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Outcome of the high-level workshop for African LDCs

Izmir, Turkey, 4–5 March 2008

Note prepared by the UNCTAD secretariat*

I. Introduction

1. The recommendations of the high-level workshop for African least developed countries (LDCs) were the outcome of a high-level meeting organized by the Government of Turkey and supported by UNCTAD. It was attended by (a) the Minister of Foreign Affairs of Ghana; (b) the Secretary-General of UNCTAD; (c) representatives from 21 African LDCs; (d) the chair of the LDC Coordination Council; (e) a representative of the Office of the High Representative for LDCs, Landlocked Developing Countries and Small Island Developing States; and (f) Undersecretary of the Ministry of Foreign Affairs and other high officials from the Government of Turkey. The Government of Turkey actively participated and guided the meeting, drawing on its own experience and building on the Istanbul Declaration on Least Developed Countries: Time for Action, which was the outcome of the Ministerial Conference of Least Developed Countries, “Making Globalization Work for LDCs”, held 9–10 July 2007 in Istanbul, Turkey.

2. The discussion made an assessment of where African LDCs were and where they were going, in order to examine policies and support measures that would build on successes or identify new approaches. The issues debated were those on the agenda of the UNCTAD XII high-level segment on trade and development for Africa’s prosperity: action and direction. These included investment, official development assistance (ODA), trade, commodities and migration. It was pointed out that these issues were also relevant to non-African LDCs.

* This document was submitted on the above-mentioned date as a result of processing delays.

3. The participants shared the view that UNCTAD XII would constitute an opportunity to promote a new agenda for development cooperation for developing countries in general and Africa in particular.

II. Recommendations

4. The debates drew on the findings of UNCTAD's research, independent views and exchanges of national experiences, and led to the following recommendations:

- (a) Economic growth in most African LDCs has been more robust in recent years. It remains necessary to sustain this process and to broaden improvements in human well-being and accelerate progress towards the achievement of the Millennium Development Goals. Substantial poverty reduction requires the creation of more income-generating opportunities for a rapidly growing population. To gain benefits from globalization, African LDCs must be able to compete in a global environment characterized by the increasing importance of knowledge-based assets.
- (b) There are many positive elements in the current situation that African LDCs can exploit. These include (i) better national governance; (ii) increasing commodity prices; (iii) possible positive outcomes in the Doha Round of trade negotiations; (iv) growing South-South cooperation opportunities; (v) a growing flow of private and public sector funds to infrastructure development; (vi) the emergence of new partners such as Turkey, China, India, Brazil and South Africa; and (vii) new sources of development assistance from philanthropy.
- (c) It is necessary to build on success through consolidating and spreading progress towards nationally-driven development strategies. Donors should actively support such strategies and consider new international support measures that go beyond market access and support developing productive capacities in LDCs.
- (d) Critical issues for both African LDCs and their development partners include the following:
 - (i) FDI inflows are increasing but are concentrated on extractive sectors, and efforts should be made to broaden this sectoral concentration and increase its developmental and poverty reduction impact. It is equally important to foster domestic investment which can also serve as a catalyst for FDI.
 - (ii) At the international level, there is a need not only for more aid but also to re-balance the sectoral composition of ODA. Progress with regard to improving the delivery of aid has been disappointing. It is necessary to increase the share of development aid for development programmes and direct support for programmes run by LDCs themselves. It is also necessary to increase the share of ODA to economic infrastructure and productive sectors. Improvements in both the quantity and quality of aid need to be addressed in the context of the forthcoming reviews of the Paris Declaration in Accra, the Monterey Consensus on Financing for Development and progress towards the Millennium Development Goals.
 - (iii) Trade facilitates sustained growth, employment and development. The benefits of duty- and quota-free market access are being undermined by new kinds of non-tariff barriers. The Aid for Trade initiative is important and should be rapidly operationalized by the international community, since it would enable LDCs to enhance their productive capacities and thus substantially improve living standards.

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- (iv) High commodity prices do not automatically translate into development and poverty reduction in LDCs, owing to limits to their pass-through to producers and workers, low value added, and the fact that many LDCs are net food and oil importers. There is therefore an important role for national and international policies to play in strengthening research and development, quality control and market information. The role of the international community is particularly important in addressing price distortions (such as cotton subsidies) and providing assistance for the commodity sector.
 - (v) Remittances are becoming an important source of revenue for LDCs. Nevertheless, solutions to the adverse effects of the brain drain need to be identified by both African LDCs and their development partners.
 - (vi) The international community should urgently address the impact of climate change on development and poverty reduction prospects for African LDCs, and there is thus a need for special assistance to mitigate adverse consequences.
- (e) Turkey provides a good example of an emerging development partner for LDCs. Its ODA to LDCs has progressively increased, to \$750 million in 2006. In addition, Turkey has been providing duty- and quota-free market access for all industrial goods originating from all LDCs since January 2006. Other emerging economies should consider following the lead of Turkey – a non-member country of the Development Assistance Committee of the Organization for Economic Cooperation and Development – and increase their development assistance to African LDCs.
 - (f) African LDCs welcome the increasing South–South cooperation and note that there has been important progress in regional cooperation in Africa. The New Partnership for Africa’s Development (NEPAD) priority activities in supporting science and technology in Africa, and mobilizing infrastructure investment in spatial development corridors, are highly relevant to African LDCs and the achievement of Millennium Development Goals, and should be fully supported.
 - (g) African LDCs look forward to the outcome of UNCTAD XII and expect it will take account of these recommendations.
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