic and social development

2. Cambodia is constrained by a variety of internal, external and exogenous factors, including:

- Poor infrastructure.
- Vulnerability to external shocks and natural disasters.
- Lack of institutional support for producers and exporters.
- Limited skills and capacity to fully benefit from the new multilateral trading system.
- Low domestic resource mobilization, weak industrial base and high levels of unemployment.
- Environmental degradation and a difficult rural environment.
- High level of poverty - 40% of the population live below the poverty line.
- Undeveloped rural economy - 90 % of the poor live in rural areas.
- Poor health service delivery, and HIV/AIDS.
- Poor education delivery.
- Continuous dependence on foreign aid.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering people-centred development

3. The Government is aware that the development challenges call for persistent efforts to achieve a pattern of development that is people-centred and sustainable. A systematic attack on poverty is its national priority. An estimated 40% of the population are considered to be living below the poverty line, and 90% of the poor live in rural areas. With more than 80% of the population living in rural areas, general measures aimed at accelerated growth and development in agriculture, fisheries, and related micro-enterprises and informal sector activities are necessary in order to bring about broad-based growth that will ensure equity and alleviate poverty. Attacking poverty would, however, entail more targeted development efforts in improving the nutritional, health, educational and physical condition of Cambodians, especially in rural areas.

Commitment 2: Good governance

4. Cambodia aims at creating a society free from inequalities that may inhibit the effective participation, on an equal footing, of all citizens in the political, economic and social processes of the country. Action will continue to ensure:

- The continuation of the programme of decentralization and the devolution of powers to provincial governments.
- The continuation with the civil service reforms, restructuring of ministries and agencies and fighting corruption.
- Increasing transparency of the State and institutional legal framework.
- Increasing efficient and effective public sector management.
- An effective legal framework that fully accommodates private sector development.

Commitment 3: Building human and institutional capacities: education and health

- To build capacity for improved social service delivery, especially in managing educational and health services.
- To increase access to basic education and to improve the supply of educational equipment and materials.
- To increase funding in the education sector, especially for classroom construction at the primary education level.
- To improve the health and nutrition of school children.
- To provide essential and cost effective primary health care services.
- To target health and nutrition interventions in rural areas.
- To promote gender equity and the role of women in economic development.
- To ensure access to skills development and vocational training.

- To increase the number of campaigns and programmes to combat HIV/AIDS.
- To increase efforts for the prevention and control of communicable diseases, management of childhood illnesses, proper management of sexual and reproductive health, and sanitation.
- To sensitize communities and local leaders about what they should expect from health services, including minimal ethics and values of health workers.
- To strengthen strategic planning and resource mobilization for HIV/AIDS activities.
- To strengthen the institutional framework for women and gender, and to direct more resources into gender mainstreaming.

Commitment 4: Building productive capacities to make globalization work for Cambodia

Enterprise development

- To reform legal and regulatory bodies relating to the business community.
- To improve basic infrastructure - power, communications and transport.
- To build capacities and to strengthen commercial equity and trade policies.
- To promote efficient and effective transport services as a means of providing support to increased agricultural and industrial production, trade, tourism, and social and administrative services.
- To increase accessibility to finance through reforms in the financial sector and banking.

Agriculture

5. Constraints in the agricultural sector include the low level of productivity, underfunded extension services, poor credit and marketing systems, vagaries of the weather and poor farming technologies. Actions are directed towards:

- Diversifying agricultural production and strengthening and facilitating the provision of agricultural services in order to increase productivity among smallholder farmers.
- Developing productive agricultural areas.
- Addressing the gender dimension in access to, and ownership and control of, land.
- Making farming a profitable enterprise at the household levels.
- Developing infrastructure in rural agricultural areas.
- Improving agricultural marketing and market access.
- Developing technology, including irrigation technologies and information systems.
- Reducing agricultural vulnerability, and promoting the more sustainable use of natural resources.
- Promoting sustainable and environmentally sound agricultural practices.

- Empowering rural people and provincial Governments to enhance their ability to plan and implement programmes in a strategic manner so as to improve the quality of life in rural areas.
- Improving rural infrastructure with regard to the earning opportunities of the rural poor.

Manufacturing

- To establish more structures for industrial and technological development.
- To improve utilities, including power, water supply and telecommunications.
- To support the development of small and medium-size enterprises.
- To strengthen institutions that provide support services such as quality control and research.
- To promote manufacturing investment, with provision of a conducive environment and improved infrastructure facilities.
- To improve of the marketing and information networks, and foster expansion into new markets.

Tourism

- To diversify tourism sources.
- To increase tourist revenues rather than tourist numbers, with increased quality of services.
- To allocate resources to preserve the national heritage, improve tourist accommodation, promote environmental and cultural product development, and improve infrastructure.

Physical infrastructure

- To construct, rehabilitate and maintain roads, and to develop rural access feeder roads.
- To promote rural electrification and integrate energy strategies with other aspects of rural development.

Commitment 5: Enhancing the role of trade in development

- To foster a dynamic, competitive, stable and predictable environment in which the private sector can play an efficient trade and investment role.
- To expand and diversify the export base and to strengthen trading ties in both regional and international markets.
- To promote cross-border economic linkages in the productive sectors and the facilitation of customs procedures.
- To take up the challenge of globalization by participating effectively in the regional (ASEAN) and multilateral trading system.

Commitment 6: Reducing vulnerability and protecting the environment

- Capacity building in environmental conservation and development of more environmental technologies.
- Promotion of awareness of environment protection and safeguards against overexploitation of natural resources (timber).
- Strengthening institutional and regulatory bodies for natural resources management.
- Capacity building in vulnerable areas.

Commitment 7: Mobilizing financial resources

- To increase the tax base and improve revenue collection systems and tax administration.
- To remedy inadequate accountability procedures in government departments.
- To strengthen the financial sector and promote domestic savings.
- To create a conducive environment for investment, including stable macroeconomic variables and streamlining the banking sector.
- To continue with reform measures to improve the private sector and strengthen human and institutional programme management capacities.

ERITREA

A. National development objectives

1. Eritrea's Programme of Action for 2001-2005 contains a review of the progress made since the liberation of the country in 1991. It aims at sustaining growth and development through further rehabilitation and reconstruction of infrastructure facilities, consolidation and further refinement of policies, ensuring peace, national security, and resettling displaced population.

B. Constraining factors on economic and social development

2. Major constraints cited in the National Programme of Action include: the conflict and war between Eritrea and Ethiopia since May 1998, acute shortage of energy - all electricity is generated by thermal power stations that use imported oil - poor conditions of transport and communications services - basic infrastructure has been heavily damaged during the 30 years of war of liberation, shortage of qualified manpower, widespread poverty, high costs of delivering social services, private sector in its infancy with a very low investment capacity, environmental degradation and conflicts related to land issues, farmers' dependence on vagaries of rainfall and weather conditions, a small industrial sector, and a narrow domestic revenue base.

C. Summarized national actions that need development partners support

Commitment 1: Fostering a people-centred development

- To expand employment, in both rural and urban areas, especially for women in the informal sector;
- To encourage traditional social security and community self-help schemes;
- To provide support to victims of war and disadvantaged people, and to sensitize communities to care for vulnerable groups;
- To prepare regulations for the development of public and private employment services;
- To introduce community-based social assistance schemes;
- To undertake public education in communities on the prevention and control of prostitution, drugs and alcohol addiction, as well various forms of crimes;
- To ensure popular participation in the developmental process, especially disadvantaged groups.

Commitment 2: Good governance

- To continue decentralization and devolution of powers to local governments at regional levels;

- To continue with civil service reforms, restructuring of ministries and agencies and fighting corruption;
- To increase the transparency of the legal framework and confidence in enforcement agencies;
- To ensure efficient and affective public sector management;
- To create a legal framework that accommodates private sector development;
- To strengthen the national human resources development programme.

Commitment 3: Building human and institutional capacities

Health

- To rehabilitate the infrastructure of health facilities and construct new ones;
- To ensure the availability of essential drugs and medical equipment;
- To continue carrying out full-scale nationwide immunization programs;
- To increase control programs on communicable diseases, especially HIV/AIDS/STD and TB;
- To increase sanitation service coverage from the current 1% to 10% by the year 2005;
- To maintain immunization coverage of at least 90% for all antigens;
- To eradicate poliomyelitis by the year 2003;
- To reduce measles morbidity by 90% and mortality by 95% by the year 2004.

Education

3. The Government aims at the elimination of illiteracy and expansion of technical and vocational training. Major goals are:

- To improve enrolment targets;
- To construct and rehabilitate schools;
- To ensure the parallel development of public and private schools;
- To enforce use of mother tongue as a medium of instruction at the primary level and English language at all other levels of education;
- To develop work-oriented secondary education;
- To ensure a growing role of communities in the development, management, organization and management;
- To enhance the role of culture and arts in the welfare of society by organizing this sub-sector effectively;
- To increase the enrolment of female participants in technical and vocational education training by 20% by the end of 2005;
- Establishing 43 basic skills training centres.

Women and development

- To promote gender and law, legal literacy on women's;
- To encourage women entrepreneurs and producer groups in food processing, garment manufacturing, crafts and business;
- To give operational support of micro-credit schemes to the start-up and growth of women entrepreneurs, especially in rural areas.

Commitment 4: Building productive capacities to make globalization work for Eritrea

Enterprise development

- Eritrea's overall development strategy aims at establishing a dynamic private sector led economy;
- To privatize all the public enterprises which Eritrea inherited from the Ethiopian Government;
- To promote and encourage foreign investment as a vehicle to supply technology, capital, management and marketing skills.

Agriculture

- To increase output through both intensive and extensive agricultural activities;
- To promote appropriate improved agricultural practices, including use of available resources for irrigation schemes;
- To promote mechanized agricultural production and systematic use of land;
- To enable the peasant farmers to make the best use of modern agricultural inputs;
- To promote livestock production by upgrading animal health services and establishing small and large scale livestock processing plants;
- To increase the fish catch by introducing new fishing technologies and encouraging joint-venture undertakings with national and international investors;
- To develop coastal fisheries infrastructure - construction of cold stores, refrigeration, desalination plants, and fishing boats.

Manufacturing

- To promote capital-intensive and export-oriented industries;
- To support the establishment of a domestic association of manufacturing enterprises and assist it to be productive and effective;
- To conduct studies on selected industrial sub-sectors for the establishment of industrial estates.

Mining

- To extend regional geological mapping, mineral and geothermal exploration aiming at attaining 50% coverage of the mineral wealth by the end of 2005;

- To ensure the optimum utilization of the mineral wealth and minimization of negative impacts of mining operations to people and the environment;
- To facilitate the development of the already established mining deposits in two blocks by the year 2005;
- To conduct market research for exports.

Physical infrastructure

- To upgrade the existing transport and communication services through the government budget, private investment, long-term loans and foreign aid;
- To collaborate with regional and international cooperating partners to improve and harmonize transport and communication services delivery;
- To develop modern seaports, airports and terminals and upgrade telecom and information communications;
- To finalize the construction of Massawa international Airport, including associated facilities, to make it operational;
- To render mail, parcel, money order, etc., services to rural areas of Eritrea.

Energy

- To modernize and expand the country's power generation, distribution and environment conservation system;
- To improve fuel-oil supply and distribution systems;
- To encourage private investment in the energy sector development;
- To diversify sources of energy in order to minimize dependence on dwindling bio-mass energy resources and imported oil;
- To expand urban electrification and implement the national rural electrification programme;
- To finalize renewable energy resources assessment studies and install wind and solar based technologies.

Commitment 5: Enhancing the role of trade in development

- To establish an export trade promotion centre that provides incentives and information to exporters;
- To open trade and investment offices abroad and create a trade development fund;
- To foster regional, bilateral, multilateral and economic cooperation agreements that will increase trade;
- To undertake an investment promotional video film.

Commitment 6: Reducing vulnerability and protecting the environment

- To strengthen the Ministry of Land, Water and Environment (MLWE), established in 1997, which is concerned with developing policies, strategies and regulatory instruments for land, water and environmental issues.

Commitment 7: Mobilizing financial resources

- To continue reforming the tax system with the intent of reducing tax brackets and broadening the tax base;
- To improve strategies and institutional measures designed to promote private sector activities;
- To continue mobilizing domestic and external resources. Thirty-six per cent of the financial requirements for the action plan 2001-2005 are expected to be financed by domestic resources.

ETHIOPIA

A. National development objectives and targets

1. Ethiopia's long-term development objective is to enhance the welfare of the people. The goal for the decade will continue to be broad based economic growth and poverty reduction. The main targets projected for the period 2001-2010 are:

GDP annual average growth rate	7.6%
GDP per capita average growth rate	4.0%
Reduce extreme poverty from	45.5% to 27.2%
Reduce food insecurity of the population from	50% to 15%

B. Constraints on economic and social development

2. General and sectoral constraints are linked to the low level of socio-economic development. Ethiopian's specific constraints are linked to:

- Difficulties of transition from a centralized control and command system to an open, deregulated and market-based economy;
- The impact of the Ethio-Eritrean war.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

- To mitigate the impact of the Ethio-Eritrean war by the implementation of two emergency programmes (Rehabilitation and Reconstruction Programme, and Demobilization and Reintegration Programme);
- To restore macroeconomic stability;
- To deepen the introduction of a market-oriented system through creation of an environment for the development of efficient product and factor markets and for effective participation in a global market;
- To undertake measures that help empower people living in poverty, specially women, so as to reduce social exclusion;
- To build the human, physical and institutional capacities which enhance mobilization of domestic and foreign resources, diversification of the productive and export base and reduction of the scope for vulnerability to the vagaries of weather and other externalities.

Commitment 2: Ensuring good governance

- To create a conducive legal, regulatory and institutional environment and build national capacity through, *inter alia*:

- The acceleration of the implementation of civil service reform which aims at improving effective and efficient service delivery through promoting ethical standards, accountability and transparency;
- Strengthening the on-going decentralization and devolution process of participatory development management;
- Creating a mechanism for greater participation of vulnerable groups in the development process.

Commitment 3: Building human and institutional capacities

- To create conditions for reaching the ultimate goal of basic education for all by the year 2015. This will be achieved by access to educational opportunity, to be improved by adopting a system of 8 years of school age for all, thereby helping families to afford schooling and encouraging the community to educate girls and to delay marriages. The number of primary schools should be increased by more than 40 per cent, and the primary school enrolment ratio will reach 84 per cent. The ratio of girls to boys should be increased to about 80 per cent;
- To improve the quality and efficiency of education in general and primary and secondary schools, in particular by improving the standard of schools and upgrading the skill of teachers at all levels;
- To prepare and to start implementing a Technical and Vocational Education and Training Development Programme (TVET) which will give broad-based and diversified training relevant to the socio-economic development plans of the country;
- To continue implementing a Health Sector Development Programme (HSDP) with a goal of universal primary health care for all by 2015. The focus of HSDP is on reproductive health care, treatment and control of basic infectious diseases (like upper respiratory infection), control of epidemic diseases (especially malaria), AIDS immunization and control of sexually transmitted diseases. In line with the above goal, the population's access to health services will increase from the present 51 per cent to 74 per cent by 2010 and child immunization will increase from 60 per cent to 90 per cent.

Commitment 4: Building productive capacities to make globalization work for Ethiopia

Physical infrastructure

- To continue the implementation of both the Road Sector Development Programme and the Rural Travel and Transport Programme which is envisaged to raise the average road density network from 28/1000 km² at present to 38/1000 km² in 2010;
- To expand and improve telecommunications services in Ethiopia through the implementation of the sector development programme which runs up to 2004/5, including the increase by 4 fold of the number of directory telephone lines and of the penetration of internet and mobile telephone services by 14 and 5 fold respectively;

- To continue the implementation of a Ten-year Power Sector Development Programme for the period 1997/98-2006/7, which includes expanding the generation capacity of the power system by about 600MW before the year 2010.

Technology

- To develop science and technology support institutions that will facilitate the acquisition, utilization, absorption and domestic generation of technology.

Agriculture

3. Agricultural sector development aims at (a) realizing national food self sufficiency; (b) ensuring food security at the household level; (c) sustained improvement in the standard of living of the rural population; (d) effectively serving as an engine for industrialization; (e) contribute to increased availability of foreign exchange, and; (f) contribute to the conservation and development of natural resources. To this effect, the Programme gives priority to:

- Strengthening of on-going agricultural extension programmes;
- Improving and developing the rural marketing system;
- Taking measures to ensure food security at the household level; and,
- Capacity-building for effective implementation of sub-sectoral programmes.

Manufacturing

- To implement the Agricultural Development Led Industrialization Strategy, striving for transformation of the rural-based economy;
- To start developing an export-focused industrial sector based on four key industrial sub-sectors (textiles, leather, agro-industries and basic metals, chemical and engineering industries).

Mining

- To undertake additional steps to encourage increased participation of domestic and foreign mineral investments. To sustain efforts to generate basic geological data and the exploration of areas with mineral occurrence.

Commitment 5: Enhancing the role of trade in development

- To elaborate and implement the strategy of export promotion and diversification including measures to enhance productive capacities and relevant infrastructure for export of goods and services;
- To make efforts (in collaboration with development partners) to improve market access and reduce the risk associated with price vulnerability;
- To give increasing attention to regional cooperation in promoting trade and development.

Commitment 6: Reducing vulnerability and protecting the environment

4. To implement the following programmes:

- Strengthening the early warning and management information system;
- Strengthening emergency food, non-food and other reserves management;
- Enhancing logistical capability so as to deliver relief items to disaster victims in an effective and timely manner;
- Improving the effectiveness of relief assistance to disaster-affected populations through employment-generating schemes and gratuitous relief programmes.

Commitment 7: Mobilizing financing resources

5. The Government estimated that the realization of targets set under the National Programme of Action requires investment amounting to about US\$ 39 billion. Out of this, about US\$ 14 billion are expected to be financed domestically, whereby the domestic saving to GDP ratio rises from about 5 per cent at present to about 10 per cent. The balance is expected to be covered from external sources through increasing cooperation with development partners. The modality of external financing shall be in terms of both debt relief (about US\$ 5.5 billion) and new disbursements (US\$ 19.5 billion) in the form of fresh grants, concessional loans, FDI and private transfers. About 55 per cent of the investment (US\$ 25 billion) will be used for major development programmes (millions of dollars).

Emergency Rehabilitation and Reconstruction	725
Capacity Building	1100
Education	5000
Health	1758
Infrastructure	10968
Agriculture and Rural Development	5449

D. Monitoring and evaluation

- To set up a flow of information framework consisting of selected bench mark indicators;
- To create a monitoring and evaluation system which involves a wide range of stakeholders at national, regional, district, woreda and community level.

THE GAMBIA

A. National development objectives

1. The **Gambia Programme of Action 2001-2010** is derived from the National Vision 2020 and the Strategy for Poverty Alleviation 2 (SPA2). These two basic documents set the framework for the transformation of the Gambia into a middle-income country by 2020 and seek to make further improvements in poverty reduction. The implementation of the Plan of Action is envisioned to be within the context of the SPA, which also serves as the interim PRSP, whose activities will be selected from sectoral programmes and funded through a three year rolling budget. The central pillars for the 2001-2010 plan are:

- **Enhancing the productive capacity of the poor** through programmes in macro-economic strategy, income generating activities, food security and the creation of a poverty reduction fund. The goal of the macro-economic strategy is to correct imbalances in the economy and create an environment conducive to accelerated economic growth. The Poverty Reduction Trust Fund will be created to protect the programme from unanticipated budgetary cuts and emergency resource scarcity. A Social Investment Fund will also be established for the targeting of social expenditure, improvement and expansion of utility services for the poor and the provision of social safety nets.
- **Improving access to and the performance of social services** through social service delivery and improving public resource management as a complement to the provision of economic and social infrastructure support to the poor.
- **Building capacities at local levels for people-centred development management** emphasizes redistribution of activities and improving participation in local decision making. Redistributive activities will be pursued through public expenditure reviews to ensure that budgetary allocations favour access of the poor to vital support services, explicit targeting of social safety nets and expansion and improvement of utility services to the poor.

B. Constraining factors on economic and social development

2. The Gambia is constrained by a variety of internal, external and exogenous factors including:

- Dependence on rain-fed agriculture, and the undiversified nature of production.
- Poor social service delivery systems and infrastructure
- Poor state of capital equipment that constrains the development of productive capacity, especially for the private sector.
- Vulnerability to external shocks and natural disasters.

- Lack of institutional support to producers and exporters, and of skills and capacity to follow up developments in the multilateral trading system and negotiate favourable trade terms.
- Low domestic resource mobilization, weak industrial base, and high levels of unemployment
- Environmental degradation, which is aggravated by the Sahelian drought
- Heavy reliance on external development assistance.

C. Summarized national actions that need development partners support

3. The following long-term targets will be pursued:

- 50% reduction of people living in extreme poverty in the Gambia by 2015
- Enforce universal primary education in the Gambia by 2015
- A two-third reduction of infant and under five mortality and a three-fourths reduction of maternal mortality not later than 2015
- Access through the primary health care system to reproductive health services for all not later than 2015
- Implementation of sustainable development to ensure effective reversal of trends in the loss of environmental resources by 2015

Commitment 1: Fostering a people-centred development

4. Uganda aims at creating a nation that is :

- Fostering a national economic development system that recognizes the significant role of the private individual as an economic actor for the realization of the National 2020 vision.
- To progressively create a free-enterprise system.

Commitment 2: good governance

5. To this commitment the Government has identified the following areas and actions:

- **Democracy and governance.** To continue to consolidate and reinforce constitutional democracy, strengthen electoral administration as well as improve efficiency, transparency and accountability in the discharge of government, administrative and judicial functions. These objectives will be pursued through the implementation of activities in seven interrelated areas, namely: constitutional review and reform of sectoral processes; reform of parliamentary structures and processes; civil and human rights education; reform of the judicial and legal processes; public sector management and administrative reform; decentralization and local government reform; and a programme for coordination, monitoring and evaluation.

***Commitment 3: Building human and institutional capacities -
Education and Health***

6. The Gambia will establish a Social Investment Fund for targeting social expenditure at the improvement and expansion of utility services for the poor and the provision of social safety nets. The vehicles for delivering this strategy will include:

- **The Education Sector Master Plan**, which has as its major objective improving the relevance, access to and quality of education. The plan will be implemented in two phases, with significant donor funding.
- **The Health Sector Master Plan**, which includes extending health services coverage to all Gambians, equitable distribution of limited health resources, reduction of the incidence and improvement in the treatment of the main diseases, decentralization of health service management and improvement of cot recovery.

***Commitment 4: Building productive capacities
to make globalization work***

Enterprise development

- To reform the legal and regulatory framework to promote private enterprise development.
- Improving basic infrastructure –power, communications, transport.
- Improving investment promotion policies.
- Increasing accessibility to finance through reforms in the financial and banking sector.

Agriculture

7. The medium-term programme attempts to address the need to increase agricultural output for both domestic consumption and exports in pursuit of rural poverty reduction and improve household food security through increased production and productivity under the aegis of the Strategy for Agricultural Development Horizon 2010. The components of the programme include:

- Supporting the modernization of agriculture, including through research and extension services, irrigation and commercialisation.
- The expansion of the Rural Finance and Community Initiative Project.
- Improving the linkages between agriculture and the rest of the economy.
- Supporting primary and medium-scale export producers and producer organizations.
- Improving rural infrastructure for earning opportunities for the rural poor.

Manufacturing

8. The main priority lies in building links between manufacturing and the agricultural sectors:

- To establish more structures for industrial and technological development.

- To improve utilities, including power, water supply and telecommunications.
- To support the development of small and medium-size enterprises.
- To streamline and expedite the investment process, as an incentive to the private sector, through one-stop-shop arrangements.

Physical infrastructure

- Construction, rehabilitation and maintenance of ports, roads, development of rural access feeder roads.
- Promoting rural electrification and integrating energy strategies with other aspects of rural development.

Technology development

- A need for the provision of quality telecommunication services at more affordable costs.
- Encouragement of public and private sector participation in providing information and communication technology infrastructure.

Commitment 5: Enhancing the role of trade in development

- To focus on export development and promotion.
- Trade support and trade facilitation.
- Compliance with multilateral trading agreements.
- Implementation of measures related to net food importing countries as provided for in the Marrakesh Decisions, including measures to improve agricultural productivity.

Commitment 6: Reducing vulnerability and protecting the environment

9. **The Gambia Environmental Action Plan (2) (GEAP)** formulated in February 2000 will consolidate the achievement of GEAP (1) for further incorporation of environmental impact assessment procedures in the management of natural resources and in the agricultural and industrial sectors. The key aspects of this Plan are:

- Improving the institutional framework, advocacy and sensitisation, strengthening the public and private capacity to manage the environment, and sustainable management and protection of the coastal zone.
- Developing a strategy for disaster preparedness and contingency planning.

Commitment 7: Mobilizing financial resources

10. Whereas the Gambia Plan does not clearly identify the sources of funding in a distinct section, it does present a detailed estimate of the cost of its implementation. Throughout the presentation it is made explicit that the successful implementation of the Plan would critically depend on the mobilization of domestic resources and donor support. The following measures for the mobilization of resources are therefore relevant:

- To increase the tax base and improve revenue collection systems and tax administration.
- To use available resources optimally, through increased efficiency, transparency and accountability.
- To promote domestic savings and strengthen the banking and financial sector.
- To create a conducive environment for domestic and foreign direct investment.

D. Arrangements for implementation

11. The National Vision 2020 Task Force will work closely with SPACO whose responsibility is to monitor and coordinate the implementation of the poverty alleviation programme. The overlap of representation from government, civil society and the NGOs in both organs is seen as an opportunity for information and resource sharing and the undertaking of joint national action for effective coordination and maximum impact.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

A. National development objectives and targets

1. The main objective of the National Programme of Action of the Lao PDR is to improve and build the basic conditions for sustained and stable economic growth, continue to build sectoral and regional economic structures, improve the living standard of the population, and develop the socio-economic infrastructure. The main focus will be on industrialisation and modernisation of the economy. The main targets projected for 2010 are as follows:

GDP growth rate	7.5 %
National savings (% of GDP)	10 % (in 2005)
Share of agriculture (of GDP)	36.6%
Share of industry (of GDP)	31.5%
Share of services (of GDP)	31.9%
Foreign aid (% of GDP)	7.0%

B. Constraints on economic and social development

Land-lockedness, high transport costs, lack of adequate infrastructure development, limited development of human resources, low productivity in agriculture, lack of domestic financing capacity, and external debt burden. In addition, the Lao PDR is vulnerable to natural calamities, as well as to economic and financial shocks.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred development

- Increased attention will be paid to human resources development at both central and provincial levels;
- Priority attention will be given to the development of the education system;
- Achieve 75-90 per cent literacy rate;
- Increase life expectancy to 63 years through improved health services;
- Promote the private sector's role in general education;
- Special attention will be given to rural and remote area development.

Commitment 2: Good governance

- Continue to provide political and social orderliness;
- Overcome the effects of the recent financial crisis and preserve economic stability;

- Private sector development;
- Improve macro-economic management based on the market economic mechanism;
- Improve and progressively complete the legal framework and macro-economic policies;
- Improve planning, financing, banking, trade and investment management;

Commitment 3: Building institutional capacity

- Pay increased attention to human resources development tasks, at both central and provincial levels;
- Focus will be placed on development of the education system, both qualitatively and quantitatively;
- Expand and improve health services;

Commitment 4: Building productive capacities to make globalisation work for Lao PDR

Enterprise development

- Development of industry in order to build the basis for the progressive industrialisation and modernisation of the country with the use of new technology and machinery suitable for the Lao PDR.
- Develop the agro-processing industry;
- Priority attention will be given to the development of small-scale power plants for supplying electricity to rural areas, as well as the development of medium and large power plants;
- Develop mining, food processing, and the textile industry;
- Develop export-oriented industries in the special economic zones of the northern, central and southern parts of the country;

Agriculture

- The agriculture and forestry sector still constitutes the backbone of the national economy and will be developed in an integrated manner. The efficiency and sustainability of agriculture and forestry will be further strengthened;
- Ensure self-sufficiency in basic food products (crops, animal husbandry and fishing) and export of surpluses;
- Construction of irrigation systems;
- Special attention will be given to management of national parks and reforestation (increase of forest to 50 per cent of the land area);
- Enhance natural resources management for sustainable production;

Physical infrastructure and water resources

- The transport and communication sector is a major priority area among the various physical infrastructures. The Government gives high priority to the development of international transit corridors through its territory to allow better participation in regional trade and economic cooperation. The Government will give priority attention to turning the country from a land-locked into a land-bridge country.
- The road maintenance fund will become an important instrument to ensure the sustainability of planning and budgeting.
- Exploitation of hydropower as a major input for economic development as well as an important item for export.

Commitment 5: Enhancing the role of trade in development

- The main strategy for international trade is to open the domestic market further and achieve greater market access for goods of the Lao PDR.
- Establish special economic or free trade zones in northern, central and southern parts of the country.
- Develop a legal framework to govern international trade.
- Make efforts to become a member of the WTO.
- Develop tourism infrastructure and services.

Commitment 6: Reducing vulnerability and protecting the environment

- The Lao PDR pursues a policy providing for the sustainable management of resources. Deforestation is caused by both logging and shifting cultivation. It leads to increased erosion, and threatens the country's natural bio-diversity. The main goal of the Government is to provide sustainable management of resources through greater replanting of trees, ceasing illegal logging and promoting domestic wood processing to increase value added products instead of exporting timber.

Commitment 7: Mobilising financial resources

- Public investment will increase about 4.5 times. About 60-65 per cent of that will be directed to developing economic infrastructure, and 25-30 per cent will be allocated for the social and cultural sector.
- Implement policies to attract foreign direct investment (at least \$1.5-2 billion).
- Improvement of aid co-ordination and management is of high priority. For that purpose the Government will issue a Decree on the role and responsibilities of government in the planning and management of ODA.

LESOTHO

A. National development objectives

1. The main objective of Lesotho's Programme of Action 2001-2010 is to mobilize resources to implement commitments that can bring about tangible results, particularly the reduction of poverty; 68 % of the population is now classified as poor and 49% of households are classified as destitute. High priority is given to employment creation, which is seen as a vehicle not only for stimulating economic development and growth, but also for reducing poverty.

B. Challenges and constraining factors

2. These are economic, institutional, socio-political and natural, and include:

- Erosion of customs revenues resulting from the implementation of trade initiatives such as the SADC Free Trade Area Protocol and the EU/South Africa Trade Area;
- Continuing restructuring of the South African mining industry, resulting in the retrenchment of Basotho migrant mine workers with a negative impact on remittances to and the income of rural households and contributing to the high unemployment rate of 40.5%;
- Land degradation caused by human and livestock population pressure on limited land areas;
- Declining ODA;
- Multiple and often parallel development initiatives which have been a constraint on coordinated planning of programmes and allocation of resources and a threat to the cohesive implementation of poverty reduction strategies;
- The spread of HIV/AIDS and its threat to progress in improving life expectancy;
- The civil conflict in 1998 and its socio-economic effects;
- The El Nino phenomenon, characterized by severe droughts, and its impact on the ailing agriculture sector and rural livelihoods.

3. Meanwhile, Lesotho's greatest assets are its human and natural resources. With only one ethnic group (the Basotho) and one indigenous language (Sesotho), ethnic and racial tensions are rare. Development of Lesotho's abundant water supplies and land development offers great potential for tackling rural development and employment problems.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering people-centred development

- To create a social environment that is conducive to releasing the full energies and potential of Lesotho human capital for developing and widening the productive base and hence the attainment of sustained development, through the full involvement, integration and participation of all social groups, especially women and youth, in the development process, and the strengthening of human capital through access to social services;
- To improve income distribution patterns and broaden income opportunities at the national level so as to strengthen the purchasing power of the low-income strata of the population;
- To implement revised policies and procedures aimed at ensuring that male-dominated socio-economic activities become accessible to women.

Commitment 2: Good governance

- To improve governance and build service delivery capacity by improving institutional capacities and efficiency in public administration and ensuring an optimal balance between the public and private sectors;
- To achieve political stability through democratic means;
- To pass relevant legislation for decentralizing governance and to implement decentralization plans, undertaking consultations and conducting awareness and training campaigns at central and local levels;
- To improve financial and macroeconomic stability;
- To diversify and strengthen revenue base, transparency and accountability and to eliminate public sector wastage.

Commitment 3: Building human and institutional capacities

Education

- To provide basic education for all by 2006;
- To boost the quality of vocational and technical training;
- To eliminate illiteracy among youth and adults and provide specialized education for the disabled;
- To provide support to church schools.

Health

- To implement the National HIV/AIDS Strategic Plan aimed at controlling the spread of the disease, and mitigating its impact on vulnerable groups;
- To increase the number of health centres and clinics;

- To improve water supply and sanitation, particularly in the remote mountain areas where poverty is prevalent.

Commitment 4: Building productive capacities to make globalizaton work for Lesotho

Agriculture

- To implement the long-term Agriculture Sector Development Plan as part of a rural development strategy for the 70-80% of Lesotho's population living there;
- To create rural employment opportunities by promoting initiatives for processing enterprises that use local inputs such as wool and mohair through the Rural Development Programme;
- To ensure cost-effective food security assistance.

Enterprise development

- To facilitate the transfer of technology to small and medium-sized enterprises, in particular those relevant to food and agriculture, agro-based industries, communications and data analysis methods;
- To encourage sustained research activities aimed at finding alternatives to the export of traditional materials through the development of new products and processes, thus ensuring the competitiveness of exportable goods.

Commitment 5: Enhancing the role of trade in development

- To implement regional and international trade instruments including the SADC Free Trade Area Protocol, the ACP-EU Cotonu Agreement, United States Growth and Opportunities Act, the Smart Partnership International Dialogue for Economic Recovery, and the Commonwealth Partnership Technological management;
- To pursue regional integration initiatives;
- To improve Lesotho's global competitiveness through quality production and services.

Commitment 6: Reducing vulnerability and protecting the environment

- To implement a disaster mitigation and prevention programme aimed at improving and increasing the capacity of Lesotho to identify disaster scenarios; to establish appropriate protective measures and contingency plans and to involve the local community leaders and the population in general; and
- To elaborate a framework for environmental protection and management and introduce rangeland overgrazing control measures and zone areas for environmental protection and recovery in order to conserve the land base.

Commitment 7: Mobilizing financial resources

- The programme implementation phase of the Programme of Action is expected to coincide with the country's three-year Development Plans. The immediate phase of the Action Programme is generally covered by the Public Sector Investment

Programme (PSIP) already prepared for the 7th Development Plan and for which donor commitments have been indicated. Over the medium and long term, the PSIP may entail increased expenditure by the Government of Lesotho, but this is unlikely to have a significant impact on poverty reduction unless donor funding is provided. Overall, about 40% of the total 10-year Programme of Action budget of 11 billion Maloti is the estimated gap between financing needs and resource availability. The Government of Lesotho is looking to attract foreign direct investment, as well as anticipating that the country's international development partners will provide a higher proportion of grants and concessionary loans than commercial funding to finance its priority programmes if the objectives of its poverty reduction strategy are to be achieved.

LIBERIA

A. National development objectives

1. Liberia's Programme of Action for 2001-2010, which follows the National Reconstruction Programme (1998-2000) introduced at the end of its eight-year civil war, focuses on taking Liberia through a near- to medium-term period of reconstruction and poverty alleviation (where four out of every five persons are estimated to be below the poverty line), to a longer-term objective of sustainable development through:

- Diversification of the economy;
- Improved distribution of income;
- Increased Liberianization of the economy.

B. Factors constraining economic and social development

- A highly dualistic economy unable to cope with its growing population;
- An alarmingly high rate of unemployment;
- A high rate of illiteracy and low productivity;
- Civil conflict for most of the 1990s with a severe social and economic impact, including a virtual standstill in economic activity; collapse of the central political authority; a complete halt to the delivery of services, mainly education and health; and massive displacement of the population;
- Reimposition of the Brooke Amendment by the United States Government, Liberia's single largest donor, restricting financial support to the country;
- An unsustainable debt burden;
- Structural and policy deficiency in economic management and weak implementation capacity.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering people-centred development

- To seek assistance for capacity building in the formulation of poverty reduction policies and programmes which promote the participation of local communities;
- To move towards a more equitable distribution of income through policies to raise incomes of the most disadvantaged groups, i.e. those in the rural areas, while at the same time reducing the urban bias that has existed in the Government's income and tax policies;
- To continue to provide an enabling environment for the continuation and expansion of job creation schemes by organizations targeting the poorest of the poor, mostly women

in rural and urban communities, including through micro-grant, micro-credit and vocational and skills training schemes;

- To allocate a substantial portion of planned expenditure to roads, agriculture and social and community services which directly benefit the rural areas where people have just been resettled and reintegrated;
- To mobilize communities to participate in rural self-help projects;
- To improve women's access to and control over resources and promote their effective participation in the decision-making process.

Commitment 2: Good governance

- To promote good governance and the rule of law, and to improve transparency;
- To pursue policies aimed at ensuring sustained peace and security, including through demobilization and demilitarization and promoting reconciliation among the population;
- To maintain a stable macroeconomic environment through prudent fiscal and monetary measures aimed at stabilizing public sector finances and establishing investor confidence in the banking system;
- To undertake civil service and public enterprise reform.

Commitment 3: Building human and institutional capacities

Health

- To adopt primary health care programmes to reach most of the population;
- To intensify education in family planning;
- To rehabilitate damaged health facilities and extend health services nationwide, including through the training and recruitment of more health personnel to replace those lost during the war;
- To halt the spread of HIV/AIDs through the strengthening of ministries with responsibility for carrying out AIDS prevention programme, and facilitating the dissemination of information on AIDS prevention .

Education

- To upgrade the nation's human resource capital to effectively facilitate the growth and development of the country.
- To expand education to reduce adult illiteracy;
- To rehabilitate all damaged educational facilities.

***Commitment 4: Building productive capacities to make
globalization work for Liberia***

Enterprise development

The Government of Liberia considers the private sector as the engine of growth. Its goals are:

- To improve the business climate for private investment by strengthening the legal and regulatory framework for conducting business in Liberia;
- To introduce a new “investor-friendly” Investment Code;
- To encourage the development of Liberian private enterprise as a means of diversifying the economy, providing employment opportunities and improving income distribution, with particular encouragement to small entrepreneurs who use local materials;
- To maintain a liberal and flexible policy regarding private foreign investment.

Agriculture

Since the closure of iron ore mines damaged during the civil war, agriculture now constitutes the single most important productive sector in Liberia. The objectives are to:

- To make agriculture serve as a means of providing increased employment, alleviating poverty and promoting economic growth;
- To stimulate agricultural productivity through investment;
- To improve the land tenure system in order to encourage individual families to till and make land more productive;
- To encourage Liberian-owned commercial and traditional farms;
- To ensure food security.

Infrastructure

- To rehabilitate the physical infrastructure of the country damaged during the civil conflict, including roads, seaports and airports, electricity and telecommunications, water supply and sewage systems, in order to facilitate the free movement of people, traffic and goods and services, increase agricultural output, improve health care delivery and, in general, improve the living conditions of the population.

Commitment 5: Enhancing the role of trade in development

- To introduce further trade liberalization;
- To settle financial obligations to regional bodies of which Liberia is a member, in order to benefit from the many opportunities available to the Liberian economy and people in terms of higher local employment, trade expansion, technology transfer and industrial growth.

Commitment 6. Reducing vulnerability and protecting the environment

- To improve environmental management in Liberia, which experienced uncontrolled exploitation of its forest and mineral resources during the civil conflict, through the development of a concrete national policy on the environment and by creating and promoting environmental awareness among the population. Encouragement will also be given to research in the use of alternative sources of energy.

Commitment 7. Mobilizing financial resources

- The total estimated requirement for public sector expenditure over the period of the Programme of Action is US\$ 809 million. Because of the Government's severe fiscal situation in this post-conflict period and critical debt obligations, concessionary borrowing to finance some programmes is not possible. There will therefore be a heavy reliance on substantial financial support from key donors.

MALAWI

A. National development objectives

1. Malawi's Programme of Action for 2001-2010 is based on the national shared vision – Vision 2020, which articulates the people's aspirations of attaining balanced, broad-based and sustainable development by the year 2020 through economic growth, efficient utilization of human capital, development of economic infrastructure, observance of good governance, and protection of the environment and natural resources, and to turn round the economy which is analysed as very fragile, narrow-based and lacking key social services and infrastructure.

B. Constraining factors on economic and social development

2. The constraining factors include: severe poverty, poor physical infrastructure, limited diversification of exports, a poor investment environment, lack of forward linkages within productive sectors, inconsistencies between sectoral strategies and public expenditure, weak coordination of donor assistance, low access to education, especially at secondary and tertiary levels, low levels of market access, a weak financial sector, weak planning and implementation capacities, prevalence of HIV/AIDS, a decline in ODA and debt servicing obligations, and weak facilities to cope with globalization issues.

C. Summarised national actions that need development partners support

Commitment 1: Fostering a people-centred development

- To make Malawi a country where every citizen has a stake in economic success - where benefits will be fairly shared and there is social cohesion.
- To strengthen the culture of enterprise, focusing on export and innovation.
- To take control of its own destiny by ensuring national policy ownership and control of economic reform processes and creation of new mechanisms for partnership by the principle of self-reliance and self-help and building an economy which is competitive, with sustained growth for the benefit of all people.
- To ensure sound governance, shared responsibilities, and freedom from abject poverty.
- To achieve challenging targets in education, health, and economic infrastructure for social and economic progress, measured against regional and international benchmarks.
- To achieve a higher standard of living, with a skilled, creative and well remunerated workforce.

Commitment 2: Good governance

- To secure democracy and the maturity and to address weaknesses in the process of building the foundations of an effective public sector.

- To ensure sufficient transparency and accountability and instituting formal checks and balances to control corrupt practices.
- To continue with reforms to improve efficiency/productivity and work ethics.
- To improve security in the country using donor funding and local resources.
- To reform judicial systems and strengthen the institutions of law with the intention of making them effective and strong.

***Commitment 3: Building human and institutional capacities:
Education and health***

- Improved access to health and education is a priority for the long-term development of Malawi; the quality of basic social services has declined and it is important to ensure that more resources are allocated to basic social services.
- While the improvement of access to basic education, with emphasis on primary education and adult literacy, will remain a major priority, other initiatives will have to be explored, including the restructuring of fees at post primary level.
- Education and training programmes will be improved not only to equip individuals with knowledge but also to achieve a more efficient delivery system so as to enable the low-income groups to have access to education and training.
- In primary education the focus will be on: achieving universal primary education, improving quality by increasing budget allocations, enhancing and strengthening teacher training programmes to reduce drop-out rates and raise completion rates, and to raising cognitive skills of primary school graduates. For secondary and higher education, the focus will be on increasing access and there will be extensive vocational training to increase its impact on national development.
- Improving the health of the population is a priority with targets set to reduce child mortality from 133 to 90 /1000; maternal mortality from 620 to 500/10000; and HIV prevalence by 25%.
- To increase provision of information and training about diseases, especially HIV/AIDS.
- To transform schools' and universities' approach to embrace broader curricula of greater intrinsic value.
- To establish collaboration within clusters of schools, institutions and colleges to ensure effective operationalisation of policy decisions.
- Emphasis will be placed on applied research, development research and innovation in areas that can contribute significantly to the country's development and competitiveness.

***Commitment 4: Building productive capacities to make
globalization work for Malawi***

Enterprise development

- A stronger approach to reduce taxation and reforms to trigger more enterprise development.

- To develop a competitive policy which promotes and supports successful market driven enterprises.
- To secure capital to raise production efficiency.
- To improve infrastructure and strengthen the financial sector.
- To enhance capacity building, especially in areas of trade, technical skills and business management.

Agriculture

- To give incentives to farmers in terms of farm inputs and credits to increase productivity, especially traditional smallholder farmers.
- To improve rural infrastructure, especially feeder roads, technical development, and credit and enhance extension services.
- To address the constraints of inconsistencies between sectoral strategies and public expenditure, weak planning and implementation capacity, forward linkages with other productive sectors and irrigation technologies.
- To encourage farmers to switch from subsistence to more remunerative crops such as vegetables, fruits and flowers. There will also be emphasis on research and effective farm management to reduce losses in yields.
- Promoting a more efficient and sustainable use of land by introducing measures to reduce soil erosion.
- Promoting more equitable and efficient land allocation by improving the land and tenure registration processes.

Manufacturing

- To promote agro-based industries that are located near the sources of raw materials.
- To promote diversity of the industrial base with greater assistance and support from domestic research and development.
- Promoting manufacturing investment with provision of a conducive environment and improvement of infrastructure facilities.
- Sectors and subsectors earmarked for active promotion include: mining, agribusiness, wood, textiles, pharmaceuticals, and information technology, with an investment requirement of US\$ 1.8 billion. There is a need to mobilize the resources.
- Improvement of the marketing and information networks and penetration into new markets. There is a need to allocate adequate resources for training and consultancy services.

Tourism

- To diversify tourism sources and create jobs.
- To increase tourist revenues rather than tourist numbers, with upward quality of services.

- To allocate resources to preserve the national and historical heritages, improve tourist accommodation, the environment and cultural product development, and improve infrastructure.

Mining

- To continue mineral exploration and preparation of investment maps and data bases of mineral resources, especially on gold, bauxite, diamonds, copper, petroleum and platinum group metals.

Physical infrastructure

- To rehabilitate main roads and railroads, develop rural access feeder roads, upgrade and increase the capacity of airports, and improve and expand telecommunication services.
- To offer significant opportunities for private sector involvement in the construction, maintenance and management of infrastructure facilities.

Energy

- To put in place energy policies shaped within a broad economic, environmental and social policy perspective
- To restructure the energy industry with a view to reducing energy costs with a system of regulation which secures maximum competition in the interests of the consumers
- To diversify the energy industry, not relying on hydropower only

Technology development

- Science and technology play an important role in raising new opportunities for enhancing firms' competitiveness and growth, and the role of the private sector in technological innovation, including industrial research and technology diffusion, will be encouraged.
- To incorporate adequate funding for technological innovation, industrial research, and technological diffusion.
- To encourage the private sector to invest in technological activities.

Commitment 5: Enhancing the role of trade in development

- To diversify exports and to try to integrate into global trading through the competitiveness of products.
- To improve the quality and standard of production so as to compete in the global economy.
- To improve infrastructure and reduce major trade obstacles.

Commitment 6: Reducing vulnerability and protecting the environment

- To strengthen the national environmental body.
- To invest in disaster prevention and preparedness.

- To promote awareness on environment protection and safeguards against natural resources.
- To institute systems to devise an early warning system to ensure shocks do not become unmanageable.

Commitment 7: Mobilizing financial resources

- To institute measures that will lead to effective mobilization of savings.
- To strengthen banking systems and financial institutions to increase confidence and encourage private savings.
- To reduce taxes and taxation complexity and strengthen revenue bodies.
- To attract more FDI.
- To adapt effective measures to ride the country of corruptive practices.

D. Arrangements for implementation

3. The success of the Programme of Action will depend on national and development partners' efforts in mobilizing the resources to support the Programme, increasing efficiency to raise productivity and enhancing technology development with major sectors of the economy. Partnership and consultations will underpin the successful implementation. The role of stakeholders in delivery will be clearly defined to avoid duplication and wasteful competition.

MALDIVES*

A. National development objectives

1. The principal development objective of Maldives is to strengthen the capacity of the country to meet the two most important challenges facing the nation in the near future: achieving the relocation, within the archipelago, of the segments of the population that are most threatened by the sea-level rise phenomenon, and finding appropriate responses to the problem of the high demographic growth, which is already placing considerable pressure on the capital island and on the Government in its social policies. In this context, Maldives aims at retaining the benefits it has been receiving as a result of its least developed country status, which have facilitated the country's efforts to face structurally exorbitant costs.

B. Constraints on economic and social development

- Chronic weather disturbances: not violent disasters, but frequent monsoon activity with a great negative impact on inter-island communications and transport;
- Long-term threat of sea level rise and disappearance of some of the atoll islands;
- Remoteness and smallness of the islands, creating a context of great competitive disadvantage (exorbitant infrastructural and transport costs);
- Substantial economic leakages: remittances abroad by foreign workers based in Maldives;
- Continuous dependence on foreign aid, several sources of which might soon diminish as a result of the impression given to donors by the perspective of a graduation of Maldives from least developed country status (the country, since 1997, has been identified by the United Nations as a potential graduation case on the basis of its GDP per capita and human capital indicators).

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

2. Maldives has been pursuing a stable macroeconomic policy with a view to maintaining trust with the international donor community in anticipation of a possible graduation of the country from the least developed country status. The development strategy of the country is based on a necessary response to the long-term threat of sea level rise, essentially through population relocation. In the context of the high costs associated with any development project involving the outer islands, where the largest part of the population lives, the country has to combine objectives of macroeconomic stability and poverty alleviation for the benefit of a rapidly growing population (2.9% per annum in 1990-1998). A sound development

* Based on relevant preparatory works by the Planning Department.

policy framework is vital to enable the country to face the consequences of an eventual graduation on the occasion of the next review of the list of LDCs in 2003.

Commitment 2: Promoting good governance

3. There is strong awareness, in Maldives, of the importance of good governance, not only to warrant the success of the development policy framework, but also to secure a relationship of trust with development partners.

Commitment 3: Building human and institutional capacities

4. The main threat to the pursuit of human resource development is the rapid demographic growth of the country, and the difficulty of absorbing the growing population in the education system, considering the financial and spatial limitations of the school system. Institutional capacity-building is also very important, and it requires foreign support because of the increased specialization of institutional tasks (for example, those relevant to environmental matters) and the multiplicity of institutional establishments in all relevant sectors (education, health, regional planning, environmental monitoring, etc.) throughout the archipelago.

Commitment 4: Building productive capacities

5. Though benefiting from good economic specialization in international tourism, Maldives pursues a diversification objective in order to reduce the economic vulnerability resulting from the relative economic concentration (tourism, fisheries, textile manufacturing). This implies continuous efforts to create an enabling environment for entrepreneurship and investment, with particular reference to infrastructural development. Transport and communications with the outer islands will be increasingly important, considering the physical limitations of the capital island of Malé, on which population (and economic) density is already high.

Commitment 5: Enhancing the role of trade in development

6. The relative prosperity of Maldives is almost entirely due to the performance of the economy in the area of international trade in services (tourism), and to a smaller extent in trade in goods. The country will therefore continue to watch the evolution of the multilateral trade framework in the context of trade liberalization (Maldives is a member of WTO). The country's main concern, in this respect, is the risk of a loss in important trade preferences for the fisheries and textile sectors, in the event that the country is graduated from the LDC category.

Commitment 6: Reducing vulnerability and protecting the environment

7. Environmental vulnerability is a major concern of Maldivians, as the impact of global warming translates into phenomena such as sea level rise in the long run and coral bleaching (with a negative impact on tourism) in the shorter run. These factors are consequences of forces beyond the country's control, but the authorities have been as active as they could in the global arena to alert the international community to the eventual consequences of environmental disasters to small island nations like Maldives. Economic shocks of non-

natural origin have been few so far because of the economic stability of the tourism and textiles sectors, but the country is not exempt from risks of eventual changes in tourist demand, as well as fish price fluctuations and erosion of preferences on large textile markets.

Commitment 7: Mobilizing financial resources

8. Maldives hopes, in the context of the Third United Nations Conference on the LDCs, to convince its development partners of the risk faced by Maldivians if the international community regards the country as being in lesser need of foreign financial assistance as a result of the socio-economic progress recorded by the country according to traditional indicators. Considering the structural handicaps of the country, Maldives takes the view that concessionary support from outside is likely to be needed for many more years.

MYANMAR

A. National development objectives and targets

1. Myanmar's Programme of Action for 2001-2010 aims:
 - To double the GDP, with an average annual growth rate of 7.2% during the period.
 - To bring the investment/GDP ratio to 20% in 2010.
 - To increase the value of exports at an average annual growth rate of 26.9% .
 - To preserve the agriculture sector as the mainstay of the economy, at an average annual growth rate of 4.7%.
 - To increase the share of the industry sector from 7.6% to 15.0 % in 2010.
 - To increase the energy sector at an average annual growth rate of 16.0%, and mining at an average annual growth rate of 13.4%.
 - To increase the share of the trade sector in the economy at an average annual growth rate of 6.8%.
 - To implement the anti-drug master plan to eliminate poppy cultivation.

B. Constraining factors on economic and social development

2. The constraining factors include: ethnic tensions for more than 40 years and lack of national unity, poor infrastructure, narcotic production and trafficking, limited inflow of investments, very limited ODA, conditionalities on ODA, and effects of HIV/AIDS on the economy.

C. Summarized national actions that need development partners support

Commitment 1: Fostering a people-centred development

- To build up the country into a new modern developed nation characterized by self-sufficiency, self-reliance and a balanced economy.
- To increase efforts to restore peace and resolve ethnic problems.
- To produce qualified professionals for leadership, management and development of human resources.
- To uplift the morale of the entire nation and ensure security of basic human needs such as food, clothing and shelter.
- To expand educational and health services for human resource development.
- To ensure adequate infrastructure.
- To promote access to and control of productive assets, including land and capital.

Commitment 2: Good governance

- Myanmar is presently a country in transition governed by the Peace and Development Council. The council is taking steps to transform itself into a multi-party democratic society based on principles of liberty, equality and justice.
- Wide-ranging reform measures, including decentralizing central control, liberalization of trade policies and promoting private sector development.
- Strengthening democratic processes.
- Ensuring efficient public expenditure.

***Commitment 3: Building human and institutional capacities :
Education and health***

- To create an education system that is on par with international standards and that can generate a learning society capable of facing the challenges of the knowledge age.
- To expand educational and health services for human development and to place emphasis on technical and vocational education.
- To undertake a higher agricultural education programme for 2001-2010.
- To increase health care coverage in both rural and urban areas.
- To ensure efficiency in health service delivery, disease prevention, rehabilitation and research.
- To establish a health information system with networking technology for monitoring and evaluation of the implementation of the national health plan.
- To strengthen and upgrade research capacities in line with developing technologies.
- To increase awareness and perception of HIV/AIDS in the community.
- To provide proper care, management, counselling and economic support to those infected and affected by HIV/AIDS.

***Commitment 4: Building productive capacities to make globalization
work for Myanmar***

Conducive environment for enterprise development

- To develop and improve infrastructure to enable the private sector to perform, especially in the agriculture sector.
- To arrange ways and means for financing, transfer of technology and market access.
- To strengthen the Myanmar Industrial Development Committee to provide necessary guidance for the development of agro-related industries.
- To provide adequate information regarding export markets.
- To increase the regional cooperation dimension.

Agriculture

- To extend arable land, provide adequate water supply, mechanize farm and cultivation methods, and utilize quality seeds.
- To promote and encourage production of food crops and industrial crops according to market demand.
- To allow private investors and farmers to expand cultivable waste land for agricultural production.
- To encourage participation of the private sector in the distribution of farm inputs.
- To further develop the fishery industry, with special attention to the production of low-cost fresh water fish.
- To improve animal breeding and selected strategic cross breeding for biodiversity and sustainable development.
- To manage forests in a sustainable manner.

Physical infrastructure

- To facilitate the enhancement of information technology to keep abreast with other nations.
- To commission 3 gas turbine projects and 6 hydro-power plant projects during 2001-2010.
- To renovate Yangon International Airport and build the Mandalay and Hanthawaddy Airports.
- To develop deep sea ports in Kalgok Island and Dawei on the southern coast of Myanmar.
- To improve water transport by introducing 50 new vessels.
- To strengthen posts and telecommunications and make continuous efforts to develop telecommunication infrastructure.
- To construct and maintain roads and bridges.

Energy

- To exploit the promising off-shore natural oil and gas for effective use in the establishment of industries.
- To launch a new gas pipeline construction project for the extension of pipelines.

Commitment 5: Enhancing the role of trade in development

- To streamline taxes and duties.
- To improve infrastructure support services.
- To initiate a new financial management system.
- To encourage foreign direct investment.

- To increase promotion of export trade.
- To promote proper knowledge of business on foreign trade policies.
- To ensure adequate information regarding export markets.
- To increase trade with trade partners of ASEAN and BIMSTEC.

Commitment 6: Reducing vulnerability and protecting the environment

- To continue greening of hills and mountains of the dry zone in central Myanmar.
- To increase public awareness of the need to preserve and protect the forests.
- To improve the river system and protect and maintain waterways.
- To secure FDI and official capital inflows.

Commitment 7: Mobilizing financial resources

- To facilitate foreign FDI and provide necessary assistance to Myanmar investors in the industrial sector.
- To promote domestic savings by the establishment of securities markets.
- To continue permitting foreign banks to operate.
- To increase agro-based industries.

NEPAL

A. National development objectives and targets

1. Nepal's National Programme of Action is based on principles of human-centred and people-based development, respect for human rights and rule of law, decentralization and good governance, more gender equity in development, strengthening of human capital, inclusion of civil society and development partners in the development process, maintenance of macroeconomic stability, and private- public partnership in development. Main targets projected for 2009/10 :

GDP growth rate	7.5%
National saving ratio (% of GDP)	24.50%
Investment ratio (% of GDP)	31.7%
Inflation rate	4.0%
Foreign aid (% of GDP)	7.0%

B. Constraints on economic and social development

2. Land-lockedness, high transport costs, remoteness and isolation from major world markets, declining ODA, increased debt burden, widening trade deficits, narrow exportbase, slow pace of regional co-operation, dismal FDI inflows and a rise in world oil prices, initial political instability, weak governance, and rise in terrorist activities ; Nepal is vulnerable to natural calamities, as well as to shocks like the Maoist activity, the Bhutanese refugee problem and the HIV/AIDS epidemic.

C. Summarized national actions that need development partners' support

Commitment 1 : Fostering a people-centered development

- Generate enough employment opportunities to address the severe problem of poverty and inequality;
- Broad-based economic growth benefits poor;
- Implement targeted programmes benefiting specific groups, such as assetless people, disadvantaged groups, indigenous groups, people in remote or isolated areas, female-headed households or women.

Commitment 2: Good governance

- Civil service reform to improve its efficiency, accountability and effectiveness;
- Decentralisation will be promoted in order to deliver the benefits of development effectively, especially in the rural communities;

- An increased role of NGOs in service delivery;
- Involvement of the private sector;
- Continue to take short and long-term measures to resolve violent activities waged in the name of so called Peoples war, including dialogue with Maoists to pursue them to come to peaceful solutions.

Commitment 3: Building institutional capacity

- Increase the literacy rate;
- Strengthen local government institutions;
- Improve institutions for good governance;
- Create and expand income-generating opportunities;
- Provide a social safety network and meet minimum needs for underprivileged and rural poor;
- Protect women and children from exploitation and abuse;
- Ensure child survival and safe motherhood;
- Ensure access to drinking water and expand the sanitation programme.

Commitment 4: Building productive capacities to make globalisation work for Nepal

Enterprise development

- Maintain macroeconomic stability and incentives;
- Improvement in the efficiency of financial intermediation for growth and equity;
- Conducive environment for private sector. A host of support measures will be implemented in areas including institutional, legal, financial, technological and environmental issues;
- Improvement in corporate and financial governance, including auditing and accounting standards and corporate legislation.

Agriculture

- Implement the Agriculture Perspective Plan (APP) for higher agricultural growth, commercialisation and rural transformation. The APP concentrates on four investment priorities, namely irrigation, roads, power, technology and fertiliser;
- Ensure access to the rural credit;
- Adopt policentricity in the rural service delivery system;
- Enhance natural resource management for a sustainable production system.

Industry and tourism

- The main objective is to encourage export-oriented and import competing industries;

- Increase self and wage employment opportunities in the industrial sector;
- Increase participation of rural and poor people in industrial development;
- Develop tourism infrastructure and new tourism products, and promote village and ecotourism.

Physical infrastructure and water resources

- Transport is the most important among the various physical infrastructures. The government gives high priority to increasing transport facilities, especially to consolidate regional integration, by linking transport networks and developing the rural road network;
- Provide electricity to rural areas;
- Provide accessibility of transport services at least cost through extending the strategic road transport network and improving district-level accessibility, including feeder roads (agricultural roads);
- Exploitation of hydropower as a major input for economic development, as well as a major item for export.

Commitment 5 : Enhancing the role of trade in development

- The strategy for international trade will be focused on the expansion and diversification of exports.

Commitment 6 : Reducing vulnerability and protecting the environment

- Nepal recognises that a continuously deteriorating natural environment is a severe obstacle to poverty reduction. The Environment Protection Council is entrusted with the task of repairing a national environment policy;
- Formulate an integrated environment policy and a better co-ordination mechanism among various agencies for effective management of the environment.

Commitment 7: Mobilizing financial resources

- Public sector financing will concentrate on improvement of agriculture, forestry and irrigation. The electricity sector, transport and communication will be of substantial importance. The health, education and drinking water sub-sectors will also receive a high proportion of expenditure outlay;
- The efficiency of the aid utilisation and coordination will be improved. In order to overcome the problems of aid management, the Government will focus resources on priority areas. Utilisation of aid will be further improved by promoting good governance and national ownership of the projects and programmes through civil service reform and decentralisation.

RWANDA

A. National development objectives and targets

1. The overriding objectives of the Action Plan for Rwanda for the years 2001-2010 are the reduction of poverty and the maintenance of sustainable economic growth. The aim is to transform the economy into a modern, flexible stakeholder and participatory economy. Longer term objectives, strategies and goals are set out in the Vision 2020 document.

2. The following are quantified targets:

- To achieve annual average real GDP growth of 8% per year.
- To keep inflation at below 5%.
- To reduce the current account deficit from 16.8% of GDP in 2000 to 10.7% in 2004.
- To maintain the level of gross official reserves to at least 6 months of imports.
- To increase the ratio of revenue to GDP by half a percentage point per year.
- To maintain a sustainable debt to export ratio of 150%.
- To achieve a level of investment of at least an ICOR of 4.4%.

B. Constraints on economic and social development

3. Factors that constrain Rwanda's development include the civil war, genocide and their legacy (enormous loss of human resources, change in demographic structure, child-headed households, overcrowded prisons, massive destruction of productive infrastructure, environmental degradation, etc.), violent conflicts in the Great Lakes region and the 1997 insurgency. Structural weaknesses include low human resource development, high population density and growth, cyclical drought and famine, low agricultural productivity, a weak export base, high transport costs (land locked), a structural trade deficit, structural imbalance between government revenue and expenditure, negative savings and a low level of private investment.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred development

- Creating an economy of stakeholders, human-centred, through a participatory process.
- Improving the quality of life for the poor and stabilising the population in new settlements.
- Addressing the problems of vulnerable groups in rural and urban areas on a sustainable basis.
- Creating opportunities for training and employment for the unskilled young.

- Empowering skilled youths to engage in income generation activities.

Commitment 2: Good governance

- Priorities in good governance include democratisation and elections, national unity and reconciliation, political stability and security, peaceful settlement of conflicts, freeing the press and the associations. Policy action related to security or policing and the judicial system to end the physical threat in Rwanda includes the development of effective mechanisms for police accountability to the communities they serve, and seeking cost-effective ways of dealing with minor and juvenile crimes at the community level (AGACACA system).

Commitment 3: Building human capacities

Education

- Achieving universal primary education by the end of 2010. Strengthening and improving primary education quality through parent/teachers' associations and commune development committees. Providing direct bursaries to poor secondary school students, not across-the-board subsidies. Encouraging teaching of science and technology at all levels. Involving the private sector in vocational training, design of curriculum and financing. Launching functional adult literacy programmes for farmers to be able to use market information through E-mail. Build a competitive and highly skilled bilingual (French and English) labour force.

Health

- Training more health workers. Increasing accessibility of the health system to the poor. Decentralisation of management. Ensuring quality primary health coverage for all. Reducing mortality and morbidity by malaria, HIV/AIDS and malnutrition.

Commitment 4: Building productive capacities to make globalisation work for Rwanda

Agriculture

- Policy reforms in land use and ownership will give secure tenure to people in order for them to use it for long-term investments. Removal of statutory discrimination against women's right to own land. Preventing starvation and ensuring food security through recapitalisation of farm and off-farm household incomes, adaptive research and participatory extension services for agriculture and livestock, public/private partnership for input supply and new technology diffusion, development of better harvest processing and storage facilities, provision of rural credit, a Grain Reserve Fund at commune level. Promoting off-farm self employment through youth artisan skills improvement. Labour-intensive public and private works such as low-cost housing using local materials, maintenance of feeder roads.

Infrastructure

- Transport: priorities include rehabilitation and maintenance of roads and bridges, promotion of use of bicycles and donkeys, decreasing international transport costs

through a road-rail link to the Tanzanian border and a feasibility study for a rail link to Kigali. Energy: reduction in fuel wood use, encouragement of private sector provision and distribution of energy, development of natural gas in Lake Kivu in the near future, promotion of cheap and clean energy sources (improved stoves, biogas in public institutions such as schools and prisons, small hydropower and rural electrification, solar energy). Water and sanitation: promoting community participation in management and maintenance of rural water supply, new investment for rehabilitation and extension of infrastructure, setting up a system of progressive fees and cross-subsidy. Telecommunications: privatisation of services while developing an information and communication technology-led development approach in Rwanda's Vision 2020, establishment of a regional IT institute, improving rural access through wireless technology.

Commitment 5: Enhancing the role of trade in development

- Major objectives are to promote an export-led growth strategy and to develop a competitive advantage in new products and services (data-processing, regional financial services) which are not bulky and which require human resources rather than land, to revive and increase efficiency and value added in traditional exports (coffee and tea), to reduce the balance of the trade deficit, to encourage domestic and foreign direct investments, to participate in and help businesses take advantage of regional organisations. To revive tourism as the third source of exports (beautiful scenery, mountain gorillas) through marketing in order to recover from Rwanda's international image negatively affected by genocide.

Commitment 6: Reducing vulnerability and protecting the environment

- Fighting environmental degradation through water harvesting (gravity-led and earth-built), restoring and promoting hillside terracing to reduce soil erosion. Using organic and inorganic fertilisers. Developing a plan for marshland management, including drainage and irrigation. Planting 65,000 hectares of forest with 80% of the cost to be covered by community labour. Adoption and promotion of innovative, adapted and energy-efficient cooking technology to reduce fuel wood use and ensure that the newly planted forests are sustainable. Seek resources to preserve biodiversity in the forests, volcanic parks (Gorillas) and plant species in marshes.

Commitment 7: Mobilising financial resources

- Revenue mobilisation: The objective is to increase tax collection from 9.7% of GDP as of 1999 to 11% of GDP by 2001. The strategy is to enhance tax collection on consumption, reduce tax on savings, and strengthen tax administration.
- Debt management: Estimates of annual cash flow savings from HIPC debt relief would be US\$ 20-30 million from 2001 to 2010, which is equivalent to 1.5% of GDP. External debt management units will be strengthened.

D. Arrangements for implementation

4. The Plan of action will be integrated with several Rwandan Medium term Expenditure Frameworks (2001-2003, 2003-2005, etc.). Consultations with donors to maximise

collaboration and coherence with the poverty reduction and growth strategy and identify key financing priorities. Involving heads of territorial administration at all levels in defining clear indicators of inputs and outputs for all areas of public expenditure and monitoring of poverty outcomes in coordination with the Poverty Observatoire. Strengthening of community-level decision taking (including monitoring and establishing community feedback) through Commune Development Committees' implementation of the long term Action Plan.

SAMOA

E. National development objective

5. The principal development objective of the country is to reduce the vulnerability of the economy to the main risks of external shocks facing the islands, i.e., the risk of violent natural disasters and the risk of increased international competition under globalization. Samoa aims at achieving this goal through good governance and in accordance with the principles of social equity and sustainable development.

F. Constraints on economic and social development

- Great vulnerability to violent natural disasters: two cyclones in 1990 and 1991 caused massive destruction (12% decline in real GDP in 1990-1992);
- The smallness of the country entails a great competitive disadvantage through infrastructural and transport costs;
- The Government is concerned with the risk of a possible decline in foreign aid (added to uncertainties with regard to future trends in remittances from Samoans abroad) as a result of the perspective of a graduation of Samoa from least developed country status. The country was identified by the United Nations as a potential graduation case in 1997. Its eligibility to graduate was not confirmed in the 2000 review of the list of LDCs, but Samoa was then very near to meeting the graduation threshold under the *per capita* GDP, and could again be eligible for graduation in 2003 as a result of the relative prosperity derived by the country from its performance in international services (tourism, offshore services).

G. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

6. Samoa's macroeconomic policy framework is based on the objective of reducing economic vulnerability to external shocks by improving the sectoral specialization of the economy, i.e. increasing the competitiveness and productivity of the existing sectors (agriculture and fisheries, some manufacturing activities, and the growing tourism sector) and achieving diversification in some new activities, such as new specialized forms of international tourism, and offshore financial services. This implies efforts to increase economic efficiency through "a robust and competitive private sector" as the key to future economic growth. Given the constraints on development efforts, Samoa considers of paramount importance the cultivation of its relationship of trust with the international donor community, and hopes that the external support to the country will not be discontinued as a result of the country's near-eligibility to graduate from LDC status, at a time when structural support is most needed.

Commitment 2: Promoting good governance

7. Samoa has for many years demonstrated a culture of good governance, which has induced consistent economic and socio-political stability and generated a beneficial climate of trust with the international donor community.

Commitment 3: Building human and institutional capacities

8. Human resource development is regarded by Samoa's Government as a fundamental condition for the success of national efforts to increase the participation of the nation in the global economy, because of the growing importance of knowledge-based economic specialization as required in the development of international trade in services. Increasing local inputs to the economic sectors that offer the highest benefits for the nation is an important practical aim guiding educational and vocational efforts. This, for example, implies action to encourage the involvement of increasing numbers of Samoans in the professional occupations which have often been held by expatriates.

9. Institutional capacity-building is also very important and will continue to require foreign support because of the increasingly specialized nature of many institutional functions, such as those relevant to environmental and regulatory matters (e.g., in the offshore services industry) and those pertaining to the process of accession of Samoa to the World Trade Organization.

Commitment 4: Building productive capacities

10. Despite its small size, the Samoan economy demonstrates an unusually balanced sectoral specialization, with a large agricultural sector trying to diversify into new crops and relying on the economic potential of biodiversity, a manufacturing sector that has already been faced with the pressure of international competition, and a growing services sector that presently generates more than half of the foreign exchange earnings of the country. This specialization constitutes an asset from the perspective of reducing the economic vulnerability of the country, but does not exempt Samoa from the obligation to strengthen the existing productive capacities in order to maintain international competitiveness and productivity. This implies continuous efforts to maintain an enabling environment for entrepreneurs and potential investors, and to pursue the aim of infrastructural development, which is a paramount condition for reducing the various transaction costs that are handicaps to economic operations in small island developing States.

Commitment 5: Enhancing the role of trade in development

11. The relative economic prosperity of Samoa, which explains its proximity to the thresholds of graduation from LDC status, is largely due to the steady performance of international services (tourism and business services, especially offshore company formation services and other international financial services). Merchandise trade is increasingly exposed to globalization forces, in particular to the decline in the international demand for some traditional crops (e.g., copra) and to the threat of erosion of trade preferences for primary products (such as fish) and manufactured products (car wire harness). In its efforts to adjust its trade policy to the new multilateral environment and to the new regional free-trade policy, Samoa has been analyzing the implications for its national industries and economic sectors of the international context of trade liberalization.

Commitment 6: Reducing vulnerability and protecting the environment

12. While natural disasters cannot be prevented, the exposure of the economy to these external shocks can be reduced through diversification into economic sectors that are less dependent on environmental assets (such as offshore services). Environmental vulnerability to non-violent natural phenomena such as sea-level rise and other consequences of global warming has also been a major concern of Samoan authorities.

Commitment 7: Mobilizing financial resources

13. In the context of the Third United Nations Conference on the LDCs, Samoa hopes to mobilize international support for its national programme of action for the 2001-2005 and 2006-2010 periods, which aims at strengthening supply capacities and maximizing prospects for economic and socio-political stability in order to place the country on a development path that will dispel the risk of further marginalization from the global economy. From Samoa's viewpoint, it is important that the Conference recognize the particular difficulties faced by small island LDCs in the context of globalization, and that special efforts be made by the international community in favour of these States, most of which increasingly suffer from the paradox of being regarded as relatively prosperous while they actually incur greater disadvantages than most other LDCs.

SIERRA LEONE

A. National development objectives

1. Long-term development goals are to:

- Promote political and economic stability
- Increase the welfare of the people
- Achieve a more equitable distribution of income and wealth
- Attain a higher degree of self-sustaining economic growth

2. The Programme of Action's first priority is pacification and resettlement of displaced populations. This will be followed by reconstruction of the economic, social and institutional framework.

B. Factors that have facilitated or constrained the country's development

- Sierra Leone is well endowed with human and natural resources. A young population (45% of the population is under 15) and important development potential in agriculture, agro-based industries, mining and tourism are its main assets.
- The immense damage caused by the wars include the destruction of most existing infrastructures (transport, energy, sanitation, health, housing etc.). The impact on the population was at least as shattering, with an entire generation of non-educated children, maimed and handicapped people, widows and orphans, etc. Also, the war had very detrimental effects on the environment both directly and indirectly (e.g. through deforestation, as wood is the only fuel available).
- Other constraints on development include low productivity and labour skills, the low status of women, a high population growth rate, and a high dependence on agriculture and mining - which accounted for 97% of export earnings in the 1990s - with declining terms of trade and a small domestic market.

C. Summarized national actions that need development partners support

Commitment 1: Fostering a people-centred policy framework

- The objective will be to achieve "pro-poor" growth. In order to do so, increased access by poor people to basic social services and infrastructures, productive resources and decision-making will have to be provided.
- The Government will seek to pursue efficient market-based development, based on sound macroeconomics and augmenting productive capacities through private initiative.
- Moreover, mainstreaming the gender perspective in the conception, design and implementation of all development policies will be a key instrument in the fight against

poverty. These policies will be delivered in a framework conducive to respect for the principles of Human Rights, social justice and democracy.

Commitment 2: Promoting good governance

Governance and democratization

The objective is to put in place an administrative system that is participatory, accountable, efficient, transparent and responsive to people's needs. To this end, the Government will seek to:

- Foster the devolution of power.
- Restore the credibility of the judiciary system (improve the state of police, prisons etc.).
- Reform the civil service, improve its management and increase remuneration.
- Increase awareness among people of their rights and civic duties.
- Reform the armed forces.
- Strengthen the capacities of Parliament and of the administration in charge of management of macroeconomic policies.

Commitment 3: Building human and institutional capacities

Achieving peace and stability

- One of the main actions will be the pursuit of the Disarmament Demobilization and Reintegration (DDR) programme aimed at encouraging the return of combatants to civil life. Other programmes will also be pursued to alleviate the post-war trauma of civilians and help them to participate in the economic development of the country.

Housing and shelter

In order to help the resettlement of displaced populations and foster the rapid resumption of economic activities, the first priority regarding housing is the implementation of a basic repair/reconstruction programme. The participation of the private sector as well as of young people and ex-combatants will also be sought. The strategy for housing will revolve around the following elements:

- Promotion of local building material.
- Skills development.
- Creation of an enabling legal framework for the participation of the private sector.
- Capacity building of the administrations in charge of housing development.

Education

The objectives of the Government are to achieve free and compulsory universal education and eradicate illiteracy by 2020.

To this end, the Programme of Action will carry out the following:

- Basic education support. This entails, among other things, increasing the enrolment in primary and secondary education, enhancing adult education and training, and facilitating the education of vulnerable groups (girls and handicapped people).
- Training of teachers.
- Strengthening the management of, and decentralizing, the education system.
- Construction and rehabilitation of schools.

Health

Major policy goals are to strengthen the health system, promote environmental health and control communicable diseases. The programme of action for health is composed of the following activities:

- Support for primary health care, including increasing disease prevention and control activities, child and maternal health, family planning and nutrition.
- Rehabilitation of peripheral health centres, including in rural areas.
- Provision of medical supplies and equipment.
- Decentralization of health services management and human resources development for the health sector.

Water and sanitation

- The objective regarding water and sanitation is to provide safe drinking water and basic sanitation for all at the shortest possible time. To this end, a three-stage programme has been devised. During the first stage, the rehabilitation of existing facilities will be carried out. The second stage will encompass the extension of supply in rural areas and the third stage will see the preparation of a master plan for future expansion. The implementing strategy will seek to strengthen institutional monitoring capacities, promote user participation in the rehabilitation/development of infrastructures, and improve the awareness of local communities regarding the importance of safe drinking water and sanitation.

Statistical services

- The objective will be to tackle the problem of the non-existence/unreliability of statistical data in the country. To this end, the Central Statistics Office will need capacity building in terms of training and improvement of its equipment.

Commitment 4: Building productive capacities to make globalization work for LDCs

Private sector development

- The objective will be to improve the capacity of the private sector to contribute to meeting the development challenge. The Government will therefore initiate an Interactive Policy Formulation Process (IPEP) with private sectors, which will among other things establish a Joint Economic Commission to foster dialogue between the public administration and representatives of the private sector. Actions will also be

undertaken to reinforce the capacities of the Bureau of Standards, and to promote job creation through skills development in small-scale enterprises.

Agriculture and fisheries

A three-year programme has been devised to increase the contribution of agriculture to development.

- Phase one will seek to “relaunch” the farming sector in order to restore pre-war production levels. In order to do so, the programme provides for reconstruction of farms and farming infrastructures, providing inputs to farmers and rehabilitating the production facilities for high-yield varieties of tree crops.
- The objective of phase two will be to increase productivity and the diversification of the agricultural output. This will hinge on the introduction of modern agronomic methods, provision of training and supporting services to farmers, and provision of credit and inputs to farmers.
- The third phase (to be implemented by the end of the decade) will aim at the consolidation of gains achieved and the planning of programmes for further development.
- The programme regarding fisheries aims at developing artisanal and semi-industrial fishing as well as eliminating illegal fishing in Sierra Leone's national waters.

Mining

- In order to enjoy the full benefits of the important potential of the mining sector, the strategy envisaged by the Government consists in adopting an anti-smuggling programme, improving the regulatory and legal framework for mining (in order to attract foreign direct investment) and providing support to small-scale potential operators, *inter alia* giving them the possibility to acquire seed equipment.

Transport

The investment programme in the transport sector consists of:

- A 10-year reconstruction and rehabilitation programme.
- Managing the maintenance programme.
- Fostering the participation of the private sector in developing the transport network.

Postal services

- The redevelopment of these services is essential, as they ensure not only inexpensive communication facilities in rural areas but also other services such as remittance transfer and savings collection. Investment is required in order to rebuild the postal services infrastructures destroyed by the war and to increase the skills and management capacity of personnel through training.

Tourism

- In order to take advantage of the potential of the tourism sector, the Government envisages building national capacities in the sector, fostering the involvement of the

private sector in tourism and improving infrastructures that are necessary for the development of the sector. Thus, the capacities of the Ministry of Tourism will be enhanced. The Hotel and Tourism Training Institute will also be rehabilitated, as will be the National Heritage site on Bunce Island.

Energy

The Government strategy regarding energy aims at:

- Improving sustainable use of utilisation of wood as fuel.
- Restoring the infrastructures of the National Power Authority and improving its management.
- Introducing competition and encouraging private sector participation in electricity production.
- Completing the Bumbuna hydro-electric scheme to increase the country's self-sufficiency in electricity.
- Pursuing the development of alternative sources of energy.

Commitment 6: Reducing vulnerability and protecting the environment

The environment

The goal regarding the environment will be sustainable development through sound environmental management. Measures required are:

- Strengthening of environmental agencies' capacity.
- Legally linking major policy development with environmental concerns.
- Raising public awareness of the importance of the environment.
- International cooperation on environmental issues of global or regional concern.

Commitment 7: Mobilising financial resources

- Efforts to mobilize concessional foreign assistance will have to be intensified, so that the bulk of the action plan can be financed. The total cost of the programme of action is US\$ 1065.23 million. It is estimated that over the next decade, the proportion of domestic funding available to finance this programme will be around 7 or 8%, therefore, 92 or 93% of needs will have to be funded through foreign assistance (loans or grants).

SUDAN

A. National development objectives and targets

1. Sudan's Programme of Action for 2001-2010 contains a review of the progress made in the 1990s and focuses on the Government's continuing commitment to sustain and deepen reform programmes aiming at accelerating socio-economic development, preparing the economy to harness globalization for national development, reducing the incidence of poverty and ending the long conflict in the south. The following are highlighted quantified goals:

- To increase the annual average growth rate of GDP to 7%-7.5%.
- To increase domestic savings to 20% of GDP.
- To increase the annual average investment rate to 33% of GDP.
- To increase the domestic share of investment financing to about 53.8%.
- To increase average public revenues to 32% of GDP.

B. Constraining factors on economic and social development

2. General and sectoral constraints linked to a low level of socio-economic development; Sudan's specific constraints linked to the civil war in the south; natural and man-made disasters; and external constraints, including a decline in ODA and an increase in debt; and difficulties in market access for improving the prospects of development and poverty reduction. Sudan, like other LDCs, will continue to need external support on more favorable terms to complement national efforts and actions.

C. Summarized national actions that need development partners support

Commitment 1: Fostering a people-centred development

- To create a domestic political and social situation to allow an end to the civil war, establish peace and national unity, and restore confidence among citizens through, *inter alia* the Special Programme for the South.
- To empower women and mainstream them in the national development agenda.
- To prepare the economy to harness globalization, giving adequate attention to the development of productive forces.
- To ensure popular participation in the preparation and implementation of different programmes.
- To further the normalization of relations with bilateral and multilateral partners.
- To implement resettlement initiatives for displaced people.

- To build capacity for improved social service delivery and improved institutional capacity for effective planning, monitoring and evaluation.

Commitment 2: Good governance

- To end the conflict that has caused the loss of many lives and destroyed economic structures and social stability.
- To promote and ensure an environment of true democracy and political and social tolerance within the framework of the federal system, without discrimination.
- To identify areas of weaknesses in the federal system and intensify capacity building.
- To ensure sufficient transparency and accountability and fight corruption with convincing actions.
- To enforce peace opportunities through fair distribution of wealth and the rule of law.

Commitment 3: Building human and institutional capacities

Building human capacities

3. Sudan's targets for achieving basic social services and building human and institutional capacities including:

- To increase access to and provide mandatory basic education for all by the year 2015.
- To improve the balance between various stage of education by the year 2005 by enrolling not less than 67% students in secondary education and about 55% in higher education; and endeavoring to reach a 60% contribution of technical education, taking into account gender issues.
- To increase access to skills development and disseminate vocational training in all states, especially those suffering from the consequences of war.
- To improve the quality of education with provision of modern means and facilities, including laboratories, and improve the training of teachers and trainers.
- To link the educational system with the changing labour market requirements.
- To increase life expectancy to 62 years, provide essential and cost effective health care services, and reduce infant and mother mortality to 36 and 138 per 1000 respectively.
- Increase access to clean and safe drinking water and sanitation for rural and urban areas.
- To attenuate the level of unemployment incorporating newcomers into the labour market, taking into account that most of the population is outside the formal sector and their income and livelihood are sensitive to access to natural resources.

Building institutional capacities

- To review the tasks and responsibilities of the Government and to give priority to and invest in human and institutional capital.

- To mobilize indigenous capacities and ensure effective participation of the private sector and civil society in the preparation and implementation of programmes at both national and local levels.
- To foster the development of administrative capacities through upgrading skills and sharpening institutional structure in both public and private sectors, especially in the areas of management, marketing and technical education.
- To formulate a national long-term comprehensive strategy for institutional capacity building with built in systems to monitor and evaluate progress.
- To address the problem of migration of experienced and qualified persons for various reasons and review and enhance payment structures.

Commitment 4: Building productive capacities to make globalization work for Sudan

Enterprise development

- Creating an enabling environment for private sector development through SMEs, and private sector participation in preparation of policies, implementation of programmes and development of infrastructure.
- To secure capital, appropriate technology and management systems to raise production efficiency and to facilitate contracts with foreign counterparts from friendly countries.
- To enhance the private sector capacity to invest in the context of cooperation with foreign partners soliciting joint-venture investments.

Agriculture

- To increase and diversify agricultural production
- To revise land tenure and taxation systems to enable farmers to benefit fully from production and marketing opportunities.
- To support farmers with farm inputs and credits to increase productivity and enhance the quality of exportable commodities.
- To introduce insurance systems in agricultural operations in preparation for disasters, pests, etc., to reduce agricultural losses.
- To expand the irrigated areas through developing and rehabilitating the irrigation infrastructure, in order to increase available water by 40%.
- To complete the forestry development project and increase the forest area to 25% of the total area of the country.
- Development of infrastructure in potentially productive agriculture areas.
- Support of extension services, especially to small and medium scale farmers in rural areas.
- Enabling women to participate more efficiently in improving agriculture and contributing to increased food production.
- Ensuring safety nets of food grain reserves to guarantee continuous food supply.

Manufacturing

- To shift from import substitution-based industry to industry based on knowledge and free competition in open markets by increasing capital, raising productive efficiency, reducing costs, improving quality, etc.
- Reinforcing forward and backward linkages for strategic industries.
- Paying attention to research centers and linking them to the industrial sector.

Mining

- To continue mineral exploration and preparation of investment maps and databases of mineral resources.
- To develop gold and other precious minerals production for export.

Physical infrastructure

- To implement the national programme of rehabilitation and expansion of the infrastructure network with the aim of linking the various parts of the country, integrating the socio-economic structure and meeting the requirement of regional integration. The programme includes increasing by 20 times the haulage capacity, road transport, river and sea transport, doubling tele-density and expanding the telecom network to cover all parts of the country.

Energy

- To encourage both foreign and local companies to continue oil exploration and investment in proven oil reserves to meet the domestic demand for oil products and export the surplus.
- To increase electric power generation from hydro sources and to expand electric transmission networks to cover especially agricultural and industrial activities.
- To rehabilitate and upgrade the existing power stations and give rural electrification priority.
- To develop alternative energy sources, including solar energy, wind, biogas, etc.

Technology development

- To develop policies that encourage innovation and development of local technology capacities.
- To prepare action programmes for rehabilitation and enhancement of national research centres and coordinate efforts, especially in the field of computer applications, by various institutions in the areas of education, communication, agricultural and industrial research.

Commitment 5: Enhancing the role of trade in development

- To prepare a strategy for trade promotion including: strengthening financial, physical, technological, administrative and institutional capacities required for sustainable growth of exports; diversifying export production and export markets; encouraging foreign investors to develop supply and export promotion capacities.

- To improve the competitiveness of Sudanese exports through financing the basic infrastructure required for developing supply capacities, promoting exports and enhancing competitiveness in international trade.

Commitment 6: Reducing vulnerability and protecting the environment

- To implement the national plan for environment, focusing on combating desertification, applying an early warning system against drought, controlling the application of chemicals in agriculture, and applying an environmental dimension in the design of all development projects.

Commitment 7: Mobilizing financial resources

- To obtain annual average investment of 33% of GDP by maintaining macro-economic stability and sustained growth, rigorous financial reforms, modernization and expansion of the enterprise sector, improving the investment climate, and improving mechanisms and modalities of cooperation between the Government and the private sector.
- Reducing complexity of taxes and strengthening revenue bodies.

D. Arrangements for implementation

- To establish a national body for monitoring and evaluating the implementation of the National Programme of Action, with subordinate units at the level of states and localities.
- To establish a Permanent Steering Committee with representatives from the government and local development partners to coordinate national and development partners actions.

TUVALU

A. National development objective

1. The main development objective of Tuvalu is to prevent further economic marginalization from the global economy by using, through good governance, for the benefit of all islanders and in accordance with the principle of sustainable development, a range of opportunities related to the comparative advantages of the country. Considering the extreme remoteness and smallness of the archipelago, and the inherently high structural costs, fulfilment of this development objective implies the continuation of sizeable external support from the international community.

B. Constraints on economic and social development

- High risk of frequent natural disasters: e.g. one cyclone in 1972, three in 1997.
- The long-term threat stemming from the sea-level rise phenomenon, with the risk of disappearance of some of the atoll islands.
- Exceptional remoteness and smallness of the archipelago, causing a great competitive disadvantage (as a result of high infrastructural and transport costs) and practically defeating the viability of any economic sector that involves physical transport, including the tourism sector (despite the advantage of the natural beauty of a large part of the environment).

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

2. Tuvalu pursues a development policy aimed at sustaining the well-being of all the people of the archipelago, in particular through an equitable geographical and social distribution of the outcome of various external initiatives that have generated income, such as the Tuvalu Trust Fund for over a decade, and more recently, the international exploitation of the country's Internet domain name.

Commitment 2: Promoting good governance

3. Tuvalu regards good governance as an important condition for the achievement of its paramount goal of equitable and sustainable development, and cultivates good management principles, which are also expected in the relationship of trust between the country and its development partners.

Commitment 3: Building human and institutional capacities

4. Despite the simplicity of the domestic economy and the limited need for high skills, human resource development is a paramount facet of the development strategy of Tuvalu,

because it lays the foundation for future efforts to enhance the country's specialization in new economic sectors, especially in the area of international services. Institutional capacity-building is equally important, considering the country's increasing involvement in international relations (Tuvalu is now a member of the United Nations) and the need to locally monitor the environmental impact of new development projects and to ensure that social services are delivered to all islanders in an equitable manner.

Commitment 4: Building productive capacities

5. Though incurring great economic disadvantages regionally and internationally, Tuvalu pursues the aim of reinforcing the competitiveness and viability of its existing economic sectors, in particular its agriculture, which has been mainly based on the production of copra. Diversifying the economy is considered a vital objective as the country wishes to reduce its economic vulnerability in the context of the declining international demand for coconut products. Tourism, which is still underdeveloped in the islands, will also be encouraged. Further potential exists in the field of international services based on modern communication technology. This perspective implies that relevant efforts be made in the area of human resources and in the physical infrastructure.

Commitment 5: Role of trade in the development process

6. While accepting the forces of trade liberalization and aiming at a diversification of its export-oriented activities, Tuvalu's authorities are conscious of the structural limitations of the capacity of the islands to seize new trading opportunities in the global economy. For this reason, they accept the necessity to rely on "external rental income" based on special comparative advantages (e.g. domain name; philatelic sales; licence fees), as well as revenue derived from the Tuvalu Trust Fund and remittances from Tuvaluans working abroad (mainly seamen) as a dominant part of the resources on which the country will have to rely in the future.

Commitment 6: Reducing vulnerability and protecting the environment

7. Vulnerability to violent natural disasters and to slow but equally serious environmental shocks such as sea level rise and coastal erosion is a major concern in Tuvalu because of the impoverishment that these problems create in the context of the great difficulties faced by islanders in reconstructing the damaged infrastructure or preventing the physical impact of the sea. Alleviating vulnerability by reducing the exposure to external shocks is difficult when the range of economic opportunities is limited. Tuvalu therefore seeks donors' support in developing a durable physical infrastructure, and counts on the various sources of external income accruing to the population to enable individual households to prevent the adverse impact of external shocks through their own means, and to implement, in their activities and practices, the basic principles of sustainable development.

Commitment 7: Mobilizing financial resources

8. Tuvalu has a very limited capacity to finance the development projects relevant to its development vision ("Vision 2015"), in spite of the benefits derived from the Tuvalu Trust Fund. The country therefore aims at mobilizing external financial resources in order to secure

financial support while maintaining “contingency” resources to face the consequences of the many external shocks the country is vulnerable to.

UGANDA

A. National development objectives

1. Uganda's Programme of Action 2001-2010 is articulated in the Poverty Eradication Plan, which establishes the policy framework for eradication of poverty drawing heavily from the lessons learned from policy implementation during the past two decades and recognizing the challenges that need to be addressed. The primary goals for the 2001-2010 plan are :

- **Creating a framework for economic growth and structural transformation.** This goal emphasizes economic growth and employment generation. Key elements in the goal are: maintaining macroeconomic discipline, setting up appropriate incentives, ensuring equitable and efficient collection and use of public resources, and addressing constraints that affect private sector performance
- **Ensuring good governance and security.** This goal emphasizes: conflict resolution and end to wars, support for conflict-afflicted areas, making public expenditure transparent and accountable, improvement in the quality of service delivery, enforcement of law and order, and increasing accessibility of public information.
- **Continuing with the plan of agriculture modernization** with the aim of increasing the ability of people to raise their income and to reduce poverty in a sustainable manner. The plan emphasizes research and technology, advisory services, education, access to rural finance, access to markets and sustainable natural resource utilization and management.
- **To enhance the quality of life of the poor.** This goal emphasizes increase of access to services including: improved quality of education, access to proper health care, improved water supply and sanitation.

B. Constraining factors on economic and social development

2. Uganda is constrained by a variety of internal, external and exogenous factors including:
- Insecurity - armed conflict remains a major concern, especially in the north and regions bordering Sudan and Congo.
 - Poor health service delivery and HIV/AIDS.
 - The poor state of infrastructure that constrains private sector development.
 - Vulnerability to external shocks and natural disasters.
 - Lack of institutional support for producers and exporters and of skills and capacity to follow up developments in the multilateral trading system and negotiate favorable trade terms.
 - Low domestic resource mobilization, a weak industrial base, and high levels of unemployment.
 - Environmental degradation and refugee problems with spill-over effects.

- External debt servicing.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred development

3. Uganda's goals in this connection include the following:

- The Government will continue to promote policies and programmes to eradicate poverty and improve health status and educational achievement while ensuring that the poor have an effective voice in the design and implementation of public policy.
- To promote participatory and democratic governance.
- To continue focusing on increased investment in infrastructure and human capacity, and strengthening institutional capacity both in the public and the private sector, thus creating a nation which is technologically advanced, competitive and enjoying good living standards, regardless of age, sex or sector.

Commitment 2: Good governance

4. For this commitment, the Government has identified the following areas and actions:

- **Democracy and decentralization.** The democratization of Uganda has been pursued in the context of decentralization. Challenges that need to be addressed to improve decentralization include: capacity building in districts to focus on policy formulation, implementation, coordination and monitoring in a manner to contribute to poverty reduction. There is a need to support and encourage horizontal and vertical co-operation within districts in terms of information sharing and programme implementation, and the Government will continue revising and laying down operational principles, rules and regulations.
- **Public sector management.** The Government and the development partners need to address the problems of low salaries, difficulties to recruit qualified staff to work in remote areas, poor accountability and overall coordination of resources between the Government and its development partners, as well as the AIDS scourge which has profound implications for human resource management.
- **Private sector responsibility.** The Government is to address severe constraints that limit the private sector's ability to develop, including: improvement of basic infrastructure such as telecommunications, transport, energy, weak legal and regulatory frameworks, limited access to micro-finance, and corruption.
- Continuing with restructuring and strengthening of financial and commercial justice sectors
- To continue promoting public awareness about human rights

***Commitment 3: Building human and institutional capacities -
Education and Health***

5. Uganda has developed the Education Sector Investment Plan (ESIP) and Health Sector Strategic Plan (HSSP) as a key factor in human and institutional development. The Government is committed to continuing resolving issues of supply-side constraints, including:

- To increase funding in the education sector, especially for classroom construction and teacher training at the primary education level.
- To increase secondary and tertiary enrolment and to make the number of teachers keep pace with the number of pupils in the educational system.
- To review pay reform for civil servants, especially teachers and doctors.
- More attention to vocational and higher education.
- To increase efforts in prevention and control of communicable diseases, management of childhood illnesses, proper management of sexual and reproductive health and sanitation.
- To sensitize communities and local leaders as to what they should expect from health services, including minimal ethics and values of health workers.
- Strengthening strategic planning and resource mobilization for HIV/AIDS activities.
- To strengthen the institutional framework in terms of women and gender and to direct more resources into gender mainstreaming.

***Commitment 4: Building productive capacities to make
globalization work for Uganda***

Enterprise development

- To reform legal and regulatory bodies dealing with the business community.
- Improving basic infrastructure - power, communications, transport.
- Building capacities and strengthening commercial justice and trade policies.
- To promote efficient and effective transport services as a means of providing support to increased agricultural and industrial production, trade, tourism, social and administrative services.
- Increasing accessibility to finance through reforms in the financial sector and banking.

Agriculture

6. Constraints in the agricultural sector include: low levels of productivity, under-funded extension services, poor credit and marketing systems, vagaries in weather, emigration of the youth from rural areas, poor farming technologies, multiple taxes and inadequate data for effective farming. Actions are designed:

- To address the gender dimension in access, ownership and control of land.
- To make farming a profitable enterprise at household levels.

- To improve agricultural marketing and market access.
- To improve the technological uptake, including irrigation technologies and information systems.
- To improve the extension service system, which is almost non-existent and extremely inefficient.
- To reduce agricultural vulnerability and ensure the more sustainable use of natural resources.
- To empower rural people and local governments to enhance their ability to plan and implement programmes in a strategic way that encourages agriculture to prosper.
- To improve rural infrastructure to generate earning opportunities for the rural poor.

Manufacturing

7. The main priority lies in building links between manufacturing and the agricultural and mining sectors:

- To establish more structures for industrial and technological development.
- To improve utilities, including power, water supply and telecommunications.
- To support the development of small and medium enterprises.
- To strengthen institutions that provide support services, such as quality control and research.
- To increase facilitation to reduce the lead time require for an investment project to become operational.

Physical infrastructure

- Construction, rehabilitation and maintenance of roads, development of rural access feeder roads.
- Promoting rural electrification and integrating energy strategies with other aspects of rural development.

Technology development

- A need for national budgets to incorporate funding for technological innovation
- Encouragement of NGOs and the private sector to participate in providing technology infrastructure.

Commitment 5: Enhancing the role of trade in development

- To increase productivity.
- Diversification of products with additional value.
- Improvement of linkages between industry and agriculture.
- To provide institutional support to producers, exporters and importers.

- Capacity building to follow up developments in the multilateral trading system and negotiate favorable trade terms.
- Promotion of transit and regional trade.
- Ensuring that trade policy conforms to WTO rules.

Commitment 6: Reducing vulnerability and protecting the environment

- Capacity building in environmental conservation and more environmental technologies.
- Promote awareness on environmental protection and safeguards against over-exploitation of natural resources.
- Strengthening institutional and regulatory bodies for natural resource management.
- Capacity building in areas of vulnerabilities.

Commitment 7: Mobilizing financial resources

- To increase the tax base and improve revenue collection systems, and improve tax administration.
- To iron out inadequate accountability procedures in government departments.
- To strengthen the financial sector and promote domestic savings.
- To create a conducive environment for investment, including stable macroeconomic variables, positive real interest rates and streamlining the banker sector.
- To increase household incomes by transforming the current subsistence agriculture to market-based commercial activity.

D. Arrangements for implementation

- The Government is in the process of defining a Poverty Monitoring Strategy that outlines a clear structure for the public institutions involved in monitoring and for other institutions which collaborate with the Government.
- The monitoring will serve to build on what works and avoid repeating mistakes and also to help build accountability for successes or failures in achieving set targets
- There is a great need to mobilize the resources required for implementation of the plan of action.

UNITED REPUBLIC OF TANZANIA

A. National development objectives and targets

1. Tanzania's Programme of Action for 2001-2010 is guided by the Vision 2025, which presents the national aspirations for economic and social development. The fundamental goals are to build up productive capacities and competitiveness and increase domestic resource mobilization. The Programme of Action is prioritized with a focus on poverty eradication, increasing in efficiency in resource allocation, raising domestic savings and investment, and strengthening technological capabilities. The targets to be achieved by year 2010 are as follows:

- To increase the share of the manufacturing sector from 8.4 % to 20%.
- To increase the real growth rate of the economy to between 8% and 10%.
- To increase income per capita to between US\$ 300 and US\$ 500.
- To reduce absolute poverty by 50 % by the year 2010.
- To achieve a literacy rate of 90%.
- To reduce the infant mortality rate by 50%.
- To achieve an unemployment rate of less than 10%.
- To provide access to clean and safe water by 90% of the population.
- To rehabilitate 15,000 km of rural roads.

B. Constraining factors on economic and social development

2. Tanzania is constrained by a variety of internal, external and exogenous factors including: uncertainty and a high decapitation rate in agriculture, the poor state of infrastructure, rapid spread of HIV/AIDS, low domestic resource mobilization, low levels of human skills, high levels of unemployment, a weak industrial base, environmental degradation, the external debt overhang, declining ODA and a high technical assistance component, donor dependency syndrome, challenges of globalization and international trade, and quite a number of negative shocks. Dealing with constraints requires actions at national and international levels.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred development

3. Tanzania aims at creating a society free from inequalities in all forms of social, economical and political relations which inhibit empowerment and effective popular participation of all citizens. Actions are designed:

- To develop a competitive economy capable of producing sustainable growth and shared benefits to improve the livelihood of all Tanzanians.
- To address gender imbalances.
- To continue to nurture and sustain national peace, stability, unity and social cohesion.
- To achieve a well educated and learning society where people have a mindset of effective determination and ownership of their development agenda.
- To equip people with knowledge to solve the society's problems, cherishing human development through hard work, professionalism, entrepreneurship, and creativity to meet the challenges of development and attain competitiveness at regional and global levels.

Commitment 2: Good governance

4. Good governance must be made instrumental to the promotion and realization of development. Actions are designed:

- To intensify the fight against corruption and strengthen the Prevention of Corruption Bureau (PCB).
- To introduce civic education and strengthen the judiciary.
- To ensure that mechanisms for promoting dialogue, consultations and networks of various actors in development are put in place and are made to work.
- To promote popular participation of people in decision-making for socio- economic development.
- To promote the private sector, with a regulatory framework that works properly and effectively.
- To accelerate pay reforms with a view to improving the incentive structure and curbing corruption.
- To promote broad-based grassroots participation in the mobilization of resources, knowledge and experience with a view to stimulating initiatives at all levels of society and promoting gender equality.
- To build capacities of the public service to deliver public services efficiently and effectively and ensure that public servants are accountable to the people.
- To ensure that all service delivering institutions provide correct information and analysis in response to their obligations to society.

Commitment 3: Building human and institutional capacities - Education and Health

5. The expansion of delivery is hampered by insufficiency of resources, both public and private. Actions include:

- Expanding enrolment at all education levels, improving the quality of staff and increasing relevance in curricula.

- Increasing resource flows to basic social services.
- Reducing drop out rates, especially for girls, and improving school inspection services.
- Making an environment conducive to private sector participation so as to stimulate job creation.
- Increasing immunization programmes.
- Increasing AIDS awareness campaigns.
- Strengthening delivery of health care services in order to enhance efficiency and effectiveness.
- Promoting preventive care through public health education and community participation.
- Strengthening the management capacity at all levels - national, district and institutional.
- Improving the Education Management Information System (EMIS).
- Strengthening adult and vocational training.
- Constructing and rehabilitating classrooms, increasing teaching materials and enhancing teacher competence.
- Capacity building in management, administration, and research activities.
- Strengthening the legal and regulatory framework to ensure quality and curb unethical practices.

Commitment 4: Building productive capacities to make globalization work for Tanzania

Enterprise development

6. Measures intended to promote private sector development include:

- Strengthening the regulatory framework.
- Special incentives for investments under the investment Act.
- Continued liberalization of the domestic trade regime.
- Increasing accessibility to finance through reforms in the financial sector.

Agriculture

7. Constraints in the agriculture sector include: low level of productivity, under-funded extension services, poor credit and marketing systems, vagaries in weather, emigration of the youth from rural areas, poor farming technologies, multiple taxes and inadequate data for effective farming. Actions are designed:

- To improve research and extension services, improve irrigation and water harvesting programmes, promote improved seeds and fertilizers and improved veterinary services, all aimed at increasing production.
- Improve agricultural marketing and increase market access.

- Invest in rural roads, water supply, transport and storage, and utilization of irrigation.
- Promote the use of improved implements and machinery.

Manufacturing

8. The sector faces a number of constraints related to dumping of imports, limited access to financial services, poor support infrastructure and unreliable supply of utilities - electricity and water. Actions are designed:

- To rehabilitate and consolidate existing industrial capacities through financial, capital, and management restructuring.
- To establish capacities in areas with a clear potential for gaining competitive advantage.
- To encourage and support the development of small and medium enterprises.
- To strengthen institutions that provide support services such as quality control.
- To promote and sustain an export culture.

Tourism

- To promote development of sustainable and quality tourism that is culturally and socially acceptable and ecologically and environmentally sustainable.
- To provide a conducive environment for the private sector to lead in the provision of tourism services and goods, and for the participation of communities.
- To promote regional and international co-operation in tourism.
- To improve key infrastructure for tourism, including transport, communication and information technology.

Community development and gender issues

- To support and monitor gender mainstreaming initiatives in policies and programmes.
- To promote the use of appropriate technologies by communities for both men and women.
- To promote children's rights.
- To enhance public awareness through advocacy on community matters.

Mining

- Assessment of past mining environment damage and implementing rehabilitation programmes.
- Awareness campaigns on proper mining and processing technologies.
- Improvement of information management systems in mining and infrastructure
- Improvement of occupational health services, labour conditions and micro-credits.
- Training Tanzanian nationals in stone carving skills.

Physical infrastructure

- Construction, rehabilitation and maintenance of roads, bridges, rural access feeder roads, and communication infrastructure.
- Promoting the role of private sector involvement in the construction, maintenance and management of infrastructure.

Energy

- To introduce efficient wood energy conversion technologies.
- To introduce renewable technologies, including solar, wind, biogas and geothermal plants.
- Extension of rural electrification.

Technology development

- Upgrading technologies to meet international standards.
- Participation of the private sector and NGOs in providing technological infrastructure.
- Special initiatives to encourage girls and women to science and technology.

Commitment 5: Enhancing the role of trade in development

- To promote an export development strategy.
- Special export incentives and development of economic processing zones.
- Capacity building for export promotion.
- Promotion of transit trade.
- Promotion of trade in services.

Commitment 6: Reducing vulnerability and protecting the environment

- Improving the institutional and regulatory environment for natural resources management.
- Capacity building in areas of vulnerabilities.
- Strengthening national early warning and natural disaster forecasting mechanisms.
- Re-investing in game reserves.
- Establishment of wildlife management areas and development of land use plans.

- Addressing the continuing refugee problem.

Commitment 7: Mobilizing financial resources

- Reducing taxes and their complexity and strengthening the revenue authority body - TRA.
- Strengthening the financial sector and promoting rural financing and the informal sector.
- Developing a conducive environment for investment in order to continue attracting more FDI.
- Increasing the fight against corruptive practices.

D. Arrangements for implementation

9. Implementation will take place in a more stable and predictable macroeconomic environment and with improved governance compared to previous programmes.

- There will be a process of evaluation and monitoring to track down the progress made towards the realization of goals.
- To set benchmarks and measurable outputs to assist in monitoring the process of implementing the goals.

10. The indicative budget of the programme of action for Tanzania 2001-2010 is US\$ 5395.1 million.

VANUATU

A. National development objective

1. The principal development objective of the country is to reduce the vulnerability of its economy to the high risk of frequent natural disasters with severe economic consequences, and to succeed in the implementation of the Comprehensive Reform Programme, which is a tool for creating a national socio-economic environment of stability that will be conducive to new economic opportunities (in particular, through increased foreign investment), with a view to lessening the marginalization of Vanuatu from the global economy.

B. Constraints on economic and social development

- High frequency of violent natural disasters (cyclones, tsunamis) with human losses and serious infrastructural damage causing many of the islands to be forced into situations of near total subsistence and unable to export (damaged port infrastructure)
- Continuous dependence on foreign aid, especially for post-disaster reconstruction, and for improvements in the existing infrastructure, without which the risk of economic marginalization would remain great for most of the islands other than Efate and Santo
- Considering the unrelenting need for external support, great concern was expressed by Vanuatu, in 1997, after the United Nations had envisaged that the country would graduate from least developed country status; this fear was subsequently dispelled, after the 2000 review of the list of LDCs, when the U.N. found that Vanuatu no longer met the graduation criteria (with regard to human capital development and economic vulnerability).

C. Summarized national actions that need development partners' support

Commitment 1: Fostering a people-centred policy framework

2. Vanuatu has been pursuing implementation of its Comprehensive Reform Programme, which is largely financed by the donor community, with the Asian Development Bank in the leading role. Rationalizing and stabilizing macroeconomic policies within a coherent framework is an important part of the Programme, which also aims at reducing, through infrastructural development, the severe physical handicaps the country suffers from. In the context of the high costs associated with most development projects as a result of the structural disadvantages of the country, Vanuatu will continue to depend greatly on external resources if it wishes to maintain a sound macroeconomic situation while reducing poverty in a geographically equitable manner (with due consideration to the outer islands).

Commitment 2: Promoting good governance

3. Vanuatu's authorities are aware of the importance of good governance to warrant macroeconomic stability, and for the success of national efforts to promote equitable development opportunities for all islanders while maintaining a relationship of trust with development partners.

Commitment 3: Building human and institutional capacities

4. One major aim is to reduce the substantial inequalities in the social status of the population among the many islands of Vanuatu, bearing in mind the relatively high demographic growth of the nation (2.5% per annum in 1990-1998), and in particular, the difficulty of absorbing growth in the area of primary education. With regard to the objective of institutional capacity-building, Vanuatu will continue to need external assistance to increase its chances of taking advantage of new economic opportunities resulting from globalization forces. Special examples of areas in which this type of assistance remains vital are the context of Vanuatu's accession to the World Trade Organization (still unsuccessful after five years of negotiations), and the development of a capacity to attract foreign investors (an area in which UNCTAD has been assisting the country over the last two years).

Commitment 4: Building productive capacities

5. Despite the apparent relative prosperity that has resulted from growing activities in the international tourism and offshore financial sectors, Vanuatu's economy remains "dual" in nature and needs to reinforce its specialization for the benefit of its population, as a large proportion of this population still entirely depends on traditional agricultural and fisheries activities. Economic diversification has been relatively successful in the area of services, but remains limited in the manufacturing sector, as a result of the structural disadvantages which the country suffers from, in particular, the lack of producer and professional services and the competitive disadvantage of transport costs. The diversification objective therefore remains vital if the country is to reduce its exposure and vulnerability to external (natural and economic) shocks. To that end, Vanuatu will pursue its efforts to create an enabling environment for entrepreneurship and investment, with particular reference to infrastructural development.

Commitment 5: Role of trade in the development process

6. The economic growth of Vanuatu over the last decade has been largely due to the rapid development of international trade in services (tourism, offshore financial services), while trade in primary goods (with the exception of organic meat and kava) has not demonstrated progress. The country has been an observer of the multilateral trade framework for several years and hopes to finally become a member of the World Trade Organization.

Commitment 6: Reducing vulnerability and protecting the environment

7. Vanuatu is highly vulnerable to a range of external shocks with severe economic consequences: primarily to natural disasters, and to some extent, to the general impact of competition forces, which affect all economic sectors. The impact of global warming through phenomena such as sea level rise and coral bleaching is less severely felt in Vanuatu (which

is predominantly made of volcanic islands) than it is in other Pacific States. Yet, Vanuatu's natural environment is very fragile, and the country is active, in the international arena, on global issues with eventual consequences on small island countries as well as the least developed countries.

Commitment 7: Mobilizing financial resources

8. Vanuatu will pursue its efforts, in the context and the aftermath of the Third United Nations Conference on the LDCs, to convince its development partners of the importance, for the country, of retaining its access to concessionary financing, considering the continuous need for post-disaster reconstruction projects, and the additional need for support to enhance productive capacities and achieve diversification toward sectors that are less vulnerable to external shocks.

YEMEN

A. National development objectives and targets

1. Yemen's Programme of Action for 2001-2010 is derived from the Second Five Year Plan – SFYP (2001-2005) and the Yemen Vision 2025 which both aim at diversifying Yemen's economy and social development. The major goals and targets are:

- To raise per capita income from \$349 to \$1050 by the year 2010.
- To achieve an annual rate of growth of real GDP of 6.5-7.5%.
- To reduce poverty from the present level of 33% to 15% by the year 2010.
- To reduce unemployment from the present level of about 35% to 10% by the year 2010.
- To raise the sectoral annual rate of growth to within the range of 8% to 10%.
- To prepare the economy to integrate into the world economy effectively and competitively.

B. Factors constraining economic and social development

2. The constraining factors, both internal and external include:

- Lack of sufficient infrastructures, including roads, ports, airports, water supply, power supply, telephones, etc.
- Low per capita income and low saving capacity. The GDP per capita of Yemen was \$349 in 1999, which is under the poverty line.
- High population growth rate, estimated at 3.5% in 1999, which creates pressure on sources of natural wealth and causes environmental problems.
- Water scarcity: Yemen is considered one of the poorest countries in water resources in the world.
- Low skills and capacities of human resources, characterized by low productivity and low participation in employment.
- Increasing dependence on the foreign sector and servicing of a huge external debt.
- The consequences of the gulf war of 1990-1991, which resulted in an influx of returnees and refugees, the suspension of foreign aid, and the impact of regional conflict.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering people-centred development

3. The mission is to provide Yemeni citizens with a better standard of living and high economic and social welfare equitably. Strategies underlying this development include:

- Development and upgrading of human resources as the cornerstone for economic and social development.
- Diversifying the economy to move away from high dependency on oil production and export to income generation and employment creation through expansion of agriculture, industry, fisheries and tourism.
- Improving the investment attractiveness and competitiveness of the economy by mobilizing domestic private investments and attracting foreign direct investments and technologies.
- Continuing improving tax and expenditure policies, revenue administration, customs administration, the civil service, pension funds, budget management, banking systems, and trade and tariff policies, and continuing with the reform of privatization and economic development.
- To increase the role of the private sector by reducing the crowding-out effect of large and inefficient government organs.
- Maintaining and consolidating existing macroeconomic policies.
- Improving technology in all sectors and enterprises.

Commitment 2: Good governance

- Yemen is an Arab and a Muslim country. The country has a democratic government, and the people are the source of authority.
- The Government will continue governing through elected councils at the district and governorate levels.
- The Government will continue encouraging the role of the private sector and NGOs in carrying out responsibilities related to service delivery.
- Improving institutional frameworks that constitute legal channels for political activities.
- Reducing or eliminating centralization in the administration.
- Promoting human rights.
- Ensuring efficient public expenditure.
- Strengthening the democratic processes.

Commitment 3: Building human and institutional capacities

Education

- To continue building cultural and educational schools and institutions.
- To continue increasing access to and to improve the quality of education.
- To reduce drop-out rates, especially in primary and secondary schools.
- To reduce gender imbalance in school enrolments.
- To expand education facilities in under-served areas.
- To enforce the law which makes basic education for a nine-year cycle compulsory.

- To improve the capacity of education authorities at the governorate level in planning, decision making and implementation of education policies.
- To provide technical assistance, equipment and training materials and to rehabilitate facilities to help upgrade quality in vocational training centres.
- To support community based adult education training programmes targeted at women.

Health

- To establish more effective health services and provide them to the most needy segments of the population.
- To increase expenditure on primary health care.
- To achieve adequate and universal access to health care services.
- To ensure equity in both delivery and financing of health care.
- To enhance allocation and technical efficiency of the service delivery system.
- To prevent communicable diseases.
- To implement District Health Systems (DHS) in which districts will be the basic unit of service provision.

Commitment 4: Building productive capacities to make globalization work for Yemen

Enterprise development

- To continue with structural reform programmes to complement macroeconomic stability, changes in the legal, regulatory and policy environment, and improving the climate for private sector investment.
- To improve the taxation system and customs administration, legal reforms to enhance the banking system, harmonization of excise taxes, continue with privatization and liberalization of investment, and a regulatory framework to enhance private sector investment and activity.
- Maintaining macroeconomic policy to ensure stability in the monetary sector in order to keep inflation at low levels and increase foreign exchange.
- To encourage establishment of credit institutions to provide easy terms of credit, especially to women, productive families, poor people and small industries.
- To encourage and promote economic activities with export potential and competitiveness, especially in agriculture, industry, fisheries and tourism.
- To encourage regional trading along with regional free trade zone arrangements to promote and attract joint ventures.

Agriculture

- To take proper initiatives to decrease population growth and increase the levels of education for efficient agricultural production.

- To rationalize water use and improve irrigation methods and limit irrational utilization of scarce underground water.
- To support agricultural research and extension services, as well as improving animal endowment.
- To expand establishment of dams and water reservoirs to minimize water use in irrigation.
- To expand provision of easy terms of credit to small farmers, fishermen and cooperatives.
- To upgrade and expand fishing infrastructures, including fishing technologies, storage, transportation, marketing, and quality control laboratories.
- To encourage fish exports.
- Ensuring safety nets of food grain reserves to guarantee continuous food supply.

Manufacturing

- To improve and develop basic infrastructure required to stimulate industrial investment.
- To provide incentives and priorities to industrial investment projects that use raw and intermediate inputs and are characterized by labour intensive technology.
- To strengthen the relations between different industries and national economic sectors such as agriculture.
- To attract local and foreign investment in infrastructure projects, since government resources are limited.
- To encourage medium and small industries, especially outside the big urban areas.
- To set up strict specifications and quality control to ensure competitive domestic products.
- To promote investments in high-tech and information-based technologies.

Mining and oil

- To encourage oil and mineral exploration in order to bring into exploitation new fields of crude oil and some minerals such as gold, copper, iron, silver and zinc, and extracting marble and granite.
- To rehabilitate and modernize the Aden Refinery Plant, which has declined from its designed capacity.
- To reduce the heavy dependence on the oil sector and develop non-oil sectors such as natural gas and export diversification.

Physical infrastructure

- To enhance and develop the transport and communication sectors by enlarging and modernizing the available means of transportation and communication.
- To encourage the private and foreign sector to invest in infrastructure activities.

- To pave more roads in order to link all governments, districts, and urban areas, facilitate supply of public services, and encourage investment over all the country.
- To increase and rationalize water consumption for both production and private uses.
- Complete the sewage projects in large and small cities in the country in order to avoid contamination and diseases.

Energy

- To extend energy capacity and increase the size of the available consumption capacity for production and housing uses and to provide services to rural areas through more public investment for production and repair of power sources.
- To encourage private and foreign investment in enhancing and developing energy production.
- To utilize natural gas in electric generation and household uses.

Commitment 5: Enhancing the role of trade in development

- To establish and operate a stock market in Yemen.
- To improve tax laws and ensure incentives for the private sector.
- To encourage and promote economic activities with export potential.
- To build capacity and benefit from bilateral and multilateral trading.
- To finalize the required steps for Yemen to become a member of the WTO.

Commitment 6: Reducing vulnerability and protecting the environment

- To diversify the economic structures so that the country does not depend heavily on oil exports for income and foreign exchange.
- To put in place policies on how best to solve the problems of refugees, especially those from Sudan, Iraq, Ethiopia and Eritrea.
- To encourage the mass media to participate in awareness campaigns on environment issues.

Commitment 7: Mobilizing financial resources

- To promote investment, especially FDI. The total expected investment during 2001 to 2010 is estimated at US\$ 24,199.5 million. About US\$ 14,192.5 million is expected to be financed from domestic saving, and US\$ 5,579.5 million from FDI and the rest, US\$ 4,427.5 million is expected to be financed from foreign resources such as grants, soft loans and concessional multilateral loans.

ZAMBIA

A. National development objectives

1. Zambia's Programme of Action for 2001-2010 is articulated in various sectoral programmes including agriculture, health, education, energy, private enterprise development, water, infrastructure, and other poverty reduction programmes. The main goal is to achieve higher standards of living of the people of Zambia by continuing with sustained socio-economic development.

B. Factors constraining economic and social development

2. The constraining factors include: low domestic savings that limit the growth of the private sector, inadequate transport and communication services, instability of the macroeconomic environment, rising energy costs, weak mobilization of domestic resources, poor export performance, lack of institutional capacity to achieve good governance, AIDS epidemic, high population growth, collapse of lending institutions, unemployment, lack of markets and marketing institutions, declining ODA, external debt burden and vulnerability to shocks.

C. Summarized national actions that need development partners' support

Commitment 1: Fostering people-centred development

- To reduce the number of people living in poverty by increasing economic growth whereby the benefits will trickle down to the majority of the population, and by ensuring different groups' participation in the country's developmental processes.
- To promote access to employment opportunities.
- To ensure that the voice of the poor is heard in decisions that affect their lives.
- To promote education at all levels and ensure adequate social, physical and human infrastructure for economic growth.

Commitment 2: Good governance

- To ensure the rule of law, effective State institutions, respect for human rights and meaningful participation by all citizens in their country's political process and in decisions affecting their lives.
- To combat corruption in order to achieve a corruption-free environment, and to combat drug trafficking.
- To enforce accountability and transparency in institutions and government departments.
- To strengthen the national capacity building programme for good governance.
- To improve logistical and information systems to support effective decision-making.

- To improve institutional capacity for effective planning, monitoring and evaluation.

***Commitment 3: Building human and institutional capacities:
education and health***

- To build capacity for improved social service delivery, especially in managing educational and health services.
- To increase access to basic education and to improve the supply of educational equipment and materials.
- To ensure access to skills development and vocational training.
- To improve the health and nutrition of school children.
- To provide essential and cost-effective primary health care services.
- To increase the number of campaigns and programmes to combat HIV/AIDS.
- To provide safety nets for unemployed persons, including retrenchment.
- To target health and nutrition interventions to areas with high poverty levels.
- To promote gender equity and the role of women in economic development.
- To continue encouraging partnership with the private sector in the provision of education.
- At the level of technical education, and vocational and entrepreneurial training, the Government will ensure the delivery and quality of demand-driven training.

***Commitment 4: Building productive capacities to make
globalization work for Zambia***

Enterprise development

3. The Government has designed an incentive package to create a sound investment climate for both domestic and foreign investors, including: abolition of foreign exchange controls, deregulation of interest rates and removal of price controls. Resources permitting, the Government will continue to develop infrastructure, the present inadequacy of which is one of the major constraints on private sector development.

Agriculture

- To diversify agricultural production, and to strengthen and facilitate the provision of agricultural services, in order to increase productivity among smallholder farmers.
- To develop infrastructure in potentially productive agricultural areas.
- To develop and promote appropriate technology in farming.
- To promote gender equity in resource allocation and access to agriculture services.
- To promote sustainable and environmentally sound agricultural practices.
- To regulate the introduction and use of bio-technology products, particularly genetically modified organisms.

- To support programmes to reduce post-harvest losses.
- To support extension services, especially to small- and medium-scale farmers in rural areas.
- To provide financial and market intermediation in the informal sector.

Mining

- To make the private sector the principal producer and exporter of mineral products.
- To promote the development of the small-scale mining industry, which has the potential to contribute to the economy.
- To promote the exploration and exploitation of industrial minerals and encourage the establishment of a ferrous industry.
- To reduce the danger of ecological damage arising from mining operations.
- To encourage and promote local processing of mineral materials into finished products for added value.
- To address the constraints of poor mining infrastructure, lack of investment and credits to small miners and the lack of advanced technology in mining processes.

Tourism

- To let tourism be private-sector-driven, with protection for the unique natural and cultural heritage.
- To diversify tourism products away from being mainly wildlife-based.
- Raise public awareness of the national significance of investment in and promotion of tourism.
- To encourage and help Zambians to own and manage hotels, lodges and other tourist facilities.
- To improve the national tourism administration so that it helps the tourism industry to be competitive and viable.
- To improve the tourist infrastructure - roads, railways, airports, telecommunications and other supporting facilities.
- To promote initiatives in regional tourism cooperation.
- To reduce corporate tax from 35 to 15% and to introduce duty-free imports of aircraft and their spare parts as incentives to attract investors in the tourism sector.
- There is a need for heavy investment in capacity building for tourism management, institutions, marketing, product development and diversification, and broadening the base of tourism entrepreneurs.

Physical infrastructure

- To mobilize sufficient resources to invest in the transport sector.

- To establish a system of transport pricing that will ensure a return on transport investment.
- To improve and rehabilitate the road network, railways, airports, telecommunications and energy.
- To involve the private sector in infrastructure development.

Energy

- To rehabilitate the existing electricity generation and distribution infrastructure.
- To ensure rehabilitation of the petroleum infrastructure and ensure that oil is supplied and consumed in an efficient manner.
- To explore and develop more sources of energy, such as coal and wood fuel.
- To ensure the continued involvement of the private sector in the marketing of petroleum products.

Commitment 5: Enhancing the role of trade in development

- The Government will foster a dynamic, competitive, stable and predictable environment in which the private sector can make efficient investment decisions.
- To expand and diversify the export base, and to strengthen trading ties in both regional and international markets.
- To promote cross-border economic linkages in the productive sectors and the facilitation of customs procedures.
- To take up the challenge of globalization by participating effectively in the regional and multilateral trading system.

Commitment 6: Reducing vulnerability and protecting the environment

- To address the problem of regional instability and the influx of refugees from neighbouring countries.
- To diversify exports, so as not to depend mainly on copper.
- To find innovative ways, in partnerships of how to reduce fuel bills.
- To protect the environment and to safeguard natural resources.

Commitment 7: Mobilizing financial resources

- To continue with reform measures to improve the private sector and strengthen capacities in human resources and institutions for the management of programmes.
- To reduce taxes and the complexity of taxation, and to strengthen revenue bodies.
- To attract more foreign direct investment.
- To adopt effective measures to rid the country of corrupt practices.