

Statement
by
Mr. Rubens Ricupero
Secretary-General of UNCTAD
to the first session of the Intergovernmental Preparatory Committee
for the Third United Nations Conference
on the Least Developed Countries
24 July 2000

Mr. Chairman,
Distinguished representatives,
Ladies and gentlemen:

As we enter the more intensive stages of the preparatory process for the Third UN Conference on the LDCs, the central question that we must address is the 20-year-old credibility problem over commitments to reverse the increasing marginalization of these countries and to put them on a sustainable development path. At UNCTAD IX in South Africa four years ago I commented that “the international community will ultimately be judged by the way it treats its most vulnerable members”. Now this is truer than ever. The widening of income inequality between countries, the growing incidence of poverty and the threat of depopulation in poorer countries resulting from the HIV-AIDS pandemic and from emigration are raising questions as to just how serious the international community is about its commitments.

After two previous conferences, their respective Programmes of Action and the sad knowledge that neither of them has been fully implemented, the least developed countries are legitimately asking themselves why they should put their faith in a third conference and yet another Global Programme of Action. They may be tempted to say, “*djāvu*”.

The greatest challenge for the international community this time around is to deal with the credibility gap and with the growing frustration on the part of the world’s poorest countries. They may justifiably ask: “Are we going to adopt new targets with new time frames but without being given the means to act on them?”. The challenge, however, must also be taken up by the LDCs themselves. Indeed, the success of international support measures will depend on their having a genuine sense of national ownership and responsibility, and at the same time, domestic policies and conditions must reflect their determination to bring about change.

Many LDCs have implemented far-reaching policy reforms in the last decade, thus creating an improved domestic context to promote accelerated development. Sustained growth of 7 to 8 per cent will be required if they are to achieve meaningful poverty reduction. But their macroeconomic and sectoral policies will have to pay more attention to structural and institutional constraints. Incentive schemes appropriate for well-functioning markets need also to be developed. This in turn requires effective management by the State, and for that to happen, strong and efficient institutional and regulatory arrangements are essential.

Once again, however, ALL key actors in the development process have to play their part. If the global economic system, for example, had allowed LDCs to integrate more fully, perhaps they would not have had to depend so much on external support. Systemic imbalances have contributed to restricting their growth and depressing their standards of living. All of these issues must be addressed in the Programme of Action to be adopted in Brussels.

Nonetheless, the challenge facing the Third Conference goes beyond the task of producing another sweeping manifesto. Drastic new approaches are needed. And while such issues as official development assistance, debt relief, market access and investment are obviously vital, they are also frequently mentioned in the discussions and outcomes of intergovernmental processes elsewhere. I do not mean to imply that these issues have become less important: far from it. They are at the very heart of the Brussels Conference, but they do not in themselves constitute an action-oriented agenda. Moreover, they already featured prominently in the outcomes of the previous two LDC Conferences. As we look ahead, then, the challenge consists of the following elements:

- a) To begin with, let us avoid revisiting issues that have been exhaustively discussed and analysed in earlier UN Conferences. Let us avoid the "Conference fatigue." The comprehensive assessments of the world economy and its implications for developing countries, and the corresponding commitments adopted at UNCTAD X in Bangkok last February, are still valid and relevant to the current concerns of the LDCs. The problem is the lack of political will to pursue the implementation of those commitments. A bold but at the same time pragmatic vision is thus required as we prepare for Brussels and beyond.
- b) The bold side of the vision recognizes that in the new global economy, international factors are as important as national determinants of poverty trends, which calls for a genuine partnership. The pragmatic side of the vision calls for basing that partnership on a set of concrete, action-oriented or implementable commitments that result in tangible benefits in each of the LDCs. This is where the inputs provided by the country-level preparations will help us achieve results that respond to the concerns of individual LDCs. The cumulative knowledge and experience contained in the country preparations points to some useful common features in those countries' expectations. In addition to the importance of good governance and political stability, LDCs expect the following from the Brussels Conference and beyond:
 - First, they want to reduce the structural handicaps to improvements in the economy: this implies enhancing health and education, developing skilled human resources and the physical infrastructure, and reducing the "transaction costs" that are obstacles to competitiveness and trade efficiency. These objectives are particularly relevant to the 27 landlocked and small-island LDCs.
 - Second, they want to reduce their economic vulnerability with a view to seizing new economic opportunities: this implies making existing sectors more competitive, enhancing supply capacities, and diversifying into areas of goods or services for which new competitive advantages may have arisen in the context of globalization.

- Third, they want to facilitate the involvement of all relevant actors –government, private sector and civil society at large in the determination and fulfilment of the above objectives.
 - Last but not least, they want to establish a post-Conference follow-up mechanism to ensure that, for each LDC, the national programme of action will be able to translate the new package of theoretical benefits into actual benefits.
- c) Another challenge is to agree on mechanisms to oversee and monitor the realization of the commitments in the identified critical areas. These require what President Roosevelt called once “bold experimentation”, the determination to succeed, and a genuine partnership among development partners, including international organizations, the LDCs, the private sector and civil society, particularly non-governmental organizations. A multi-stakeholder approach is essential. This will enable us to capitalize on the creative synergies between the key actors involved in assisting the LDCs. Mechanisms for monitoring the implementation of agreed programmes will be one major achievement, providing an innovative response both to the credibility problem and to the LDCs’ frustration about the limited impact of development cooperation.
- d) The last challenge we will face in Brussels is to ensure effective country-level implementation of the Conference outcomes ; in other words, to make sure that it results in enhanced local productive capacities and improved human development indicators. The weak link between global commitments on international support measures on the one hand and specific, well-focused and prioritized country development objectives on the other was a major factor in the relative failure of the two previous Programmes of Action.

I have referred earlier to the need for a results-based conference in Brussels. This implies innovations in both substance and process. In order to reach concrete initiatives in the major areas of concern to LDCs, we should organize the Conference in a manner conducive to the attainment of practical results. In addition to the traditional parliamentary intergovernmental process, this will mean organizing several well-focused forums aimed at promoting specific programmes and initiatives in such areas as health (HIV/AIDS), infrastructure development, food security, city- to-city cooperation and electronic commerce. A variety of stakeholders will be called upon to contribute to these endeavours.

The long-standing issues I referred to earlier –improved market access, promoting investment in LDCs, debt relief and ODA, among others –will in fact be important issues at the Conference. What may change is the way we deal with them, without abandoning the search for global initiatives. We could use the opportunity provided by the Conference to elicit specific commitments from various development partners, traditional donors such as private sector entities, municipalities and civil society at large. We could, for example, consider promoting joint action-oriented programmes between one or more developed countries and a group of LDCs from a single subregion. We could also –and this is particularly important –make rapid response mechanisms available in case of unforeseen endogenous and exogenous shocks, so that years of painstaking progress are not lost to a single disaster.

In order to complement any international support, the prerequisite for success in our collective efforts to improve the development prospects of the least developed countries will be to endow them with a genuine and proactive ownership of the policies, measures and initiatives to emerge from Brussels. If at the same time we succeed in making the developed world more aware of , and responsive to, the plight of the LDCs we will also have accomplished a great deal.

Judging by the reactions of the LDCs' development partners, there is a resurgence of international interest in ending the scourge of poverty once and for all. There is also growing recognition that the LDCs, as the most impoverished segment of the international community, should be at the centre of this renewed concern that is shared by all international organizations including the Bretton Woods institutions.

Both North and South have a role to play in Brussels. Let us, then, all make sure that this Conference offers the most vulnerable countries of our planet a long-awaited, and well-deserved, ray of hope for their future sustainable development.

Thank you, Mr. Chairman.

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