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Economic and Social Council
2011 Substantive Session

Coordination segment
Item 6 (a): Follow-up to the International Conference on Financing for Development

PANEL DISCUSSION

"Building on Istanbul: Financial support for development efforts of LDCs, including through South-South and triangular cooperation"

Tuesday, 12 July 2011, 10:00 a.m. – 1:00 p.m.
Geneva, Palais des Nations

Concept Note

BACKGROUND

e Istanbul Programme of Action adopted at the Fourth United Nations Conference on the Least Developed Countries calls on the international community to work towards more coherent, consistent and e ective nancial support for least developed countries (LDCs). More e ective development nancing for LDCs has become even more critical in light of the ongoing impact of the world nancial and econoecof p0hC(.2sm)1(13 1(s b)-9(2 51.2 51.2 d p)11(p)-2()ce)7418(Cs w(e de)-8)4(ci)18(Cs (t o)12(f tc)o)12-6(ie

for trade and debt relief. ere is considerable scope for further actions on all three fronts.

First, ODA continues to fall short of commitments made at major United Nations conferences and summits. OECD-DAC donors spend only 0.10 per cent of their aggregated gross national income on O cial Development Assistance to least developed countries, which remained well below the United Nations target of 0.15-0.20 per cent of GNI, as set in the Brussels Programme of Action and rea rmed in Istanbul. Moreover, its distribution has been highly skewed with the relative share of aid to production sectors, especially food agriculture and infrastructure on the decline.

Second, aid for trade can play an important role in helping countries develop the necessary infrastructure, institutions and technical capacity to harness the bene ts and minimize the risks of trade liberalization. Aid for trade commitments to least developed countries reached almost US$ 12 billion in 2009 (the latest year for which comprehensive data are available) representing a growth of 13.8 per cent as compared with 2008. However, there is signi cant room to increase this share, since these commitments represent only 32.5 per cent of the total aid for trade for developing countries. Moreover, the distribution is skewed as two thirds of the assistance goes to only 10 LDCs at present.

ird, since 2007, the external debt stocks of least developed countries as a group increased by 12 per cent, reaching 160.9 billion in 2009. New debt restructuring mechanisms might have to be considered for some least developed countries, especially if the global economic recover11(pfgh)3(a)9(in)8sr slow(a)9(s)4(d f)-10raoiett,e