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EU Statement

Madam President,
Secretary General,
Excellencies,
Distinguished Delegates,

I have the honour of speaking on behalf of the European Union and its Member States.

We thank UNCTAD for the Least Developed Countries Report 2014 'Growth with structural transformation: a post-2015 development agenda' and appreciate UNCTAD's research and analysis on LDCs.

The report was presented to the European Union in Brussels on November 28th with the participation of civil society and media. We express our appreciation to UNCTAD and their staff for their kind offer to launch the document in Brussels, their availability and for the open discussion which ensued.

The report provides a relevant description of the recent economic trends on international trade, resource mobilisation, Foreign Direct Investment (FDI) and remittances. The document offers also an interesting overview on the LDCs' progress in implementing the MDGs. We regret that despite the economic growth achieved in the LDCs, they have failed to achieve many of the MDGs, especially in sub-saharan Africa. As the report mentions, LDCs face some challenges on labour productivity and they need structural transformation to attain decent productive levels and to relocate labour towards higher-productivity sectors.

Technology development and transfer in a broad sense means the ways through which companies and organizations acquire technology from foreign sources. Ensuring the transfer of modern technologies on mutually agreed terms is – in our view – mostly a role which falls to the private sector; but LDC governments can facilitate it by ensuring an enabling regulatory framework for the private sector in order to attract Foreign Direct Investments. At the same time, LDC governments need to be able to use the flexibilities of the TRIPS agreement whilst creating their IP architecture.

ODA and post 2015

The EU and its MS are committed to a universal post-2015 development agenda, which balances the environmental, social and economic dimensions of sustainable development. We agree with the report that the post 2015 agenda should also address issues less well covered by the MDGs.

The EU and its MS are the primary trading partner and donor to LDCs and will continue to pay specific attention in their policies and aid to the countries most in need.

However important the role of ODA, we agree with the report that domestic resource mobilisation should be further strengthened and in the future should play an essential role to help partner countries' development objectives. We also believe that here lies a responsibility for the private sector, which should follow their commitment to pay taxes in LDCs. Base erosion and profit shifting (BEPS) should be prevented. At the same time, we would like to recall the need to further develop an enabling environment and concrete conditions to boost and strengthen alternative sources of Financing for Development such as, for instance, Public-Private Partnerships (PPPs), FDI and remittances.

Aid for Trade

The situation of LDCs calls for continued efforts to help them integrate into global value chains, notably through market access and Aid for Trade.

Regarding market access, the EU is doing its share. We have been a pioneer in providing duty free and quota free access to all LDC products except arms and ammunition. Furthermore, a new EU Generalised Scheme of Preferences (GSP) entered into force in 2014 which further focussed preferences on countries most in need. The reduced number of beneficiaries creates more space for the exports of GSP beneficiaries, particularly LDCs. We are encouraged by the fact that a growing number of emerging economies are providing preferential treatment to LDC products. However, considerable progress can still be achieved in market access. We, for example, have to ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access.

Market access is not enough alone as to boost trade for LDCs. Continued commitment to Aid for Trade is essential to help them address issues such as productive capacity, infrastructure gaps, and capacity building, for instance on trade facilitation. With EUR 11.6 billion in 2012, an all-time high, the EU and its Member States collectively remain the world's leading provider of Aid for Trade. EU Aid for Trade to LDCs has increased from EUR 1.68 billion in 2011 to EUR 1.8 billion in 2012. The level and type of EU Aid for Trade for LDCs depends of course on the priorities of LDCs themselves: the ultimate responsibility for the development strategies of a country rests with its government. However, we will use our annual Aid for Trade monitoring report in 2015 and the 2015 WTO Aid for Trade Review to explore how Aid for Trade flows to LDCs could be prioritised. Regarding Aid for Trade to LDCs, South-South cooperation is clearly increasing. However, here too improvements are possible by increasing transparency and through the progressive implementation by new and emerging donors of development effectiveness principles.

In this regard, we would like to recall our role in the Enhanced Integrated Framework, the partnership that supports the economic growth, sustainable development and poverty reduction of Least Developed Countries. The EU together with its Member States have funded over 50% of this programme up to date.

Financing for Development

A key element in the negotiations ahead will be how we deliver on the new post 2015 development framework. A strong Global Partnership, based on shared responsibility, mutual accountability and respective capacity will be essential. This global agenda will be an ambitious one and it is essential that the new framework recognises that the resources and conditions for implementation of the agenda are the responsibility primarily of each country itself. We should remember the conclusions from Monterrey, that national actions by the developing countries themselves are decisive factors in development. The Report of the Intergovernmental committee of Experts on Sustainable Development Financing provided a helpful reminder of this. Trade and private investment will be important facilitators and enablers, both within the EU and as part of the EU’s external actions, together with other alternative sources of financing like PPPs and remittances.

Madam President,

We would like to reassure you that the EU and its MS are committed to concentrating our aid for trade where it has the greatest impact. We will continue with our policies to support LDCs' efforts to reach the goals of the Istanbul Programme of Action.

Thank you.