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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: Nepal

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*Not checked against delivery **

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Statement by the Delegation of Nepal at the Session on UNCTAD's Contribution to the Implementation of the Istanbul programme of Action for the LDCs at the 60th Session of Trade and Development Board of UNCTAD, September 20, 2013

Agenda Item 5: UNCTAD's Contribution to the Implementation of the IPOA for the LDCs: Second Progress Report

Mr. President,
Excellences,
Distinguished Delegates,

I associate myself with the statements made by Ecuador on behalf of the Group of 77 and China, Iraq on behalf of the Asian Group, Benin, on behalf of the LDCs and Paraguay on behalf of the LLDCs.

At the outset, let me thank UNCTAD for organizing this session on the LDCs. UNCTAD's support in the LDCs' efforts to cope with their development challenges has always remained phenomenal. We commend the role UNCTAD has played by bringing LDCs' specific issues and agenda to various forums for intergovernmental consensus, publishing flagship reports, conducting research on sectoral issues that are of particular interest to the LDCs and providing technical cooperation, among others.

The present second progress report entitled "Measuring and Benchmarking Productive Capacities in the Least Developed Countries" not only gives a clear picture of where the LDCs stand in terms of productive capacities but also suggests how these countries and their development partners can effectively address the LDCs' development challenges. The assessment of the LDCs' economic performance with regard to their productive capacities reveals that the challenges of these countries relate to the lack of infrastructure, export diversification and value addition, ICTs and 'ease of doing business', among others. These countries have not been able to register productive and sustainable growth and achieve structural transformation in their economies. The report also highlights that the support measures, both national and international, did not match up with the LDCs' overwhelming needs and challenges.

Mr. President,

My delegation agrees to the recommendations of the progress report that for effectively addressing the development needs of the LDCs:

- Particular attention has to be paid to the specific areas in which these countries are lagging behind.
- Domestic resource mobilization and harnessing the natural resources are of paramount importance.
- Aid for trade plays an important role in addressing supply side constraints of poor countries and their infrastructure bottlenecks. The time has come to think about AfT in terms of diversifying economy.
- Both ODA and FDI can support structural transformation of these countries through the development of productive capacity. Improvement of domestic business climate is critical for this.

In this connection, while we wait for the completion of this study, we expect UNCTAD to make following contributions towards the implementation of the IPOA:

- Graduation of the LDCs is at the heart of the IPoA. So, based on this study, UNCTAD can recommend ways and means to these countries to meet the existing goals and targets.
- UNCTAD's study can suggest ways as to how the LDCs can increase value addition in their natural resource-based industries and generate employment for poverty eradication.
- LDCs are not the countries with homogenous attributes. 'One-size-fits-all' approach will not work in their cases. UNCTAD's country specific study on building productive capacity would be helpful.
- On trade, UNCTAD can contribute through intergovernmental consensus building on facilitating greater market access and eliminating trade-distorting measures which have negatively affected the LDCs.

To conclude, IPOA highlights the point that the LDCs' development is a social, economic and political imperative. It should not just be taken as a moral responsibility but as a shared goal of the global community. While much remains to be done by the LDCs themselves towards integrating the priorities and commitments as outlined in the IPOA, there is a greater need of continued and sustained cooperation from the development partners and the international community.

I thank you, Mr. President.