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NOTE

From:	General Secretariat
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Subject:	Council Conclusions on Guidelines for the participation of the European Union in the Fourth UN Conference on the Least Developed Countries (LDC-IV, Istanbul, 9-13 May 2011)

At the meeting on 31 March 2011, the Council adopted the Conclusions set out in the Annex to this note.

COUNCIL CONCLUSIONS

**Guidelines for the participation of the European Union in the
Fourth UN Conference on the Least Developed Countries
(LDC-IV, Istanbul, 9-13 May 2011)**

Introduction

1. These guidelines form the general framework of reference for the EU position at the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) in Istanbul from 9 to 13 May 2011. The Conference provides an important opportunity to strengthen the global partnership, reaffirm the global commitment to address the special needs of the Least Developed Countries (LDCs) and identify effective domestic and international policies and measures to support the inclusive and sustainable development of LDCs.
2. Building on the main achievements of the major United Nations conferences and follow-up meetings, in particular the Millennium Summit and the High Level Plenary Meeting (HPLM) on the Millennium Development Goals (MDGs) of September 2010, the European Union considers that the outcome from Istanbul should address three main objectives:

- Combating the vulnerability and fragility of LDCs and further enhancing their resilience to shocks.
 - Creating a favourable environment for the sustainable development of LDCs.
 - Promoting inclusive and sustainable economic growth for LDCs.
3. These objectives will guide the European Union's discussions with the LDCs throughout the preparatory process and during the Conference itself.

Key Messages

4. The EU is fully committed to the success of LDC-IV and is promoting a positive and ambitious outcome based on a global partnership for development, with the aim of accelerating poverty eradication, with mutual responsibilities and obligations for all partners and taking due account of the current global challenges as well as the changes in the global aid architecture since the adoption of the Brussels Programme of Action for the LDCs in 2001.
5. The outcomes of the major international development conferences, in particular the recent 2010 High Level Plenary Meeting (HLPM) on the MDGs, provide an important reference framework for the LDC-IV Conference. The EU considers that the Council Conclusions¹ for the HLPM remain fully relevant for LDC-IV. The Council welcomes the Commission Staff Working Document "EU Position in view of the Fourth United Nations Conference on the Least Developed Countries, 9-13 May 2011"², which has provided important guidance for this EU position.

¹ Doc. 11080/10: Council Conclusions of 14 June 2010 on the Millennium Development Goals for the United Nations High-Level Plenary meeting in New York and beyond.

² Doc. 6763/11.

6. The EU has always led the international community's efforts to support the LDCs and is the largest donor to the LDCs. It has launched or has been party to several initiatives which either specifically target the LDCs or directly benefit some LDCs. The EU has been the most successful development partner at fulfilling its commitments, notably in terms of market access, rules of origin and debt alleviation and has made significant progress on ODA as well as on policy coherence for development. The EU remains firmly committed to supporting the inclusive and sustainable development of all LDCs and calls upon the other donors and development partners to match its commitments and ambition.
7. Some LDCs have achieved good economic growth and progress in development during the last decade. Yet overall progress has been uneven and considerable work remains to be done, notably in Sub-Saharan Africa and in countries in post-conflict and fragile situations, where the MDGs are lagging behind, requiring strengthened efforts including on important social sectors such as health and education, as well as agricultural development. Global challenges call for collective responsibility by all stakeholders. The LDCs have the primary responsibility for their own development. In this context, the political commitment of the LDCs to implement the necessary policy changes will be a strong signal that they are determined to do their part to sustain high growth rates and accelerate their graduation from LDC status.
8. The EU underlines the interdependence of progress in the LDCs with human rights, gender equality, democracy and good governance, peace and security, as well as with climate, agricultural and energy policies. Sustainable development and long-term equitable and inclusive growth, promoting inter alia decent employment opportunities, inclusive finance and effective social protection systems as well as reducing inequality, are essential for each LDC to reduce its vulnerability. The private sector has a crucial role to play in this regard, and can have a huge impact on people's lives through generating wealth and employment. The potential of trade as an engine for growth and employment is considerable. Trade policy and development aid, including technical assistance for trade, need to pull in the same direction and exploit synergies.

9. The EU reaffirms its commitment to increasing its aid spending to reach 0.7% of GNI by 2015 and to channel at least 50% of collective aid increases to Africa³ while stressing that ODA is an indispensable element of a meaningful global development partnership.
10. All countries have the responsibility to help developing countries to lift themselves out of poverty and achieve progress towards the MDGs. Progress in the LDCs is interconnected with the quality and coherence of development partners' policies. Strenuous efforts should therefore be directed to improving the efficiency and effectiveness of aid mechanisms, and fulfilling existing commitments. While over the past decade the EU has nearly tripled the amount of its aid to the LDCs, the EU reaffirms its commitment, in the context of the abovementioned overall ODA commitment, to meeting collectively the target of 0.15 to 0.20% of GNP to the LDCs⁴. The EU calls on other donors to match these commitments. Emerging economies should also provide their fair share of assistance to the LDCs.
11. All other available sources of financing for development should be mobilised as well, primarily domestic resources, complemented by viable innovative financing mechanisms, and support from developed countries, the private sector, and emerging economies. The EU is seriously considering proposals for innovative financing mechanisms with significant revenue generation potential, with a view to ensuring predictable financing for sustainable development, especially for the poorest and most vulnerable countries. The EU calls on all parties to significantly step up efforts in this regard and welcomes the ongoing work by the Leading Group on Innovative Financing for Development, as well as the discussions of the G20 in that respect.

³ Doc. 9266/05, including Annexes 1 and 2: Council Conclusions of 24 May 2005, paragraphs 4 and 22.

⁴ Doc. 10018/09 COR 1: Council Conclusions of 18 May 2009, paragraph 13.

12. The EU strongly supports an LDC-IV outcome focusing on areas and measures that can add value with regard to the specific needs of the LDCs, and which should reflect the lessons learnt from the Brussels Programme of Action, while maintaining coherence with the MDGs, when setting specific goals and targets for the LDCs. A long-term engagement through a renewed partnership with the LDCs containing suitable measures is fundamental, in a rapidly changing world, for tailored responses to country-specific circumstances. Having this in mind the EU proposes the following issues to be prioritised in the outcome of LDC-IV.

Combating vulnerability

13. The EU sees reducing the LDCs' vulnerability and fragility and improving their resilience to cope with shocks and their capacity development as key elements and priorities in their development processes. The following issues should therefore be addressed:
- a. Transition from situations of fragility to peace and security, focusing on conflict prevention, conflict resolution, peace building and state building.
 - b. Excessive price volatility and food security, with specific attention to food and energy prices.
 - c. The capacity of the LDCs to adapt to climate change, including economic growth along a low-carbon path, use of fast-start funding and the Green Climate Fund, as well as combating desertification and tropical deforestation, including fighting illegal logging and promoting sustainable forest management and biodiversity.
 - d. Economic diversification including through improved productive capacities.
 - e. Development of human and institutional capacities.
 - f. Disaster risk reduction, including the integration of DRR into national development policies, strategies and planning.

Establishing a favourable environment for sustainable development

14. The EU is convinced of the essential need for an environment conducive to inclusive and sustainable development, which must include respect for human rights, democracy and good governance and strengthened partnerships for development at all levels, in order to optimise the LDCs' efforts to reduce their vulnerability and fragility. Six key sets of issues should be addressed in this respect:
- a. Promoting democracy and good governance, the rule of law, respect for human rights, the role of civil society, the fight against corruption, gender equality, the empowerment of women and their full enjoyment of all human rights. These principles are essential for poverty reduction and sustainable development, for the advancement of women as economic actors and for addressing health challenges, including maternal and child mortality.
 - b. Establishing favourable national policies and conditions to mobilise domestic resources and leverage international resources for development. Domestic resource mobilisation through efficient and fair tax systems, also covering the exploitation of natural resources, is crucial for sustainable growth and the achievement of the MDGs.
 - c. Mobilising international resources for development by all development partners. Promoting the role of emerging economies and stressing the expectation that they provide an increasing share of support to the LDCs, harnessing synergies between south-south and north-south cooperation and improving approaches to triangular cooperation are of particular importance including through the G20. All assistance should follow the principles of national ownership and of aid effectiveness.

- d. Bearing in mind their importance for development, the EU will work, and urges other development partners to work, to reinforce the impact of remittances on economic and social development, including through the reduction in transaction costs and through improving the safety of transfers. In this regard the EU is supportive of the ongoing work in relevant international fora.
- e. Debt sustainability is essential for underpinning growth and for achieving national development goals. In order to help maintain sustainable levels of debt, responsible lending and borrowing practices are needed.
- f. Ensuring the coherence of public policies in both developed and developing countries to promote development objectives.

Promoting inclusive and sustainable economic growth

- 15. The EU considers that an important aspect of inclusive and sustainable development is more broad-based sustainable economic growth which generates employment and which benefits all of the population. This requires good governance, a strong market focus and dialogue between the private sector and the State, together with policies to protect the environment and to promote human development among the most vulnerable, including through social protection. Five key sets of issues should be addressed in this respect:
 - a. Developing market-oriented productive capacities by supporting infrastructure, including reliable energy supply; integrating water and sanitation as an essential cross-sectoral engine for sustainable growth; supporting agriculture, focusing particularly on small-scale farmers, as the cornerstone of most of the LDCs' economies where food insecurity and malnutrition are of major concern; access to factors of production and credit; land tenure and property rights; and scientific and technological capacities, inter alia through technology transfer.

- b. Global and regional economic integration, including in particular market access, with a call to developed countries to provide full Duty Free Quota Free access for all products from all LDCs, as the EU has done with the autonomous Everything But Arms Initiative, and a call for emerging economies and developing countries in a position to do so to do more to open up their markets for LDC exports. Specific measures for LDCs at the WTO, simplifying rules of origin, promoting regional trade and integration as well as aid for trade are also important in this context.
- c. Environmental sustainability and a green economy, including good management and governance of natural resources, sustainable fisheries management, green growth strategies and renewable energy and energy efficiency.
- d. Inclusive growth with a focus on the most vulnerable and marginalised segments of LDCs' populations, education, health, nutrition, water and sanitation and food security, skills development, decent work and the setting up and promotion of social protection systems.
- e. Contributions from the private sector and the state, including good governance, provision of public goods and services, dialogue with the private sector, public-private partnerships, corporate social responsibility (CSR) as well as the sustainable use and management of natural resources.

Political momentum for inclusive growth and sustainable development in the LDCs

- 16. The EU is committed to a positive, ambitious, realistic and results-oriented outcome in Istanbul, creating renewed political momentum for inclusive growth and sustainable development in the LDCs primarily aimed at poverty eradication. It will be important to use light monitoring and evaluation processes based on existing structures in order to follow up on the outcome of the LDC-IV Conference. The EU is convinced that this new momentum will result in a significant increase in the number of countries graduating from LDC status in the next decade.

17. In this respect, the EU calls upon all partners in the international community to agree to establish a more systematic mechanism for granting time-sensitive concessions and support to countries, which have recently graduated, in order to make graduation more appealing and encourage LDCs to focus on accelerating progress towards their graduation. The systematic extension of the transition phase privileges to recently graduated countries, as the EU has been doing, is one example.
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