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Geneva, 16–27 September 2013

Plenary on Item 5:
UNCTAD's contribution to the implementation
of the Istanbul Programme of Action for
the least developed countries: Second progress report

Speaker: South Africa

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**STATEMENT BY SOUTH AFRICA ON UNCTAD'S CONTRIBUTION TO
THE IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION
(IPoA) FOR LEAST DEVELOPED COUNTRIES (LDCs)**

Mr President

South Africa associates itself with the statements made by the distinguished representatives of Ecuador, on behalf of the Group of 77 and China, Ethiopia, on behalf of the Africa Group, and Benin, on behalf of LDCs.

My delegation is grateful to the UNCTAD Secretariat for an insightful report on progress achieved in attaining priority area A of the Istanbul Programme of Action, which relates to building productive capacities, as well as UNCTAD's contribution to the implementation of this priority area, in line with paragraph 65 (e) of the Doha Mandate.

More than ever before, the need to build productive capacities in LDCs is critical to sustained and inclusive economic growth and development. For

LDCs to take full advantage of current global trade and investment opportunities, as well as deal with the many challenges facing all developing countries, the Istanbul Programme of Action recognises that building productive capacities must be at the centre of the national and international policies and strategies that collectively make up the global partnership for development with LDCs. For this reason, my delegation welcomes the finding in the Report that several LDCs have continued to make important strides in some areas of building productive capacities over the last couple of decades.

The Report also highlights mixed progress in the implementation of priority area A of the Istanbul Programme of Action. It is encouraging to note that several LDCs have made significant progress in some areas of building productive capacities, in particular, the Report confirms the important progress made in terms of public spending in education, which is the focus of MDG-2, which has increased in many LDCs. In this regard, my delegation concurs with the Report that it is encouraging that many LDCs actually allocate relatively more public spending to education than do other developing countries. Importantly, the investment-to-GDP ratio is also reported to have improved in many LDCs.

However there is still work to be done in many LDCs. My delegation has noted the assessment of the Report to the effect that the biggest ongoing challenges for LDCs relate to areas where they lag behind other developing countries, including physical infrastructure, export diversification and value addition, ICTs and an overall conducive business environment.

My delegation agrees with the assertion in the Report that direct investment, both domestic and foreign, is by definition an integral part of building productive capacities. It is clear that in the current global economic context, this remains one of the most pressing cross-cutting challenges facing LDCs, if they are to attaining the goals and targets of the Istanbul Programme of Action.

Mr President

My delegation is pleased to learn that overall ODA flows to LDCs expanded in all main sectors. In particular, the Report notes that flows of ODA to economic infrastructure and services, more than doubled, in constant terms in the past decade. This will indeed contribute to the achievement of the goals outlined in the Istanbul Programme of Action. In this context, South Africa urges development partners to increase their support to the banking and financial services, as well as communications sectors.

My delegation commends UNCTAD for its continued technical support extended to LDCs, which is so important for the successful implementation of the Istanbul Programme of Action. South Africa remains fully committed to working with LDCs, 34 of which are in Africa, as well as with their other development partners, to address the outstanding challenges and work to achieve, in terms of the Istanbul Programme of Action, the objective to “enable half the number of LDCs to meet the criteria for graduation by 2020”.

I thank you.

