



COMMONWEALTH

SECRETARIAT

STATEMENT

by

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Madame President
Mr. Secretary – General
Distinguished Delegates

The Commonwealth comprises the most diverse group of states represented in an international organisation. Its membership consists of 5 developed countries and 48 developing countries. 32 of its 53 member countries are officially classified as Small States. 25 of its 53 members are Small Islands Developing States (SIDS). 15 countries within this group are Least Developed Countries (LDCs) and 6 are Land Locked Developing Countries (LLDCs). Of these, 6 countries are both SIDS and LDCs and 4 are LDCs and LLDCs.

The Least Developed Countries (LDCs) of the Commonwealth form a sizable part of the overall number of LDCs in the world. These countries represent the most deprived group of the international community. The Commonwealth recognises the vulnerabilities and constraints experienced by these countries and are therefore fully committed to aiding them in the attainment of the Millennium Development Goals (MDGs). The Programme of Action for Least Developed Countries has provided us with the framework in which to achieve such commitments, through supporting pro-poor policies for economic growth and sustainable development. The Commonwealth is pursuing a number of initiatives in support of LDCs. These cover the seven interlinked areas of commitment and the ten cross cutting issues of the Programme of Action.

Commitment 1: Fostering a people-centred policy framework

In today's global marketplace, LDCs must be able to enter the information age fully equipped in order to successfully compete and eradicate poverty. The Secretariat's strategy to bridge the digital divide is being implemented through the Euro 1.1 million Commonwealth Action Programme for the Digital Divide (CAPDD). This initiative will make possible projects to develop the ICT capacities of our members. The aim is to share Commonwealth best practice across the five key areas of building policy and regulatory capacity; modernizing education and skills development; encouraging entrepreneurship for wealth creation and poverty reduction; promoting local access and connectivity; and enhancing regional networks, local content and knowledge.

Commitment 2: Good governance at national and international levels

The Commonwealth's effort to promote good corporate governance focuses on strengthening the capacity of countries and companies to compete in the global economy and contribute to people-centred development. Towards this end, the Commonwealth has provided training to companies and government bodies in a number of areas including corporate governance; training of trainers in public

sector reform; anti-corruption; integrity and professional standards in public services; and prosecuting money laundering and terrorist financing offences.

The Secretariat has also assisted countries in democracy and good governance in pursuit of the mandate to enhance development and democracy in member countries through capacity building, workshops and advisory services.

Commitment 3: Building human and institutional capacities

To build human and institutional capacity, long and short-term technical assistance is provided to LDCs, using the services of specialist consultants and volunteers in response to their needs. In any one year, hundreds of specialists are in the field in LDCs within the Commonwealth working on projects undertaken at the Pan-Commonwealth, regional and national levels.

An important aspect of human and institutional capacity building is the effect of migration on the human resource base of a country. Emigration of skilled workers to developed countries is common in many LDCs and can deprive countries of much needed skills and expertise. This phenomenon is well demonstrated by Africa. One study estimated that 20,000 professionals leave Africa every year costing the continent US\$ 4 billion a year. To combat such tendencies much is being done within the Secretariat to promote regulated and mutually beneficial access to the markets of developed countries under Mode IV of the World Trade Organisation's (WTO) General Agreement on Trade in Services. The critical feature of this project is its win-win' character, which will help to overcome a binding constraint on LDC economic growth.

On the related issue of remittances, the Commonwealth has convened workshops in Africa aimed at providing a regional forum and support to officials of African countries, to share experiences and policy lessons in managing remittances. The discussions at the forum are focused on three themes: the cost of remittances, monitoring the flow of remittances, and ways to direct this flow for investment purposes so as to enhance long-term growth and reduce poverty.

The issue of migration of skilled labour is also addressed through the Commonwealth Code of Practice for International Recruitment of Health Workers, the Protocol for the Recruitment of Commonwealth Teachers and the CBC Africa Recruit Programme established by the Commonwealth Business Council. The Commonwealth Code of Practice for International Recruitment of Health Workers provides guidelines for the international recruitment of health workers in a manner that takes into account the potential impact of such recruitment on services in the source country. The Protocol for the recruitment of Commonwealth Teachers takes a holistic approach in addressing the global problem of teacher loss and shortage of teachers. The Commonwealth Business Council's CBC Africa Recruit which is operated in collaboration with the NEPAD Secretariat is an innovative service delivery vehicle with its focus on Africa's

human capital resource requirements, critical skills redirection and transfers required to build robust and enduring productive capacity throughout the continent.

Helping LDCs to overcome the problems of poor education is an essential commitment of the Commonwealth. Unfortunately the majority of the 115 million children not attending schools globally live in Commonwealth countries. The Commonwealth pursues the educational goals related to the MDGs by assisting member countries achieve universal primary education (UPE) through improved enrolment, retention and completion of primary education, and eliminating gender disparities at the primary and secondary education levels. Emphasis is placed on improving the quality of education. We are also working with ministries of education and a range of partners to address the Six Action Areas in education across the Commonwealth including, using open and distance learning to overcome barriers; supporting education in difficult circumstances; and mitigating the impact of HIV/AIDS on education systems.

Many LDCs, particularly in Africa, suffer from high levels of HIV/AIDS amongst their populations. This decreases life expectancy and so provides limits on the country's workforce. The issue of HIV/AIDS is discussed extensively at annual meetings of Commonwealth Ministers of Health and several initiatives to address it are currently in place.

Commitment 4: building productive capacities to make globalization work for LDCs

The inherent vulnerability of many LDCs makes them an unattractive destination for foreign direct investment (FDI) due to the high levels of risk associated with their economies. The inability to attract foreign investors severely inhibits LDCs from getting the foreign currency necessary to expand or create new businesses. The Secretariat has a commitment to supporting LDCs' efforts to attract and maintain private investment. With this in mind, the Commonwealth Private Investment Initiative (CPII) was launched at the Commonwealth Heads of Government Meeting in Edinburgh in 1997. It uses regional venture capital-type private equity funds for developing countries in the Commonwealth with a focus on difficult and embryonic markets. The three funds that are now almost fully divested were: Comafin for sub-Saharan Africa (US\$63.5 million), Kula Fund for the Pacific Islands in (US\$16.9 million) and the South Asia Regional Fund (SARF) in (\$106 million). Importantly, funds such as the Sub-Saharan Africa Fund have achieved impressive returns to investors. Second generation funds are now being created with a stronger-focus on the Small and Medium Enterprises (SME) sector.

The Commonwealth assists in the strengthening of enterprise competitiveness, particularly in regard to Small and Medium Enterprises (SMEs), through capacity building and development programmes. It is also promoting private participation

in development, through Public-Private Partnerships and in infrastructure projects in post-conflict countries, particularly those that are Highly Indebted Poor Countries (HIPC).

Many LDCs are engaged in the production and export of agricultural commodities. The Commonwealth has embarked on a number of projects aimed at addressing the issue of agricultural competitiveness. The projects involve sectoral strategy and policy formulation and building institutional capacity to enhance the competitive advantage in LDCs. Current examples include work with SMEs in agro-processing, assistance to improve compliance with sanitary and phytosanitary standards and strategy development for coastal fisheries. Work to assist countries to meet the international obligations in agricultural trade is also undertaken.

Mining is a critical source of attracting much needed foreign investment for LDCs. The recent reforms in the sector have worked to further increase the potential of mining to attract investment for these countries. The current buoyancy of the prices of industrial commodities adds to the potential of this sector. The Secretariat has provided the necessary technical assistance for LDCs to allow them to focus on reforming their regulatory environments to encourage increased investment, private-sector development and export growth.

The tourism sector is one of the few sectors through which LDCs have been able to increase their involvement in the global economy. The ability of the sector to create employment, decrease poverty and maintain cultural heritage makes it vital importance for LDC growth. Yet its importance in these countries is frequently overlooked. Consequently, the Secretariat has created pro-poor policies specifically related to tourism, including the establishment of a Commonwealth Tourism Centre and assisting a number of countries with the formulation of tourism development strategies.

Commitment 5: enhancing the role of trade in development;

In partnership with several agencies and donors, the Commonwealth works to enhance the role of LDCs in trade and development and to maximise their benefit from the multilateral trading system. It conducts activities principally in three broad areas:

- It provides a broad range of capacity-building support in trade development, strengthening trade policy formulation and management and the more active and effective participation of LDCs in international trade negotiations.
- Conducts analysis of relevant issues and developments in the international trading system that will enhance the understanding of the priority concerns of Commonwealth developing countries.

- Facilitates dissemination of the views and supports the positions and participation of its LDC members in international trade negotiations through its advocacy and contribution to international consensus-building.

Specific areas of support for LDCs include its work on the enhancement of their institutional capacity and the promotion of regional cooperation. Maximising the benefit of these countries from the multilateral trading system has entailed support for the accession to the WTO of some countries that are not members on terms that are commensurate with their levels of development. This is to take into account agreed principles of special and differential treatment without the process unduly discriminating against them. Also the Commonwealth has sought to enhance the capacity of these member countries to negotiate a favourable outcome to the Doha Development Agenda via its work on Aid for Trade.

Commitment 6: reducing vulnerability and protecting the environment

The Commonwealth helps member countries to achieve the MDGs and their sustainable development objectives in line with the 2002 World Summit on Sustainable Development (WSSD), focusing on: implementation of the Mauritius Strategy on Small Island Developing States; sustainable forest management; improving the lives of slum dwellers; and building capacity for adaptation to climate change. The work programme also focuses on consensus building and policy development. Support includes high-level exchange of views on environmental issues of concern to member countries, and contribution to international processes on sustainable development and the Habitat Agenda. The Secretariat is also developing a Commonwealth Programme for Natural Disaster Management, through which member countries could co-operate in capacity building for disaster risk reduction and disaster response management.

Commitment 7: mobilizing financial resources.

The Commonwealth engages in activities aimed at alleviating the debt burden of developing countries. An integral part of our assistance on debt is the provision of the debt-management software CS-DRMS to record and manage debt data, the building of capacity in debt management, providing policy advice and assisting with debt analysis. Our advocacy work on debt centres on ensuring that the HIPC countries get faster and deeper debt relief. In this connection, we support the meetings of the Commonwealth RIPC Ministerial Forum. An outcome of one of these meetings has been the establishment of an arrangement for providing legal assistance to the Commonwealth HIPC countries that are facing litigation from external commercial creditors.

The Commonwealth is playing an integral part in making aid delivery more effective in promoting development as embodied in the Paris Declaration on Aid Effectiveness. In collaboration with development partners, the Secretariat has

held workshops aimed at enabling aid recipients such as LDCs to influence the general format, terms and conditions of their aid delivery.

Cross-cutting issues: Small States, Gender

As stated earlier, the Commonwealth has been in the forefront of the work on Small States which make up 60 percent of its membership. 25 percent of its Small States are also LDCs. The Commonwealth has an active political agenda that addresses small states' concerns. It works to address their economic, social and environmental vulnerability. In collaboration with the World Bank, the Commonwealth recently completed the Review of the Commonwealth Secretariat/World Bank Joint Task Force Report on Small States which was originally completed in 2000. The Review was presented at the 2006 Commonwealth Finance Ministers Meeting (CFMM) and the 2006 Small States Forum. It concluded that Small States and LDCs are vulnerable and face a number of new challenges, including the faster than expected erosion of trade preferences. The Review proposed a number of initiatives that should be implemented to assist Small States. The Secretariat has committed itself to a new work programme to assist Small States and LDCs. In addition, the Secretariat, annually publishes "Small States: Economic Review and Basic Statistics that highlights issues of topical concern to small states and is a means of disseminating policy discussions on critical policy issues affecting them.

Gender inequality is prevalent in many LDCs and exacerbates the impact of poverty on women. In order to achieve poverty reduction in these countries, enhancing women's capabilities is of critical importance. The Commonwealth has implemented a number of programmes focused on results towards empowerment of women. A new 'Plan of Action for Gender Equality (2005-2015)' was adopted and will form the basis of our work for the next decade. The Plan of Action takes a rights-based approach to all the areas it addresses, and is grounded in the framework of international and regional human rights conventions. The four critical areas of focus are: Gender, democracy, peace and conflict; Gender, human rights and law; Gender, poverty eradication and economic empowerment; and Gender and HIV/AIDS.

The Commonwealth remains committed to working with its development partners and LDCs to achieve the objective of the Brussels Program to reduce poverty and to improve the living conditions of the people in the Least Developed Countries. We are strongly committed to achieving our aims.