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**Opening Plenary**  
**General statements by regional groups**  
**Speaker: LDCs**

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**Statement on behalf of the LDCs by H.E. Shanker D. Bairagi,  
Ambassador/Permanent Representative of Nepal at the 59th Session of the  
Trade and Development Board of UNCTAD, September 17, 2012.**

Mr. President,

Hon'ble Ministers,

Secretary General of UNCTAD Dr. Suapachai Panitchpakdi,

Excellencies

Distinguished delegates:

I have the honor to deliver this statement on behalf of the LDCs group.

We associate with the statement made by Indonesia on behalf of the Group of 77 and China.

We congratulate you, Mr. President, on your election, and the new Bureau members on their election. The LDC Group assures of its full support to the Bureau in fulfilling its responsibility.

Let me thank the President of UNCTAD XIII, Honourable Minister for Culture, Arts and Heritage of the State of Qatar for his address and for his commitment to UNCTAD.

We deeply commend Ambassador Maruping for the excellent leadership he provided to the TDB and, in particular, for his contribution to the success of UNCTAD XIII.

We thank the Secretary-General of UNCTAD for his comprehensive statement and insightful observations shared with us this morning.

We appreciate UNCTAD team for their continued efforts and commitment to improve effectiveness, efficiency and relevance of UNCTAD in the development arena.

UNCTAD's three pillars of policy analysis, consensus building, and technical assistance need to further strengthened, as it moves to implement the Doha Mandate.

Mr. President,

The LDC Group welcomes the priority given to the issues of LDCs and Africa in the current session of TDB.

UNCTAD is fully aware of deep-rooted structural constraints and multiple vulnerabilities confronting the LDCs. It is incomprehensible that over half of the 880 million people of the LDCs still live on less than a dollar a day while the rest of the world continues to make incredible progress in every sphere. While optimism is there, if the present trends

continue, which is very likely, the LDCs will be unable to achieve most of the MDG targets by 2015, let alone the much broader internationally agreed development goals. In the wake of multiple crises, combined with the disproportionately adverse impact of climate change, which have accentuated their plights, meeting the graduation criteria by half of the LDCs by 2020 will be virtually impossible. Mainstreaming them into the path of development for accelerated progress is a major challenge. We believe this is not an insurmountable task. With strong political will at all levels and enhanced support measures in all pillars, namely ODA, trade, investment, debt relief and technology transfer, a visible transformation in the development landscape in the LDCs is possible. This is absolutely essential for the international community to fulfill its common commitment, as underscored in the IPoA, to enable at least half number of the LDCs to reach the stage of graduation by 2020. This promise must be fulfilled, as we do not want to see the current decade to be yet another missed opportunity for the LDCs. The LDCs possess enormous potential to become a partner for global progress and prosperity.

Needless to say, trade is an engine of growth, productivity and poverty reduction. In this vital component of growth and development, the LDCs' are lagging far behind the rest of the world. The LDCs' products have been extended preferences, but not at par with their pressing needs and complex challenges. Market access still remains a major challenge. Further, possible benefits from these preferences have been undermined by non-tariff barriers and restrictive rules of origin as well as severe supply-side constraints and trade-related infrastructure deficits. The proportion of the LDCs' global exports enjoying duty-free and quota-free market access, in some cases, does not exceed 50%. We need straightforward and urgent actions: implementation of DFQF provisions, on a lasting basis, for all the LDCs; elimination of non-tariff barriers, simplification of standards and technical regulations and rules of origin; implementation of all commitments and decisions pertaining to special and differential treatment for LDCs' products; and provision of enhanced technical and financial support aimed at increasing the productivity, competitiveness and diversification of the LDCs' economy.

As DDA impasse continues, there has been a general agreement that the LDCs issues are the 'low hanging' ones that can be harvested early and without delay. We need to translate this general perception into an appropriate decision. UNCTAD should continue to advance the LDCs' trade agenda and bring them to forefront of discussions.

ODA continues to remain the largest source of external financing for development of the LDCs. It is a matter of great concern that the bilateral ODA flows to the LDCs have dropped by almost 9 per cent in real terms in 2011 as compared to the previous year. The countries that need external support most urgently are becoming the ones to lose it. UNCTAD's continued advocacy for the fulfillment of ODA commitment will be helpful.

Foreign direct investment has a critical role to play in building productive capacity. The LDCs, however, receive only a tiny fraction of it – just 1% of global FDI inflows according to

UNCTAD's latest information. Investments in mining, quarrying and petroleum remained the dominant form of FDI in the LDCs and focus on extractive sector has had little impact on enhancing productive capacity. The LDC Group, therefore, supports UNCTAD's defining and advocacy of the "new generation" investment policies that place inclusive growth and sustainable development at the heart of FDI mobilization. UNCTAD has rightly underscored the need for channeling investment to build productive capacity and competitiveness as well as ensuring coherence between FDI policy and overall development objectives.

We call on UNCTAD to focus its works on how initiatives can be devised and implemented effectively to support and encourage investment in LDCs, particularly in productive sectors.

Transfer of technology to LDCs has been far from a reality. We should focus on enabling LDCs to take advantage of the existing flexibilities in TRIPS and other IPR regimes.

The LDCs are in need of immediate debt relief measures including the cancellation of debt. A huge portion of LDCs' resources goes to debt servicing. UNCTAD's expertise should delve into the question of adequacy and effectiveness of the existing debt relief initiatives as well as explore new and improved debt instruments and innovative mechanisms.

Mr. President,

As we discuss UNCTAD's role in the implementation of the IPoA, we need to draw lessons from the experiences of the implementation of the past programmes of action. The clear message is that 'business-as-usual' cannot be an option. The much needed structural transformation of LDCs has remained very limited so far and their vulnerability to external shocks has not been reduced, as our efforts have not been adequate and resources have not matched up the overwhelming needs.

A year on since the adoption of the programme of action, indications are worrying. UNCTAD offers us a 'gloomy' outlook given the declining trends on all support measures, including ODA and FDI. In UNCTAD's mathematics, 28 LDCs, which is more than half, will not be able to reach the graduation threshold by 2020 in today's scenario. In this context, we welcome the recent publication of UNCTAD, titled "Enabling the Graduation of LDCs: Enhancing the role of Commodities and Improving Agricultural Productivity". The publication clearly delineates some of the challenges facing LDCs in meeting their graduation targets given their weak economic base and provides policy recommendations for overcoming these challenges.

The Doha Mandate calls on UNCTAD to strengthen its special focus on the needs of the LDCs as outlined in the Istanbul Programme of Action. Given the urgency and enormity of the LDCs' developmental needs, UNCTAD should give priority to all areas of action outlined in IPoA that fall within its mandate.

**We would like to put on record our appreciation for UNCTAD's continued efforts to support our countries. There is a clear need for expanding such support to meet growing demands and expectations of member states. We would like to urge our development partners -both traditional and non-traditional donors- to provide extra-budgetary resources on sustained and predictable basis to support the work of the UNCTAD secretariat. Significant financial support can be channeled through the UNCTAD-LDC Trust Fund to effectively respond to the growing need of UNCTAD's work for the LDCs.**

**Mr. President,**

**This will perhaps be the last TDB session that I address in Nepal's capacity as the Coordinator of the LDC Group. It has indeed been an honor and a great opportunity for my country to lead the Group for the past three years. I would like to take this opportunity to express sincere thanks to all LDCs and fellow developing countries for extending continued support to my delegation. I would like to express our sincere thanks to all our valued development partners for their continued support to our development efforts. But more needs to be done. I wish to thank the entire UNCTAD membership for their support and solidarity. Likewise, I thank the Secretary-General of UNCTAD and his team whose continued support has remained valuable throughout the period of our coordination.**

**Finally, the LDC Group looks forward to a successful TDB session.**

**Thank you.**