



Convergence and contention

The Least Developed Countries in post-2015 debates

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Issue Paper

January 2014

Governance

Keywords:

Least Developed Countries (LDCs), post-2015
agenda, Sustainable Development Goals,
Millennium Development Goals

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Published by IIED, January 2014

Geoghegan, T. 2014. *Convergence and contention: The Least Developed Countries in post-2015 debates*. IIED Issue Paper. IIED, London.

<http://pubs.iied.org/17202IIED>

ISBN 978-1-78431-013-4

Printed on recycled paper with vegetable-based inks.

Cover photo: IIED/Khanh Tran-Thanh

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The 48 diverse nations characterised as Least Developed Countries (LDCs) face some of the world's greatest development challenges, from poverty to climate change. LDCs are counting on the global development framework that will succeed the Millennium Development Goals post-2015 to help them meet those challenges. But the jury is out on how to shape global goals and targets with the priorities of LDCs in mind. This paper scans perspectives from a range of sources to identify areas of converging and contentious opinion. By laying these perspectives on the table, the paper aims to help LDC negotiators clarify their own positions and identify issues where they can increase their collective bargaining power in post-2015 debates through joint negotiation.

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Summary

Of all the development challenges the world has faced over the past 50 years, bringing prosperity to the poorest countries has proven the most stubborn. In 1971 the United Nations established the category of Least Developed Country (LDC) in order to focus special attention and support on its poorest and most vulnerable member states. Since then, only three countries designated as LDCs have moved out of the category, which now includes 48 nations. The UN Millennium Declaration and Millennium Development Goals (MDGs) called for the international community to give priority to LDCs. Although progress has varied greatly, LDCs as a group have lagged far behind the rest of the developing world in achieving the MDGs. LDCs also are especially vulnerable to economic and political shocks and environmental threats such as climate change, which compound the challenges they face.

LDCs can offer important lessons on past development failures and successes, and testing grounds for new approaches. As the international community develops a new global development framework to replace the MDGs when they expire in 2015, it would do well to listen to what LDC development experts and observers are saying. In many ways, the success of this new post-2015 agenda may be judged by how effectively it contributes to development progress in this group of countries. As an input to post-2015 debates, this paper scans a wide range of perspectives on how the post-2015 agenda can most effectively support the LDCs' development priorities. It identifies many areas of agreement on the challenges that LDCs face. It also finds a number of areas of disagreement, particularly on the strategies and measures needed for LDCs to achieve sustainable, equitable social and economic progress.

Wide agreement on the LDC agenda for post-2015

Development experts on LDCs, the majority of whom are also from LDCs, offer a clear and consistent set of top-line messages for the post-2015 process. These can be summarised as follows:

1. Need for poverty-eradicating economic transformation. Poverty eradication should remain the number one development priority and a core objective of all development policies, strategies and interventions. At the same time, LDCs need

to create favourable conditions for private sector growth, including building the infrastructure needed to sustain economic activity. Growth strategies should focus on shifting away from dependence on extractive industries, which produce few jobs, through increased investment in agriculture and other high employment-generating sectors.

2. Need for a more level global playing field. Efforts to make progress in LDCs are undermined by inequity in global systems and in who global environmental services are used by. Fair deals for LDCs on climate change, trade and debt reduction would substantially assist them in moving forward.

3. Opportunities for green economic development. Many LDCs have abundant natural resources that are currently poorly managed and under used. Their very lack of adequate infrastructure creates the possibility of 'leap-frogging' into low-carbon green economy development models. With the right strategies, incentives and investments, LDCs can turn these ingredients into engines of growth.

4. Creating conditions for future progress. In order to build the necessary foundation for progress, LDCs would benefit from a post-2015 framework that supports:

- effective and equitable governance at all levels from local to international
- holistic approaches to achieving global goals that focus on root causes and acknowledge the inter-relationships between different dimensions of development
- diversification of development finance, to decrease dependence on bilateral aid and scale up contributions from domestic sources.

Disagreement on strategies and approaches

This scan reveals both sharp divides and more nuanced spectrums of opinion on how to tackle such a comprehensive agenda through a global development framework. The key areas of contention are set out in Table 1.

Table 1. Divergent opinions on strategies for the LDCs

ISSUE	← RANGE OF DIVERGENCE OF OPINIONS →	
Scope of the post-2015 global framework	<p>The MDGs provided a highly effective framework for achieving global development goals, and the post-2015 framework should incorporate and build upon them.</p>	<p>The MDGs had little impact on development outcomes in LDCs and need to be replaced with a more holistic framework that addresses root causes and acknowledges the linkages between goal areas.</p>
	<p>Climate change mitigation is being effectively addressed through the UNFCCC process and there is no need to include further targets in a post-2015 agreement.</p>	<p>Climate change mitigation must be given prominence in a post-2015 agreement because it is essential for achieving all global social and environmental goals.</p>
	<p>Inequality cannot and should not be addressed in a global development agreement. Although it is a regrettable byproduct of economic growth, it is best addressed at national levels.</p>	<p>Inequality, within and between countries, must be incorporated in the post-2015 framework because it is a pernicious driver of poverty and unsustainable production and consumption.</p>
Shape of the post-2015 LDC development model	<p>The economic model LDCs now follow provides an appropriate framework for future development, but new instruments may be required to achieve global and national goals.</p>	<p>The current economic model contributes to many development challenges and must be replaced with one based on the principles of sustainable development.</p>
	<p>Rapid industrialisation offers LDCs the most promising pathway to development, and they will benefit further from being able to leapfrog outdated technologies.</p>	<p>Agriculture continues to offer the most accessible pathway to poverty eradication and improved wellbeing in LDCs, and is likely to for some time to come. Investment in the sector must therefore be a priority.</p>
	<p>Official Development Assistance (ODA) should remain the main source of development finance in LDCs over the short and medium term; and the levels of ODA need to be increased.</p>	<p>LDCs must secure new domestic and international financial resources to reduce and eventually eliminate their reliance on ODA.</p>
	<p>Resources can be leveraged through public-private partnerships. The scale of finance required to meet post-2015 challenges can only be achieved through private sector investment stimulated by public incentives.</p>	<p>Dependence on private sector support is unrealistic. Domestic private sectors are too small and disorganised to provide substantial funding, and foreign corporate investors would prioritise their own interests over national ones.</p>
Responsibilities of LDCs in a post-2015 agreement	<p>LDCs should be exempt from global targets that have implications on their development pathways such as climate mitigation and sustainable energy, and they should receive special consideration in allocation of financial resources.</p>	<p>LDCs should make commitments within a system that acknowledges differences in responsibility and capacity to contribute.</p>

Getting an effective post-2015 outcome for LDCs

One point on which the governments of LDCs clearly agree is on the need for a post-2015 agreement that helps move them out of least developed country status and decades of economic stagnation, and onto

sustained pathways to prosperity. Knowing what opinion leaders are thinking can be useful to LDCs as the process moves into the intergovernmental negotiation stage. If LDCs can reach consensus on key issues and work in alliance with other countries taking similar positions, they can greatly improve their chances of influencing the final outcome.

The Least Developed Countries and the ‘post-2015 debate’

Improving standards of living in the 48 United Nations member states defined as Least Developed Countries (LDCs) has been an international development priority for decades. Yet most of these countries have failed to make substantial progress despite the special international development attention they have received. The post-2015 global agenda offers a major opportunity to reconsider development issues from an LDC perspective, but it is an opportunity that surprisingly few post-2015 voices are taking up.



A bit of background

Improving standards of living in the 48 United Nations member states defined as Least Developed Countries (LDCs) has been an international development priority since the category was created more than 40 years ago. The Millennium Declaration made specific mention of LDCs, and called for actions to improve market access, provide debt relief and scale up development assistance. Target 8b of the Millennium Development Goals (MDGs) calls on the international community to “address the special needs of least developed countries” through debt relief, tariff and quota-free trade access and “generous” earmarked amounts of official development assistance. The UN has also supported LDCs to implement a succession of 10-year Programmes of Action. The 2011-2020 Istanbul Programme of Action, which is highly regarded by LDC decision makers and development experts, focuses on building productive capacities and achieving graduation from LDC status through structural transformation.¹

Despite this special attention, LDCs have continued to lag well behind other countries in most development indicators, and the huge reductions in poverty rates that have occurred globally over the past 20 years have largely passed them by² (see Table 2). Since the LDC category was created, only three countries

have graduated out of it, with a fourth, Samoa, due to graduate in 2014.

The inability of the LDCs to make substantial progress despite this special attention brings to light the failures that the MDGs' highly touted successes tend to obscure. The process now underway to replace the MDGs with a new post-2015 agreement on global development clearly must do better in overcoming the barriers that impede these countries from moving forward. This paper looks at how the key development issues are being framed by different actors in LDCs and the wider post-2015 arena, and at the approaches that are being proposed to address these issues.

This kind of analysis has limitations, given the vast diversity among LDCs in terms of geography and population size, governance systems, natural endowments and other factors (see Appendix). But the LDCs also share characteristics, development challenges and opportunities that make common strategies and positions useful. A scan across wide-ranging perspectives notes many areas of agreement on what those strategies and positions should be, as well as areas of wide divergence, where further debate is clearly needed.

Table 2. Comparison between LDCs and developing countries for selected MDG indicators

MDG INDICATOR	LEAST DEVELOPED COUNTRIES		DEVELOPING COUNTRIES	
	1990	2007 or latest data	1990	2007 or latest data
Population in extreme poverty* (%)	63.3	53.4	45.7	26.6
Population in extreme poverty** (%)	57.5	52.7	40.6	21.9
Undernourishment (%)	40	32	20	16
Primary school enrolment (%)	52.3	78.8	79.9	88.8
Under 5 mortality rate (per 1,000 live births)	179.8	128.9	100.0	72.0
Infant mortality rate (per 1,000 live births)	112.3	82.4	68	49
Maternal mortality rate (per 100,000 live births)	900	870	480	450
Population without access to water (%)	46	38	29	16
Population without access to sanitation (%)	76	64	59	48

Source: Redrawn from United Nations Conference on Trade and Development, 2011.⁹⁵ * World Bank data. ** UNCTAD data.

Who’s talking about LDCs and post-2015

Considering the massive amount of discussion, debate and sheer verbiage that has been devoted to the post-2015 agenda, there has been surprisingly little attention given to how that agenda could most effectively support sustainable development in LDCs. LDCs as a group barely appear to have been noticed in the official ‘high level’ post-2015 arena (see Table 3).

Table 3. How often key post-2015 reports refer to LDCs

	Mentioned in the text	Mentioned in the proposed goal framework
High Level Panel Report ³	1	1
Sustainable Development Solutions Network Report ⁴	0	1
UN Secretary-General’s report: ‘A life of dignity for all’ ³⁸	5	N/A

Source: Guillaumont, P. 2013.²⁹

The report of the High Level Panel of Eminent Persons on the Post-2015 Agenda,³ which has become the primary point of reference in shaping the agenda, does not discuss LDCs in any detail. It mentions only two LDC-specific issues — trade and aid — recommending reform of trade rules to increase access for LDC products and extension of the official development aid target that was set in the last two LDC programmes of action.

The Sustainable Development Solutions Network, which was established to provide expert advice to the post-2015 process on sustainable development issues, also has had little to say on LDCs. Its June 2013 report to the UN Secretary General refers only once to LDCs, in a proposed target on enhanced support for overcoming “structural challenges”.⁴

At the operational level, the UN Office of the High Representative for LDCs, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) has been quite a visible source of information and convener of debates. As well as producing articles and think pieces,^{5,6} it has co-organised virtually every formal meeting on the LDCs and post-2015 over the past year. The written reports⁷⁻¹⁰ and video recordings^{11,12} of these meetings provide a rich source of information on how different actors are perceiving and framing the issues.

Outside the official post-2015 process, there have been two independent initiatives that bring together LDC expertise and perspectives. Southern Voice on Post-MDG International Development Goals¹³ is a consortium of research institutions from LDCs and other lower income countries spearheaded by the Centre for Policy Dialogue in Bangladesh. It has commissioned research by members on issues the group considers crucial to framing the post-2015 agenda in ways that respond to southern countries’ needs, with particular attention to LDCs. The Independent Expert Group on the Post-2015 Development Agenda is a group of LDC development professionals convened by IIED to provide expert opinions and advice to the post-2015 process. To date, the group has produced briefing papers on priorities for¹⁴ and perspectives on¹⁵ LDCs in the post-2015 agenda. Southern Voice and the Independent Expert Group have also co-organised several of the meetings on LDCs and post-2015 that UN-OHRLLS has convened.

A third source of independent thinking is LDC Watch,¹⁶ a global alliance of LDC-based civil society organisations that advocates on a wide range of issues relevant to LDCs. To date, it has made a statement¹⁷ and produced a pamphlet¹⁸ on LDCs and post-2015.

Two UN-led consultative processes on post-2015 have provided spaces for discussing LDC issues. National stakeholder consultations have been held in 27 LDCs; most of these have already produced reports.¹⁹ These are a useful source of information on stakeholder concerns; however the level of ambition and quality of outputs of these consultations vary widely, and all are clearly influenced by UN-defined frameworks and priorities. The UN General Assembly’s Open Working Group on Sustainable Development Goals includes 14 LDC members, who are producing joint position papers on some of the issues the group is addressing.²⁰ The Open Working Group also devoted two days of its 6th session in December 2013 to the needs of LDCs and other “countries in special situations” including Africa, landlocked developing countries, small island developing states and middle-income countries.²¹

Outside of those formal consultative processes, there has been little engagement with the issue in LDCs themselves. Bangladesh is an exception, with its vibrant development NGO community and energetic leadership from Debapriya Bhattacharya, who spearheaded the formation of Southern Voice and has conducted valuable research on the impacts of global development efforts in Least Developed Countries.²²

Except for IIED, which convened and provides administrative support to the LDC Independent Expert Group, the international NGOs and think tanks that have been immersed in post-2015 debate have paid scant attention to LDCs. Southern Voice is a conscious attempt to fill this gap by bringing southern think tanks into the debate.²³

Where the experts are agreeing

There is substantial agreement on the top development challenges that LDCs face: on the need for poverty-eradicating economic transformation and for a more level global playing field, on the opportunities for green development, and on creating conditions for future progress. This convergence offers a strong foundation for negotiating a post-2015 framework that responds to the LDCs' characteristics and needs.



Need for poverty-eradicating economic transformation

Poverty eradication should remain the number one development priority. Few LDCs have made substantial progress on reducing poverty, and even in those that have, the number of poor households remains extremely high. Because LDCs have some of the highest population growth rates in the world, declines in the percentage of poor people do not necessarily translate into numerical declines. LDC stakeholders also agree that high rates of poverty exert a drag on economic and social progress. Eliminating poverty is thus a prerequisite for broader development progress.

Economic activity in LDCs must increase in scale to generate the conditions necessary to stimulate private sector growth. LDCs are caught in a chicken and egg situation, in which the resources needed to stimulate economic development and private sector growth are not being produced due to the low level of economic activity. These resources include energy production; communication and transportation infrastructure; technology; and high-quality education and skills training. Mobilising external resources is essential for solving this dilemma.

Structural transformation is needed to revitalise agriculture, stimulate the development of other sectors and reverse patterns of jobless growth. Expansion of extractive industries has brought significant GDP growth to many LDCs, but it is not reducing poverty, producing jobs or stimulating broader economic development. Most of the benefits from commodity extraction accrue to foreign investors rather than being reinvested in the local economy or used to improve social services. Building productive capacity through structural transformation is the major theme of the Istanbul Programme of Action.

Need for a more level global playing field

Climate change is compounding LDC development challenges, earlier and perhaps to a greater extent than elsewhere. Many LDCs are already experiencing the effects of climate change, in terms of climate volatility, more intense natural disasters, sea level rise, and changes in rainfall regimes and crop production patterns. Because of their high rates of poverty and limited access to technological solutions, LDCs are

particularly ill-equipped to manage these changes. Adaptation and resilience building are thus near the top of LDC development agendas, but in many cases, the impacts of climate change may overwhelm even much enhanced national adaptive capacity. For example, if current climate trends continue, LDCs that are also small island developing states may eventually encounter sea level rise that makes living conditions unviable. Thus, investment in adaptation and resilience must be accompanied by rapid global reductions in carbon emissions.

LDCs' economic options are constrained by other factors requiring global action, notably trade barriers and unsustainable debt levels. There is widespread and longstanding agreement that international institutions, LDC trading partners and lenders must take action to reduce both tariff and non-tariff market barriers and offer debt relief to make it possible for LDCs to take advantage of economic opportunities now outside of their reach but essential for their progress.

Opportunities for green development pathways

LDCs have substantial natural assets that are often undervalued and overexploited, but if managed sustainably for national development could drive economic progress. In national consultations, people often list a healthy environment as a priority need, because of the value of natural resources and environmental services to people's lives and livelihoods, including to the poorest. Natural assets need to be managed to meet those needs and to provide the raw materials for structural transformation. Instead they are often underused or degraded and exploited unsustainably to feed global commodity markets. LDCs need post-2015 goals and targets that help them move towards natural resource management strategies that contribute to sustained poverty reduction and job-creating economic growth.

LDCs should take advantage of not being locked into carbon-intensive production systems to 'leapfrog' straight to low carbon, green economy development models. LDCs' potential to lead the way on low-carbon economic transformation has been widely noted,²⁴ and at least nine LDCs have launched low carbon development strategies over the past few years.²⁵ The post-2015 agenda should help by emphasising support to technology development and transfer and by providing "adequate and timely international support"²⁶ for low-carbon transitions.

Creating conditions for future progress

Achieving post-2015 goals in LDCs will depend on more effective and accountable governance at all levels. Citizens of LDCs clearly want more accountable governance at home: among the issues raised in post-2015 consultations, inclusive governance and accountability ranked high.²⁷ LDC governments and civil society also want more equitable and transparent bilateral and international relations and institutions. There is widespread agreement that the post-2015 era must not be characterised by the sharp divide between the roles, obligations and decision-making power of wealthy and poor countries that has been the norm over the past 60 years.

The post-2015 goals and agenda need to be built around a holistic strategy that tackles root causes and coordinates actions across related domains. LDCs as a group may have more experience with development interventions than the rest of the world combined, and have much to teach about what works and what does not. Few past interventions have had lasting benefits, but there is wide agreement that the key

to success is a strategic approach that acknowledges the relationships between different development issues and how action on one issue may affect others. A common LDC perspective on the MDGs is that they tried to attack each goal and target individually, and in doing so treated symptoms rather than causes, sometimes undermining other goals through interventions that failed to consider potential collateral damage. Many stakeholders feel that the Istanbul Programme of Action already provides a comprehensive strategic framework that the post-2015 agenda can build on.

Although official development assistance is likely to remain an important source of development finance for LDCs for some time, other sources must be mobilised to achieve development objectives and reduce dependency on a single option. LDCs are heavily dependent on official development assistance, but it has not been delivered at the scale and in the forms necessary to achieve economic transformation and sustained social progress. Financial resources will need to be scaled up substantially, including contributions from domestic and new international sources.

Where there is disagreement

Despite consensus on key development challenges and opportunities for LDCs, there is a good deal of disagreement on how to shape responses. This contention is useful because it points to those issues that LDCs need to consider most carefully as they move towards the formal negotiation stage of the post-2015 process. Reaching a common position will sometimes require reconciling sharply opposing opinions.



The scope of the post-2015 agenda

The MDGs focused rather narrowly on reducing poverty and improving living conditions in donor-assisted developing countries. There is widespread demand for a more ambitious post-2015 agenda, but also concerns that too broad a scope could make reaching an agreement and achieving its aims much more difficult. The key areas of contention from the LDC perspective are these:

To what extent should a post-2015 framework move beyond the MDGs towards a broader sustainable development agenda?

In the international post-2015 debates, a rift is beginning to appear around how far post-2015 agreements should diverge from the MDGs to embrace an expansive Sustainable Development Goals framework. In the 'high-level' post-2015 discourse, the MDGs are praised as one of the great successes of international cooperation: for example, the High-Level Panel's report hails the MDGs' "remarkable achievements"³ and the United Nations Global Compact report on post-2015 refers to their "notable successes".²⁸ In this discourse, the MDG framework has proven its effectiveness, and offers a sound foundation for a new agreement that completes the MDGs' "unfinished business"³ (much of it in LDCs) but is updated to reflect a global context that has "changed profoundly"¹⁴ since 2000.

LDC perspectives on the MDGs are generally more critical. They reflect the limited progress those countries have made towards achieving the targets, and the lack of evidence that the MDGs were responsible for what progress was achieved. The Benin Ambassador to the UN, Jean-François Zinsou, has lambasted the top-down approach used to develop the MDGs, their narrow focus on donor agendas and the conceptual shortcomings, including their failure to take account of differences in countries' initial conditions and population dynamics, which made many targets virtually unachievable for LDCs.⁹ This last point was elaborated on in an opening presentation at the 6th Open Working Group session.²⁹ The President of Malawi, in remarks to the UN General Assembly, noted that the "pressure" LDCs felt to achieve MDG targets had unintended consequences, such as the sacrifice of quality education in order to achieve universal access.³⁰ The LDC Independent Expert Group asserts that the MDGs tried to employ narrow, issue-specific targets for what were in fact deeply interconnected dimensions of development, and failed to address root causes or take account of country-specific contexts.¹⁵ From these viewpoints, it is not so much that the world has changed greatly

since 2000 but that the MDGs failed to appreciate the complexity of the world's development problems. These voices call for an equitably negotiated universal commitment to sustainable development that extends beyond the rather narrow social agenda of the MDGs and is based on an understanding that in a globalised world the actions of any member of the global community affect the others.

How should climate change be dealt with in the post-2015 agenda?

LDC climate change expert Saleemul Huq has referred to climate change in post-2015 debates as "the elephant in the room".¹¹ The official post-2015 process has largely avoided it, responding both to high-emitting nations' disinclination to deal with emissions and a mainstream position that there is no need or mandate for any international negotiation process beyond the UN Framework Convention on Climate Change.^{3,4} But some LDC stakeholders are insisting that a global development agreement that does not address climate change causes and consequences is inconceivable, given climate change's potentially devastating impacts on development progress. The President of the Democratic Republic of the Congo has called climate change a key issue for the post-2015 agenda and suggested it should confront wealthier countries' unsustainable modes of consumption and production, which are the major drivers of climate change.³¹ LDC Watch has perhaps gone farthest, demanding that the post-2015 agenda must include "bold and ambitious non-negotiables on emissions cuts".¹⁴

Can and should growing inequality, within and between nations, be dealt with in the post-2015 agenda?

Inequality is a constant theme in post-2015 discussions, but whether global development goals can offer a solution to it is a subject of disagreement. The High Level Panel's report³ gives inequality considerable attention, treating it as a "cross-cutting theme" and suggesting that progress on achieving targets should be measured within every income quintile in a country, rather than only for the population as a whole. In that way, rapid gains among less poor groups would not hide lack of progress by the poorest. But the panel left the issue of inequality itself up to individual countries to deal with: "We recognised that every country is wrestling with how to address income inequality, but felt that national policy in each country, not global goal setting, must provide the answer".³ Participants at a UN-OHRLS-organised retreat recommended that the post-2015 agenda could most effectively tackle inequality by improving enabling conditions for human asset-building, such as education, health care and

nutrition.¹⁰ Bhattacharya and colleagues have suggested that the post-2015 framework should confront inequality more directly, through targets on reducing both in-country and inter-country inequalities. They note however that identifying appropriate indicators is likely to be challenging.²² The LDC Independent Expert Group also wants to see reduction of income inequality as part of the global post-2015 agreement, as it will require action at both national and international levels.¹⁴

The shape of a post-2015 LDC development model

LDCs will want to be sure that the post-2015 global framework is consistent with and supportive of the models that will guide their national development planning and strategies. But there is no single 'LDC development model' (although the Istanbul Programme of Action provides outlines of one), and there is some disagreement about what an effective model would look like. Major areas of contention include these:

What kinds of economic model and strategy are most likely to drive lasting inclusive growth in LDCs?

No one claims that the economic models that LDCs are now employing are working well. But there is considerable disagreement about how much they need to be reformed.

Some think current models are at the heart of most development challenges and must be replaced with ones based on the principles of sustainable development. For example, the LDC Independent Expert Group calls for a post-2015 agenda that shifts from a "flawed, extractive economic model" to one that increases equity and gives generating economic, social and environmental benefits equal value.¹⁴ Some LDC leaders have argued forcefully for models that put less emphasis on GDP growth and more on "bring[ing] decent incomes into households"³² and "promot[ing] equality and social justice in the labour market"³³ to achieve "an economic growth and development that ensures the progress and wellbeing of people on this planet in an equitable, inclusive and judicious manner".³⁴

Others feel that it is not so much the economic model but its application in LDCs that is flawed. The United Nations Conference on Trade and Development (UNCTAD) calls for LDCs to combine a "growth-oriented macroeconomic policy" with more developmental sectoral policies "to spur the development of productive capacities and associated expansion of ... employment".³⁵ The Istanbul Programme of Action is based on a similar assessment and model.

There is also disagreement about how to get LDC

economies moving in ways that most efficiently and effectively eradicate poverty and contribute to other social goals. One argument is around the emphasis that should be given to different sectors. All sides agree on the need to shift away from dependence on commodity extraction and towards sectors that generate good jobs and that increase spending in the domestic economy. Agriculture, which employs the vast majority of poor households in LDCs and is the mainstay of rural economies, has many proponents. Burundian economist Léonce Ndikumana calls for LDC economic strategies to centre on increasing agricultural productivity so as to create jobs, feed growing populations and eventually release surplus labour into other sectors.¹² On the other hand, Bhattacharya and colleagues from the Centre for Policy Development believe that LDCs need to reduce their dependence on agriculture through a focus on revitalising their stagnant manufacturing sectors.²² UN-OHRLLS takes a middle ground, recommending diversified economic strategies to build productive capacity in multiple sectors including agriculture, manufacturing and services.⁶

What post-2015 financing strategies should LDCs employ?

As noted earlier, there is general agreement on the need for more diversified and scaled out funding to support national post-2015 agendas. However, there are some differences of opinion on the composition of funding that LDCs should be aiming for. Because of the past and current centrality of official development assistance (ODA), and the uncertainty of new sources, many LDC governments are focused on pressing donors to honour and scale up their commitments. Heads of LDC governments raised it frequently during the 2013 UN General Assembly, and ODA features prominently in the agenda set out by LDCs at the first session of the Open Working Group on Sustainable Development Goals.²⁶ Some LDC decision makers, however, have acknowledged that ODA does not offer an adequate or sustainable solution. They see the new post-2015 development era as an opportunity to "focus on reducing dependence on international partners",³⁶ "explore other innovative financing mechanisms that currently exist"³⁷ and increase efforts at mobilising domestic resources.¹⁰

There has been considerable attention to the potential to meet the expected enormous cost of implementing the post-2015 agenda through private sector investment. The High-Level Panel's report suggests that "[t]he most important source of long-term finance will be private capital, coming from major pension funds, mutual funds, sovereign wealth funds, private corporations, development banks, and other investors".³ In a response to the report, LDC Watch disagreed sharply: "We cannot accept an approach that uses public finance to

leverage private financing for a development model that is liable to promote the interests of a minority more than the majority."¹⁷ The LDC Independent Expert Group has raised questions about the effectiveness and net benefits of a private sector development model, noting evidence of "cherry picking" the most profitable areas of intervention, and raising concerns that by shifting responsibility onto corporate partners, traditional donors may undermine the badly needed growth of LDCs' indigenous private sectors.¹

The roles and responsibilities of LDCs in implementing a post-2015 global agreement

'Universality' is becoming a hot issue in the post-2015 debates: how to craft an agreement that holds all nations responsible for achieving common goals while also recognising that both the experience of global challenges and the internal capacity to meet them vary enormously among countries. LDCs have long argued for special treatment, but they also want to see their own actions to achieve global goals matched by domestic actions of other countries. The question is whether and how it is possible to reconcile these aims.

How should the post-2015 principle of universality be approached given LDCs' special conditions?

There is strong support for a post-2015 agreement that 'universally' demands parallel commitments from all countries, as opposed to the MDGs, in which 'donor' and 'recipient' countries had different roles and commitments. However, there is no clear consensus on how universality should be framed to achieve LDC objectives. Bhattacharya wonders how, "in an uneven world, a universal framework can accommodate the specific concerns and interests of ...LDCs".²² Ambassador Zinsou of Benin, the Chair of the Global Coordinating Bureau of LDCs, has said that "universality cannot overrun the special needs" of LDCs.⁹ However, others have suggested that for LDCs to become equal partners in the international arena, they need to demonstrate their willingness to contribute to solving global problems. They can even show moral leadership by making commitments on issues like climate change where more powerful and well-resourced countries are reluctant to act. Reflecting this perspective, the LDC Independent Expert Group is calling for "a new type of compact... from which no country is exempted or can exempt itself from responsibility to address global problems".¹⁵

Looking forward

LDCs would improve their chances of getting a post-2015 outcome they want by putting forward shared positions and negotiating jointly. In developing their positions, LDC governments would do well to listen to both experts and regular citizens, and to consider the arguments for and against different positions. Reaching consensus is important because LDCs will need to find middle ground among themselves if they are to work together as a bloc, and between themselves and other countries if they are to reach an agreement that all UN member states can live with.

LDCs thus need to decide where they are willing to bend and where they are not. On issues where there is

strong disagreement within the community of nations, LDCs will need to forge alliances with one another and with other like-minded countries to promote their views.

This paper has laid out some of the issues on which LDCs will have to make a stand, and suggested where compromise could come easily and where it will be more difficult. It has also tried to show how data and belief, experience and ideology all contribute to the opinions people hold and the approaches they promote. No negotiation is possible without politics; no effective outcome without a basis in evidence and good analysis.

Appendix

Source: adapted from 2010 World Bank data

Country	Population (millions)	Surface area (thousand km ²)	Population density (no. per km ²)	Rural population (%)	GDP (billions constant 2005 US\$)	GDP growth (annual %)	GDP per capita (constant 2005 US\$)	Trade (% of GDP)	Net ODA received (% of GNI)	Total natural resources (% of GDP)	CO2 emissions (metric tons per capita)
Afghanistan	28.40	652.23	44	77	10.24	8.43	361	55	40.3	2.5	0.29
Angola	19.55	1246.70	16	42	50.37	3.41	2,577	105	0.3	46.9	1.56
Bangladesh	151.10	144.00	1,161	72	81.47	6.07	539	43	1.3	3.4	0.37
Benin	9.50	114.76	84	56	5.23	2.55	550	40	10.6	1.6	0.55
Bhutan	0.72	38.39	19	65	1.29	11.68	1,795	98	8.7	8.7	0.66
Burkina Faso	15.54	274.22	57	74	7.11	7.94	457	42	11.5	10.5	0.11
Burundi	9.23	27.83	360	89	1.39	3.79	151	48	31.3	10.9	0.03
Cambodia	14.36	181.04	81	80	8.69	5.96	605	114	6.9	1.3	0.29
Central African Republic	4.35	622.98	7	61	1.90	6.64	436	33	13.2	4.4	0.06
Chad	11.72	1284.00	9	78	8.43	13.55	719	79	6.2	38.4	0.04
Comoros	0.68	1.86	367	72	0.41	2.05	605	66	12.4	1.2	0.20
Democratic Republic of Congo	62.19	2344.86	27	66	9.44	7.17	152	146	29.0	31.8	0.05
Djibouti	0.83	23.20	36	23							0.65
Eritrea	5.74	117.60	57	79	1.06	2.19	184	28	7.7	0.7	0.09
Ethiopia	87.10	1104.30	87	83	19.95	9.94	229	48	11.9	6.4	0.07
Gambia	1.68	11.30	166	43	0.78	6.53	467	66	13.0	1.9	0.28
Guinea	10.88	245.86	44	65	3.27	1.94	300	65	5.1	18.2	0.11
Guinea-Bissau	1.59	36.13	56	57	0.68	1.72	426	48	16.7	4.8	0.15
Haiti	9.90	27.75	359	48	4.31	-5.42	435	75	46.0	0.7	0.21
Kiribati	0.10	0.81	121	56	0.11	-0.50	1,132	98	10.7	-	0.64
Laos	6.40	236.80	28	67	4.02	8.53	629	73	6.2	14.7	0.29
Lesotho	2.01	30.36	66	73	1.77	7.87	879	155	9.8	1.3	0.01
Liberia	3.96	111.37	41	52	0.96	10.94	243	101	127.5	11.0	0.20
Madagascar	21.08	587.04	36	68	5.80	0.53	275	61	5.4	4.4	0.10
Malawi	15.01	118.48	159	84	3.29	-9.53	219	74	19.4	3.9	0.08
Mali	13.99	1240.19	11	66	6.97	5.82	498	66	12.1	12.3	0.04
Mauritania	3.61	1030.70	4	59	2.84	5.08	785	126	10.4	51.8	0.61
Mozambique	23.97	799.38	30	69	9.13	7.08	381	80	21.2	8.7	0.12
Myanmar	51.93	676.59	79	68							0.17
Continued overleaf											

Country	Population (millions)	Surface area (thousand km ²)	Population density (no. per km ²)	Rural population (%)	GDP (billions constant 2005 US\$)	GDP growth (annual %)	GDP per capita (constant 2005 US\$)	Trade (% of GDP)	Net ODA received (% of GNI)	Total natural resources (% of GDP)	CO2 emissions (metric tons per capita)
Nepal	26.85	147.18	187	83	10.10	4.82	376	46	5.1	3.4	0.14
Niger	15.89	1267.00	13	82	4.38	8.37	276	71	13.8	2.8	0.09
Rwanda	10.84	26.34	439	81	3.82	7.22	352	41	18.5	3.4	0.05
Sao Tome and Principe	0.18	0.96	186	38	0.14	4.51	813	73	24.6	1.0	0.56
Senegal	12.95	196.72	67	58	10.37	4.27	800	65	7.3	2.7	0.55
Sierra Leone	5.75	71.74	80	61	2.13	5.44	370	51	18.5	3.5	0.12
Somalia	9.64	637.66	15	63							0.06
South Sudan	9.94			82		4.24		92			
Sudan	35.65	2505.81	19	67	35.82	3.48	786	37	3.5	17.6	0.31
Samoa	0.19	2.84	66	80	0.43	0.40	2,286	98	26.6	0.3	0.87
Solomon Islands	0.53	28.90	19	80	0.56	7.00	1,056	93	61.4	16.9	0.38
Tanzania	44.97	947.30	51	74	19.72	7.04	452	66	13.1	7.9	0.15
Togo	6.31	56.79	116	62	2.48	4.00	393	97	15.2	4.0	0.24
Timor-Leste	1.14	14.87	77	72	0.73	9.49	641	126	9.2	0.2	0.16
Tuvalu	0.01	0.03	328	50	0.02	-2.73	2,423		25.9	-	
Uganda	33.99	241.55	170	85	13.36	5.86	393	58	10.9	5.0	0.11
Vanuatu	0.24	12.19	19	75	0.50	1.63	2,131	99	15.9	0.5	0.50
Yemen	22.76	527.97	43	68	20.71	7.70	910	65	2.2	23.6	0.96
Zambia	13.22	752.61	18	61	9.80	7.62	741	82	6.2	25.8	0.18

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The 48 diverse nations characterised as Least Developed Countries (LDCs) face some of the world's greatest development challenges, from poverty to climate change. LDCs are counting on the global development framework that will succeed the Millennium Development Goals post-2015 to help them meet those challenges. But the jury is out on how to shape global goals and targets with the priorities of LDCs in mind. This paper scans perspectives from a range of sources to identify areas of converging and contentious opinion. By laying these perspectives on the table, the paper aims to help LDC negotiators clarify their own positions and identify issues where they can increase their collective bargaining power in post-2015 debates through joint negotiation.

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