

## Overview

The Brussels Programme of Action (BPoA) for the Least Developed Countries (LDCs) for the Decade 2001-2010 provides specific goals and targets along with action-oriented commitments in seven critically important areas: (1) fostering a people-centred policy framework; (2) good governance at national and international levels; (3) building human and institutional capacities; (4) building productive capacities to make globalisation work for LDCs; (5) enhancing the role of trade in development; (6) reducing vulnerabilities and protecting the environment; and (7) mobilizing financial resources. An important and unique feature of this PoA is that it clearly indicates complementary actions between LDCs and their development partners. The commitments undertaken and the actions identified in the Programme of Action, if fully and effectively implemented, will improve the difficult social and economic conditions faced by LDCs.

This synthesis report on the implementation of the BPoA has been prepared by the United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS). The content draws on the information provided in 28 national reports prepared by African LDCs.

The synthesis was undertaken in preparation for the Regional Preparatory Meeting of African Developed Countries for the Comprehensive Mid-Term Review of the Brussels Programme of Action, Addis Ababa, 21 - 23 February 2006.

The report provides a broad overview of the implementation of the PoA among African LDCs between 2001-2005. It also outlines the various constraints faced by LDCs and related actions taken by both LDCs and their development partners in order to implement each commitment.

### **Commitment 1: Fostering a people-centred policy framework**

Despite robust economic growth averaging 6 percent per annum since 2001, the incidence of poverty in LDCs remains high at around 43 percent.

By 31 January 2006, most of the 34 African LDCs had prepared interim or complete poverty reduction strategy papers (PRSPs). But a number of LDCs report that despite the strong pro-poor policies underscoring the PRSPs, the impact on poverty reduction remains weak (Niger, Malawi, Chad, the Democratic Republic of Congo) Areas of particular concern cited are rural and infrastructure development. LDCs acknowledge that anti-poverty strategies are made more effective with solid government leadership and effective aid management. Furthermore, analysis shows that weak public sector and aid absorption capacity undermines the impact of PRSPs.

LDCs note that the cancellation of multilateral debt of 13 least developed countries in 2005 is an encouraging indication of the commitment of development partners towards their efforts in tackling endemic poverty.

### **Commitment 2: Good governance at national and international levels**

Several African LDCs have reported on measures instituted by their countries between 2001-2005 towards good governance, highlighting efforts to promote democracy and human rights, public management reforms, combat graft, and protecting and empowering the most vulnerable, namely women and children. Five years since BPoA, several LDCs in the region, including Comoros, Djibouti, Gambia, and Rwanda have adopted policies to ensure participation of the most vulnerable segment of society in decision-making.

### **GENDER**

Many post-conflict countries, in the process democratisation, have adopted affirmative measures, such as reserved seats and quota, to ensure the participation of women in decision-making. Notable examples

are Rwanda where women occupy 48.8 percent and Mozambique 34.8 percent of all seats in their respective Parliaments. A national gender policy was enacted in Burundi, Lesotho, Sierra Leone and the United Republic of Tanzania. An action plan on the advancement of women was adopted in Equatorial Guinea.

#### **POLITICAL PLURALITY**

Since 2001, African LDCs have regularly held presidential, local and municipal elections. In Uganda, a significant step towards political plurality was undertaken with the enactment of the Political Parties and Organisation Act, which opened the way for citizens with varying political opinions to express themselves in a multi-party system. A number of LDCs are currently preparing for either presidential or legislative elections in 2006, including Benin, Cape Verde, Comoros, Madagascar, Senegal, Sao Tome and Principe, and Uganda.

#### **JUDICIAL REFORM**

The promotion of justice has been at the forefront of the national development plans in all African LDCs.

A reform of Rwanda's judicial system was completed in 2004, with key outcomes being: the review of outdated laws and implementation of new legislation aimed at meeting changing governance needs and the setting up of 1545 'abunzi' committees in sectors to provide community-level arbitration for disputes, particularly land-related conflicts.

Burkina Faso prepared a 2002-2004 National Action Plan for Justice and the Review of Public Expenditures for Justice is being implemented.

The United Republic of Tanzania is currently implementing the Legal Sector Reform Programme aimed at strengthening the management and coordination of legal sector institutions and enhancing access to legal services.

As of December 2005, more than half of the 34 African LDCs had voluntarily acceded to the African Peer Review Mechanism of the New

Partnership for Africa's Development (NEPAD), a self-learning monitoring mechanism that evaluates performance in the following areas: political representation, institutional effectiveness, executive effectiveness, human rights and rule of law, independence of media and civil organisations, economic mismanagement and corruption control. In addition governance in 15 LDCs has been monitored by the Economic Commission for Africa under the African governance project.

#### **DECENTRALISATION**

Many least developed countries embarked on the path of decentralisation and the strengthening of local governance. Over the past five years, decentralisation policies have been introduced and are being implemented in a number of LDCs including Djibouti, Malawi, Mozambique, Ethiopia and Zambia. The United Republic of Tanzania has undertaken fiscal decentralisation in local governance and education and health sectors. Donors have played a critical role in supporting the decentralisation process. France provided support to the decentralisation process in Benin, Cape Verde, Chad, Madagascar, Mauritania, Namibia, Niger and Senegal.

In Ethiopia between 40-60 percent of all government expenditures have been transferred to the local level, together with full responsibility for managing social services and increasing shares of capital investment starting in 2001.

#### **COMBATING CORRUPTION**

A number of LDCs reported wide-ranging measures to combat corruption. National anti-corruption strategies were enacted in Sierra Leone, Guinea, Gambia, and Burundi. The Courts of Accounts and Budgetary Discipline on properties were established in Djibouti in 2001. The United Republic of Tanzania has adopted a national anti-corruption strategy and an action plan for the period 2003-2005.

Between 2001-2005, Liberia and Mauritania acceded to the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Convention against Torture

and other Cruel, Inhuman or Degrading Treatment or Punishment. During the reported period, Sao Tome and Principe acceded to the Convention on the Elimination of All Forms of Discrimination against Women and three other African LDCs (Angola, Equatorial Guinea and Ethiopia) submitted their country reports on their compliance to it.

### **Commitment 3 - Building human and institutional capacities**

Progress in achieving poverty reduction and economic growth in the LDCs depends, to a great extent, on human capital, access of people to nutrition, health, education, sanitation, safe drinking water and on their social integration. The BPoA contains 18 quantifiable goals and targets in these areas:

#### **POPULATION GROWTH**

Most African LDCs have adopted policies designed to decrease their population growth and at least two thirds have adopted policies and programmes to address adolescent fertility. The United Nations Population Fund (UNFPA) has been supporting their efforts by allocating between 67 and 69 percent of its resources in 2004 and between 69 and 71 percent of its resources in 2005 to a priority category that includes all the LDCs. However, several LDCs acknowledge that fertility levels and the population growth rate of LDCs remain very high. Although the proportion of people who suffer from hunger has decreased slightly in African LDCs on the whole, the under-five mortality rate remains the highest (155 per 1,000 live births) in the world.

Although African LDCs have adopted national anti-malarial treatment policies, few have managed to fully implement them due to health budget constraints.

#### **IMPACT OF HIV/AIDS ON FRAGILE HEALTH SYSTEM**

HIV/AIDS has taken a heavy toll on already fragile health systems. HIV prevalence rates have risen over the past five years - Central African Republic 13.5 percent, Lesotho 28.9 percent, Malawi 14.2 percent and Zambia at 16.5 percent. LDCs recognise that spiralling rates of

infection coupled with deepening poverty poses a serious threat to the development by affecting their productive capacity and ultimately, their economic growth.

Since 2001, all African LDCs have implemented a number of strategies to mitigate the impact of the disease including providing anti-retroviral treatment and the introduction of alternative health care options.

#### **EDUCATION**

Over the past five years, African LDCs have made remarkable progress in the area of education. Thus the net enrolment in primary education increased to 62 percent in the period 2001-2002, with the most dramatic changes observed in Benin, Eritrea, the Gambia, Malawi, Rwanda, Senegal and Togo. However, the primary completion rate was at 50.1 percent during the same period, which suggests a great number of dropouts, especially among girls.

LDCs acknowledge that additional investment is sorely needed to improve capacity and educational standards, especially at secondary level.

#### **ACCESS TO WATER AND SANITATION**

Between 2001-2005 access to water and sanitation has improved in most African LDCs but governments note that urbanisation, in some cases at break-neck speed poses a real challenge to social service provision.

#### **Commitment 4: Building productive capacities to make globalisation work for the least developed countries**

Since the BPoA declaration in 2001, a number of LDCs have geared up their efforts to deregulate agricultural markets, provide a greater role for the private sector, attract investments and promote new

agricultural technology (Guinea-Bissau, Sierra Leone and Zambia). The development of high-value agricultural products features prominently in the recent poverty reduction strategy papers of Ethiopia, the Gambia, Madagascar, Malawi, and Senegal.

However, Mozambique reported that several concerns continue to affect agriculture production in general, namely pests and diseases; the deterioration of the international market for sugar and cotton; and the vulnerability to climatic conditions whose effects were reflected in reduced output of cashew nuts, copra and sugar cane crop.

#### **IMPROVING ROAD INFRASTRUCTURE**

In an effort to improve transport infrastructure, the United Republic of Tanzania initiated a Special Trunk Roads Project 2001/02 which included a Road Fund for the maintenance of the country's road network. In Benin between 2001 and 2004 infrastructure investment represented an average of 40 percent. However, the Government notes that rail and river transport is inadequate.

The Government of Djibouti has pressed ahead with the rehabilitation of the corridor between Djibouti and the Ethiopian capital, Addis Ababa.

Burundi has implemented a national strategy for rural transportation and is continuing with efforts outlined the second sectoral programme for transport which began in 2000 and extends until 2010.

#### **DEVELOPING OTHER PRODUCTIVE CAPACITIES**

Efforts of the least developed countries in this area were supported by their development partners. The United Nations Food and Agriculture Organisation provided support to most LDCs under the NEPAD comprehensive agriculture programme. The International Trade Centre of the United Nations Conference on Trade and Development/World Trade Organisation assisted in market and business practice analysis in the areas of organic food, biodiversity products and medicinal plants that

are of high interest to the least developed countries. It strengthened the supply side in mushrooms and peaches (Lesotho), and mangoes (Haiti).

The New Rice for Africa (NERICA) project is a valuable example of the global compact for food security in the African LDCs, within the framework of the Tokyo International Conference on African Development. Protein-rich, weed-competitive, pest-and disease-resistant and fast-growing varieties of rice initially launched in seven African pilot countries, including Benin, the Gambia, Guinea, Mali and Togo, have been extended to Rwanda, Uganda and the United Republic of Tanzania. High-yielding rice varieties are forecast to raise production in these African LDCs enough to reduce their food imports by \$100 million per year.

A number of LDCs reported that since 2001 - despite domestic initiatives - physical infrastructure has been in decline. Governments attribute the deterioration to the lack of public and foreign investment. African LDCs (Burkina Faso, Togo, Cape Verde) are equally concerned about the limited participation of the private sector owing to the lack of an adequate regulatory framework, capacity and information base.

#### **TECHNOLOGY TRANSFER**

On the positive side, between 2001-2005 tele-density and Internet penetration have almost doubled in the LDCs, although the digital divide between LDCs and developed countries remains stark.

Benin established a Management Agency of the New Technologies of Information and Communication.

A number of LDCs have simplified regulations affecting entry, operation and exit of private enterprises by setting up a one-stop shop (Madagascar, United Republic of Tanzania and Zambia) However, African LDCs recognise that much more remains to be done as business registration is still cumbersome.

## **Commitment 5: Enhancing the role of trade in development**

Utilizing trade potential fully is arguably the most daunting challenge for many LDCs, heavily dependent on primary commodities for their export earnings. The share of the LDCs in the world trade remains below 1 percent.

### **MARKET ACCESS**

Furthermore, LDCs noted that instead of the initial demand of bound duty-free and quota-free access to developed country markets for all products of all LDCs, they have been offered product coverage 97 percent.

Preferential market access and special and differential treatment of LDCs have been the cornerstone of the Brussels Programme of Action and the Doha and Millennium declarations. Despite intervention to improve market access under the Generalized System of Trade Preferences (GSTP) and through special trade preferences for least developed countries, such as the European Union's 'Everything But Arms' initiative and the African Growth and opportunity Act of the United States of America. However, almost half of the market access preferences granted under these schemes remain under utilised by LDCs, owing to supply side constraints, lack of trade-related capacity and non-tariff barriers, notable rules of origin and product standards.

Lack of trade-capacity emerged as a chief concern among African LDCs, most calling for additional support from development partners.

Integrating trade issues in poverty reduction and national development strategies of the LDCs has been the major focus of the Integrated Framework for Trade-related Technical Assistance, revamped in 2000 that includes 24 African LDCs. Ten African LDCs (Benin, Burkina Faso, Malawi Mali, Mauritania, Mozambique, Senegal, Uganda, United Republic of Tanzania and Zambia) participate in the Joint Integrated Technical Assistance Programme. Ten least developed countries benefit both from

the Integrated Framework and Joint Integrated Technical Assistance Programme.

Many LDCs, including Benin, Burkina Faso, Cape Verde, Ethiopia, Mali, Mauritania, the Niger, Togo, Uganda and Zambia have been benefiting from trade facilitation programmes such as the Automated System for Customs Data and Advanced Cargo Information System of UNCTAD. UNCTAD has also been providing extensive training and capacity-building to the least developed countries in trade negotiations and commercial diplomacy, including on issues related to WTO developed countries' negotiators, including the formation of coalitions with other developing countries on issues of common interest.

#### **COTTON**

Cotton is the main agricultural export commodity in a number of LDCs. It is estimated that current cotton subsidies depress the world price by nearly 12 percent and cost Central African and West African countries \$250 million. African LDCs have, however, been encouraged by the outcome of a World Trade talks held in Hong Kong, China in December 2005. The Declaration offers the elimination of cotton export subsidies in 2006. But African LDCs have raised concerns that export subsidies constitute only a small portion of the nearly \$4 billion subsidies the US gives to its cotton producers every year.

#### **Commitment 6: Reducing vulnerability and protecting the environment**

Since 2001, African LDCs have increasingly focused on measures to improve environmental sustainability. Countries are at different stages in the development of institutional frameworks for comprehensive disaster risk reduction because some embraced the need earlier, others are yet to understand the implications, while others lack the capacity to design them.

In 2004 Guinea established a ministry of environment, while Comoros created a national commission for sustainable development. Gambia's first National Communication Plan to address environmental concerns has received international recognition for its appropriate approaches to addressing degradation.

Sierra Leone has implemented a number of interventions in the area of environmental protection including the setting up of the National Environment Protection Board to minimise the adverse environmental impact of economic activities, especially that of large-scale alluvial diamond mining where the major threat lies.

Mozambique has strengthened the capacity of the National Institute of Meteorology as part of a broader intervention in coping with perennial flooding.

Mali ranks among those countries to have achieved the greatest progress in the realisation of a National Action Programme for combating desertification. A monitoring system is being developed that will allow the government to evaluate the contents and methods of projects for combating desertification, to provide these projects with support and, where applicable, to orient them within the context of the United Nations Convention to Combat Desertification.

#### **Commitment 7: Mobilizing financial resources**

In September 2004, the International Development Association (IDA) and the International Monetary Fund Boards extended the Heavily Indebted Poor Countries (HIPC) Initiative until the end of 2006 and lowered the thresholds so that more countries could become eligible for greater debt relief. Notwithstanding these positive developments, reconciling debt sustainability, sustained growth and poverty reduction remains a

daunting challenge for many LDCs.

It is worth noting that LDCs accounted for most of the OECD/DAC aid (41.1 percent) and EU aid (47.1 percent) in the period 2002-2003. In 2003, 92 percent of OECD/DAC aid was untied and 94.7 percent of bilateral aid to LDCs was provided in grants, a total of 0.08 percent of donors' GNI/ODA, a modest increase over 2002. It is projected that OECD/DAC aid to LDCs will further increase in 2006, in light of the commitments made by individual countries. The Paris High Level Forum on Aid Effectiveness, held from 28 February to 2 March 2005, also signalled the determination of donors to improve effectiveness by monitoring progress on ownership, aid alignment, harmonisation, managing for results and mutual accountability.

The share of net foreign direct investment (FDI) flows to LDCs has increased, reaching almost 5 percent in the period 2003-2004. A number of countries have also succeeded in attracting South-South FDI (Lesotho, Uganda) from neighbouring developing countries, owing to favourable investment climate.

Rwanda is currently developing its first national aid policy document, and is expected to be adopted by Cabinet in March 2006. Sierra Leone reported that following a Consultative Group Meeting held in London, United Kingdom in November 2005, pledges were made to the tune of \$800 million.

Although microfinance and micro credit can be a powerful tool for increasing production, growth and poverty eradication, still the vast majority of poor people in the LDCs do not have access to micro finance services owing to the policy and regulatory environment, insufficient access to information, lack of collateral, and weak human and institutional capacities. In most of the LDCs, the penetration rates hardly exceed 1 percent.

Several least developed countries, with the support of donors, have also made sustained efforts to improve their investment and economic governance. Investment guides executed by UNCTAD have enabled the beneficiary countries to improve their investment framework, adapt to

changing policy environment at the national and international levels and enhance perceived images of these countries as investment locations.

### **The Way Forward**

The challenges in implementing the BPoA commitments are enormous and complex. The first task ahead is to strengthen the partnership between the LDCs and their development partners and to ensure that the constraints and problems of implementation which bedevilled the implementation of the previous two PoAs will not be repeated.

The second challenge is to mobilize all stakeholders and actors in development, both at the national and international level, to fully and effectively implement the commitments of the PoA that fall under their respective mandates and competence.

Although African LDCs acknowledge that some progress has been made, there is consensus that overall progress in meeting the goals has been slow and uneven. Five years after the Brussels Declaration, LDCs are concerned that their progress has not been sufficient to achieve the goals of the Programme of Action and its objective of eradicating poverty and achieving sustained growth and sustainable development in LDCs by 2010.

Essentially, three overarching obstacles were identified by LDCs in the national reports received. At the outset, however, it should be noted that the dearth of statistics and statistical capacity in the LDCs have further complicated efforts to engage in proper monitoring and reporting on national implementation of the Programme of Action.

African LDCs reported that the **challenges of capacity-building and resources mobilization** could, to some extent, be remedied by strengthening the partnership between the LDCs and their development partners, the very foundation of the Brussels Programme of Action.

African LDCs urged developed countries to fulfill their commitments on overseas development aid, debt relief, trade and technology transfer,

fully and expeditiously, to enable the least developed countries to achieve the goals of the Brussels Programme of Action by 2010.

Furthermore, African LDCs recommended that the **Brussels Programme of Action be integrated in the development policies, strategies and programmes of the development partners of the LDCs**, including monitoring and reporting.

For effective implementation of the Brussels Programme of Action, **there should perhaps be more focused consideration of some of its elements.** Rural development and agriculture should be brought more to the centre of the development efforts of LDCs. In addition, the development of ICT and of health services, and the production of consumer durables should be actively pursued by LDCs.

Other recommendations include addressing ongoing marginalisation of LDCs. It was suggested that all United Nations reports on economic and social items should include, in the analysis of global development trends, a group of countries classified by the United Nations as LDCs to ensure monitoring of their development in a broader context.

Civil society, including NGOs, and the private sector should encourage their constituencies to enhance the implementation of the Brussels Programme of Action both at the national and at the global level.

African LDCs also highlighted that special international support measures, such as preferential market access and special and preferential treatment of the LDCs under WTO provisions, need to be expanded and deepened bearing in mind bearing in mind the supply-side constraints of the least developed countries. Enhanced market access for least developed countries' products to other developing countries could also contribute to the expansion of their trade opportunities. All efforts should be made to reach a successful outcome of the Doha Round of multilateral trade negotiations no later than 2006 and the effective implementation of the Doha Development Agenda, which included inter alia, special treatment of the LDCs.

African LDCs also expressed that full cancellation of the external debt of HIPC least developed countries and significant debt relief for the non-HIPC least developed countries are critical to enable them to reduce poverty and achieve sustained growth.

Furthermore, debt relief needs to be placed in a broader development agenda that includes stronger national policies, more targeted and predictable development assistance and an enabling international environment for growth.

However, the national reports recognize that the responsibility for domestic development continues to lie with the LDCs themselves.

**African LDCs acknowledge that greater efforts are needed in the following areas:**

- 1) All 28 national reports recognized the need to create a good investment climate not only by adopting policies and measures that remove unjustified costs, risks and barriers to competition by firms, but also address a broader investment agenda: stability and security, regulation and taxation, finance and infrastructure, workers and labour markets. Governments further highlighted that a sound domestic investment climate needs to be supported by international rules and standards.
- 2) African LDCs broadly agreed that pervasive poverty, high demographic pressure on natural resources, the lack of adequate technology, and lack of investments can lead to environmental degradation. To ameliorate the current situation, LDCs concurred that integration of environmental sustainability into sector strategies was necessary and mainstream environmental protection in poverty reduction and national development strategies of the least developed countries.
- 3) African LDCs reported that there is a clear need for greater private sector participation in development. To this end,

Governments acknowledged that a strong private sector requires a domestic enabling macro environment, physical and social infrastructure and the rule of law.

4) Almost half of the inputs received raised concern about the decline agriculture and rural development. It was noted that there was a need for a renewed focus on the adoption of sustainable agricultural development strategies, including macroeconomic and sectoral incentives; strengthening institutional capabilities; raising and sustaining productivity and competitiveness; diversifying production and trade; and improving access to credit and market.

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