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TRADE AND DEVELOPMENT BOARD

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Agenda item 4

Sessional Committee I

**REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME
OF ACTION FOR LEAST DEVELOPED COUNTRIES FOR THE 1990s**

Draft agreed conclusions

The Trade and Development Board welcomes the *Least Developed Countries 2000 Report* of the UNCTAD secretariat entitled, “Aid Private Capital Flows and External Debt: The Challenges of Financing Development in the LDCs”, and, having reviewed the Report and subsequent to discussions in its Sessional Committee I, adopts the following conclusions:

1. The Trade and Development Board at its forty-seventh session undertook the last annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The Board recognized that the implementation of the commitments as contained in the Programme of Action has fallen short of expectations. The socio-economic conditions in LDCs have continued to decline. The number of LDCs increased during the decade, while only one LDC was able to graduate from the list.

2. The Board also emphasized the importance of accelerating growth and sustainable development, promoting poverty eradication in LDCs, strengthening their productive and human capacities, especially in social sectors, such as education and health, as well as transparent and accountable governance, structural reforms and enhancing their beneficial integration within the rapidly globalizing economy both at regional and global levels. It is crucial to mobilize adequate resources to achieve these goals. It considered these to be major challenges to be addressed by the preparatory process of the Third United Nations Conference on LDCs.

3. The Board welcomed the action initiated by a major trading partner to provide LDCs with duty-free and quota-free market access to all products originating from LDCs, except arms. The Board also welcomed other initiatives by developed countries in the same direction. It further encouraged those countries that have announced market access commitments in favour of LDCs, and have not yet fulfilled them, to expedite implementation, and invited other countries to take similar initiatives.

4. The Board underlined the importance of enhancing productive capacities and reducing supply-side constraints for LDCs in order to take full advantage of market access opportunities.

5. The Board noted with concern the declining trend of ODA, and expressed appreciation to those donor countries that have met or surpassed United Nations ODA targets for LDCs. Efforts should be made to increase ODA in line with these targets, and to maintain a substantial level of ODA flows, while improving its effectiveness.

6. Increasing official flows should be accompanied by swift and effective reduction of the debt burden of LDC HIPC countries that are carrying out appropriate policy and institutional reforms. The Board expressed appreciation to those industrialized and developing countries that have taken concrete actions for debt cancellation of LDCs and encouraged other creditors to do the same.

7. In line with the outcome of the first session of the Intergovernmental Preparatory Committee of LDC III (IPC), held in New York from 24 to 28 July 2000, the Board reviewed the annotated outline of the new Programme of Action. It commended the secretariat for the draft outline. It requested that the work on the preparation of the draft new Programme of Action commence immediately under the authority of the Chairman of the IPC.

8. The Chairman of the IPC briefed the Board on the structure of LDC III, the parallel events, the civil society track and the NGO Forum, and there was an exchange of views on these matters. These activities should contribute to the attainment of the objectives of the Conference.

9. In preparing the new Programme of Action, account should be taken of the views of the member States, particularly the LDCs, the national programmes of action, the outcomes of major global summits and conferences, and ongoing processes within multilateral organizations, including the Bretton Woods institutions and WTO. The Board emphasized the importance of an adaptable document that includes quantifiable, measurable and implementable targets based on the International Development Targets. Full participation and ownership of all stakeholders in a transparent preparatory process was stressed. It was further emphasized that the preparation, implementation and follow-up of the Programme of Action should be undertaken with the active involvement of major multilateral organizations.

10. The Board took note of the preliminary report of the High Level Panel on the review of progress in the implementation of the Programme of Action for the LDCs for the 1990s, and requested the Panel to conclude its work expeditiously for circulation of its final report to member States.

11. The Board also took note of a statement on the financial situation of the preparatory process of the Conference submitted by the secretariat. It expressed appreciation for the financial support provided to the preparatory process by the European Union, Norway and the Holy See, and encouraged additional multilateral and bilateral donors to contribute generously for the preparatory process and for the Conference itself. The need for financing the participation of LDCs in the preparatory process and in the Conference was emphasized.

12. The Board stressed the need for effective monitoring and follow-up to the implementation of the new Programme of Action.