



Contribution of UNCTAD
to
UNLDC IV

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22 July 2009

UNCTAD and LDCs: some key facts as background

- **It was in UNCTAD that the concept and category of LDCs was first born:**
 - **In 1964 at UNCTAD I the report of the first SG of UNCTAD called for differentiation between DCs**
 - **In 1968, at UNCTAD II resolution 24 [II] called for special support measures**
 - **In 1969, UNCTAD identified 30 LDCs**

UNCTAD developed and used the first set of criteria:

- i. per capita GDP**
- ii. the percentage of manufacturing in GDP;**
- iii. percentage of manufacturing products in total exports;**
- iv. per capita consumption of energy;**
- v. the number of medical doctors per 100,000 inhabitants, and**
- vi. the combined primary and secondary school ratio**

The criteria complex?

- ▶ In 1971 ECOSOC and the Committee for Development Planning (now Policy)- [CDP] called for further refinement of the criteria
- ▶ The criteria were, then reduced to three:
 - i] Per capita GDP of less than USD100 at 1965 factor cost or price;
 - ii] share of manufacturing under 10 %of GDP and
 - iii] an adult literacy rate under 20%
- ▶ In 1972, the GA identified 42 countries as LDCs

Major outcomes of UNCTAD's earlier work on LDCs led to:

- **global consensus;**
- **political commitment;**
- **convening of three UNLDC Conferences;**
- **adoption of three decennial PoA [SNPA for the 1980s, PoAs for the 1990s and for the decade 2001-2010];**
- **improvements in criteria (1990s) used for inclusion into and graduation from the LDCs group (low income USD750-900, Human Asset Index, Economic Vulnerability Index)**

Some concrete results from UNLDC processes: are these sufficient?

- **ODA has doubled between 2001-2008**
- **Several LDCs benefited from debt relief initiatives**
- **Significant proportion of ODA to LDCs is untied**
- **Close to 90 % of LDC exports now receive market access**
- **Private investment [domestic and international] has shown remarkable increase**
- **In some countries remittances emerge as the main sources of development finance**
- **LDCs introduced liberal trade and investment policies; removed distortions**
- **In several LDCs economic governance and management also improved**
- **Several LDCs put in place poverty reduction policies and strategies**
- **LDCs as a group registered an average annual growth rate of about 8% during 2005-2007 as compared to 5.9% in 2000-2004**

Key lessons from previous conferences

- **The challenge of poverty reduction;**
- **Problem of disaggregating key factors;**
- **The need for policy space and ownership;**
- **Apparent failures of liberalization policies, including SAPs;**
- **Disregard to endogenous conditions and solutions;**
- **Prioritization and the productive sectors of LDCs;**
- **Excessive emphasis on mitigating short term shocks;**
- **The PoAs were considered only as add-on policy document;**
- **The problem of process overload or congestion in LDCs,**
- **Paucity of resources**
- **Awareness creation, advocacy and mobilizing public action**

UNLDC IV: some preliminary views

UNLDC IV should build on LDC III but redress weaknesses thereof

- It should lead to consensus on:
 - ▶ rebuilding developmental states in LDCs
 - ▶ forging a new form of partnership between LDCs and their development partners
 - ▶ a set of policies to enhance the developmental dimension of agriculture
 - ▶ further scaling-up of development aid, improving its effectiveness and its ensuring sectoral redistribution
 - ▶ developing framework for monitoring the implementation of its outcome including at the national levels
- It should also provided policy guidance on how to sustain the flow of remittances to LDCs
- It should also lead to agreements a new generation of international support measures in favour of LDCs

UNCTAD's contribution to UNLDC IV

- **UNCTAD will make available to the Conference:**
 - **Synthesis of findings and conclusions from its research and policy analysis;**
 - **Lessons from technical cooperation and capacity building functions;**
 - **Proposals and recommendations from an expert meeting on new and non-traditional exports of LDCs [such as horticulture];**
 - **Outcomes of annual reviews and assessments by the TDB of progress;**
- **UNCTAD also intends to sponsor at least one pre-conference or side event;**
- **UNCTAD will assist OHRLLS in negotiating Host Country Agreement, building on its rich experience in this area**
- **UNCTAD and the OHRLLS will join hands in mobilizing resources**

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Finally, THANK YOU

