



United Nations Conference on Trade and Development

Distr.: Limited
28 September 2012

Original: English

Trade and Development Board

Fifty-ninth session

Geneva, 17–28 September 2012

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

Held at the Palais des Nations, Geneva, from 17 to 28 September 2012

Contents

	<i>Page</i>
Sessional Committee I	
President's summary.....	2
UNCTAD's contribution to the implementation of the Istanbul Programme of Action for LDCs: First progress report	2

President's summary

UNCTAD's contribution to the implementation of the Istanbul Programme of Action for LDCs: First progress report

(Agenda item 5)

1. At Sessional Committee I, formal statements were made by: the Chair, the Deputy Secretary-General of UNCTAD, the Director of the Division for Africa, Least Developed Countries and Special Programmes of UNCTAD and the following delegations: Indonesia (on behalf of the Group of 77 and China), Nepal (on behalf of the Group of Least Developed Countries), Mauritius (on behalf of the African Group), Paraguay (on behalf of the Latin American and Caribbean Group and the Group of Landlocked Developing Countries), the Islamic Republic of Iran (on behalf of the Asian Group), the European Union, Angola, Turkey, China, Bangladesh and LDC Watch. The panellists at the session were the Permanent Representatives of the Central African Republic and Nepal.

2. The deliberations of the Committee focussed on the contribution of UNCTAD to the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020. Delegates exchanged views on ways and means of enhancing the role of commodities and improving agricultural productivity as part of wider efforts to achieve structural socioeconomic progress in LDCs, including, for as many of them as possible, progress toward graduation from LDC status. In this regard, the meeting provided opportunities to build consensus on the challenges, opportunities and prospects for enabling half of the current 48 LDCs to exit the group by 2020 – one of the targets agreed in the Programme of Action.

3. Many speakers expressed overwhelming appreciation for the work of the UNCTAD secretariat in implementing the relevant actions and commitments of the Programme of Action. They called upon UNCTAD to redouble its efforts and intensify collaboration with other relevant entities in order to translate the vision of the Programme of Action into concrete actions. UNCTAD should continue to closely monitor progress towards graduation thresholds at the country level and to assist LDCs in mainstreaming the provisions of the Programme of Action into their domestic policies and strategies. Delegates requested UNCTAD, building on its recent work, to conduct a detailed study on the magnitude of impacts of the multiple crises on LDCs' development and to recommend ways and means of building their resilience. It should also suggest policy options to reduce price volatility, while ensuring greater transparency in commodity markets. The work of UNCTAD on LDCs in the areas of trade, investment, technology, debt and development finance should be strengthened. In this context, speakers urged traditional and non-traditional donors to make financial contributions to the UNCTAD Least Developed Countries Trust Fund with a view to assisting in the full and effective implementation of the actions and commitments contained in the Programme of Action.

4. Many speakers said that LDCs faced complex development challenges in accelerating their development by ensuring robust, broad-based and sustained economic growth with increased job creation and value addition, key requisites for enabling them to achieve the target of enabling half of them to meet the graduation criteria by 2020. Some speakers urged LDCs and their development partners to take concrete actions to implement agreed priority areas of the Programme of Action with a view to attaining the goals and targets therein – most of which could only be achieved by building productive capacities, ensuring structural economic transformation, including commodity diversification and jobs creation, and by achieving improved standards of living. There was a need for appropriate

domestic policies and improved international support measures to facilitate a smooth graduation process. Several delegations emphasized the importance of pursuing a comprehensive approach to the implementation of the Programme of Action. They highlighted the contribution of the agricultural and commodities sectors for attaining the targets set out in the Programme of Action. They stressed the adverse impact of price volatility in commodity markets on the development process in LDCs and the need for policies for diversification, including through modernizing and building productive capacities.

5. There was emerging consensus that the objective of meeting the criteria of graduation by half of the current LDCs by 2020 was an ambitious target, given heavy commodity dependency and low agricultural productivity, as well as vulnerability to external shocks and crises of the economies of LDCs. The combination of weak productive capacities, the lack of economic diversification and the recent multiple crises undermined the aspiration of LDCs to achieve structural economic progress and meet the graduation criteria. While agriculture and/or extractive industries continued to be the mainstay of most LDC economies, the graduation landscape of the past decade showed that countries that had made tangible progress were those that had managed to join the value chains in areas where they enjoyed comparative advantages, achieved diversification, built their technological capabilities and achieved overall structural economic progress.

6. Several delegations said that, while LDCs should assume primary responsibilities for their own development, including by integrating the commitments of the Programme of Action into their national policies and strategies, the support of the international community was crucial for the development of these countries. It should include efforts to increase the quantity and improve the quality of official development assistance to LDCs, and to enhance market access conditions, as most of them depended on such resources to finance their development needs. Moreover, there should be a rebalancing of priorities between the social and productive capacity sectors, with increased emphasis on the latter. With respect to market access, delegations urged developed countries and developing countries in a position to do so to immediately and fully implement the commitments to grant duty-free, quota-free access for all LDC products and to remove market entry barriers, including non-tariff measures and other trade barriers.

7. Participants called upon LDCs to make sure that the role of commodities was incorporated into their development strategies to maximize the potential of the sector and to avoid a repeat of the jobless growth rate without the structural transformation experienced during the previous decade. What was needed was a more holistic approach that incorporated a development perspective and factors in the role and functions of commodities in economic growth and poverty reduction. They should also make efforts to increase their support to the agricultural sector with a view to boosting productivity growth and enhancing food security and to integrate policies incorporating climate change into commodity-based strategies. Some delegates encouraged the governments of LDCs to strengthen domestic resource mobilization and domestic institutions in order to mobilize private savings, improve the tax collection system and promote prudent policies for effective natural resource management.