

Providing means such as, but not limited to vocational training, microcredits and incentives to LEDCs in Africa in order to build up independent, local economies

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## **I. Introduction**

In a globalised world, the importance of international cooperation is becoming more and more apparent. International alliances, organs, and conferences, such as the United Nations itself, are tasked to find solutions to pressing issues *together*, taking into account the effects the issue and the resulting decisions by the nations have on the entire world. Therefore, the assistance and support of More Economically Developed Countries (MEDCs) for hardships faced by Less Economically Developed Countries (LEDCs) need to be guaranteed so as to assure a future of collaborating on political, economic, social, etc. matters on a global scale.

What is important to mention in this matter is the Programme of Action for the Least Developed Countries, an action plan agreed upon at the United Nations Conference on Least Developed Countries which takes place once every decade. The last conference was held in Istanbul, Turkey from 9-13 May of 2011 (The Fourth United Nations Conference on the Least Developed Countries (LDC-IV)). The goal of the LDC-IV was to review the outcome of the previous Programme of Action from 2001 and to discuss new ways with which one could improve and promote the sustainable development of LDCs.

Efforts to support LEDCs in Africa through microcredits have been employed in the past by non-governmental organisations (NGOs), as well as the United Nations. Such microcredits have enabled many to gain access to financial services, improving the economies and the quality of life in several LEDCs. Other organisations such as Young Africa have started programs on vocational education and training courses in African countries, aiming to teach certain skills to people in the area between ages 15 and 25. There is however still a huge demand for such vocational training in many African LEDCs. The United Nations Educational, Scientific, and Cultural Organisation (UNESCO) for example has in the past stressed the importance of such Technical and Vocational Education and Training (TVET) and has striven towards more political involvement in the matter.

With past and ongoing attempts at resolving the economic issues and challenges African LEDCs are facing, United Nations involvement is becoming a critical aspect in

finding a solution and supporting independent, local economies. The matter demands immediate action by the member states of the UN committees, so as to improve the condition for the people and perhaps lift the LEDC status off the countries by improving their economies.

## **II. Definition of Key Terms**

**Less Economically Developed Country (LEDC):** “A developing country (or a low and middle income country (LMIC), less developed country, *less economically developed country (LEDC)*, or underdeveloped country) is a country with a less developed industrial base and a low Human Development Index (HDI) relative to other countries. However, this definition is not universally agreed upon. There is also no clear agreement on which countries fit this category. A nation's GDP per capita compared with other nations can also be a reference point.” (en.wikipedia.org, “Developing Country”)

**Least Developed Country (LDC):** “The Least Developed Countries (LDCs) is a list of developing countries that, according to the United Nations, exhibit the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world.” (en.wikipedia.org, “Least Developed Country”)

**Technical and Vocational Education and Training (TVET):** “TVET aims to address economic, social and environmental demands by helping youth and adults develop the skills they need for employment, decent work and entrepreneurship. In this way, TVET promotes equitable, inclusive and sustainable economic growth and supports transitions to green and digital economies.” (en.unesco.org, “Skills for work and life”)

**Microcredit:** A small financial loan made to poverty-stricken individuals seeking to start their own business. (...) Also called micro loan. (www.businessdictionary.com)

## **III. Major Parties Involved**

### **USA**

The United States of America lead the world in investments in Africa based on statistics from 2017, increasing the number of FDI (Foreign Direct Investment) to 130, claiming a

total 13% share. Over three quarters of development was driven by real estate, hospitality and construction. The USA has increased its development investment budget in Africa to about 60 billion USD and its main focus is to maintain its position as the biggest investor in Africa by developing financial tools and supporting African businesses, while competing with China, whose main focus is on infrastructural development.

The USA's economic ties were crucial in the development of Africa in the past 20 years, supported by acts, such as the African Growth and Opportunity Act (AGOA), supporting 40 African countries through duty-free access of products to the USA, and programs like Power Africa, which wants to ensure electricity for Africa's families and businesses and strengthen the 'next generation' sector of power generation. Other programs under the institution USAID aim for development in other areas, such as agriculture, governance, economic growth and trade.

### **Western Europe**

Western European powers actively discuss trade and investment in Africa. The most active among this group of states is the United Kingdom, France, Germany, Switzerland and the Netherlands, who all appear in the top 10 investors in Africa, with the UK and France being directly behind the USA and ahead of China. While the United States are the biggest country investing in Africa, Western Europe claims the title of the biggest regional investor. The aforementioned states alone accounted for 224 projects, which is almost 100 projects more than the United States, who sit at 130 projects.

Along with providing direct financial aid to Africa, West European states, namely Germany, donate money to the UNESCO-UNEVOC organization, which advocates for global TVET development and has centres in over 165 countries.

### **China**

President Xi Jinping pledged 60 billion USD to be spent as financing for projects in Africa in the form of assistance, loans and investments. China is looking to build stronger ties with African nations and even encourages its businesses to invest billions of dollars into Africa's development. Unlike The USA and Western Europe, China mainly focuses on investing in infrastructural development in Africa, but their Foreign Direct Investments (FDI) are not negligible, with China being 4th on the 2017 top 10 Foreign Direct Investors, however, their number of projects dropped by 18% to 54, however some financial transactions will not show up in surveys due to lack of transparency.

### **UNESCO**

UNESCO, the United Nations Educational, Scientific and Cultural Organization promotes education, namely TVET in africa. For this purpose, UNESCO created

UNESCO-UNEVOC, as a network of TVET institutions in over 165 countries. They conduct training, consultations and conferences. The organization emphasizes skill development needed for future jobs and careers. They also set up an online library where they publish TVET related research, along with thousands of other documents, which can be accessed free of charge by anyone and set up online communities such as the the TVeT Forum and the UNEVOC NEtwork Portal.

### **The World Bank**

In 2019, The World Bank unveiled a plan to strengthen African human capital, especially in Sub-Saharan Africa, where the Human Capital Index is the lowest in the world. In the next funding cycle, The World Bank plans to increase their investments in human capital by 50%. The World Bank is already supporting countries in this region, with 23 African countries have joined a coalition of almost 60 countries in the Human Capital Project. These plans aim to accelerate the region's economic growth and development, while keeping in mind the Sustainable Development Goals.

## **IV. Previous Attempts to Solve the Issue**

The quest to resolve Africa's deficiencies in development; economic, social and political has been a long process of investments, adopting declarations, providing help from charities and other Non-Governmental Organizations (NGOs) has been very long. Africa faces lots of challenges in more than one sector. And Africa remains one of the most important regions for the United Nations, which has programmes in all of UN agencies made to be beneficial for Africa.

Organizations and funds such as the International Fund for Agricultural Development (IFAD) provides very low interest loans and grants for people living in poverty in the rural regions of the world, including African people. The World Bank provides loans, grants and invests in less developed countries in Africa. Then the United Nations COnterence on Trade and Development (UNCTAD) helps LEDCs and LDCs to make the most of their trading opportunities.

In 2001, African leaders adopted *the New Partnership for Africa's Development*, which has been endorsed as the main framework to provide international support to Africa. Financially, the continent is receiving the largest share of the UN expenditures system for development, which is 36% of all expenditures. And UNESCO working to provide education along with TVET to support the development of the continent.

## **V. Timeline of Key Events**

-October 2000, *Establishment of the Forum on China-Africa Cooperation (FOCAC)*

-57th session of the UN General Assembly, 2002, *United Nations Declaration on the New Partnership for Africa's Development*

-2018, *China pledges \$60 billion in financing in Africa*

-2019, *The World Bank unveils new plan to increase Africa's Human Capital Index*

## **VI. Important Documents**

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-*United Nations Conference on Trade and Development: Foreign Direct Investment in Africa: Performance and Potential*, June 1999

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