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DRAFT REPORT OF THE SESSIONAL COMMITTEE I

Ms. W. Tadesse (Ethiopia)

Speakers:
Secretary-General of UNCTAD
Under-Secretary General and High
Representative for LDCs,
LLDCs and SIDS
Vice President for External Affairs,
World Bank
Officer-in-Charge of the Special
Programme on LDCs, LLDCs
and SIDS

Egypt for the G77 and China
Benin for the LDCs
Ethiopia for the African Group
Denmark for the European Union
Haiti for GRULAC
Indonesia for the Asian Group and
China
Bangladesh
United States of America

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.
Requests for amendments to statements by individual delegations should be communicated
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**PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION
FOR THE LEAST DEVELOPED COUNTRIES FOR THE DECADE 2001–2010**

1. The **Secretary-General of UNCTAD** emphasized the need to establish ongoing synergies between the Millennium Development Goals and the seven Commitments contained in the Brussels Programme of Action for the Least Developed Countries for the Decade 2001–2010, since the central goal of the two commitments was poverty eradication. This was precisely the background against which the UNCTAD secretariat intended to enhance its work on LDCs in the areas of policy analysis and technical cooperation activities for capacity building.

2. He called on all stakeholders to engage in a concerted process of translating the ethical imperative of greater solidarity with the weaker countries into tangible benefits. This was an indispensable ingredient for fostering principles such as good governance, openness, peace and stability in the poorest countries. UNCTAD intended to serve as a centre of excellence in its substantive and operational work in favour of these countries. Several lessons could be drawn from UNCTAD's long experience with analytical and technical activities involving LDCs in the past three decades. One lesson which stood out was that the task of setting these countries on the path of sustained growth and development was complex and called for a long-term perspective as well as continuous and concerted efforts by all stakeholders. The work of UNCTAD would focus on those activities that were most likely to help bring about improvements in policy formulation and implementation, the establishing of supportive institutional infrastructures for trade, and the development of human resources.

3. About 43 per cent of the total delivery of technical cooperation by UNCTAD was to LDCs. Most of these countries had benefited from such programmes as Train for Trade, the Automated Customs Data Analysis System (ASYCUDA), the Debt Management and Financial Analysis Systems (DMFAS), the Advanced Cargo Information Systems (ACIS), Investment Policy Reviews and Investment Guides, among others. Moreover, the challenge of ensuring adequate participation by LDCs in multilateral trade negotiations was becoming increasingly daunting. UNCTAD had contributed to the effective participation of the LDCs in WTO's Doha Ministerial Conference, especially by organizing the LDC Trade Ministers' Meeting in Zanzibar, the United Republic of Tanzania, in July 2001. It had also developed, immediately after Doha, a comprehensive capacity-building programme, and it would assist the LDCs in this regard. With regard to research and policy analysis work, UNCTAD's *Least Developed Countries Report 2002* was an authoritative source of new thinking on poverty reduction, an issue which was at the heart of the Millennium Development Goals. The Board would hold its first executive session on LDCs from 2 to 4 December 2002 to discuss the findings and conclusions of the research and policy analysis work of UNCTAD as contained in the report. At this meeting, ministers, senior policy makers from selected LDCs and donor countries; national PRSP coordinators; representatives from the World Bank, the regional economic commissions, the International Coffee Organization, OCFAM; and various academics would deliberate on the key policy issues

raised in the report. On landlocked developing countries, UNCTAD and the Office of the High Representative had already begun preparations for the International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation and looked forward to receiving financial support through increased extra-budgetary contributions. UNCTAD had also provided technical and substantive support to the Alliance of Small Island States (AOSIS) and to SIDS in their negotiations in WTO.

4. The **United Nations Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States** said that efforts by LDCs, LLDCs and SIDS to meet their development goals should be supported through adequate resources by the international community. It was also important to advance that effort by promoting synergies with other initiatives, in particular with NEPAD, as 34 out of 49 LDCs were in Africa. He recalled that the Programme of Action for the LDCs for the Decade 2001–2010 (POA) recommended that an “effective and highly visible follow-up mechanism” be created to undertake the implementation, coordination, review and monitoring of the Programme. For that purpose, the United Nations General Assembly in its resolution 56/227 of 24 December 2001 had established the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS). The Secretary-General of the UN in his report on a follow-up mechanism for coordination, monitoring and reviewing the implementation of the POA, contained in document A/56/645, had defined the mandate and functions of the OHRLLS. The report was subsequently endorsed by the General Assembly. The mandate and functions of the Office of the High Representative had been further defined in the Medium-Term Plan of the United Nations– adopted by the Committee for Programme and Coordination (CPC) at its 42nd session (documents A/57/7 and A/57/16). The OHRLLS would be coordinating, inter alia, inputs from the UN system organizations for that annual report. In this context, the speaker emphasized that the governing bodies of UNDP, UNICEF, UNFPA, UNCDF, UNESCO, WIPO, WTO and UNCTAD had adopted decisions to integrate the POA into their respective programmes of work. It was planned that in the coming months other UN system entities would adopt similar decisions.

5. He emphasized the importance of continuing to assist LDCs with capacity building and technical cooperation to aid their successful regional and global integration. Consideration of measures to ensure a smooth transition for graduating countries and avoid disruption of their development plans, as well as linkages between special international support measures and the objective of structural socio-economic progress, were necessary to address that issue. He highlighted the special circumstances faced in this regard by SIDS, which were the most economically handicapped and vulnerable countries and were least prepared for impact of graduation, despite their relatively higher per-capita income. He hoped that the upcoming International Ministerial Meeting of Landlocked and Transit Developing Countries in 2003 in Kazakhstan would help to resolve some of the pressing issues faced by landlocked developing countries. Finally, he stressed that he and the Secretary-General of UNCTAD had already established very

good working relations and were having regular consultations on matters related to efforts in support of LDCs, LLDCs and SIDS. At the request of the Secretary-General of UNCTAD, he had launched with Prof. Jeffery Sachs UNCTAD's *Least Developed Countries Report 2002* last June in New York. His Office would continue to work closely with the UNCTAD secretariat to assist the three most vulnerable groups of countries.

6. The **Vice President for External Affairs of the World Bank** acknowledged UNCTAD's significant role in knowledge creation and policy debates. He stressed the importance of UNCTAD's contributions to the development policies debate and the value of having all development partners come together to address a common agenda and hear different views. He focused on the need to ensure linkages between the Millennium Development Goals and the seven Commitments under the Programme of Action for the Least Developed Countries for the Decade 2001–2010. He referred to the ongoing effective collaboration between the World Bank and UNCTAD regarding LDCs, LLDCs and SIDS in areas such as the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries, debt management, e-commerce and data sharing, and stressed the need for continued joint efforts. He explained that the changes that multilateralism had undergone in the last two years and the major conferences since the Third UN Conference on LDCs (LDC III) (Brussels, 2001) had created an opportunity for development assistance of higher quality and greater quantity. In this context, he quoted the President of the World Bank on the emerging deal that included more responsibility, accountability and good governance on the part of the developing countries; less conditionality, more debt relief and open markets on the part of development partners; and closer involvement by civil society and the private sector.

7. With regard to national responsibilities and national poverty reduction strategies, it was up to the Governments of the LDCs to put trade at the centre of their poverty reduction strategies, in particular at a time when all development partners were joining in efforts to harmonize and align their development assistance around the national poverty strategies. He highlighted the importance of market access for socio-economic development in LDCs and the fact that currently LDCs faced major barriers arising from factors such as high tariffs and rules of origin. In this context, while recognizing the efforts of the European Union and the United States in giving LDCs market access, he pointed out that more efforts could be made. For example, agricultural subsidies amounted to around US\$300 billion while aid flows were at US\$50 billion. Emphasizing the need to put market access at the centre of development assistance, he called on the international community not to wait for the completion of post-Doha negotiations before implementing full trade liberalization, particularly for commodities of interest to the LDCs; simplification of rules of origin; and lowering of standards. He mentioned the need to look carefully at how new and old aid money was to be deployed, and to address supply-side constraints, transport, ability to apply standards, and similar issues. He called on the Governments of LDCs and on all the agencies dealing with trade issues – including UNCTAD, WTO and ITC – to make sure the issue of trade was embedded in the development agenda and in national poverty reduction strategies. Referring to the IF, he stressed the need to move rapidly from diagnostics to action.

8. The **Officer-in-Charge of the Special Programme on LDCs, LLDCs and SIDS** presented an overview of sub-item 4(a), which addressed the implementation of UNCTAD-wide activities in favour of LDCs, and sub-item (4b), which deals with the effective benefits and the perspective of graduation from LDC status. In connection with sub-item 4(a), he pointed out that after LDC III, the Special Programme had progressively been concentrating its efforts on analytical and technical cooperation activities around two main pillars: (1) interdivisional coordination, and (2) specific research and analytical work as well as technical cooperation projects implemented by the Special Programme. The interdivisional coordination related to the activities in favour of LDCs, which were treated as cross-cutting and were mainstreamed into the sectoral work undertaken in various divisions and programmes in UNCTAD, and implemented through LDC focal points. Activities implemented by the Special Programme included, among others, preparation of the *Least Developed Countries Report*; technical support for transit transport facilitation measures in favour of LLDCs; research and advisory services on the economic vulnerability of SIDS; and collaboration with the Committee for Development Policy and ECOSOC on the revision of the criteria and the methodology for inclusion in and graduation from the list of LDCs.

9. Turning to sub-item 4(b), the Officer-in-Charge pointed out that, in light of UNCTAD's substantive role regarding LDCs and in response to ECOSOC, the Special Programme had initiated an analysis of the effective benefits derived from LDC status and the question of a "smooth transition" for graduating countries, which were subjects of particular importance for understanding the impact of international support measures to the LDCs and for enhancing the capacity of these countries to derive greater benefits from the special treatment provided to them by virtue of their LDC status. In his view, the objectives of the Sessional Committee's deliberations on the issues of effective benefits and the perspective of graduation from LDC status could include the following: (1) exploring the possibility of improving the impact of the special treatment accorded to LDCs with a view to making it an effective instrument for structural socio-economic development and progress towards graduation; (2) seeking member States' guidance on ways and means of improving the effective impact of such treatment; and (3) paving the way for an international consensus on promoting measures to ensure that, in accordance with ECOSOC resolution E/2001/43, the graduation of a country from the list of LDCs should not disrupt its development plans, programmes and projects. He expected that the Committee's deliberations would produce new insights into the future work of UNCTAD on LDCs, which could generate new findings and recommendations of direct interest to the LDCs, their development partners and relevant intergovernmental bodies (ECOSOC, the General Assembly) while facilitating advocacy and system-wide coordination on behalf of the United Nations. This work could be instrumental in improving the effectiveness of international support to LDCs, with a view to increasing the structural impact of specific benefits accorded by virtue of LDC status.

10. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, stated that LDCs were facing enormous challenges. Despite the international community's recognition of the special needs of these countries, the socio-economic indicators in LDCs had not improved. In many cases, the situation had worsened. The

Third UN Conference on LDCs had admitted the failure to achieve the objectives set during the previous conference. Her Group urged the developed countries and the international organizations to translate the outcomes of recent conferences into concrete actions. Achieving the goal of duty-free and quota-free market access to developed-country markets for all products from LDCs would be a substantial step. In this context, the group expressed gratitude for initiatives to help LDCs, such as “Everything But Arms” and the African Growth and Opportunity Act. However, more support was expected in areas such as debt, health, nutrition, sanitation and education, and to overcome the supply constraints in LDCs. In this context, the speaker pointed out the importance of South-South cooperation and praised the programmes adopted by many developing countries to assist LDCs. In her group’s view, UNCTAD remained one of the most efficient organizations dealing with the concerns of LDCs. Its experience was unique and should be enhanced and supported. Assistance remained a cornerstone of policies and programmes at the national level in LDCs. Her Group expressed general satisfaction with the overall activities organized by UNCTAD in favour of LDCs. It praised the *Least Developed Countries Report 2002*, a valuable tool providing analysis and information on LDCs, and it expected in-depth discussion of the report at the Board’s next executive session. Making the results of the secretariat’s research on LDCs available on the reconstructed UNCTAD website would be of great benefit. UNCTAD’s assistance to LDCs with WTO-related activities had been significant, especially during preparations for the Fourth WTO Ministerial Conference, and was still widely needed, including technical assistance related to the accession process.

11. The G77 and China praised UNCTAD’s focus on addressing supply- and demand-side constraints and highlighted the benefits that LDCs and all other developing countries had acquired from programmes such as Trade Points, DMFAS, Investment Policy Reviews and EMPRETEC. Activities in human resources development and institution building were of great importance. The G77 and China called upon donors to provide the necessary resources to finance those activities, to replenish the LDC Trust Fund. The existing gap between resources and unfulfilled needs was of major concern to the G77. The group supported the analytical work of UNCTAD on the problem of effective benefits and graduation from LDC status and on human development in LDCs. In its view, the question of how to achieve a “smooth transition” remained unsolved and needed workable measures to deal with it. The group called on the Secretariat to engage all the Board members in order to guarantee that the findings in the areas of effective benefits and graduation would be viable and applicable by all the stakeholders.

12. The representative of **Benin**, speaking on behalf of the **least developed countries** (LDCs), recalled that LDC III had permitted a close examination of the situation of LDCs, which had highlighted the prevalence of extreme poverty in these countries. The LDCs took this opportunity to thank UNCTAD for its support in preparing the Conference and, more generally, for its efforts on behalf of LDCs. The speaker called for the continuation and extension of these efforts. He stressed that the *Least Developed Countries Report 2002* also provided a pertinent analysis of the situation of LDCs and identified areas requiring action. He especially praised the report’s detailed and innovative analysis of poverty. On behalf of the LDCs, he called on bilateral and

multilateral donors to step up their aid efforts with the aim of reaching the ODA targets established in the Millennium Declaration. He also called for the extension of UNCTAD's technical assistance activities in light of their positive impact on the national capacities of the beneficiaries. He thanked donors for their generous contributions to the LDC Trust Fund and called for additional efforts on behalf of LDCs in order to reach the objectives of the Brussels Programme of Action.

13. By creating the Office of the High Representative for LDCs the Secretary-General of the United Nations had shown concern regarding the situation of LDCs. He welcomed the close collaboration between this Office and the UNCTAD secretariat and expressed the hope that this cooperation would continue. He pointed out that the Ministerial Conference of LDCs held in Cotonou (Benin) in August 2002 had opened new perspectives that LDCs and their development partners ought to explore in order to reach the objectives of the Brussels Programme of Action. Noting the ongoing preparations for the International Ministerial Meeting of Landlocked and Transit Developing Countries to be held in Kazakhstan next year, he welcomed the cooperation between UNCTAD and the OHRLLS in this endeavour. Finally, the representative of Benin – while reminding listeners that graduation out of the category was the objective of all LDCs – expressed the hope that transition could be made smooth and that the vulnerabilities and weaknesses of LDCs would be given due attention.

14. The representative of **Ethiopia**, speaking on behalf of the **African Group**, commended the UNCTAD secretariat for its hard work in favour of the LDCs but also emphasized that the dismal socio-economic conditions in the LDCs were cause for serious concern. As a result, the level of economic growth needed to achieve major poverty reduction in African LDCs was far from being achieved. The slight progress made so far had been wiped out by the problem of the volatility of financial flows and various shocks, raising serious doubts regarding the sustainability of growth in these countries. The external environment remained hostile to the LDCs, particularly to exporters of primary commodities (most of which were in Africa), whose export performance remained precarious owing to the continued dwindling of commodity prices. The coffee crisis, which affected 25 million coffee producers around the world, the majority of them in Africa, had revealed the seriousness of the problem in the primary commodity sector. The decline in the price of coffee had exacerbated poverty, caused food insecurity, and had a devastating impact on health care in major coffee-exporting LDCs in Africa, further deepening the unsustainability of debt by making it increasingly difficult to keep up with debt repayment obligations. Likewise, external financing, especially the ODA, had continued to decline in scope as well as effectiveness. FDI inflows not only were small in absolute terms but also were concentrated in a few countries and in a few economic activities, with high levels of external debt continuing to plague economic performance in many African LDCs. The speaker called on the international community to develop a long-term compensatory mechanism to address the decline in commodity prices and improve the external economic environment for LDCs.

15. The African Group fully agreed with the analysis and conclusions contained in the report of the secretariat (TD/B/49/6) that there was a gap between resources made

available by development partners and the needs of beneficiary countries, a gap which required the immediate attention of the donor community. He noted with appreciation the fact that UNCTAD's technical cooperation activities were expected to focus more on human resources development and institution building in the areas of policy formulation, implementation and negotiation regarding key trade, investment, technology and related issues. He reiterated the need to develop and strengthen linkages between the analytical and research work and technical cooperation activities of UNCTAD and called on multilateral and bilateral donors to increase their financial contributions to the UNCTAD LDC Trust Fund for implementation of the Programme of Action. The regular and timely replenishment of the Trust Fund was crucial for the sustainability of technical cooperation activities in favour of LDCs. Regarding LDC status, effective benefits and the perspective of graduation, he emphasized the huge gap between the theoretical benefits offered or announced by the international community and the actual benefits derived by countries. The benefits and international support measures had been determined on the basis of criteria other rather than the countries' LDC status. This fact called for a re-examination of policies, both at the national and international levels, for strengthening international support measures explicitly granted to LDCs and for making these support measures practical and easy to use.

16. The representative of **Denmark**, speaking on behalf of the **European Union and the Central and Eastern European states associated with the EU, as well as Cyprus, Malta and Turkey**, noted that, although LDCs had been granted special treatment, the prevalence of poverty had more than doubled in these countries over the last 30 years. He pointed out that in some LDCs this trend resulted from a lack of peace or good governance, and that the responsibility for these factors lay mainly with the countries themselves. At the same time, he called for an examination of ways to assist LDCs and stressed that aid should be made more effective, with the Millennium Goals as overall objectives. With regard to market access, he reminded listeners that the EU had undertaken the "Everything But Arms" initiative and called on other nations to pursue such efforts. He also welcomed the increased focus of capacity-building efforts on improving the coherence of national trade policies and on overcoming supply-side constraints. In this respect, he saw the Integrated Framework as a promising initiative.

17. His group would give particular importance to the situation of LDCs in the WTO negotiations and would also seek to facilitate the accession of LDCs to WTO. He agreed that the issue of graduation should be further discussed in the appropriate bodies in New York, with a view to facilitating a smooth transition out of the category for graduating countries. He asked the UNCTAD secretariat to provide his delegation with further information on its ongoing analytical work on the effective benefits derived from LDC status, especially with regard to resources, time frame and the connection with UNCTAD's mandate. He also requested information concerning cooperation with the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. He asked the same questions about the recommendations for further activities. He expressed concern that these might strain UNCTAD's capacities, which he thought should be focused on trade-related assistance and analysis matching the LDCs' needs.

18. The representative of **Haiti**, speaking on behalf of the **Group of Latin American and Caribbean Countries** (GRULAC), said that GRULAC appreciated the analysis offered by the UNCTAD secretariat in document TD/B/49/7, especially the suggestion to make effective use of the advantages derived from LDC status. Indeed, the goals envisioned in 1971 when the LDC group was established were to allow preferential access to the markets of developed countries, development financing and technical assistance. In GRULAC's view, one fundamental question did not receive adequate attention: Was special treatment given to LDCs in order to compensate for their permanent handicaps, or was it designed to allow structural socio-economic progress on a sustainable basis, with a view to putting LDCs on a path towards convergence with other developing countries? Only structural change would lead to graduation from LDC status. The history of this category of countries in the last three decades had called into question not only the good intentions of the international community but also the efficiency of the preferential treatment given to LDCs. The number of LDCs had grown from 24 in 1971 to 49 today, and only Botswana had graduated from the group (in 1994). Two to four small island states might also be close to graduation, but overall the special treatment given to LDCs had had limited structural impact.

19. GRULAC was of the view that, even if the legitimacy of the LDC group remained intact, the credibility or usefulness of LDC status had been called into question. A systematic analysis of the effective advantages derived from belonging to the group was needed. Given its experience and its research mandate, UNCTAD should continue to take care of these issues. GRULAC would like to see fairer differential treatment taking into account the structural weaknesses affecting countries. Structural difficulties should be measured using objective criteria. Small continental States in Latin America had suffered from severe external shocks in recent years. They would like to benefit from special and differential treatment, both in the framework of the multilateral trade system and with regard to development financing, without calling into question the legitimate attention given to LDCs. UNCTAD remained an important forum for the debate, especially for countries that needed intellectual and technical support for negotiations. GRULAC fully supported UNCTAD's work plan as outlined in section IV of document TD/B/49/7. It encouraged the secretariat to continue to support other groups of structurally handicapped countries and to keep enriching the inevitable debate on differentiation.

20. The representative of **Indonesia**, speaking on behalf of the **Asian Group and China**, recalled that the overarching goal of the Brussels Programme of Action was to make substantial progress towards halving, by 2015, the proportion of people living in extreme poverty and suffering from hunger. These goals corresponded to the international development targets on combating poverty, with ambitious yearly targets of at least 7 per cent GDP growth and a ratio of investment to GDP of 25 per cent. These were very challenging targets, and without the cooperation of the international community they would be impossible to reach. He emphasized that the Asian region included nine LDCs with a combined population of 250 million, accounting for 40 per cent of the total LDC population. Progress in these countries continued to be undermined by lack of productive and institutional capacity, indebtedness, low levels of domestic and foreign investment, volatile commodity prices and declining trends in ODA. The Brussels Programme of

Action called upon donors to undertake actions to achieve the minimum target of 0.15 per cent of their GNP as ODA to LDCs, and UNCTAD estimated that if donors fully achieved this target, a 63 per cent increase in aid flows to LDCs could be achieved by 2005, which was essential to achieving international poverty targets. UNCTAD could also play a critical role in mobilizing resources for the LDCs, and in that connection he requested information on the status of implementation of the decision of the OECD countries prior to the Brussels Conference to untie development aid.

21. The Brussels Programme of Action called for improved market access for LDCs, and the Asian Group was grateful to the EU for its "Everything But Arms" initiative, which was contributing immensely to increasing LDCs' exports to the EU. The IF was intended to upgrade LDCs' production and export capabilities. UNCTAD should play a more proactive and critical role in the implementation of the IF. He thanked the core agencies of the IF and the Steering Committee for completing Diagnostic Trade Integration Studies in Cambodia and for including Nepal in the pilot scheme, respectively. Even though the LDCs had undertaken profound policy reforms, the incidence of extreme poverty was increasing in these countries, and 68 per cent of the population in Asian LDCs was living on less than \$2 a day. He underlined that the *Least Developed Countries Report 2002* showed a close association between high incidence of extreme poverty and dependence on exports of primary commodities. The primary commodity-dependent LDCs indeed faced a particularly difficult challenge, since the prices of these exports had plummeted in real terms. The international commodity agreements had failed to meet expectations. The external debt burden, which was still unsustainable, continued to be a major cause for concern for the LDCs, with a total external debt of US\$140 billion in 1999, of which Asian LDCs accounted for 30 per cent. Therefore, both HIPC and non-HIPC LDCs needed effective debt relief measures. Furthermore, a considerable number of LDCs were not members of WTO and the international community, and UNCTAD had a role to play in facilitating the accession of these countries. The accession process should be faster, and acceding LDCs should not be asked to assume burdens that were not required of present LDC-status WTO members.

22. The representative of **Bangladesh** underscored that, despite painstaking structural reforms by LDCs, their development crisis had continued unabated and the incidence of poverty in these countries was manifested by their low economic, social and human development indicators. He stressed that the share of LDCs in the world export of goods and services had been declining, exacerbating the marginalization of LDCs in the global economy. The Brussels Programme of Action, which was adopted in this context, was a blueprint for reversing the continuous deterioration of conditions in LDCs. International support measures in the areas of ODA, FDI, debt cancellation and enhanced market access for the exports of LDCs must have been made with the best of intentions, but the speaker wondered whether those measures had been effective. He welcomed the secretariat's report (document TD/B/49/7), as it shed further light on the issue, and he called on UNCTAD to continue its work in this area, but he also cautioned that the update on the situation of LDCs vis-à-vis graduation borders should serve as an input for ECOSOC, and should not be the subject of discussions in the Trade and Development Board. On the contrary, he suggested that a special session be devoted to discussing the

impact of market access initiatives in favour of the LDCs, especially the “Everything But Arms” initiative of the European Union, and he urged UNCTAD to evaluate whether the LDCs actually derived benefits from these initiatives. Highlighting the trend towards declining external financing, he requested UNCTAD to further investigate the cause of falling levels of ODA to LDCs, the effectiveness of such ODA, and LDCs’ declining share of aggregate FDI flows to developing countries. He recognized a strong need for effective debt relief measures for LDCs. He also noted that UNCTAD’s Post-Doha Technical Assistance Plan contained a separate window for LDCs, which reaffirmed UNCTAD’s special role in assisting the LDCs with the WTO Post-Doha Work Programme. He urged development partners to strengthen the UNCTAD LDC Trust Fund. He reiterated that UNCTAD remained the focal point for LDCs in the United Nations system, particularly for trade and development issues. In his view, the Office of the High Representative on LDCs, LLDCs and SIDS should draw on UNCTAD’s expertise and experience in advancing the cause of LDCs. He further urged the Secretary-General of the UN to take the necessary steps to implement paragraph 3 of General Assembly resolution 56/227, which calls on the Secretary-General to enhance the operational capacities of UNCTAD in its activities in favour of LDCs.

23. The representative of the **United States** welcomed UNCTAD-wide activities in favour of LDCs. He commended the *Least Developed Countries Report 2002* and the paper on effective benefits and perspectives of graduation (document TD/B/49/7). The *Least Developed Countries Report 2002* was a major contribution to our understanding of the issues facing LDCs and a fresh and stimulating analysis of the poverty and growth in LDCs. It helped move the development community forward in its efforts to understand and confront the challenge of poverty reduction. At the same time, one should not shy away from the nefarious role that conflict had played in impeding growth and stymieing efforts to improve the human condition in LDCs. In the future the report should also include a discussion of the impact of various activities under review in the targeted countries. Document TD/B/49/6 on UNCTAD-wide activities was very useful, and the Office was moving in the right direction in trying to create coherence among UNCTAD’s myriad programmes. His Government endorsed efforts to link UNCTAD’s analytical work more closely with its technical assistance activities. His Government had been impressed with the breadth of information contained in document TD/B/49/7. Finally, he highlighted the need for well-coordinated and well-targeted technical assistance activities to facilitate the smooth transition of LDCs toward graduation. He noted that strong regional trading partners were a key element in fostering growth in the LDCs. It was to this end that his country provided support to regional partners as well.
