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TRADE AND DEVELOPMENT BOARD
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**THE POSSIBILITY OF CONVERTING THE BOARD'S SESSIONAL COMMITTEE
ON LDCs INTO A STANDING COMMITTEE**

Note by the UNCTAD secretariat

Background

1. The proposal to convert the Sessional Committee on LDCs into a standing committee or some similar permanent arrangement on LDCs was made by delegations before and during the Third UN Conference on the LDCs. The Conference invited the Trade and Development Board (TDB) of UNCTAD to consider the possibility of such a conversion, as indicated in paragraph 113 of the Programme of Action for LDCs for the current decade.

2. The TDB, at its 48th regular session in October 2001, responded to this invitation by adopting decision 467 (XLVIII). In paragraph 5 of its decision, the Board: “*Resolves to fully consider* the conversion of the Sessional Committee on LDCs to a Standing Committee or other appropriate changes to the UNCTAD intergovernmental machinery to increase the focus of UNCTAD’s work on LDCs as an important part of implementing the Brussels Programme of Action”.

3. In paragraph 6 of the same decision, the Board further: “*Decides* for that purpose to begin specific consultations on the above issue, in the context of the examination of UNCTAD’s intergovernmental machinery taking place in preparation for the Mid-term Review of UNCTAD X, with a view to making a decision on this issue at the Mid-term Review, based on the follow-up mechanisms as decided by the General Assembly”.

4. On 29 January 2002, during the discussions at the First Meeting of the Mid-term Review process on the functioning of the intergovernmental machinery, delegations requested the secretariat to provide further information on the subject. The information requested on the proposed arrangement includes objectives, modalities and relationship with the existing machinery of UNCTAD, functions (terms of reference) and resource implications.

5. This note is prepared in response to the above request and with a view to assisting members of the Board in arriving at appropriate decisions on the conversion of its Sessional Committee on LDCs into a Standing Committee on LDCs or any other agreed arrangement of a similar nature.

The proposed arrangement

6. In addition to the existing regular treatment of LDC issues in the Board, a new body could be set up in which macroeconomic, sectoral and thematic issues, based, *inter alia*, on the LDC Report, would be addressed. With regard to the name or title of the proposed new body, some flexibility may be possible. It could be in the form of a Standing Committee, Intergovernmental Group on LDCs or any other similar arrangement.

7. The proposal is intended to create an institutional mechanism within the UNCTAD machinery that would address macroeconomic, sectoral and thematic issues of interest to LDCs that also fall within the mandates of UNCTAD, especially in light of the recent decisions of the General Assembly. These could include the following broad activities:

- (i) Implementation of the Programme of Action (PoA) for the Decade 2001-2010 in areas within the purview of UNCTAD;
- (ii) Assessment of the effective benefits derived from special treatment associated with LDC status and the question of graduation;

- (iii) Capacity-building, including the Integrated Framework for Trade-Related Technical Assistance to LDCs;
- (iv) Policy analysis, with particular reference to UNCTAD's annual LDC Report.

8. The new arrangement could also provide opportunities to involve other institutions, bodies and organizations in its deliberations on macroeconomic, thematic and sectoral issues as contained in the PoA for LDCs.

Operational modalities and relationship with existing structures

9. The arrangement could cover issues related to LDCs in two mutually supportive tracks. In the first track, during its regular session, the TDB would review and monitor the implementation of the PoA for LDCs. In the second track, which would take place every other year, the new body would address macroeconomic, thematic and sectoral issues of interest to LDCs based inter alia, on the LDC Report.

10. The arrangement, in so far as it relates to UNCTAD's contribution, should be consistent with the decision of the Third United Nations Conference on the LDCs and the decisions of the General Assembly on the follow-up mechanism for coordinating, monitoring and reviewing the implementation of the PoA. The outcomes of the second track would be submitted to the TDB for appropriate action. The outcomes of both tracks would be submitted to ECOSOC and the General Assembly as inputs to their respective reviews of the global-level implementation of the PoA and other relevant special programmes and resolutions at the global level.

Financial implications

11. As to the financial implications for UNCTAD, the arrangement will have no effect on UNCTAD's regular budget. Logistical costs for a three-day biennial meeting of the new body (6 meeting units) on the issues in the second track could be absorbed from the 250 meeting units per annum allocated by UNOG to UNCTAD. Resources for substantive preparations for the second track could also be accommodated within existing resources in the context of the biennial publication of UNCTAD's analytical report on LDCs.

Functions (terms of reference)

12. As regards the functions (terms of reference) for the proposed arrangement, a draft is attached herewith for the consideration of member States.

Draft terms of reference of the proposed arrangement

Functions of the arrangement

1. The arrangement will, within the mandates and competence of UNCTAD, provide for consideration of issues related to LDCs.
 - Every year, during its regular sessions, the TDB will continue coordinating, reviewing and monitoring UNCTAD-wide activities related to the implementation of the PoA for LDCs for the present decade.
 - Every other year, the new body will address broad macroeconomic, thematic and sectoral issues of interest to LDCs in the context of the biennial analytical report of UNCTAD on these countries.

Structure, working relations and cooperation with other bodies and /or organizations

2. The arrangement will provide opportunities to involve other bodies and/or organizations in deliberations on macroeconomic, sectoral and thematic issues as contained in the PoA for LDCs. This will provide synergies and cross-fertilization with other bodies and organizations dealing with LDC-related issues.
3. The new body will meet once every two years and will be open-ended so that Governments, civil society and private sector actors in development, from the LDCs and their development partners, can participate in its deliberations on macroeconomic, sectoral and thematic issues.
4. Appropriate consultations with member States of UNCTAD will be held to decide on the work programme of the new body. It will elect its Chairperson and Vice Chairperson-cum-Rapporteur through established practices and on a rotational basis, for a person period of not more than one year.
5. The outcomes of the meetings of the new body will be submitted to the TDB for appropriate action and, through it, to ECOSOC and the General Assembly as inputs to their respective reviews of the global-level implementation of the PoA and other relevant special programmes and resolutions at the global level.

Financial implications

6. The arrangement will not entail additional resource requirements. Resources required for logistics and for the preparation of substantive reports will be provided under the existing regular budget of UNCTAD.