Contribution of UNCTAD to UNLDC IV

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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
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 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 polices 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
Finally, THANK YOU