



Economic and Social Council

Distr.: Limited
1 July 2004

Original: English

Substantive session of 2004

New York, 28 June-23 July 2004

Agenda item 2

Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Draft ministerial declaration of the high-level segment submitted by the President of the Council on the basis of informal consultations

We, the Ministers and Heads of Delegations participating in the high-level segment of the substantive session of 2004 of the Economic and Social Council, held in New York from 28 to 30 June 2004,

Recalling the Brussels Declaration and Programme of Action for the Least Developed Countries for the Decade 2001-2010,¹

Recalling also the internationally agreed development goals, including those contained in the United Nations Millennium Declaration,² the Monterrey Consensus of the International Conference on Financing for Development,³ the outcome of the World Summit on Sustainable Development⁴ and the outcomes of other major United Nations conferences, summits and relevant special sessions of the General Assembly,

Recognizing the weak implementation of the Programme of Action and underlining the need to address that issue,

Recognizing that, given current trends, most least developed countries are unlikely to achieve the goals and objectives set out in the Programme of Action, as well as the objective of halving the proportion of people living in extreme poverty

¹ See A/CONF.191/13, chaps. I and II.

² General Assembly resolution 55/2.

³ *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

⁴ See *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolutions 1 and 2.

and suffering from hunger by 2015 and the internationally agreed development goals, including those contained in the Millennium Declaration,

Emphasizing that the realization of those goals in least developed countries entails developing human, financial and institutional resources and creating an enabling domestic and global environment,

Having considered the theme: “Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010”, the report of the Secretary-General on the subject⁵ and the contribution of all participants in the preparatory process for the high-level segment, held on 17 February and on 17 and 18 March 2004,

Have adopted the following declaration:

1. We reaffirm our commitments to the implementation of the goals and objectives set out in the Programme of Action for the Least Developed Countries for the Decade 2001-2010.¹

2. We recognize the need for creating an overall enabling environment for national and international actions to eradicate poverty, promote sustainable development of least developed countries and for the implementation of the Programme of Action.

3. We reaffirm that good governance at both the national and international levels is essential for the implementation of the commitments embodied in the Programme of Action. In that regard, as well as in the context of development efforts in general, we emphasize the need for solid democratic institutions responsive to the needs of the people and the need to improve the efficiency, transparency and accountability of domestic administration and public spending and the rule of law, ensure full respect for human rights, including the right to development, eradicate corruption and build sound economic and social institutions and solid frameworks in least developed countries for generating resources. Such frameworks should be geared to enhancing domestic resource mobilization, the flow of financial resources to developing physical infrastructure and the promotion of human resource development, with particular emphasis on equity and gender equality.

4. We emphasize, as part of the enabling environment, the significance, inter alia, of food security, fighting the HIV/AIDS pandemic, malaria and tuberculosis, improving access to health care, education and other social services, particularly for women, the poor and other vulnerable groups, and protecting the environment.

5. We recognize that the primary responsibility for development in least developed countries rests with least developed countries themselves. But their efforts need to be given concrete and substantial international support from Governments and international organizations in a spirit of shared responsibility through genuine partnerships, including partnerships with civil society and the private sector.

⁵ E/2004/54.

6. To that end, we urge each least developed country, with the support of its development partners, to continue the implementation of the actions contained in the Programme of Action by translating them into specific measures, within its national development framework and poverty eradication strategy, in particular poverty reduction strategy papers, where they exist, and with the continued involvement of civil society, including the private sector, on the basis of a broad-based inclusive dialogue.

7. We encourage least developed countries, with the support of their development partners, to improve the enabling environment for their private sector, including for micro-, small and medium-sized enterprises, which can play a crucial role in poverty reduction by contributing to economic growth and employment. That should include creating a favourable business environment, promoting the efficiency of markets and developing financial sectors that include the needs of all people, particularly those living in poverty, within an effective and transparent regulatory and legal system.

8. We recall the importance of the agricultural sector in least developed countries and, recognizing the importance of greater security of land tenure and land ownership for resource mobilization and environmental stewardship, particularly for women, we urge least developed countries to promote the creation of formal property systems, including access to land and natural resources, based on sound land-use plans for the poor and the landless. We call for continued measures to build sustainable productive capacities, in particular in rural areas and to improve access to and the transfer of pro-poor advanced technologies in the field of agriculture, including biotechnologies. We urge efforts to enhance the value added of agricultural commodities in least developed countries that depend on those products.

9. We emphasize the need to promote an inclusive financial sector in least developed countries and access to financial services, such as banking, credit and savings, especially microfinance/microcredit, particularly to those at lower income levels, in order to reduce the domestic savings-investment gap and to promote economic growth.

10. We recognize the importance of workers' remittances in mobilizing resources for development in least developed countries, and in that regard, we encourage all Governments to remove obstacles that might prevent the safe, unrestricted and expeditious transfer of earnings, assets and pensions of least developed countries' migrant workers to their country of origin or to any other countries, in conformity with applicable legislation, and to consider, as appropriate, measures to solve other problems that might impede such transfers, and in that regard, we take note of the G8 action plan entitled "Applying the power of entrepreneurship to the eradication of poverty".

11. We reaffirm that official development assistance (ODA) has a critical role to play in support of the implementation of the Programme of Action. We commend those countries that have reached the target of contributing 0.20 per cent of their gross national product (GNP) to least developed countries and encourage them to maintain that trend. We commend also those countries that have reached the target of contributing 0.15 per cent to least developed countries and encourage them to undertake to reach the target of 0.20 per cent expeditiously. We urge developed countries that have not done so to make concrete efforts towards reaching the target of contributing 0.15 to 0.20 per cent of their GNP to least developed countries, as

reaffirmed at the Third United Nations Conference on Least Developed Countries. In that context, we note the report of the Secretary-General on resources mobilization for least developed countries⁵ and encourage least developed countries to build on progress achieved in ensuring that ODA is used effectively to help achieve development goals and targets. We encourage least developed countries' development partners to harmonize their procedures and to help least developed countries' Governments to strengthen their administrative capacity.

12. We recognize that the serious debt problems of least developed countries necessitate a comprehensive solution, including the full, speedy and effective implementation of the enhanced Heavily Indebted Poor Countries Initiative and other debt-relief measures and measures to address the structural causes of indebtedness, and the provision of ODA with a view to ensuring that those countries do not fall back into arrears. The full implementation of those actions is crucial. Actions taken by multilateral and bilateral creditors to provide faster, deeper and broader debt relief for heavily indebted poor countries are useful steps towards solving serious debt problems. The steps taken by the donor community, particularly by members of the Paris Club and other bilateral creditors, to address external debt problems, including the establishment of a moratorium on debt-service payments by least developed countries, are welcome. The debtor least developed countries will aim to maximize benefits from debt relief by creating a conducive national framework, including fiscal reforms, a budgetary framework, sectoral adjustments, contributing to poverty eradication and faster economic growth, export growth, increased investment, enhanced productive capacities, employment and productivity, savings and international competitiveness. Efforts should be continued through transparent procedures to monitor and review least developed countries' debt sustainability on the basis of appropriate and objective criteria.

13. We emphasize that trade is essential for the least developed countries to generate resources for financing their growth and development and to complement ODA and private capital flows. In that regard, we welcome market access initiatives in favour of least developed countries and urge least developed countries' development partners to improve preferential market access for least developed countries by working towards the objective of duty-free and quota-free market access for all least developed countries' products. We also welcome the growth in trade among least developed countries and between least developed countries and other developing countries, and in that context we call for further improved market access for products of export interest to least developed countries. We call upon all World Trade Organization members to continue efforts towards a successful conclusion of multilateral trade negotiations under the Doha work programme, including the agriculture negotiations, aimed at substantial improvements in market access, reductions with a view to phasing out all forms of export subsidies, and substantial reductions in trade-distorting domestic support, as well as negotiations to reduce or, as appropriate, eliminate tariffs on non-agricultural products, which should provide substantial gains to least developed countries. Also, we urge all countries to assist the capacity of least developed countries to trade and integrate trade in their national development policies with a view to facilitating effective negotiations and informed participation in the multilateral trading system in order for least developed countries to reap maximum benefits from it.

14. We underline the importance of foreign direct investment as an essential component of development finance for least developed countries, and we encourage

them to continue to create an enabling environment for attracting international investment flows and technology transfers and to encourage greater domestic investment. Efforts to create such an environment should be supported by the international community by providing, inter alia, technical assistance to increase productive capacity in least developed countries and promoting foreign direct investment flows to those countries.

15. We recognize the special needs of least developed countries emerging from conflict situations. Bearing in mind that national ownership is the key to ensuring sustainable reconstruction and recovery, we urge development partners, multilateral institutions and international financial institutions to work with post-conflict countries to ensure that efforts to mobilize resources are closely integrated with efforts to achieve peace and stability. We emphasize the need to ensure that reconstruction and recovery is an important part of the sustainable development of least developed countries emerging from conflict situations. We also undertake to provide debt relief to post-conflict countries within the flexibility provided under the framework of the Heavily Indebted Poor Countries Initiative.

16. We stress the importance of the follow-up to the present ministerial declaration, and request the Secretary-General to continue to provide information as part of his annual report on the follow-up to the Programme of Action.

17. We recommit ourselves to undertake increased efforts and speedy measures with a view to meeting the goals and targets of the Programme of Action in a timely manner.
