

# SOUTH-SOUTH *in Action* Spring 2011



**Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries**

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A MediaGlobal Publication

# Underscoring the Importance of South-South Cooperation Amongst LDCs

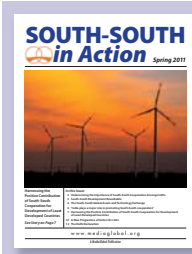
*Under Secretary-General Cheick Sidi Diarra discusses with MediaGlobal's Bureau Chief Nosh Nalavala a wide range of issues on the eve of LDC-IV in Istanbul, Turkey.*

*You and your team have conducted a remarkable series of Pre-Conference sessions on the eve of the LDC-IV Conference in Istanbul scheduled for early May. Are you satisfied with the preparations?*

Yes, definitely. We have chosen special areas of thematic issues that we believe are of interest to the Least Developed Countries. We have also chosen very substantive partners in the entire UN system in order to help us prepare the content of the Conference.

*What are the themes?*

We have had one on productive capacity and improvement in the LDCs which cover infrastructure, energy, human capital strengthening, and also strengthening the institutional capacity of the LDCs. We have dealt with the issue of resource mobilization and how to tap into the innovative sources of financing for development. We have discussed ways to consolidate the traditional funding system that exists and how to use new institutions like private foundations and civil society organisations who are willing to contribute to development projects in the Least Developed Countries. We have also discussed issues as important as governance. LDCs need to improve their national governance in terms of rule of law, respect for human rights, and, establishing a business friendly environment in their countries in order to attract investment and trade.



**ON THE COVER...**  
The wind energy potential in many developing and emerging countries is substantial. In many locations, generating electricity from wind energy presents an economically viable alternative to the use of conventional fossil energy sources such as coal or diesel.

*Is raising the issue of governance, something you are doing for the first time?*

Yes, it was there in Brussels, as priority number two, but we believe that it was a commitment that the Least Developed Countries have to make in order to show the ownership of the process to their development partners.

*The economic downturn is impacting the world, but the LDCs are worst hit. Do you see the outcome of the Istanbul Conference as a way for LDCs to emerge from the current crisis and even fulfill the MDGs?*

That's the overall objective of the Istanbul conference, to reduce substantially poverty in the least developed countries but also to allow sustained, inclusive economic growth that would allow these countries to graduate from their status of least developed. Least Developed Countries have been hit by the second round of the crisis, which was the economic part of the crisis, not the financial. Because the financial part of the crisis has had a limited impact on them. Their finances represent less than 1 per cent of the overall world financial transaction. But, in terms of economic impact of the crisis it has affected commodity prices, affected the investment trend that was going upwards until the crisis, and impacted the trade preferential treatment schemes that were set up. Istanbul will help us be on the path of sustained growth, inclusive growth and development of the least developed countries.

*Over the 10-year period, since the Brussels Programme of Action, what challenges do you see the LDCs facing now?*

Before I come to the challenges, let me say what we have been able to deliver for the LDCs and that's very important because it's encouraging for the donors and the partners of the least developed countries. The level of official development assistance has reached record levels in 2008. It



**Under Secretary-General Cheick Sidi Diarra**

has reached \$37 billion, from a level of \$20 billion in 2000. Foreign Direct Investment, the level went from \$6 billion to \$33 billion in 2007-2008. The same is true for migrant remittances, debt relief initiatives, HIPC initiatives, and for market access schemes.

*Have many countries opened up their markets to LDCs?*

Many regions of the world and many countries of the world have opened their markets to the least developed countries and this has translated into sustained growth of an average of 6.2 per cent in the LDCs during the last decade. The social indicators have also improved. To come back to your earlier question, the Istanbul outcome would be to strengthen these gains obtained in the social indicators; primary education has reached the record level of 78-80 per cent enrollment for children and the parity between boys and girls has reached 0.92 per cent, which is considerable progress. With regards to access to drinking water, we are now reaching the 80 per cent access with difference between cities and rural areas.

*Do you feel that the LDCs will reach their MDG targets?*

Given the situation the LDCs are in, this rate of growth is insufficient to meet the MDGs. This is a point recognized by the Brussels Programme

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# South-South Development Roundtable

## The role of the Special Unit for South-South Cooperation

**A**s part of the Fourth United Nations Conference on the Least Developed Countries (9-13 May, Istanbul, Turkey), the Special Unit for South-South Cooperation will convene, within conference's Private Sector Track, an event entitled "*South-South Development Roundtable: Building Productive Capacities of Least Developed Countries through South-South, Triangular and Public-Private Partnerships.*"

The event will focus on concrete actions addressing a multitude of development challenges, including food insecurity and climate change, to name a few. While these global challenges affect poor countries more adversely, these societies often lack the capacity to respond. The Least Developed Countries (LDCs), a category devised by the United Nations to represent the poorest and weakest segment of the international community, are generally beset by particularly strong challenges to their development, including extreme poverty, structural weaknesses in their economies and a lack of capacities related to growth.

The Fourth United Nations Conference on the Least Developed Countries (LDC-IV) will take place with the aim of assessing the results of the 10-year Brussels Plan of Action and adopting new measures and strategies for the sustainable development of the LDCs into the next decade.

The UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS), which serves as the main coordinator of the LDC-IV Conference, has mobilized the entire United Nations system with a view to deliver on a comprehensive, action-oriented and meaningful outcome of the Conference, including concrete deliverables. In response to this call, the Special Unit for South-South Cooperation will be hosting, "*South-South Development Roundtable: Building Productive Capacities of Least Developed Countries through South-South, Triangular and Public-Private Partnership,*" which will be held from 1:00-3:00 pm on 11 May 2011 in the Istanbul Congress Centre, Room C (Beylerbeyi 2).

The event aims to address the urgent need for the development community to strengthen the

productive capacities of LDCs through private sector development, the transfer of productive technologies, and the provision of infrastructure. The use of South-South, triangular and public-private partnerships will be the main vehicles explored, as the South is increasingly home to many successful examples of innovative technologies and other sustainable solutions to development challenges faced by LDCs.

The main objective of the *South-South Development Roundtable* is to showcase announcements of concrete plans for the successful transfer and scaling-up of initiatives for increasing the productive capacities of LDCs through effective and efficient South-South, triangular and public-private partnerships. By developing productive capacities, LDCs will be empowered to mobilize domestically the resources needed to finance economic growth, thus lessening dependence on aid and attracting private capital inflows that can support development.

Facility for Poverty and Hunger Alleviation will describe new and on-going initiatives in LDCs. In particular, the IBSA Fund will announce the scaling-up of their solar initiative, "Rural Electrification through Solar Energy Systems" in Guinea-Bissau. This expansion will provide solar energy systems to 20 additional villages in the areas of Oio, Bafata and Biombo, the most impoverished in the country.

The IBSA Fund was created in 2004 out of the IBSA Dialogue Forum, a Head of State-level initiative to enhance cooperation among these three developing countries. The Fund is a breakthrough. It constitutes a pioneer effort to implement South-South cooperation through the multilateral system and a unique initiative to enhance South-South cooperation for the benefit of least developed countries. Its purpose is to identify replicable and scalable projects that can be jointly adapted and implemented in interested developing countries as examples of best practices in the fight against poverty and hunger.

**The event aims to address the urgent need for the development community to strengthen the productive capacities of LDCs through private sector development, the transfer of productive technologies, and the provision of infrastructure.**

The 2-hour event will feature several presentations of successful, transferable Southern initiatives for improving productive capacities in LDCs, including concrete plans and financial commitments for its transfer and scaling-up. It is critical that the development community utilizes South-South, triangular and public-private partnerships to support LDCs' efforts towards poverty reduction, employment creation, sustainable development and integration into the international economy.

Featured presentations include:

**The India, Brazil and South Africa (IBSA) Facility for Poverty and Hunger Alleviation**

The India, Brazil and South Africa (IBSA)

The IBSA Fund operates through a demand-driven approach. Governments request support to IBSA countries' officers around the world, who in turn submit proposals to the IBSA Fund Board of Directors for review. Once a proposal is approved, the Special Unit for South-South Cooperation, which acts as the fund manager and board of directors' secretariat, liaises with a potential executing agency to advance a project formulation and to facilitate the project's implementation.

IBSA projects are executed through partnerships with UN agencies, national institutions, local governments or NGOs. Important concerns of

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## South-South Development Roundtable... Continued from page 3

IBSA partners in the design and implementation of the Fund's projects include capacity-building among projects' beneficiaries, built-in project sustainability and knowledge-sharing among Southern experts and institutions.

### **The South-South Global Assets and Technology Exchange (SS-GATE), the China Development Bank and the Jiangsu Redbud Technology Co., Ltd.**

The South-South Global Assets and Technology Exchange (SS-GATE), in partnership with the China Development Bank (CDB) and the Jiangsu Redbud Technology Co., Ltd (Redbud Centre), will announce an initiative to enhance and diversify the agricultural productivity of some LDCs in Africa, through investment in and the transfer of new technologies for the planting, harvesting and processing of jute to create jobs.

Redbud strives to cooperate with African partners to develop "win-win" cooperation. The company has adopted a cooperation model of "enterprise+farmers+African cooperation partners," through which African countries benefit from job creation and enhancement of soil fertility by cultivating jute. Furthermore, Redbud holds the ideas of low-carbon economy and green development as its highest priorities and plans to develop a Green Inclusive Sustainable Business System with the support of its African partners.

The SS-GATE is both a physical and an internet-based, platform where entrepreneurs in developing countries can interact and obtain needed technology, asset and finance in a secure environment. SS-GATE facilitates realization of actual business transaction through a market mechanism, offering both on-line and off-line end-to-end supporting services. SS-GATE operates through a global network of participating organizations and institutional members.

The SS-GATE currently has 4 service and transactional tracks – Track I: Technology Exchange; Track II: Creative Assets Exchange; Track III: Human Development Stock Exchange; and Track IV: Energy and Environment Exchange. It connects buyers and sellers from countries of the South, linking investors and capital with the businesses in need of it. Professionally operated, responsible to member interest, and international in scope, SS-GATE aims to be the first of its kind in providing a transparent, fair, transactional, and sustainable development exchange platform that benefits all Southern countries, and contribute to achieving the Millennium Development Goals.

The cultivation of jute by local farmers not only benefits the economy but has positive environmental impacts as well, placing this case firmly within Track IV of the SS-GATE platform which promotes clean energy and environment.

## **The cultivation of jute by local farmers not only benefits the economy but has positive environmental impacts as well, placing this case firmly within Track IV of the SS-GATE platform which promotes clean energy and environment. The Redbud-Mali initiative highlights SS-GATE's important role in pushing forward the South-South cooperation agenda toward the achievement of the MDGs.**

The Redbud-Mali initiative highlights SS-GATE's important role in pushing forward the South-South cooperation agenda toward the achievement of the MDGs.

### **International Labour Organization**

The ILO will announce "South-South cooperation for the implementation of gender sensitive social protection floors," a new joint initiative with the Special Unit for South-South Cooperation to enhance productive capacities through the building social protection knowledge and expertise in Benin, Burkina Faso, Cambodia, Lao PDR, Togo and Zambia.

The Social Protection Floors (SPF) approach highlights the social, economic and political importance of providing guaranteed access to a certain level of social services and transfers of adequate quality. SPFs allow people to lead a life in dignity. They act as automatic stabilizers in times of crisis, cushioning the adverse effects of crises and fostering a speedy recovery.

The current project therefore aims at facilitating knowledge-sharing between countries that have acquired expertise in a particular area related to the design and implementation, not only of SPF policies but also of specific SPF components, with those countries that are currently seeking partnership to overcome a particular challenge in their efforts to reform, design or implement their SPF policies and SPF components, such as universal pension schemes, child benefit, universal access to health care, and others.

Immediately after the panel discussion, the cooperation partners will sign the respective project documents or agreements among the participating agencies and governments.

### **Organization of the Islamic Conference**

The Organization of the Islamic Conference will launch a collaboration with the Special Unit for South-South Cooperation to support OIC member countries recovering from the effects of major conflicts, natural disasters and critical humanitarian situations, using South-South cooperation modalities in the effort.

Under this programme, it is envisaged that the OIC and the Special Unit for South-South Cooperation will jointly raise contributions for country-specific projects and channel the funds to the projects in the countries-in-need through the United Nations Fund for South-South Cooperation that has been established by the UN General Assembly with support from the OIC member states and others.

At the Istanbul event, the OIC and SUSSC will launch this programme with a first joint campaign for Somalia, where the conflict situation has seriously affected the country's education and healthcare systems, and the people are also in dire need of livelihood recovery and rehabilitation. The joint OIC/SUSSC programme will address these needs through South-South cooperation arrangements between Somali institutions and those of other OIC member countries that are in a position to help.

Following Somalia, the assistance from this initiative will focus other OIC countries critically in need of such assistance e.g., the flood affected areas of Pakistan, and post-conflict recovery situations in Afghanistan, Darfur, Sudan, and possibly Iraq.

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### **The Event:**

**Title:** *South-South Development Roundtable: Building Productive Capacities of Least Developed Countries through South-South, Triangular and Public-Private Partnerships*

**Date, Time & Location:** 11 May 2011, 1:00-3:00pm, Istanbul Conference Center, Room C (Beylerbeyi 2)

**PLEASE NOTE:** The programme is not final and subject to modification. Please visit the daily programming schedule for updates.

# The South-South Global Assets and Technology Exchange



Launch of SS-GATE Track V Global Health in GSSD EXPO 2010.

From left to right front row: Marcelo D' Agostino (PAHO), Josephine Ojiambo (President of the UN General Assembly HLC on South-South Cooperation), Yiping Zhou (Director, SU/SSC).

Back row: Dr. Adalberto Tardeli, (Latin American and Caribbean Center on Health Sciences Information, Brazil), Representative of Ambassador of Permanent Mission of the Republic Kenya to the United Nations, Najeeb M. Al Shorbaji, (WHO), Myrna C. Marti (PAHO), Dr. Marthelise Eersel (Government of Suriname) and Teresa Liu (SU/SSC).

## Overview

The South-South Global Assets and Technology Exchange (SS-GATE) is the flagship project of the Special Unit for South-South Cooperation (SU/SSC) housed in UNDP. It represents one of the 3 focus areas of the 4th cooperation framework endorsed by the Executive Board, with an aim to provide services to UN member states by addressing the critical challenges of achieving the MDGs for development in the South.

Towards these ends, SS-GATE provides an innovative platform that allows actors to work together in offering tangible solutions for poverty reduction, clean energy transfers, southern SME development and investment, public health, and empowerment of women. Its unique global system, combining online and physical facilities, enables southern countries to exchange affordable technology, expertise, resources, and capital. While international agencies have traditionally focused on ongoing grant-making for development, SS-GATE is unique in the sense that it is characterized by the following:

1. Self-sustainable
2. Policy-regulated and market demand-driven
3. Leverages public-private partnerships
4. Promotes transparency and accountability

The vision of SS-GATE was endorsed by the General Assembly at the Nairobi UN Conference for South-South Cooperation in December 2009. As the Nairobi outcome document (Resolution 64/222) clearly stated, one of the priorities to improve the work of South-South Cooperation is to “encourage such institutions and centres of excellence, as well as regional and sub-regional economic groupings, to establish closer links among themselves, with the support of the Special Unit for South-South Cooperation, including through...South-South Global Assets and Technology Exchange (SS-GATE).”

## Focus Areas:

SS-GATE operates along five parallel tracks with different emphases:

- **Track 1:** Promotes and facilitates assets and technology exchange for small and medium-sized enterprises (SMEs) operating in developing countries.
- **Track 2:** Aims to promote a Human Development Investment Exchange
- **Track 3:** Promotes the creative economy
- **Track 4:** Promotes and facilitates exchanges of clean energy technology through public-private partnerships.
- **Track 5:** Promotes public health within a global system. *(Newly launched track)*

## Achievements

To date, the SS-GATE platform (Tracks 1 & 4) has listed 2232 projects, matched 345 projects and witnessed 113 successful transactions. Approximately 75% of the projects are located in developing countries across Asia, Africa and Europe. Ongoing projects are involved in a range of different industries such as clean energy, machinery, equipment and instruments, agriculture, and manufacturing.

As of 2010, the SS-GATE system has established 28 country centers across 26 countries, giving the platform a valuable presence on the ground to supplement its e-platform operations.

## Featured Project: Green Jute Technology Transfer through SS-GATE

Jiangsu Redbud Technology Co., Ltd was first introduced to SS-GATE in 2009. With SS-GATE's support, Redbud has cooperated with the Benin Country Center (Songhai Center) for jute cultivation testing in 2010. Currently, SS-GATE has facilitated a similar transfer of jute plantation and processing technology from Redbud to the Government of Mali.

SS-GATE will present on their role in facilitating this transaction during the 4th UN Conference on Least Developed Countries in Istanbul, Turkey 9-13 May 2011. Through this partnership, Mali will benefit from job creation, new export streams, and environmentally safe new industry through jute planting and cultivation.

The China Development Bank will provide partial funding and significant co-investment to facilitate this transaction, further highlighting SS-GATE's important role in bringing together different actors to facilitate successful transactions that push forward the South-South cooperation agenda toward the achievement of the MDGs.

**As of 2010, the SS-GATE system has established 28 country centers across 26 countries, giving the platform a valuable presence on the ground to supplement its e-platform operations.**

# “India plays a major role in promoting South-South cooperation”

*Hardeep Singh Puri, Permanent Representative of India to the United Nations in conversation with Nosh Nalavala*



PHOTO: KAMMA THORDARSON

Hardeep Singh Puri, Permanent Representative of India to the United Nations

*Ambassador, what role will India play at the LDC-IV Conference, since its taken the lead at several Precom forums?*

I would be reluctant to use terms like “taken the lead” or “assume a leadership role”. Let me share with you my perspective of this forthcoming LDC conference. These conferences take place once every ten years. And the 48 countries that comprise the group of least developed countries constitute in a sense the most vulnerable segment of the international community. Therefore there is both a moral imperative for the international community to commit itself to the growth and prosperity of these countries. But more than the moral imperative, I believe that there is an economic imperative. Unless these 48 countries are able to address the challenges of development in a meaningful way, their lack of progress will drag the international community down.

*How different do you feel that the Istanbul Programme of Action will be from the Brussels Programme of Action?*

Well, let me first say that the Brussels Programme of Action has not yielded the kind of dividends which was expected from it. In any case, there was always the expectation from the LDCs that Istanbul should produce a Brussels Programme of Action Plus. At this time the document is still being negotiated and I would sincerely hope that it is an improvement on the Brussels Programme. The improvement has to be tangible, it has to contribute to the productivity and growth of these least developed countries. In the last ten years only 3 countries were able to graduate from the LDC category.

*Yes, Botswana in 1994, Cape Verde in 2007 and Maldives in 2011.*

By any yardstick it is a very disappointing scenario. I am not blaming the Least Developed Countries, whatever actions they have to take, I think they will assume responsibility for that. But the international community has the responsibility to provide these countries with an enabling environment in which they can address their developmental concerns. The target which is being set for the next ten years is for 50 per cent to graduate. If in the last ten years 3 countries graduated and in the next ten years 50 per cent are

to graduate, clearly that requires a quantum leap in terms of commitment.

*And many of them will not be able to fulfill their MDGs . . .*

You have come to a very significant point that needs to be made in this discussion — we only have four years to go; if the MDGs are not met it will not only be a setback for the least developed countries but for the international community.

*How is India supporting South-South Cooperation?*

India’s approach to South-South cooperation goes back to the inception of India. In spite of being a developing country, in spite of having within our fold more poor people than all the least developed countries put together, South-South cooperation is an article of faith. We started extending developmental cooperation in the form of our Indian Technical and Economic Cooperation (ITEC) scheme in the sixties. Then we extend lines of credit, which are on concessional terms, and we have over a period of time, cumulative lines of credit extended to nearly \$4.3 billion.

At the South-South Cooperation meeting in New Delhi in February this year, we added another \$500 million. That was the contribution India put on the table for LDCs. These lines of credit provide an opportunity to our partner countries to choose their own priorities. Choose projects they want. They then tell us that they have a project which they would like executed in a particular area. We then help them in finalizing a feasibility study and then arrange bidding for economic entities to execute that project. There are some great success stories in Africa and in the least developed countries.

*The IBSA Fund was set up in 2004, what was it set up for?*

Well the IBSA fund is a modest fund, we put in a million dollars every year and we do projects. At this time we have a waste management project in Haiti.

*Are there any initiatives in South-South Cooperation which India is participating in apart from what you mentioned in Haiti?*

Our approach to Least Developed Countries and South-South is that we want the countries which are part of this group to set up their own priorities. This is where South-South differs fundamentally from North-South. Because North-South is predicated on the countries of the North who are donors with a set of priorities who say that we give you money for this provided you have good governance, human rights, and so on. Now South-South is different, it is not a donor-recipient issue, it is more a partnership in development where the countries of the South determine their own priority.

*Brazil was the first country to open up its markets for access to least developed countries...*

India has a duty free quota free, scheme too. India has extended duty free tariff preference scheme to all LDCs since April 2008. The scheme provides for a Duty Free List (85 percent of the total tariff lines) and a Positive List (9 percent tariff lines with limited tariff concessions ranging from 10 percent-100 percent). India-LDC trade in 2009-10 was \$ 20.57 billion. An interesting point here is that the trade surplus which in 2008-2009 was in favour of India, reversed in 2009-10 with Indian imports from LDCs expanding by over 68 percent (\$ 4 billion) which is saying a lot. Indian companies have invested more than \$35 billion in the LDCs since 2003. Our investments are directed at critical sectors of LDC economies – infrastructure, telecommunications, services, manufacturing sector etc.

*India has suffered tremendously from the impact of climate change, with the largest number of natural disasters, how is India coping with it?*

Coping is the right word, just about coping. What happens is we suffer from both sides of the problem — we have alternate years of drought and flooding. Climates have undergone patterns of changes with devastating effects. Global warming is resulting in all kinds of consequences. I am not much of an optimist on this, when people say the glaciers will melt but the deserts will growing strawberries. I think the ecological dimension is a global challenge.

*Transcription by Kamma Thordarson*

# Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries

## The Overarching Needs of LDCs

The Least Developed Countries (LDCs) have the highest rates of poverty, hunger and malnutrition. They lag far behind other developing countries on many social development indicators and are largely off-track in meeting their Millennium Development Goals. They suffer from narrow production bases, poor physical infrastructure, high unemployment (driven by young, growing populations), low productivity and low productive and institutional capacities, even in industries where they hold potential comparative advantages.

Developing productive capacities in the LDCs requires increased investment, both public and private, funded through domestic and external sources. It also needs technological acquisition and innovation, transmitted through trade and FDI and through purposeful domestic and international measures that encourage research and development and technology transfer. The technology needs of LDCs relate to pro-poor and mass application technologies that could improve access to essential goods and services such as water, sanitation, energy, shelter, education and health services and medicines.

Enhancing productive capacities requires a vibrant private sector and productive entrepreneurship in LDCs. The private sector in LDCs suffers from poor access to finance, skills shortages and poor physical infrastructure. It also features a 'missing middle' in its structural make-up, with most firms being either small or large, and a large informal sector. The development of domestic medium-sized firms and knowledge systems holds much promise for addressing private sector challenges in LDCs.

Infrastructure limitations continue to constrain growth and development in LDCs. The energy sector provides only a tiny portion of the service received in other developing countries. Regional approaches are the most cost-effective way to expand power supply across LDCs. Such an expansion provides an opportunity to harness their vast, but untapped, renewable energy resources.

The LDCs lack transport services that enable an adequate level of connectivity within their borders and with their neighbouring countries. Such



Delegates at the conference event in New Delhi in February this year on 'Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries' in the run up to the Fourth UN Conference on the Least Developed Countries in Istanbul.

connectivity is essential for the smooth movement of people, goods and services. The development of all modes of transport, including roads, railways, ports and airports, is needed in these countries. Although some aspects of information and communication technologies (ICT) have made steady progress in LDCs, particularly access to mobile telephone services, there are many needs in this sector that are still unmet. Internet access, particularly to broadband service, lags considerably behind.

The modernization of agriculture holds much promise for achieving food security and structural transformation in LDCs. Significant productive gains in agriculture will increase food production and access, reducing hunger. They will also generate foreign exchange earnings to cover imports of intermediate and capital goods, which constitute essential inputs for any nascent manufacturing sector. LDCs need a Green Revolution.

Although a number of LDCs have seen trade performance improve, their production and export bases are still heavily concentrated in a limited number of primary commodities with little value addition. The high volatility of commodity prices

has had detrimental effects on LDCs' export earnings, investment, economic growth and social development. Reforming and expanding the coverage of preferential market access, and ensuring greater value addition and value retention from the exploitation of these primary commodities, constitute some of the pressing needs of LDCs that must be addressed if trade is to work for them.

## Climate Change

LDCs contribute very little to global warming, accounting for only a marginal share of global green gas emissions, yet they are the most vulnerable to climate-change effects. They are more likely than other developing countries to experience reduced agricultural output, growing food insecurity, an increased risk of conflict over scarce land and water resources, increased prevalence of certain vector-borne and water-borne diseases (such as malaria), deteriorated infrastructure and increased migration.

Confronting these challenges and harnessing the great potentials associated with low-carbon development require that LDCs deploy effective

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## ***Harnessing the Positive Contribution... Continued from page 7***

and bold adaptation and mitigation measures. However, these measures cannot be delivered without sufficient financial resources, technological know-how and institutional capacity. Development partners should help bridge LDC needs and available financial, technological and human resources. Specific support should be channelled to LDCs.

The main source of financing most LDCs have relied on is ODA, although FDI and remittance flows have grown in importance over the recent years. Given the size of the financial needs of LDCs, these traditional flows and rising innovative financing schemes need to be scaled up and a hefty portion of these flows should be channelled to productive sectors. The growing prominence of emerging economies as important sources of financial flows for LDCs holds potential for achieving this. LDCs should not depend entirely on external sources to finance their development. Securing sustainable development requires that they also ratchet up their efforts to mobilize domestic resources, both public and private. Increasing the efficiency of tax collection, broadening the tax base and efforts to develop domestic capital markets are some of the measures needed if LDCs are to boost their domestic savings and channel these resources into productive sectors.

### **The Potential of South-South Cooperation in Meeting the Needs of LDCs**

The emergence of the South is a potential force-multiplier for LDCs' development. However, LDCs are yet to benefit fully from South-South cooperation and lack the necessary supply capacity to take advantage of increased opportunities.

South-South merchandise trade has grown on average 12.5 per cent a year, compared with 7 per cent for North-North trade and 9.8 per cent for North-South trade. The total volume of South-South Merchandise trade rose from 600 billion USD in 1995 to nearly 3.14 trillion in 2008. Developing countries have increasingly undertaken market access schemes for LDCs, providing market access resulting in significant increases in LDC exports.

In 2008, LDCs' exports to China totalled \$40.46 billion, to the EU \$37.94 billion, to the \$36.73 billion, to India \$6.28 billion, to South Africa \$5.95 billion, to Japan \$3.28 billion and to Brazil \$2.86 billion. However, barriers to South-South trade are higher than those governing Southern trade with other partners, and distance-related costs are higher. OECD research shows that the potential benefit from freer South-South trade may indeed be at least as large as the gains developing countries can obtain from better access to rich countries' markets (North-South trade).

There has been a massive growth of Global System of Trade Preferences (intra-GSTP) trade in the last decade. UNCTAD suggests that intra-GSTP tariff cuts of 20 per cent would generate export gains of \$8 billion. Regional economic integration, including through bilateral and regional trade agreements (RTAs), has been making significant contributions to expanding trade and investment among Southern countries. Regional arrangements offer important possibilities to enhance economic space, attract FDI to the region on better terms, and pool the economic, human, institutional, technological and infrastructural resources and networks of participating countries. It allows domestic firms to learn how to operate internationally and achieve economies of scale. It enables diversification of exports and it entails lower adjustment costs than integration with high-income developing or developed countries.

FDI inflows to LDCs have increased dramatically, six times higher in 2008 (\$ 32 billion) than in 2000, helped largely by rising commodity prices, privatization, improved growth prospects, liberalization and greater integration into production networks. Annual South-South FDI flows have increased from around \$12 billion in 1990, peaking at \$187 billion USD in 2008. South-South FDI presents an opportunity to take advantage of new wealth and investment within the countries of the South, to mobilise it for the benefit of LDCs and to further bolster Southern solidarity, empowerment and development.

LDCs can greatly benefit by importing technologies from other Southern countries and through technology transfer assistance. This may be relatively cheaper and often more applicable given the comparable level of development, similar climatic conditions and often geographical and cultural proximity.

LDCs face a massive resource gap and are dependent on outside sources of financing. Much of recent ODA has gone to social sectors reflecting the MDG agenda while productive sectors have received less than 5 per cent of resource flows. ODA is uneven in terms of distribution, rationale and predictability. The untying of aid has seen some progress.

Recently, the sources of aid have diversified with greater contributions coming from the South. China provides assistance to more than 50 African countries. India has so far provided over \$7.5 billion in Lines of Credit to developing countries, including LDCs. Their aid and loan programme increased to an estimated \$609.5 million in the 2008/9 fiscal year, up from \$392.6 million in 2007/8. Brazilian financial and technical co-operation was estimated at \$437 million in 2007, up from \$365 million in 2006. South Africa's development assistance amounted to \$109.4 million in 2008/9, up from \$62.6 million in 2007/8. Turkish official development assistance amounted to over \$780 million in 2008.

South-South cooperation has a long history of offering policy experiences and appropriate technologies to boost agricultural productivity. Donor and recipient countries share similar soil and climatic and ecological conditions. South-South development support is relatively predictable because around three quarters of it is disbursed within the scheduled financial year, facilitating appropriate fiscal planning. Projects are executed faster than those under DAC donors. Policy conditionality in South-South development cooperation is almost absent, but often tied to the procurement of goods and services from the provider country.

### **Setting the Stage for South-South Cooperation Amongst LDCs**

At a run up to LDC-IV, India hosted a conference in February this year to set the stage for increased South-South cooperation amongst LDCs. Indian Foreign Secretary Nirupama Rao, welcomed delegates, noting the longstanding partnership between India and the LDCs, strengthened by shared histories, similar developmental challenges and a common vision. Ms. Rao reiterated India's firm commitment to the needs of LDCs and opened events with a ceremonial lighting of the lamp.

In the inaugural address, External Affairs Minister S. M. Krishna noted the significant opportunities presented by South-South cooperation, as exemplified by the development cooperation programme India already holds with many LDCs.

**Developing productive capacities in the LDCs requires increased investment, both public and private, funded through domestic and external sources. It also needs technological acquisition and innovation, transmitted through trade and FDI and through purposeful domestic and international measures that encourage research and development and technology transfer.**

However, he emphasised the limited progress made in the LDCs in achieving both the Millennium Development Goals and the Brussels Programme of Action and the need to redouble efforts. The LDCs themselves should lead the way on this with development partners playing a supportive role. South-South cooperation must be additional and not a substitute for North-South cooperation. Mr Krishna pointed to the high expectations and potential opportunities of LDC-IV, encouraging a results-oriented agenda for action. To this end, Minister Krishna announced:

- i) An additional 5 scholarships every year under the Indian Technical and Economic Cooperation (ITEC) Programme for each LDC.
- ii) A special fund of \$ 5 million over the next five years for the follow-up to LDC-IV.
- iii) A \$ 500 million credit line facility over the next 5 years to be used specifically for LDC projects and programmes.

Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Cheick Sidi Diarra expressed appreciation for India's efforts in promoting South-South cooperation and their scaled-up contributions as a major partner of the LDCs. Drawing attention to LDC-IV, Diarra emphasised the bottom-up approach taken in preparations with several Pre-Conference Events completed and planned. He encouraged Member States to engage fully in negotiations on the proposed outcome.

Diarra emphasised the significant and growing importance of South-South cooperation in the development of the LDCs, citing substantial changes in the global distribution of resources, the needs and capabilities of countries, economic and political power and growing economic interdependence. Countries of the South are at the centre of this transformation, accounting for increased shares of global exports, foreign direct investment, technology and technical know-how and demonstrating a quicker recovery from the global financial crisis.

Diarra noted that, despite some progress, LDCs remain at the bottom of the development ladder, suffering from old challenges such as poverty, unemployment and disease as well as new ones such as food, energy and financial crises and climate change. South-South cooperation can be an important complement to development support with the potential to be a force-multiplier in implementing a focused and coordinated New International Support Architecture. Such an architecture can adopt improved market access for LDCs, an investment preference regime encouraging incentivised investment in the LDCs, increased sharing of technical and technological know-how, scaled-up development assistance and increased synergies cross development efforts. The High Representative called upon countries of the

South to contribute to providing such support and to show solidarity by producing a forward-looking and results-oriented Istanbul outcome.

Minister of Foreign Affairs for the Republic of Turkey, Ahmet Davutoglu underlined the importance of this particular Pre-Conference Event for LDC-IV, as shown in such high-level participation. He stated that, as a developing country, Turkey is honoured to host a UN Conference drawing up renewed and invigorated partnership to the benefit of LDCs. He emphasised the critical juncture at which we now stand and the need to act and deliver on a new global vision with a tangible set of commitments and deliverables. He spoke of the right of all nations to inclusive, equitable growth and sustainable development under a new development architecture and the need for innovative ideas and modalities to make this happen.



**India welcomed LDC delegations for a pre-conference event on 'Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries' in the run up to the Fourth UN Conference on the Least Developed Countries in Istanbul. Cheick Sidi Diarra (extreme left) noted the great potential of South-South cooperation as a "force multiplier" in LDC development.**

Minister Davutoglu expressed regret at the problems faced by LDCs in meeting the Millennium Development Goals, exacerbated by recent crises, and spoke of the need to address the situation collectively as a set of global issues. He added that Turkey has been a strong supporter of South-South cooperation and stands ready to engage further in this kind of partnership. He also said that Turkey will make a significant contribution to the monitoring and follow-up of LDC-IV. The Istanbul Programme of Action must be forward-looking, action-oriented and implemented with a clear political will shared by all sectors of society in order to bring about substantial change.

In their general statements, participating Ministers and other delegates underscored that South-South cooperation has emerged as a vital force in the world economic landscape. It was also highlighted that South-South cooperation is more important than ever before because of the emerging challenges that the world is facing such as the economic and financial crisis, the energy crisis and climate change.

It was underscored that, since the 1990s, other Developing Countries (ODCs) have become important economic partners of the LDCs. Delegates expressed hope that new South-South economic relationships are likely to strengthen further over the coming decades. The speakers stressed that there is no doubt that a major opportunity is arising from South-South linkages and Regional Trade Agreements. South-South cooperation covers financial flows, such as loans and grants for social and infrastructural investment projects, as well as the sharing of experiences, technology and skills, preferential market access and trade-oriented support and investment.

Speakers highlighted that, during the last two decades, substantial changes have taken place at the global level in the control and distribution of resources and in the capabilities and needs of countries. Economic and political power has shifted toward the South due to high and sustained growth rates in larger developing countries, particularly China, India, Brazil and South Africa. Countries of the South are at the centre of the new geography of international trade as producer, trader and consumer in global markets.

Participants underscored the importance of South-South cooperation in fostering domestic economic linkages, technological transfer, diversification and upgrading of output and exports and the strengthening of State capacities in LDCs. They also highlighted that there is a growing need to strengthen and intensify South-South development cooperation in order to make substantial progress in poverty eradication, economic growth and the promotion of sustainable development.

Some delegates suggested that best practices and good lessons learned from other developing countries could be utilized in LDCs. In this context, they called upon the UN system to strengthen existing UN mechanisms for promoting technical and trade-related cooperation among developing countries as well as triangular cooperation. Successes should be systematically documented and disseminated so as to maximize their benefits.

There are unprecedented and growing complementarities among countries of the South creating a complementarity-competitiveness continuum. It was underscored that a South-South cooperation strategy focused on a number of key thrust areas, identified for and by LDCs in the new draft Programme of Action, should be considered favourably in order to further consolidate and expand the transformation that is taking place in South-South trade, investment and economic cooperation. Delegates highlighted that this would enable the South to play the role of a genuine partner for sustained economic growth, diversification, employment and poverty reduction in LDCs and in the rest of the world.

# A New Programme of Action for LDCs

*In an exclusive interview Permanent Representative of Turkey to the United Nations, Ambassador Ertugrul Apakan talks with Nosh Nalavala on the role that Turkey will play at LDC-IV*

Transcription by Kamma Thordarson

*Developed countries have pledged 0.7 per cent of gross national income to developing countries. Very few have kept that pledge, how do you view this apathy among these wealthy member states?*

This is related to the efficiency of the ODA system, its productivity. When we speak about LDCs, the issue is how to make the LDCs part of the solution. We have to create productive capacities in LDCs by investment, direct aid, and by providing them more access to the markets of developed countries. This is a package and while ODA is one of the major components of the system, the major donor countries and new emerging economies should continue to contribute to the revitalization of the development in LDCs. The Istanbul conference will give us the opportunity to review current practices and adopt new measures and I believe Istanbul will bring new values to the system and there will be a new Programme of Action in Istanbul.

*How different will it be from the Brussels Programme of Action?*

Of course, we will have to review the Brussels Programme of Action. This will be the first step. At the moment LDCs and also major donor countries are reviewing the Brussels Programme of Action as we prepare for the Istanbul conference. Some important elements of the Brussels Programme of Action have been achieved, but it is incomplete. Most importantly, we need a high level political message to the international community at the Istanbul conference.



Ambassador Ertugrul Apakan, Permanent Representative of Turkey to the United Nations (fourth from left) with Cheick Sidi Diarra, Under Secretary-General and High Representative for LDCs, LLDCs and SIDS, and members of the Private Sector Steering Committee.

*... to pressure them into a commitment?*

... to draw the attention of the international community. We should not forget that the world is going through an economic and financial crisis. I believe Istanbul will be one of the major international economic events of the year, just after the Millennium Development Goals Summit. It will have a strong message both for the revitalization of the development process and also for addressing the problems of LDCs. I believe the parties are working in good faith in order to see what is achievable. In Istanbul we should have simple, plain, measurable and deliverable targets.

*You are talking about deliverable targets, but are you going to call for an increase in financial commitment from developed countries? Several countries have not fulfilled their old commitments and as a result several LDCs have not been able to fulfill their MDGs.*

In an environment of economic crisis, I don't know to what extent it would be feasible to increase the current financial commitments of the major donor countries. I think that if 0.7 per cent is implemented, it will be a good step in the right direction. This target has to be achieved.

*Do you plan to pull in civil society in the process? And also public-private partnerships?*

Yes, and I can tell you that at the end of the day this will be a LDC-led process. And yes, partnerships as well. A new dimension, there will be 3 dimensions: a) private sector. I think private sector could play a more effective role in terms of investment in LDCs. b) parliaments c) NGOs and civil societies. In Istanbul, we are also expecting that women-related issues will be discussed.

*What issues is Turkey bringing to the table for LDCs?*

All problems are interrelated in terms of the LDC development process, but we need to do more in education and health in order to solve long term education and health problems in the LDCs.

**"I believe Istanbul will be one of the major international economic events of the year, just after the Millennium Development Goals Summit. It will have a strong message both for the revitalization of the development process and also for addressing the problems of LDCs."**

*—Ambassador Ertugrul Apakan,  
Permanent Representative of Turkey  
to the United Nations*

There are also food security and agricultural issues. We'll be focusing on agricultural issues in Istanbul in a side event, and there will be discussions about the tourism capacities of the LDCs.

*Two specific questions: There are several LLDCs and SIDS who are also LDCs. There is considerable concern about the state of the SIDS. Is Turkey playing a prominent role in climate change negotiations to assist the SIDS? 2) Will Turkey bring up the issue of SIDS at the LDC-IV conference, since some of them are very, very vulnerable and on the verge of collapse.*

The Cancun conference on climate change has already produced a meaningful outcome document on which future efforts can be built. Turkey has been active in Cancun and I believe the parties are all happy with the results. In February the UN Forestry Conference is taking place and maybe the issues of LDCs will also be discussed.

*Several LDCs are suffering from climate related issues, like deforestation, desertification . . .*

Climate change and desertification, forestry and what can be done in order to overcome desertification. These are the questions on our agenda and we are also working with UN specialized agencies; FAO, World Bank, IMF, UNDP, WTO, ILO, UNIDO — they too are preparing themselves for this conference and their executives will attend.

*Will you raise those issues at the LDC IV or is it only going to be for the 49 Least Developed Countries?*

The LDC IV will be about the 49 least developed countries with some emphasis on the small island states and their acute problems, as also those of the landlocked developing countries.

*Is Turkey going to make a commitment at this conference? Are you going to make a financial contribution/commitment?*

We are looking at what we can do in terms of trade, development assistance, education, agriculture, forestry, science and technology. At the Istanbul conference, our intention is to declare our own long term programme. Turkey has a forward-looking approach to 2020. Turkey is already making a financial contribution, on a yearly basis direct and indirect, economic and humanitarian assistance amounts to more than one billion dollars to the developing countries, mostly to LDCs and sub-Saharan countries.

*Transcription by Kamma Thordarson*

## ***Underscoring the Importance of South-South Cooperation Amongst LDCs Continued from page 2***

itself, which sets a target of a sustained annual growth rate of at least 7 percent in order to meet its goals. We shouldn't forget that the impact of the 5 to 6 percent annual growth rate on poverty and hunger reduction has been limited due to income inequalities and continuing high rates of population growth. Moreover, this economic growth has not been even across LDCs; it has tended to concentrate in a few natural resource-rich LDCs.

*And the food crisis has added to this burden...*

Yes, the food and economic crises have also shown that the little gains that have been made over the last few years can be wiped out overnight. Greater efforts are therefore needed to meet and sustain the 7 percent annual growth target of the Brussels Programme while, at the same time, addressing the challenges of income inequalities and high population growth rates.

*How important is South-South Cooperation to the success of the LDCs?*

Very important — South-South cooperation is particularly important because of the new emerging economies, for example if you take trade, today it represents for LDCs 50 per cent of the trade that LDCs has with the rest of the world. If you take foreign direct investment, it represents something like 40 per cent of overall investment in the LDCs. So that is a new trend that is gaining strength and will be consolidated before it stabilizes. Besides that, South-South cooperation brings a wealth of experience in a developmental process. South-South cooperation also brings about technical assistance and cooperation that the LDCs are benefitting from.

*What kind of outcome do you expect in Istanbul?*

The Istanbul conference will take up emerging challenges and emerging opportunities that were not there for the Brussels negotiations; one of them being to tackle the prevailing triple crisis; oil crisis, food crisis and climate crisis. The second factor would be to come up with counter-cyclical measures. Counter-cyclical measures consist of fiscal space that governments of LDCs should have to be able to raise extra money to cope with the implications of the financial and economic crisis. They have had it in the United States — they call it the stimulus package. In Europe they have had a similar packages where the private sector is not enough to relaunch the economy. The Istanbul outcome will reflect something of the kind of crisis mitigation facility and also resilience building facility, possibly a combination of the two.

**“LDCs need to improve their national governance in terms of rule of law, respect for human rights, and, establishing a business friendly environment in their countries in order to attract investment and trade.”**

**—Under Secretary-General  
Cheick Sidi Diarra**

*What are the main elements of the outcome document?*

The main element is to put an emphasis on the productive capacity and infrastructure, human capital development, skills development, energy development, especially renewable energy development to make the leap forward to renewable energy. That would be the first priority. The second would be to strengthen the governance at the level of LDCs. The third would be to attract more investment, to have more trade, to create more wealth locally. The outcome of Istanbul should focus on these areas plus agriculture.

*The developed countries have not honoured their commitments. Are you going to call on them to honour their commitments made at the Brussels Conference? Are you planning to ask them to increase their commitment to LDCs?*

In terms of fulfilling commitments, let us put it this way. They have not fully honoured their commitments. Not enough, but they have done a lot. As I mentioned to you, ODA and FDI and debt forgiveness has reached record levels. North-South trade now represents 60 per cent of global trade and its growing fast. The commitment that we expect them to make is to deliver on what has been there already since Brussels. They should continue to open their markets to goods coming from LDCs and to expand the quota free, duty free to 100 per cent of their products, not just 97 per cent. And they should help the LDCs to improve the quality of their products and services to meet the international standards.

*Transcription by Kamma Thordarson*

# THE DELHI DECLARATION

## Contribution of South-South Cooperation for Development of Least Developed Countries

1. We, the Foreign Ministers, Ministers and Representatives of the Least Developed Countries and India attended the India-LDC Ministerial Conference on "Harnessing the Positive Contribution of South-South Cooperation for Development of Least Developed Countries" in New Delhi during 18-19 February 2011 to foster and further strengthen our mutually reinforcing development partnership, solidarity and commitment to socio-economic advancement of the LDCs. The conference was organized in cooperation with UN-OHRLLS to develop meaningful inputs for the Fourth UN-LDC Conference (UN-LDC-IV) to be held in Istanbul from 9-13 May 2011.
2. We call upon the international community to express its highest political commitment in support of the Istanbul Programme of Action and to the successful and ambitious outcome of the Fourth UN-LDC Conference.
3. We underscore that the interconnected and globalized world has made it essential for the international community to accord its highest priority to the cause of LDCs to ensure global peace, security and prosperity; and urge that the Istanbul Conference must galvanize global action in support of the development needs of LDCs, whose progress would bring greater global growth and opportunities for all. The LDCs' perspective must be taken into account while making decisions on global economic governance.
4. We underline that addressing extreme poverty, building productive capacity through structural transformation, spurring economic growth, enhancing participation in international trade and building resilience against vulnerabilities are key development challenges of the LDCs.
5. We note with concern that international efforts so far have lacked a comprehensive approach to effectively address the challenges faced by the LDCs, evident in the number of LDCs having increased from 25 in 1971 to 48 in 2011, and press for strengthening of international support mechanisms in favour of LDCs to augment their resources, productive capacity, institutional strength and policy space to lead their respective national development processes; and in this regard call for augmenting ODA, South-South cooperation and triangular cooperation for a comprehensive implementation of the Istanbul Programme of Action.
6. We call for an ambitious Istanbul Programme of Action that aims to get at least 50% of LDCs at the threshold of graduation by 2020.
7. We underscore the need to have a strong in-built review mechanism in the Istanbul Programme of Action for monitoring and evaluating progress and to provide a smooth and effective transition to graduating countries.
8. We note with satisfaction the increase in South-South Cooperation and South-South trade and investment flows and its positive impact on the LDCs' development process and commit to further strengthening this partnership, which we see as a complement, and not a substitute to North-South cooperation.
9. We note that the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, the Marrakech Framework for the Implementation of South-South Cooperation and the Yamoussoukro Consensus on South-South Cooperation constituted a comprehensive framework for continuing efforts by developing countries to resolve their shared problems and acknowledged the various national, sub-regional and regional initiatives to promote South-South cooperation and called for greater dialogue and exchange of experiences to increase their coherence.
10. We acknowledge the need to reinvigorate the United Nations development system in supporting and promoting South-South cooperation, and to this effect urge the United Nations funds, programs and specialized agencies to take concrete measures to mainstream support for South-South and triangular cooperation to help developing countries, at their request, to develop capacities to maximize the benefits and impact of South-South and triangular cooperation in order to achieve their national development goals and internationally agreed development goals, including the Millennium Development Goals.
11. We emphasize that promoting economic growth is fundamental to reducing poverty and attaining the Millennium Development Goals and in this regard note the importance of creating a domestic environment conducive to growth of private enterprise and attracting foreign direct investment in LDCs.
12. We express deep concern at the precarious state of global food security including food price volatility and inflation and its destabilizing impact on the LDCs, and call for bringing about an agricultural revolution in LDCs to achieve self-sufficiency in food.
13. We reaffirm our commitment to promoting access to energy and strengthening energy security to reduce poverty and meet other development challenges in LDCs.
14. Noting that the share of LDCs in global trade in spite of the Duty Free Quota Free scheme extended by development partners continues to be around 1 per cent, we appeal to countries to address the bottlenecks in the program including stringent rules of origin, complex procedures and supply side constraints to enable LDCs to have a greater share in global trade.
15. We call for an early conclusion of the Doha Round with a development based outcome to allow meaningful integration of the LDCs in the multilateral trading network.
16. We underscore the significance of science and technology, research and innovation in stimulating development in the LDCs and in this regard call upon developed countries to facilitate transfer of technology to LDCs to support science & technology initiatives.
17. Citing the success of the India-Africa E-Network, mobile telephony, mobile-banking and renewable energy programs in LDCs, we appreciate that technological leapfrogging has brought immense socio-economic gains and also opened vast opportunities for addressing developmental challenges in LDCs.
18. Deeply concerned at the debt situation of several LDCs, we strongly appeal for the creation a debt sustainability framework for LDCs to address their systemic vulnerabilities and to build resilience in their economies.
19. We recognize that Climate Change presents a major threat to livelihoods in developing countries, particularly in LDCs and other vulnerable countries and pledge to work together to take forward the Cancun agreements to find effective solutions based on the principle of equity and common but differentiated responsibility and respective capabilities. We call for immediate disbursement of fast start funds agreed under Cancun Agreements to the LDCs and special allocation of resources under the Green Climate Fund for LDCs along with transfer of environmentally sound technologies to LDCs to meet their urgent adaptation and mitigation needs. We urge the parties to urgently reach agreement on the design of the Fund and the measures to significantly scale-up long-term financing for meeting mitigation and adaptation needs in developing countries in accordance with the provisions of the Convention
20. We thank the participation of Turkey, Finland, Australia, Hungary, Slovenia, China, United States of America, Germany, Croatia, Georgia European Union, Italy, France, UNDP and UNCTAD as Observers in the Conference.
21. The Ministers and Representatives of LDCs and other participants at the Conference welcomed and thanked the Government of India for announcing new initiatives in support of the development needs of LDCs comprising 5 additional slots annually under the Indian Economic and Technical Cooperation (ITEC) Program to each LDC; US\$ 5million over the next five years for follow-up activities of the Istanbul Program of Action; and a Line of Credit of US\$ 500 million over the next five years to be used specifically for projects and programmes of Least Developed Countries.
22. The Ministers and Representatives of LDCs thanked the Government of India for the warm hospitality and excellent arrangements made for hosting the India-LDC Ministerial Conference and for India's continued commitment and support to the cause of the LDCs.



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