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**Plenary on Item 5:
UNCTAD's contribution to the implementation
of the Istanbul Programme of Action for
the least developed countries: Second progress report**

Speaker: G77 and China

Friday, 20 September 2013

*Not checked against delivery **

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GROUP OF 77 & CHINA
G E N E V A

**Statement by Ecuador, on behalf of the Group of 77 & China, at the sixty session of the
Trade and Development Board**

**Item 5 - UNCTAD's contribution to the implementation of the Istanbul Programme of
Action for LDCs: Second progress report**

Friday, 20 September 2013

Mr. President, H.E. Mr. Thomas Fitschen (Germany),
Mr. Petko Draganov, Deputy Secretary-General of UNCTAD
Mr. Taffere Tesfachew, Director, Division for Africa, Least Developed Countries and Special Programmes,
H.E. Mr. Kan Zaw, Union Minister of National Planning and Economic Development, Myanmar,
Mr. Khalil Rahman, Chief of Policy Coordination for Least Developed Countries,
Excellencies,
Distinguished Colleagues,

1. The basic aim of UNCTAD is to support developing countries to progressively achieve higher levels of development. Within this objective, the group most in need of support are the least developed countries. This puts the activities that are associated with that group at the center of the interest of the Group of 77 and China, so we welcome this meeting to discuss the contribution of UNCTAD to the implementation of the Istanbul Programme of Action.
2. Every year, we sincerely expect to witness substantial progress in the process followed by the least developed countries in their development path. Unfortunately, that has not always been the case. To date, only three countries in this group have been able to graduate from this condition, which makes it seem rather ambitious the goal that half of LDCs would graduate from that category until 2020, especially if we consider that in general terms their production rather than diversified, has been concentrated, decreasing its value creation, and they experience significant gaps in access to communication technologies and investment in research and development and an uneven development of infrastructure.
3. In this context, it is crucial that all countries devote special attention to solve the constraints now faced by LDCs. No substantial progress can be achieved if there is not a strong international cooperation that enables the mobilization of resources to develop sustainable programs. The levels of cooperation of donor countries are still below the expectations, not reaching on average even half of the proposed target of spending 0.20 % of gross domestic product to development of the LDCs. In the specific field of trade and development, we should promote new ways to leverage the initiatives of Aid for Trade and the Integrated Framework.
4. In this effort, the work of organizations such UNCTAD is very important. For this reason, we look with special interest the work undertaken to define productive capacity indicators for least developed countries. We understand that this is a difficult task in view of data limitations and the cross-cutting nature of the work, but it is important because it will allow policy makers of these countries to identify the correct public policies and to prioritize the sectors and activities in which there are shortcomings.
5. In the same vein, we welcome the circulation of UNCTAD's document titled "Benchmarking productive capacities in LDCs", which has elements that can help to guide cooperation to sectors that are lagging behind in the countries concerned.

6. We note with appreciation that in this work developed by UNCTAD it has been incorporated elements that we understand contribute to strengthening productive capacities in least developed countries, such as the following:

- The generation of value in production.
- The development of human capital and infrastructure.
- The diversification of production, incorporating the services sector.
- The increased access to technology, either by strengthening endogenous capacity for research and development or through technology transfer.
- The strengthening domestic financial institutions.
- The increased resources for health and education.
- The foreign direct investment responsible and committed to the development of these countries.
- The improving conditions for business operation in order to support the efforts of entrepreneurs, and
- Make available sufficient funding, either through official development assistance and investments, to support structural transformation and the development of productive capacity of LDCs.

Mr. President,

7. Besides this important analytical work, UNCTAD should continue to support the governments of the LDCs through a battery of technical assistance programs, to help guide the planning and implementation of public policies in the fields mentioned, among others. This is exactly the kind of task that gives relevance to the work of this organization and it will always have the support of the Group of 77 and China.

Mr. President,

8. Finally, it should be emphasized that the LDCs require higher levels of growth than other countries if they want to close the gap that separates them from the other developing countries and developed countries. This requires a sustained endogenous effort, but also the necessary support of their development partners in order to have the economic, financial and trade conditions that promote its development. This is one of the most pressing challenges that we face in the world today and we must spare no efforts to tackle this crucial work.

Thank you very much Mr. Chairman.

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