



**Statement by H.E. Mr. Wayne McCook,
Ambassador and Permanent Representative of the Jamaica,
on behalf of the Group of 77 & China, at the Sixty-second Executive Session of the
Trade and Development Board**

Item 2 - Least Developed Countries Report: *Transforming Rural Economies*

Geneva, 25-27 January 2016

Mr. President, Ambassador D'Alotto (Argentina)
Dr. Mukhisa Kituyi, Secretary-General of UNCTAD
Excellencies,
Distinguished delegates,

1. The Group of 77 and China welcomes the 2015 LDC Report-*Transforming Rural Economies* which provides a most valuable reflection on issues affecting Least Developed Country members who form a large constituency within our Group.
2. Today's discussion of the 2015 Report is taking place at a critical juncture in the international development policy debate. The Report's focus on transforming rural economies and the impact this can make in terms of poverty reduction is timely and important. It provides a valuable contribution to our dialogue as we begin to consider effective means of pursuing the full implementation of Agenda 2030 and the Sustainable Development Goals. The timeliness and relevance of the Report's focus and its findings and observations underline the value and importance of UNCTAD's research and analysis pillar for all members.
3. The majority of people living in LDCs reside in rural areas and are engaged in agricultural production as a means of livelihood support. In this context rural development must be a priority for any credible effort to address poverty reduction and advance the implementation of the SDGs in LDCs. The LDC Report, correctly recognises that the SDGs provide a valuable opportunity to explore a new approach to rural development. In this regard we take careful note of the Report's conclusion that achieving the SDGs in rural areas in LDCs will require more effort than that which was invested in the MDGs.
4. The G77 & China welcomes the Report's very useful suggestions and policy recommendations that draw our attention to particular areas in which both the LDCs and development partners may work in addressing the issue of rural development. We note the specific suggestions of ways in which agricultural productivity may be improved in LDCs including, having well-integrated national and international efforts towards technology generation and innovation diffusion and public policies geared towards spending on R&D, extension services, education and physical infrastructure.
5. Economically sustainable poverty eradication is critical for overcoming the challenges faced by LDCs and putting them on a path towards development. In this connection, the

Group welcomes the Report's proposal of eradicating LDC poverty sustainably through *poverty-oriented structural transformation (POST)*. The Group takes note of the Report's conclusion that the key to this is harnessing the synergies between agricultural upgrading and rural economic diversification through development of the Rural Non-Farm Economy (RNFE). The Report recognises that agricultural growth generates demand for goods and services from the non-farm sector; and the income generated by development of the non-farm sector generates demand for more and higher-value foods.

6. We further note the Report's findings that rural women in LDCs continue to face multiple constraints on their productive potential. It is important to highlight the Report's call for tackling these constraints as well as the need for closing the gender gap which are both key elements of rural structural transformation.

7. Rural economic transformation on a scale sufficient to eradicate poverty in LDCs by 2030 is an immensely ambitious undertaking, which will require changes at the international level. In particular, given the severe financial constraints of most LDCs, it will necessitate appropriate increases in Official Development Assistance (ODA). The Group of 77 & China welcomes the Report's suggestion of raising the overall level of ODA, consistent with the undertakings of the international community reaffirmed under the SDGs. In this context, productive sectors should be given appropriate priority in allocation of additional ODA, especially in rural areas as recommended by the Report. Also, as proposed by the Report, in the area of trade, full implementation of DFQF market access and rules of origin in favour of LDCs should be of primary consideration.

Mr President

8. The 2015 LDC Report is a timely reminder that rural economic transformation will be central to development in LDCs in the post-2015 era. We therefore hope that today's discussion will contribute to the effort to deliver valuable and viable outcomes as we move toward full implementation of the Sustainable Development Goals.

I thank you!