



United Nations Conference on Trade and Development

Distr.: Limited
9 October 2007

Original: English

Trade and Development Board

Fifty-fourth session

Geneva, 1–11 October 2007

Draft report of the Trade and Development Board on its fifty-fourth session

Held at the Palais des Nations, Geneva, from 1 to 11 October 2007

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Sessional Committee I¹

Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001–2010

Chair's summary

1. Delegations noted that in recent years many of the least developed countries (LDCs) had experienced positive economic developments, including stronger growth, macroeconomic stability, debt relief and additional official development assistance. They had also achieved progress in social sectors, especially in health and education. Nevertheless, they continued to specialize in a narrow range of basic products and to experience recurrent economic shocks and crises. They were not making the economy-wide improvements in productivity and value added by domestic producers that were essential if they were to generate employment, raise household incomes and reduce poverty.

2. The LDCs continued to face significant development challenges. Some speakers highlighted the fact that extreme poverty in some LDCs was increasing and that hardly any of them was likely to achieve either the Millennium Development Goals or the goals of the Programme of Action for the Least Developed Countries for the Decade 2001–2010. Several delegations pointed out that LDCs remained marginalized from the world economy. Delegations agreed that contemporary economies were increasingly knowledge-intensive, consisting mainly of the production of goods and services based on knowledge-intensive activities that contributed to accelerated technological and scientific progress. Innovation had become a central economic activity. Therefore, the essential challenge for the LDCs was to create and improve institutions that enabled the efficient production and use of knowledge.

3. Delegations welcomed *The Least Developed Countries Report 2007*, with its emphasis on the essential role of knowledge, technological learning and innovation in even the poorest countries. They expressed concern that those issues had been neglected in LDC policymaking in recent decades. In order to reverse that trend, they called for the development of productive capacities and technological capabilities to be placed at the centre of national policies and poverty reduction strategies. Attention was drawn to the need to improve the domestic regulatory environment in order to spur innovation, and also to the need to inform society at large of the importance of science, technology and innovation in order to build political and social consensus in that area.

4. Knowledge and technology should also be considered in the allocation of development aid and assistance. Delegations welcomed the increase in aid for social sectors, but expressed concern about the low and declining share of aid for development of the productive sector and physical infrastructure. Speakers from developing countries called for more aid to improve production and productivity in both the agricultural and the non-agricultural sectors, to support applied research and development, and to strengthen business-support institutions. Delegations welcomed efforts to build up trade-related capacities in LDCs. Several delegations drew attention to North-South and South-South programmes for training and capacity-building in LDCs.

¹ Electronic versions of statements by delegates are posted on the UNCTAD website in the form and language in which they are received. To find the speeches, go to www.unctad.org/meetings, select the intergovernmental body and session, and click on Programme.

5. While recognizing the importance of strengthening technological capacities, delegations also saw the daunting challenges associated with it. They noted that international trade, foreign direct investment and licensing had produced little in the way of transfer of technology to LDCs. Several delegations stressed the need to find a solution to the problem of the brain drain, which undermined the development of technological capabilities in the LDCs.

6. Most participants agreed that the international intellectual property rights regime implied a serious challenge to LDCs' access to knowledge, technological learning and innovation. There were calls for the international community to consider further waivers and new, realistic deadlines for compliance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and to exclude "TRIPS-plus" provisions from bilateral or regional trade agreements and from the conditions for accession to WTO. Countries were advised to balance public and private interests and producer and consumer considerations in designing their intellectual property regime. Some speakers suggested that some areas of knowledge should be considered as essential; hence access to them should not be restricted by intellectual property rights. Others, however, said that strong protection of intellectual property rights was essential for innovation and development, and therefore disagreed with the view in *The Least Developed Countries Report 2007* that intellectual property rights could undermine technological catch-up in LDCs.

7. Delegations expressed their appreciation for UNCTAD's research analysis on LDCs in general and encouraged the UNCTAD secretariat to expand that work. They also called for that analytical work to be used as the basis for a more active policy dialogue with LDC Governments, United Nations agencies and donors, as well as for UNCTAD's technical assistance in the field. In that connection, several delegations called on donors to continue funding the Trust Fund for the Least Developed Countries, which should have a wider donor base.
