



Statement

by

Mr. Anwarul K. Chowdhury
Under-Secretary-General and
High Representative for the Least Developed Countries,
Landlocked Developing Countries and Small Island
Developing States

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on

Agenda Item 57: Operational Activities for Development
(a) Operational activities for development of the United
Nations
(b) South-South cooperation:
economic and technical cooperation among developing
countries

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Mr. Chairman,

The agenda item on operational activities for development that also includes the issue of South-South Cooperation is of substantive relevance to the development efforts of the countries with special needs - the Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and the Small Island Developing States (SIDS).

The Secretary-General's report contains important insights into the need for increased financing for operational activities of the United Nations system, as well as on how to enhance the predictability, long-term stability and adequacy of funding for the United Nations system's development cooperation activities. As the report points out, recent positive ODA trends are mostly the result of the expansion of supplementary funding, while "core resources did not grow significantly over the period from 1996 to 2003 in nominal terms". This situation is of concern particularly to the Least Developed Countries as they are minimally equipped in the context of the requirements to attract non-core supplementary development funding. The inherent economic and social conditions as well as lack of needed capacity make their reliance on core funding by agencies, funds and programmes absolutely crucial. I would like to, therefore, stress that the constraints as result of stagnant core resources adversely affect LDCs disproportionately and to draw the Committee's attention to this point.

Additionally, LDCs are also negatively affected as organizations are becoming increasingly dependent on supplementary resources to maintain important parts of their basic infrastructure and to maintain programme operations at a minimal level of critical mass to respond effectively to the new demands.

Against this backdrop I would like to call on all United Nations systems development partners, and especially those whose governing bodies have taken decisions, some as early as 2002, to mainstream in their work programmes the implementation of the Brussels Programme of Action for the LDCs to make every effort to increase steadily their resource allocations to the LDCs. As called for in the Brussels Programme, we are also looking forward to regular reporting by these entities to their governing bodies on the implementation of the Programme of Action. Unfortunately this has not happened as widely as expected. We hope that the implementation of the Brussels Programme will be included in the agenda of the upcoming sessions of their governing bodies as part of the contribution of these entities to the preparations for the comprehensive mid-term review of the Programme next year.

Operational activities and capacity development are crucial for the LDCs as those are for the two other most vulnerable groups, the LLDCs and SIDS. As emphasized in the three action programmes - Brussels, Almaty and Barbados-Mauritius, these groups rely on the continued support by the Resident Coordinators for their national level implementation. The support of the Resident Coordinators in expanding their national capacities to ensure sound programming and prioritization will be essential. Additionally, the Resident Coordinator System's full support for the comprehensive mid-

term review of the Brussels Programme that I mentioned earlier is absolutely critical for the 50 LDCs.

Mr. Chairman,

I would like to now turn to the South –South cooperation that covers economic and technical cooperation among developing countries.

The universally-recognised economic, social, environmental and institutional vulnerability of the least developed, the landlocked and the small islands make these the most-deserving in the context of renewed efforts for advancing South-South cooperation. My Office had earlier presented to the South-South High Level Committee a Conference Room Paper on the “Potentials of South-South cooperation in the implementation of the Brussels Programme of Action for the Least Developed Countries” that outlined various areas of ongoing and potential support to the LDCs by other developing countries as well as by the UN system. Such development cooperation will attain greater credibility when the international community will recognize that the developing countries in a position to do so are giving special attention to the neediest among them. An additional support from the traditional development partners as part of the triangular cooperation initiatives will make the existing forms of assistance to these disadvantaged countries substantive and would result in greater dividends.

We acknowledge with appreciation the decisions taken at the Second South Summit in Doha this June extending political and financial support to these countries with special needs. I would like to applaud particularly the commitment announced by the State of Qatar to allocate 15% of the amount earmarked for development aid from its GDP to the Least Developed Countries from next year.

Mr. Chairman,

Some developing countries today have become important markets, emerging as significant investors in or suppliers of technology, producers of medicinal drugs and providers of technical assistance and financial aid. It is in this light that the importance of South-South cooperation needs to be advanced for the development of the LDCs, LLDCs, and SIDS, which face more dire challenges than the other developing countries.

It is in this light that the Secretary-General highlighted in his report the importance attached to South-South cooperation in the Brussels Programme, the Almaty Programme and the Mauritius Strategy.

The Brussels Programme identified important areas for cooperation that include building human and productive capacity, technical assistance and exchange of best practices particularly in the areas of health, education, trade, investment, environment, training, transit transport cooperation, and technology. The Programme also emphasized that the South-South cooperation is not a substitute for North-South cooperation but a

complement and encouraged the use of triangular mechanisms through financing by one or more donor countries.

The Almaty Programme calls for the further promotion of South-South and triangular cooperation with the involvement of donors. In fact, the Almaty Programme is primarily based on cooperation between landlocked and transit developing countries in order to implement the Programme's objectives relating to fundamental transit policy issues as well as the priorities relating to infrastructure development and maintenance.

The Mauritius Strategy in respect of the SIDS categorically states that South-South cooperation is critical at the bilateral, sub-regional, and regional levels in investment, capacity-building, disaster management, environment, food, agriculture, oceans, water, energy, health, and education. Within this framework, SIDS-SIDS cooperation has acquired considerable significance.

Increasingly, the private sector is becoming an important actor in the framework of South-South cooperation. In fact, the private sector has emerged as the main source of FDI flows to developing countries. Since lack of resources has been cited as a constraint to enhanced South-South cooperation, greater efforts should be made to expand these self-sustained public-private partnerships as a means of overcoming this obstacle to South-South cooperation. In his report, the Secretary General has also underscored the important role of civil society organizations and NGOs in advancing South-South cooperation. Bearing this in mind, we emphasize that the private sector and civil society both should accord priority attention to the needs of the most disadvantaged countries.

Based on their national development strategies, South-South cooperation should be built as an integral part of the international community's support to the countries with special needs. In recent years, there are an increasing number of countries in the South that have reached higher stages of development and that are effective players in the global economy. They have a growing number of institutions with excellent standards of education and outstanding capacities and expertise in areas of health, manufacturing, hi-tech industries and ICT, as well as research and development. These countries therefore have the means and the resources to further promote South-South cooperation to support the disadvantaged countries. And I must underline here that in recent years, such cooperation is being promoted actively in areas ranging from health in particular HIV/AIDS, capacity building, trade and agriculture to economic infrastructure, debt cancellation, governance and democratic institutions, and sharing of technology. Increased regional cooperation and greater market opportunities among developing countries in general, and with the most vulnerable countries in particular, appear to be key areas deserving special attention for the expansion of South-South trade. This is also finding increasing reflection in the cooperation frameworks of the regional and sub-regional organizations of Africa, Asia and the Pacific and Latin America and the Caribbean.

My Office's has been advocating the need to keep these groups of most vulnerable countries as a special focus for South-South Cooperation. In doing this, it is

urgent that developing countries give particular attention to the following six areas in order to:

1. Remove all existing tariff and non-tariff barriers to their markets for the products of LDCs and support LDCs to overcome their supply side constraints.
2. Facilitate and improve transit transport by all modes of communications for LLDCs.
3. Increase Foreign Direct Investment (FDI) flows to LDCs, LLDCs, and SIDS, particularly to build infrastructure and to expand export capacity.
4. Double the present technical assistance as well as training, research and educational facilities and scholarships provided to the LDCs, LLDCs, and SIDS.
5. Provide greater support to the social sector development in the LDCs with special attention to health focusing on HIV/AIDS, education, population issues, and women's empowerment.
6. Cooperate in establishing food security arrangements for the LDCs and SIDS.

In conclusion, let me highlight the special attention given to the LDCs, LLDCs and SIDS in the decisions taken at the South-South High Level Committee at its 14th session in June this year. The Committee called for scaling up of well-coordinated South-South cooperation programmes to these countries, identifying their respective Programmes of Action. This focus and the increased support of the South-South Unit of UNDP is very much appreciated. We believe such support will continue to be further enhanced for the benefit of these countries.
