



**Statement by Iraq on behalf of the Asia-Pacific Group  
Trade and Development Board  
Sixty-Ninth Executive Session  
Item (2) LDCs Report 2019**

*5 February 2020*

Mr. President, Excellency Ambassador Michael Gafey (Ireland),  
Madam Isabel Durant, the Deputy Secretary General of UNCTAD,  
Mr. Paul Akiwumi, Director of the Division for Africa, Least Developed Countries and Special Programmes,  
Excellencies, Distinguished Delegates,

I have the honor to deliver this statement on behalf of the Asia-Pacific Group. The Group would like to associate itself with the statement delivered by Malawi on behalf of the Group of 77 & China,

Mr. President,

At the beginning let me thank Madam Isabel Durant for her introductory remarks, and Mr. Akiwumi for presenting the findings of the Least Developed Countries Report 2019. We also commend the team in the Division for Africa, Least Developed Countries and Special Programmes,  
for their efforts in drafting that report.

Mr. President,

The report provides sound analysis about the causes of LDCs slow progress towards achievement of their objectives under the Istanbul Programme of Action and of the Sustainable Development Goals, identifying the scant progress in structural transformation in those countries as the main reason for the underperformance in that area, due principally to the failure of the international community to create an international economic environment conducive to the structural transformation of LDCs.

The report draws a grim picture of the efforts by LDCs to achieve their development goals, The positive growth performance of LDCs since the global financial crisis of 2008/09, as the report confirms, has not been sufficient for these countries to accelerate structural transformation or reduce dependence on external resources to finance fixed investment and development.

On the other hand, ODA flows, which form the main source of aid for LDCs, were stagnant and disproportionately allocated towards social sectors and humanitarian activities rather than economic infrastructures and productive sectors. As a consequence, LDCs efforts to redress

infrastructure gaps and foster technological upgrading have relied mainly on domestic funding and concessional and non-concessional debt.

It is no wonder then that because of many persistent challenges identified in the report, levels of aid dependence among LDCs remain comparatively high by international standards, reflecting their heightened vulnerability. While we appreciate the donors support for LDCs, we express our concerns that the level of ODA offered falls short of international commitments for many donor countries, and therefore more dedicated support measures from the international community is urgently needed.

One other challenge that the LDCs are facing is the issue of growing vulnerability towards debt. The total stock of external debt for LDCs more than doubled between 2007 and 2017, from \$146 billion to \$313 billion. The reduction of concessional debt has helped the increase of debt service to more than doubled since 2010, jumping from \$6.2 billion to \$13.2 billion in 2017. The issue of increasing indebtedness not only in the LDCs but also in many other developing countries is a cause for serious concern and puts the achievement of SDGs and economic and social stability of those countries at a great risk. We believe that a coordinated international action to address that issue is urgently needed.

The report also provides analysis of the role of the private sector engagement as a part of the reform of external aid policies of many developed countries. It puts the effectiveness of using the scarce official public development finance to support that engagement under question. That analysis should be considered in the debate on financing development. We believe that whilst the private sector could provide new opportunities to support development, the engagement of private sector should be carefully reviewed by both donors and recipient countries ensuring alignment with recipient countries development plans and priorities and the SDGs.

In addition, the report highlights the importance of South – South cooperation to sustainable development in the LDCs which entails an increasing variety of forms, including financial assistance, technical and economic cooperation, experience sharing, capacity building, and technology transfer. We believe that South-South cooperation is a complement to North-South cooperation not a replacement for it. UNCTAD should further facilitate members in alleviating challenges to SSC described in the report and promote more discussion and experience sharing on this topic.

Mr President,

The Asia- Pacific Group believes that achieving the SDGs is the responsibility of all members of international community. The LDCs, according to the report have achieved considerable progress in internal resources mobilisation, however, enhanced engagement of LDCs in the decision-making processes regarding all matters which directly and significantly affect development, such as aid allocation and aid delivery, will help those countries to improve their capacities in planning and managing relevant operations and carrying their responsibilities more effectively.

The “Aid Effectiveness Agenda 2.0” suggested by the report aims to contribute to structural transformation through better management and delivery of aid. by addressing both, the unfinished business of the original aid effectiveness agenda, and the challenges that emerge from ongoing changes in the aid architecture. We believe this agenda could enlighten the debate on the issues regarding financing development not only for the LDCs but also for all developing countries, and

enable better policy making on national and international levels that assist developing countries reach their developmental goals.

Mr. President,

We concur with the report that while no single human right has ascendancy over the various other human rights, the realization of the right to development creates an enabling environment for the realization of all human rights.

I thank you Mr. President.