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TRADE AND DEVELOPMENT BOARD  
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Agenda item 3

**REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME  
OF ACTION FOR THE LEAST DEVELOPMENT COUNTRIES  
FOR THE DECADE 2001 - 2010**

**Draft agreed conclusions**

*The Trade and Development Board,*

*Noting with appreciation the Least Developed Countries Report 2006* entitled “Developing Productive Capacities”, and *commending* the UNCTAD secretariat for the objective, high-quality analysis and policy recommendations contained in the Report,

*Welcoming* the activities undertaken by UNCTAD in implementation of the Brussels Programme of Action for the LDCs for the Decade 2001-2010, and *urging* the UNCTAD secretariat to redouble its efforts in support of LDCs in the future,

Welcoming the outcome of the High-level Comprehensive Mid-term Review of the Programme of Action and calling for the full and speedy implementation by all stakeholders of the actions and commitments therein,

1. *Recognizes* that LDCs in many cases may not achieve the goal of reducing extreme poverty by half by 2015 – although economic growth in LDCs as a group has reached almost 6 per cent – and that they have been very vulnerable to economic, environmental and political crises that often result in economic fragility and growth collapse;
2. *Underlines* the continued national efforts accompanied by increased and sustained international support measures that are urgently needed in order for LDCs to achieve the poverty reduction goals of the Brussels Programme of Action and the Millennium Declaration;

3. *Acknowledges* that policies complemented by good governance at all levels should better address the challenge of developing and utilizing productive capacities in most LDCs. There is a need to improve and strengthen the design of both national development plans or poverty reduction strategies and international support measures in favour of LDCs. This requires that the development and utilization of productive capacities be placed as a high priority in national and international policy approaches to poverty reduction in LDCs. Deliberate policies, strategies and regulatory regimes aimed at improving the domestic private sector and promoting enterprise development, particularly for small and medium-sized enterprises (SMEs), as well as actions to foster dynamic intersectoral linkages, are key for sustained development of LDCs. Such policies should be applied in a non-discriminatory manner;

4. *Stresses* that, with regard to international policies, there is need to maintain the momentum of increasing ODA flows where there is need and/or absorptive capacity, as well as improving the balance in their sectoral allocation in accordance with nationally owned development plans, and *further stresses* that it is necessary to increase the share of development aid for nationally owned programmes and projects, and bridge the gap in respect of finance allocated to economic infrastructure and productive sectors, including long-term investments in human capital as an essential element of a country's productive capacity; these measures should be complemented by effective implementation of ongoing debt relief initiatives and improved market access for all products of export interest to LDCs;

5. *Reiterates* that the Integrated Framework for Trade-related Technical Assistance to LDCs (IF) remains a key instrument in strengthening the institutional capacities of LDCs with a view to enhancing their capacity to benefit from their participation in the multilateral trading system. The most important lesson learned from the IF process is that strong country ownership is critical to the success of the IF. It is understood that the broader Aid for Trade initiative will incorporate dimensions additional to the enhanced IF;

6. *Emphasizes* that, in view of the serious statistical deficiencies prevalent in most LDCs and the importance of reliable statistical data for policy research and analysis, as well as proper monitoring of progress in the implementation of the Programme of Action, there is a need for continued and strengthened ongoing national and international initiatives aimed at enhancing national statistical capacities in LDCs;

7. *Recommends* that UNCTAD should continue to support the efforts of LDCs in the ongoing process of formulating and implementing policies and strategies, including through participation in the poverty reduction strategy paper (PRSP) process. In this context, LDCs are encouraged to consider the integration of the relevant policy conclusions and recommendations of the *LDC Report 2006* into the design and implementation of national policies, including in the PRSPs, the enhanced Integrated Framework and the evolving Aid for Trade initiative. Development partners are encouraged to take the recommendations of the Report into account in their support measures.