

United Nations Conference on Trade and Development

**Division for Africa,
Least Developed Countries
and
Special Programmes**

At a glance



UNITED NATIONS

- **Supplying reliable advice on improving living conditions in over 80 specially disadvantaged countries.**
- **Building consensus in the global community of nations to help lay the foundations for accelerating development in the poorest countries.**
- **Providing technical assistance to facilitating the beneficial integration of the weakest economies in the global trading system by enhancing institutional and productive capacities.**
- **Providing innovative policies for development, based on constructive and pragmatic approaches to sustained growth and poverty reduction in the weakest economies.**

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FOCUS AREAS

The three pillars that define this Division's work are: research and policy analysis, support to intergovernmental deliberations and consensus-building, and technical assistance and capacity-building. They target the following clusters:

Africa: The annual *Economic Development in Africa* reports analyse selected aspects of Africa's development problems and major policy issues confronting African countries. There is a growing demand for advisory services and technical cooperation activities. UNCTAD also participates in meetings and conferences of, and provides contributions to, the New Partnership for Africa's Development (NEPAD), in particular the cluster on agriculture, market access and diversification, as well as the annual regional consultations of the United Nations agencies working in Africa.

LDCs: The beneficial integration of least developed countries (LDCs) into the multilateral trading system and the global economy is a principal objective. UNCTAD plays a critical role in the implementation, monitoring and review of the international community's main response to LDCs' needs, formulated since 1981 and currently embodied in the Brussels Programme of Action (2001–2010). The flagship LDC annual report has acquired increasing value in examining topical trade and development issues to accelerate development and poverty reduction. UNCTAD also provides conceptual, methodological and statistical support to the United Nations in its triennial review of the list of LDCs. In addition, it monitors progress towards graduation from the LDC category via the enhancing of the benefits of LDC status and the achievement of the Millennium Development Goals (MDGs).

As part of its engagement with LDCs, UNCTAD is one of the six core agencies participating in the multi-stakeholder Integrated Framework (IF), designed to mainstream trade into national development plans and to assist in the coordinated delivery of trade-related technical assistance in response to LDC needs. The IF is built on the principles of country ownership and partnership. Other participating agencies are the International Monetary Fund (IMF), the International Trade Centre (ITC), the United Nations Development Programme (UNDP), the World Bank and the World Trade Organization (WTO). Now known as the Enhanced IF, the programme was first mandated by the WTO Singapore Ministerial Conference in December 1996.

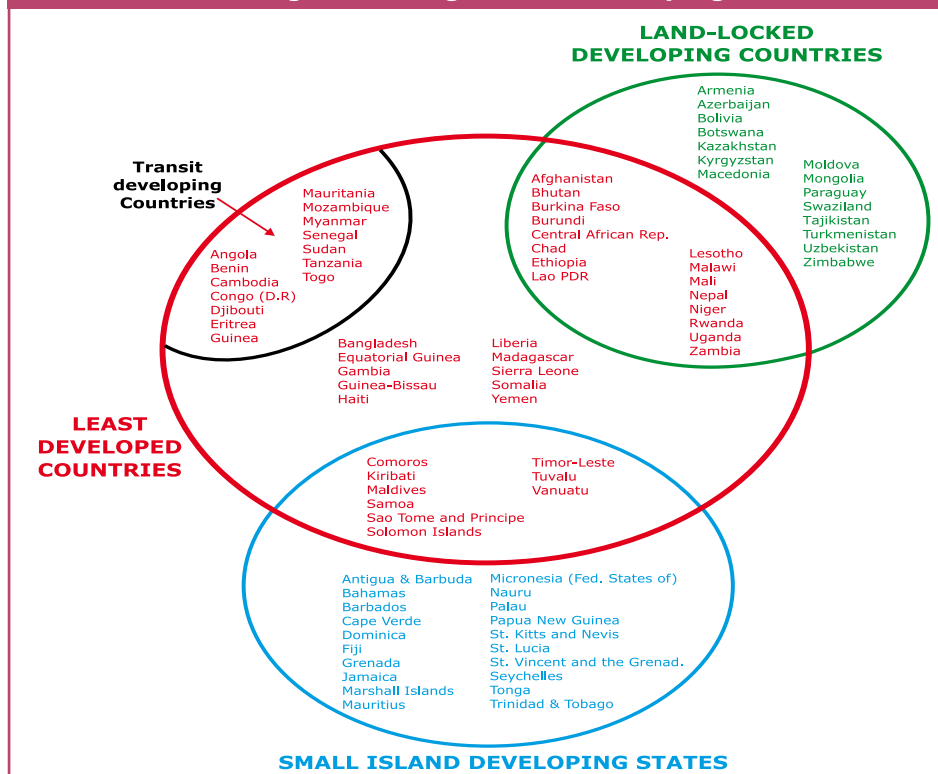
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LLDCs: UNCTAD contributes to global efforts to respond to geographical disadvantages that hinder competitiveness and overall economic performance in the 31 landlocked developing countries (LLDCs). In addition to measures to develop efficient national transport networks and transit systems, UNCTAD advocates policies that promote regional trade expansion and facilitate investment and economic restructuring in LLDCs.

SIDS: UNCTAD has been advocating special consideration of SIDS for over three decades. Such countries generally face a risk of severe marginalization from the global economy because of their small size, remoteness from large markets, and high economic vulnerability to external shocks. UNCTAD supports global efforts in favour of these countries in the light of the *Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States* (January 2005).

UNCTAD also pays special attention to the problems faced by other “structurally weak, vulnerable and small economies”.

Three UN-recognized categories of developing countries



AFRICA

Home to most of the Least Developed Countries (LDCs), the African continent remains, by and large, marginalized in the world economy. Over half of the population lives on less than US\$1 a day. Though rich in natural resources, the continent faces enormous challenges when it comes to promoting growth and development.

If the major Millennium Development Goal of reducing poverty by half by the year 2015 is to be achieved in Africa, a major policy shift is required, at both the national and international levels, to help boost growth and development in Africa.

Through its analysis of the issue of African development, UNCTAD attempts to increase understanding of Africa's economic development problems and to promote action required at the national, regional and international levels for acceleration of African development, as well as African countries' fuller participation in and positive integration into the world economy.

UNCTAD cooperates and liaises with regional and international organizations. It also participates in meetings and conferences of, and provides contributions to, the New Partnership for Africa's Development (NEPAD), in particular the cluster on agriculture, market access and diversification. Activities falling within the "development and poverty reduction" purview of NEPAD include infrastructure and transportation, "bridging the digital divide" via enhancing access to and use of information and communication technologies (ICTs), market access issues, and capital flows, including investment.

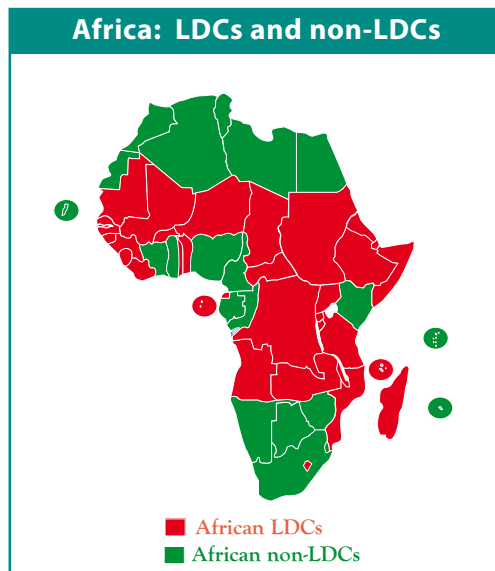
The Economic Development in Africa series analyses selected aspects of Africa's development problems and major policy issues confronting African countries. It makes policy recommendations for action by African countries themselves and by the international community to overcome the development challenges that the continent faces.

This report has been published annually since 2000 and has focused on critical issues which have the potential to change the face of the continent — provided the recommendations are heeded by all the major stakeholders including the member States, development partners and the private corporate sector. The titles of these reports reflect the diversity and depth of UNCTAD's focus on African trade and development issues.

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- 2007:** Reclaiming Policy Space: Domestic Resource Mobilization and Developmental States
- 2006:** Doubling Aid: Making the Big Push Work
- 2005:** Rethinking the Role of FDI
- 2004:** Debt Sustainability: Oasis or Mirage?
- 2003:** Trade Performance and Commodity Dependence
- 2002:** From Adjustment to Poverty Reduction: What is New?
- 2001:** Performance, Prospects and Policy Issues
- 2000:** Capital Flows and Growth in Africa

In addition to its programme of research and analysis with regard to African development, UNCTAD provides a number of advisory services and technical cooperation as well as technical input for several South–South cooperation initiatives. Advisory services are supplied in connection with the WTO Aid for Trade initiative and the ACP–EU Economic Partnership Agreement negotiations, and various activities are carried out under the umbrella of the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP). UNCTAD’s work on private-sector development has been consolidated through the expanded use in Africa of Empretec, a programme to support the creation of small and medium-sized enterprises.



THE LEAST DEVELOPED COUNTRIES (LDCs)

An official category

UNCTAD has been advancing the cause of the least developed countries (LDCs) ever since the category was instituted by the United Nations, in 1971, to attract special international support measures in favour of these countries. Three United Nations conferences on LDCs were held under the auspices of UNCTAD in 1981 (Paris), 1990 (Paris), and 2001 (Brussels). The Brussels conference agreed on the Programme of Action for the Least Developed Countries for the Decade 2001–2010.

Home to nearly 770 million people, the 49 LDCs are in Africa (33), Asia (10), the Pacific (5), and the Caribbean (1). These countries face major development constraints because of serious limitations in their human, institutional and productive capacities and in their physical infrastructure. Most LDCs are highly vulnerable to external natural and economic shocks, and three out of five LDCs are classified as heavily indebted poor countries (HIPC).

United Nations recognition of the LDCs has led UN agencies and programmes as well as development partners to grant special support to these countries. In the multilateral trading system, LDCs enjoy non-reciprocal market access preferences, for example under the “Everything But Arms” (EBA) initiative of duty-free, quota-free access to the European Union’s single market for LDC products. LDC status has also encouraged donors to grant LDCs concessionary financing, including in the area of debt reduction. Similarly, priority is given to LDCs in all United Nations technical assistance programmes and by several bilateral and regional development partners.

The flagship Least Developed Countries Report

UNCTAD’s *Least Developed Countries Report* series is the only source of comprehensive, authoritative and comparative socio-economic analysis and data on the world’s most impoverished countries. These in-depth reports have been the first to reveal in the LDCs: the number of people living on \$1-a-day poverty, the extent of trade liberalisation and the state of infrastructure and to look at the technical capabilities and potential for innovation. Through various thematic focuses, the reports seek to get the national and international policies right to effect rapid economic change. In recent years, Reports have focused on the importance of developing productive capacities and their knowledge and innovation content in addressing the challenges of poverty

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reduction and sustainable development. They have also made the case for a new generation of international support mechanisms for the benefit of LDCs.

An indispensable reference for governments, policymakers, researchers and donors, the LDC Reports have taken up the following fundamental issues:

- 2007:** Knowledge, Technological Learning and Innovation for Development
- 2006:** Developing Productive Capacities
- 2004:** Linking International Trade with Poverty Reduction
- 2002:** Escaping the Poverty Trap
- 2000:** Aid, Private Capital Flows and External Debt
- 1999:** Marginalization, Productive Capacities and the LDCs
- 1998:** Trade, Investment and the Multilateral Trading System
- 1997:** Agricultural Development and Policy Reforms in LDCs
- 1996 :** Selected Issues in the Context of Interdependence

"The Least Developed Countries Report 2007 would be utilised as a reference document in the development, implementation and follow-up of Malawi's Growth and Development Programmes." **Office of the President, Republic of Malawi.**

However, the fact that LDCs are not on track to meet the Millennium Development Goals (MDGs), especially of halving poverty by 2015 — poses new challenges to the international community. Acting on constructive and pragmatic alternatives suggested by UNCTAD such as the development of productive capacities is one way out.

LDC Report Highlights

This series of short four-page highlights summarizes the main policy messages in the LDC Reports for policymakers in LDCs and their development partners.

The UN-recognized category of Least Developed Countries (as of 1.1.2008)

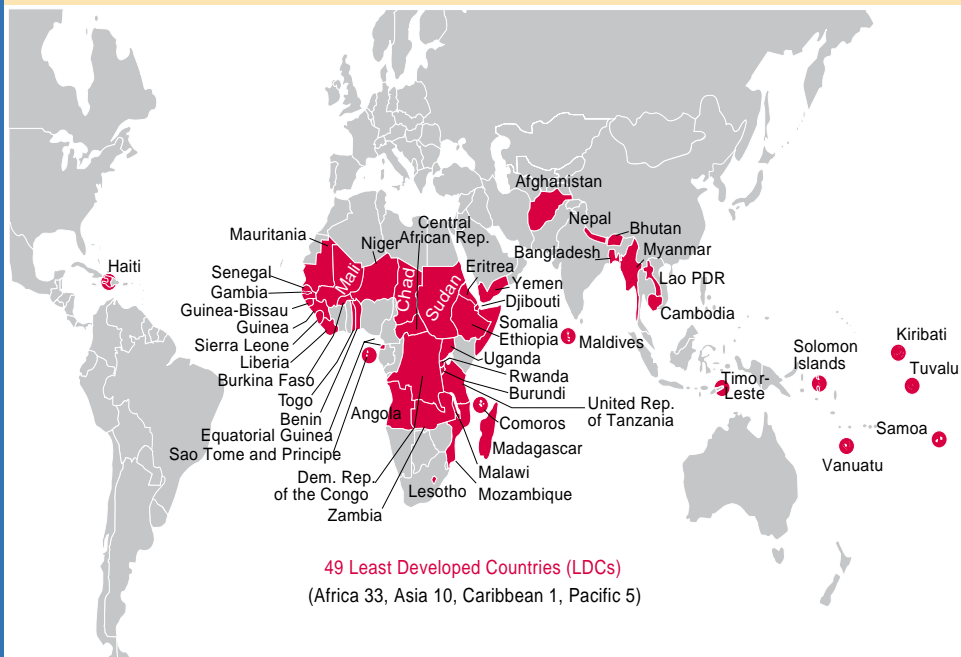
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|---|---|
| 1. Afghanistan* | 26. Malawi [@] * |
| 2. Angola [@] | 27. Maldives** |
| 3. Bangladesh | 28. Mali [@] * |
| 4. Benin [@] | 29. Mauritania [@] |
| 5. Bhutan* | 30. Mozambique [@] |
| 6. Burkina Faso [@] * | 31. Myanmar [@] |
| 7. Burundi [@] * | 32. Nepal* |
| 8. Cambodia | 33. Niger [@] * |
| 9. Central African Republic [@] * | 34. Rwanda [@] * |
| 10. Chad [@] * | 35. Samoa** |
| 11. Comoros [@] ** | 36. Sao Tome and Principe [@] ** |
| 12. Dem. Republic of the Congo [@] | 37. Senegal [@] |
| 13. Djibouti | 38. Sierra Leone [@] |
| 14. Equatorial Guinea | 39. Solomon Islands** |
| 15. Eritrea | 40. Somalia [@] |
| 16. Ethiopia [@] * | 41. Sudan [@] |
| 17. Gambia [@] | 42. Timor-Leste** |
| 18. Guinea [@] | 43. Togo [@] |
| 19. Guinea-Bissau [@] | 44. Tuvalu** |
| 20. Haiti | 45. Uganda [@] * |
| 21. Kiribati** | 46. United Rep. of Tanzania [@] |
| 22. Lao People's Dem. Republic [@] * | 47. Vanuatu** |
| 23. Lesotho * | 48. Yemen [@] |
| 24. Liberia [@] | 49. Zambia [@] * |
| 25. Madagascar [@] | |

[@] Heavily indebted poor country

* Landlocked developing country

** Small island developing State

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The Least Developed Countries: Regional Distribution

Africa (33)

1. Angola
2. Benin
3. Burkina Faso
4. Burundi
5. Central African Republic
6. Chad
7. Comoros
8. Dem. Rep. of the Congo
9. Djibouti
10. Equatorial Guinea
11. Eritrea
12. Ethiopia
13. Gambia
14. Guinea
15. Guinea-Bissau
16. Lesotho
17. Liberia
18. Madagascar
19. Malawi
20. Mali
21. Mauritania
22. Mozambique
23. Niger
24. Rwanda
25. Sao Tome and Principe
26. Senegal
27. Sierra Leone
28. Somalia
29. Sudan
30. Togo
31. Uganda
32. United Rep. of Tanzania
33. Zambia

Asia (10)

1. Afghanistan
2. Bangladesh
3. Bhutan
4. Cambodia
5. Lao PDR
6. Maldives
7. Myanmar
8. Nepal
9. Timor-Leste
10. Yemen

Caribbean (1)

1. Haiti

Pacific (5)

1. Kiribati
2. Samoa
3. Solomon Islands
4. Tuvalu
5. Vanuatu

LANDLOCKED DEVELOPING COUNTRIES (LLDCs)

From landlocked to landlinked

UNCTAD contributes to global efforts to mitigate the adverse effects of geographical isolation and long distance from markets on the 31 nations that form the group of landlocked developing countries (LLDCs). Sixteen LLDCs are also in the category of the least developed countries (LDCs). Thus, the LLDCs share most of the problems of LDCs but have the added disadvantage of being located up to 3500 kilometres from the nearest maritime port. The LLDCs are spread across four continents: 15 in Africa, 12 in Asia, 2 in Latin America and 2 in Central and Eastern Europe.

The transit dependence increases transactions costs and reduces competitiveness in world markets. This discourages investors and diminishes the capacity of LLDCs to reap benefits from the international division of labour. Thus, promoting efficient transit systems in order to lower trade transaction and transport costs in particular is an important objective. However, the building of supply capacities for goods and services that are not sensitive to distance and a stronger regional trade expansion are important strategic moves that could also attract more investments and forge more beneficial links with the global economy.

The international community has focused on the specific development constraints of LLDCs for many decades. The United Nations Millennium Declaration urged development partners to increase financial and technical assistance to LLDCs to help them overcome the impediments of geography. This call was echoed at major United Nations conferences in Brussels, Monterrey, and Johannesburg and, particularly, in Almaty.

In 2003, the United Nations convened in Almaty (Kazakhstan) an international ministerial conference to enhance transit transport cooperation between landlocked and transit developing countries. The Almaty Programme of Action (POA) deals with infrastructure development and maintenance, transit policy issues, and trade facilitation measures. Within its mandate, UNCTAD participates in the implementation of the Almaty POA, including its mid-term review in autumn 2008.

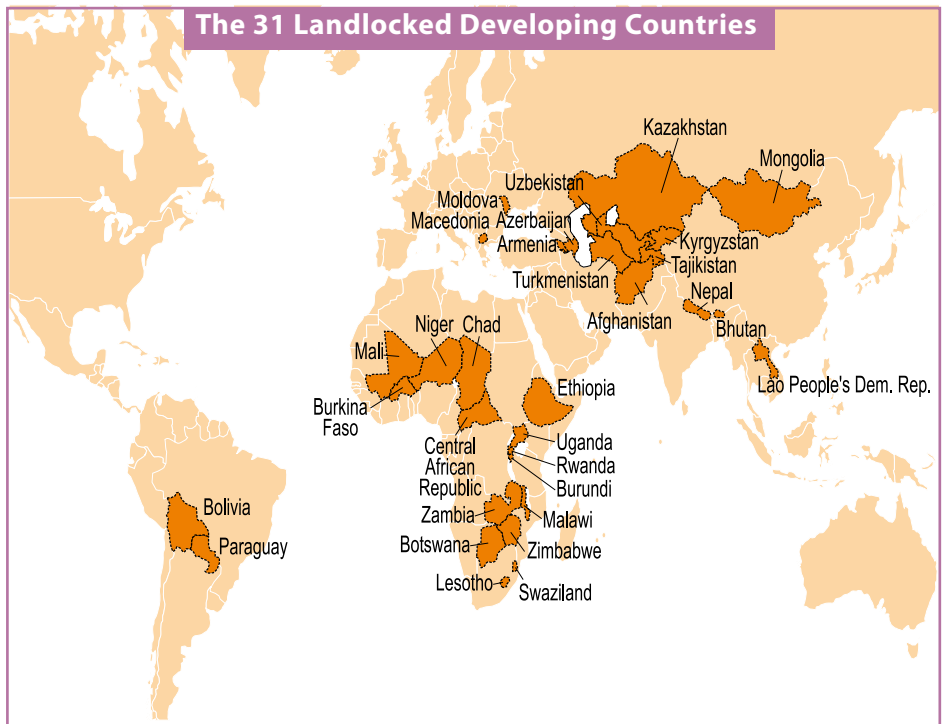
Recent contributions

This Division has been providing substantive and logistical support to the negotiations for a transit traffic agreement between the People's Republic of China, Mongolia and the Russian Federation. Projects in the

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area of trade facilitation have also been undertaken by the UNCTAD Division for Services Infrastructure for Development and Trade Efficiency (SITE). Advisory services are also provided by other UNCTAD Divisions. The publication "*Landlocked Developing Countries: Facts and Figures*" (UNCTAD/LDC/2006/2) provides useful information on LLDCs. Two recent analytical reports on transport infrastructure for transit trade in West Africa and East Africa are: (1) Transport infrastructure for transit trade of the landlocked countries in West and Central Africa: An overview (UNCTAD/LDC/2007/1) and (2) Improving transit transport in East Africa: Challenges and opportunities (UNCTAD/LDC/2007/2).

Most LLDCs, however, are far from reaching the Millennium Development Goals (MDGs) related to primary education, infant mortality, access to safe water and the primary goal of poverty eradication. In fact, several LLDCs are even moving further away from these objectives. But as the problems of LLDCs have found a wider international echo in recent years and as the Group of LLDCs plays a more active part in trade negotiations, the LLDC targeted solutions would hopefully increase in amplitude. The Almaty mid-term review is expected to do just that.



SMALL ISLAND DEVELOPING STATES (SIDS)

A history of United Nations recognition

The United Nations began recognizing the particular problems faced by small island developing States (SIDS) in 1994, after UNCTAD had advocated special consideration of “island developing countries” for two decades. However, the United Nations never established formal criteria to determine an official list of SIDS. UNCTAD uses an unofficial list of 29 SIDS, for analytical purposes only. Nine of these are also least developed countries (LDCs).

Key responses to SIDS issues by the international community are encapsulated in:

- the Programme of Action for the Sustainable Development of SIDS, which was adopted by the Global Conference on the Sustainable Development of SIDS (Barbados, 1994); and
- the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, which resulted from the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (Mauritius, 2005).

The Mauritius Strategy recognizes the serious disadvantages from which most SIDS suffer in the global economy, and implicitly, the need for a range of answers to these problems. Since 1985, the World Bank has maintained a “small island exception” in its policy of eligibility for concessionary treatment from the International Development Association (IDA). In the WTO, proposals for special treatment modalities of interest to SIDS were considered under a “Work Programme on Small Economies” (2002).

The island paradox

Of the current seven cases of graduation from LDC status, six are SIDS. Paradoxically, the appearance of relative economic progress on a per capita income basis masks fragile prosperity because of the serious risk of adverse external shocks to which most SIDS are highly vulnerable. In SIDS that face the threat of sea level rise as a result of climate change, the long-term issue at stake is mere survival.

Maldives sharply illustrates this “island paradox”, a growing international concern which UNCTAD has been echoing. After the tsunami of 26th December 2004, the United Nations General Assembly suspended the process of graduating Maldives by granting the country an exceptional

three-year grace period (2005–2007) to facilitate its reconstruction. Maldives is expected to be taken off the United Nations list of LDCs in January 2011, after the regular three-year (2008–2010) transition period from which all graduating countries benefit in order to secure a “smooth transition” in their anticipated loss of LDC treatment.

UNCTAD supports SIDS in their efforts to build resilience and overcome the island paradox: (i) by providing advisory services and technical assistance to reduce some of the structural disadvantages from which these countries suffer; (ii) by helping SIDS enhance their economic specialization; and (iii) by trying to induce sound decision-making by the United Nations on the question of whether or not to graduate highly vulnerable SIDS from LDC status.

Relevant UN and UNCTAD publications

- Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, 2005, 22 pages.
- Special challenges facing small island developing States in trade and economic development, International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, Port Louis, Mauritius, 10-14 January 2005, 4 pages.
- Is a special treatment of small island developing States possible? 2004, 110 pages.
- Turning losses into gains: SIDS and multilateral trade liberalization in agriculture, 2003, 239 pages.

UNCTAD list of small island developing States

(for analytical purposes only)

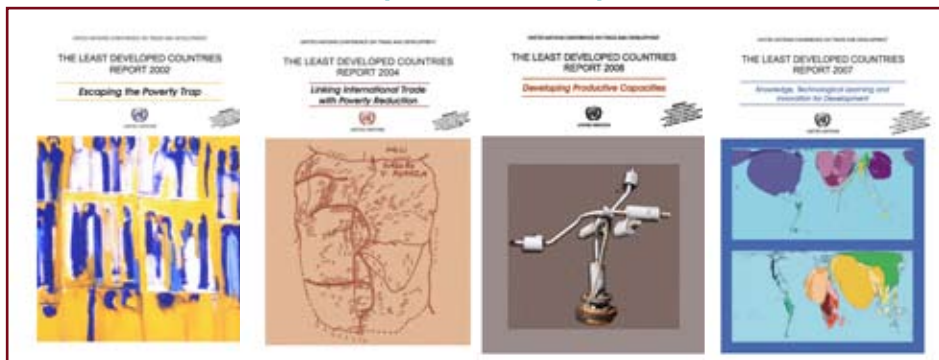
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2. Bahamas	13. Micronesia (Federated States of)	23. St. Lucia
3. Barbados	14. Mauritius	24. St. Vincent and the Grenadines
4. Cape Verde	15. Nauru	25. Timor-Leste
5. Comoros	16. Palau	26. Tonga
6. Dominica	17. Papua New Guinea	27. Trinidad and Tobago
7. Fiji	18. Samoa	28. Tuvalu
8. Grenada	19. Sao Tome and Principe	29. Vanuatu
9. Jamaica	20. Seychelles	
10. Kiribati	21. Solomon Islands	
11. Maldives		

Publications of the Division

Economic Development in Africa series



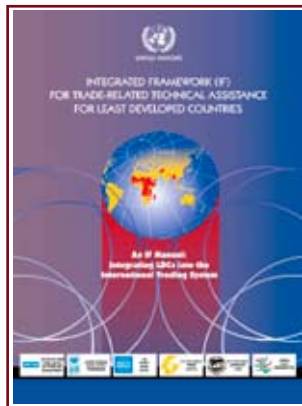
Least Developed Countries Report series



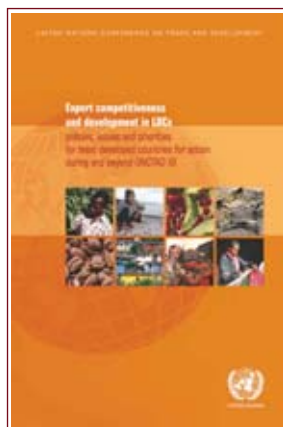
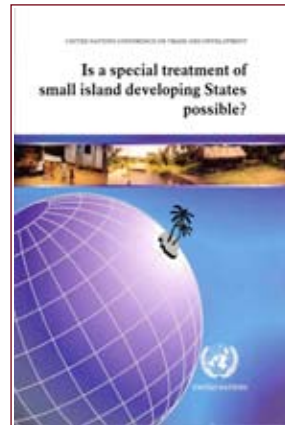
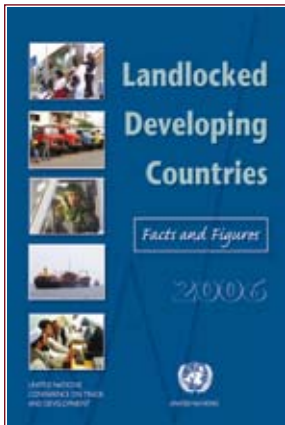
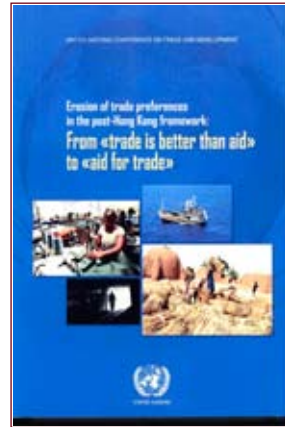
LDC Report Highlights



Integrated Framework for LDCs



Occasional Publications



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