

Trade and Development Board, fifty-ninth session
Geneva, 17–28 September 2012

**(Item 5) and UNCTAD's contribution to the
implementation of the Istanbul Programme
of Action for LDCs: First progress report**

General statements by regional groups
**Speaker: Mauritius on behalf
of the African Group**

Friday, 21 September 2012

*Not checked against delivery **

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**Statement by the African Group
Item 5 - LDC - Sessional Committee I
delivered on 21 September 2012
of the 59th Session of the Trade and Development Board
(17 to 28 September 2012, Geneva)
by Mauritius, Coordinator of the African Group at UNCTAD**

Mr President,

- The background documents prepared by the secretariat to support the discussions contain succinct and insightful analysis. We strongly believe that the conclusions and findings in the two documents will serve as valuable inputs to our deliberations and assist us in our efforts to build consensus on item 5.

- As can be inferred from the first progress report of UNCTAD in the implementation of the Istanbul Programme of Action that, the secretariat has continued its efforts of assisting our countries. The research and policy analysis work as well as country case studies on selected thematic or sectoral issues of interest to our countries are crucial for building LDCs' policymaking capacities. Likewise, specific technical cooperation and capacity building such as DMFAS, ASYCUDA, and investment policy reviews are vital for building our institutional capacities and improving our trade and development policies. We would like to put on record our appreciation to the continued efforts of the secretariat in support of our countries. In this connection, we would like to urge our development partners-both traditional and non-traditional donors-to provide extra-budgetary resources on as sustained and predictable basis as possible to support the work of the UNCTAD secretariat. As clearly indicated in paragraphs 39-40 of the progress report, effectively responding to the growing demand for the support of UNCTAD by LDCs and other beneficiary countries requires significant financial support through the UNCTAD-LDC Trust Fund

- The IPoA articulates a vision for LDCs development along with specific and time bound targets. For instance, the quest for graduation from LDCs status was a qualitative and long-term objective of the previous three successive programmes of action - Paris I and II as well as the Brussels Conference. However, in the Istanbul Conference, this was transformed into a quantitative and time bound target to “enable half of the number of LDCs to meet the criteria for graduation by 2020”. We strongly believe that it is timely now to analyze the conditions and circumstances-both at the national and international levels- in which the IPoA target can be attained by 2020. In this regard, we are encouraged by the efforts of the secretariat in closely examining the role of commodities and agricultural productivity in contributing to the graduation objective of the Istanbul Programme of Action (IPoA). The analysis provides deeper policy insights and conclusions as to how the structural weakness, excessive fragility and vulnerability to shocks of the economies of LDCs pose a challenge for our countries. It particularly draws particular attention of policy makers on the challenges arising from volatility of the commodities markets and the recent global economic, financial and food crises on LDCs’ prospects for meeting internationally agreed goals, including those contained in the IPoA.
- The various country case studies in Asia and African LDCs clearly indicate that the boom-bust cycle of the 2000s showed in stark terms that natural resources play a crucial role in LDCs’ economic growth, poverty reduction and food security. After all, commodities accounted for four-fifths of LDCs’ goods exports during 2007-2009, with the share of commodities exceeding 50 per cent in 38 countries. On the one hand, the 2002-2007 boom period was primarily driven by surging demand for commodities, particularly minerals and fuels. On the other hand, the triple-F crises (fuel, food and financial) exacerbated the vulnerability of LDCs and recalled the group’s over-reliance on the export of a few primary commodities and on the vagaries of commodity prices. Furthermore, the studies and the synthesis warn against excessive dependence of LDCs exports on a few commodities where about five product groups dominate the export earnings of these countries during 1995-2010 period.

- We share the long-standing views and perspectives of UNCTAD that attaining this objective of graduation require a radical shift in patterns of development partnerships as well as fundamental changes in the design and execution of domestic policies in LDCs. In this regard, we should emphasise the importance of the role of the state in designing and implementing comprehensive economic strategy in collaboration with the private sector and Civil Society Organisations. Such changes will particularly require an expanded partnership and international support measures that go beyond aid and debt relief. For several years, UNCTAD has been advocating that the international support measures in favour of LDCs should address their productive capacity constraints, including diversification and value addition as well as enhance LDCs' trade opportunities. In specific terms, as elucidated by the above-cited synthesis of case studies, a shift in development partnership means increasing the quantity and improve the quality of official development assistance (ODA) to LDCs. Particularly, greater support for agricultural development in LDCs should be viewed as an urgent priority given the food insecurity problems of our countries. A radical shift in development partnership with LDCs also needs putting in place trade policies that are conducive to the development of LDCs, facilitating the flow of remittances to LDCs, promote increased transparency in the commodity industry and make concerted efforts to address commodity price volatility.
- We look forward to our continued and constructive exchange of views especially on how to take forwards the policy conclusions and recommendations contained in the background documents of the secretariat.

Thank you.