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**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:  
LEAST DEVELOPED, LANDLOCKED AND ISLAND  
DEVELOPING COUNTRIES**

(Item 6 (f) of the provisional agenda)

**REPORT OF THE SPECIAL BODY ON LEAST DEVELOPED AND LANDLOCKED  
DEVELOPING COUNTRIES ON ITS THIRD SESSION**

*Note by the secretariat*

**SUMMARY**

The Special Body on Least Developed and Landlocked Developing Countries considered the items of institutional development for macroeconomic policy management and coordination, and issues and problems of landlocked developing countries and modalities for addressing them.

For the item on institutional development, the findings and conclusions of the Consultative Meeting on the Identification of the Institutional Constraints of Selected ESCAP Least Developed Countries on Implementing Macroeconomic Policies and Lessons from East and South-East Asian Countries, held in Bangkok from 2 to 4 April 1997, were presented to the Special Body. It noted that development strategies were increasingly focused on enhancing the role of the private sector within an enabling environment created by the government. Macroeconomic stability was an essential component of that environment. The Special Body noted that sustainable economic growth could not have been obtained without coordinated formulation and implementation of macroeconomic policies by key government institutions. It also noted that institutional development was a crucial but difficult issue for many countries and appreciated the efforts of experts from macroeconomic institutions in least developed countries to present key issues.

The Special Body recognized that adequate attention should be given to resolving the transport problems of landlocked countries which constrained the development of international trade and tourism. It noted that dependence on routes to only one or a few seaports could be a serious impediment to international trade and recommended the development of multiple corridors when feasible and the further exploration of the use of inland waterways. To minimize transit costs and time, the Special Body urged member countries to accede to international conventions on land transport facilitation measures, as well as to increase the use of multimodal transport and freight forwarding.

The Special Body recommended that a fourth session of the Special Body be held in 1999 at which the final review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s should be considered. It also endorsed the programme of work under subprogramme 10, Least developed, landlocked and island developing countries, for the biennium 1997-1998 for submission to the Commission.

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## **I. MATTERS CALLING FOR ACTION BY THE COMMISSION OR BROUGHT TO ITS ATTENTION**

### **A. Institutional development for macroeconomic policy management and coordination**

1. The Special Body, after discussion of item 4 of the agenda, generally endorsed the conclusions in secretariat document E/ESCAP/SB/LDC(3)/1. It also considered and endorsed the findings and conclusions of the Consultative Meeting on the Identification of the Institutional Constraints of Selected ESCAP Least Developed Countries on Implementing Macroeconomic Policies and Lessons from East and South-East Asian Countries, held in Bangkok from 2 to 4 April 1997. During the Consultative Meeting, experts from central banks, ministries of finance and planning bodies noted measures to improve the effectiveness of macroeconomic institutions in formulating and implementing policies. The Special Body submits to the Commission for endorsement the following conclusions and recommendations.

#### **Introduction**

2. In all least developed countries of the region, over the last several years there has been a trend towards more market-based development strategies. There are ongoing important structural reforms and efforts directed at downsizing the government sector, with a progressive shift towards privatization or commercialization of government enterprises, and at enhancing the role of the private sector in production activities.

3. All of these tendencies have significant implications not only for the conduct of macroeconomic policies but also for the institutions involved in the design and implementation of these policies (namely, the finance ministry, the central bank or monetary authority and the planning body). Institutional constraints can arise in many areas, including inappropriate institutional arrangements in and among government agencies, deficiencies related to human resources and the absence or inappropriateness of laws, regulations and procedures which determine the authority of the macroeconomic policy institutions.

#### **1. Institutional structures**

4. There is need to develop a clear and focused vision and strategic economic framework to guide macroeconomic policies. This will determine the institutional structure to be adopted.

5. The decision-making machinery of the government needs to be developed to meet the new demands and changing circumstances.

6. Flexibility should be maintained in the government's policy-making processes in order that domestic and external developments can be analysed through policy and programme reviews, and early decisions taken by decision makers.

7. Institutional structures dealing with macroeconomic policies cannot simply be copied from one

country to another. Although institutional structures and mechanisms for checks and balances and coordination need to be strengthened, one should be cautious about replicating the elaborate frameworks that have been constructed in more advanced developing countries. Nevertheless, there are valuable lessons to be learned by the least developed countries from the institutional development of these countries.

8. Policies and institutions will vary with the stage of development of a country as well as its geographic characteristics, its economic and political history, the political philosophy of the government in power and the policies and institutions of its major neighbouring countries or trading partners.

## **2. Effective macroeconomic institutions and policies**

9. There is need to increase the effectiveness of macroeconomic institutions and policies. For this, there is need for a clear strategy for strengthening macroeconomic institutions with defined mandates and institutional responsibilities, and a conscious strategy of maintaining policy consistency and a disciplined approach to policy formulation.

10. Maintaining or stimulating economic growth requires that considerable attention be paid to maintaining an appropriate level of stability in prices and exchange rates and to encouraging predictability and avoiding excessive volatility in these key macroeconomic indicators.

11. There is need to maintain a degree of stability and consistency in policies, *inter alia* because institutions are slow to adapt to policy changes. Lack of or delay in institutional changes may inhibit policy implementation.

12. Transmission mechanisms of macroeconomic policies can be hampered by the lack of or incomplete market infrastructure. The institutional framework of the economy has a direct influence on the choice of policy instruments and institutions. Thus, there is need to tailor the choice of macroeconomic policy instruments to the level of market infrastructure in the economy, and to develop the market infrastructure in countries where it is underdeveloped. This will also enable them to implement a suitable macroeconomic policy.

## **3. Coordinating committee and planning body**

13. It is important to coordinate the functions of the finance ministry and planning body in order to institute appropriate checks and balances in formulating and implementing macroeconomic policies. These functions may be combined into one ministry or kept separate, in accordance with the circumstances faced by individual countries.

14. Several countries have recently merged their planning body and finance ministry. In others, they have been kept separate. The merits of having a merger include strengthening the linkages between the planning and budget processes as well as improving coordination for macroeconomic policies. The

advantage of a separate planning body is to allow for longer-term strategic planning for the country. This seems necessary for setting overall economic objectives, and, among other things, for infrastructure and social development planning.

15. There is value in institutionalizing a macroeconomic coordinating committee or mechanism. It should have a clear mandate within the decision-making process. It should meet frequently and on a regular basis, in order to speed up decision-making.

16. While the standing members of a coordinating committee are the ministry of finance, the central bank and the planning body, there is need to involve the ministry of commerce as well as other economic ministries, research institutions and academics, as appropriate, when the impact of macroeconomic policy changes is likely to have real effects and to ensure cross-policy consistency.

17. Having a fairly long time planning horizon is useful with a mechanism for flexible revisions of intermediate macroeconomic targets, adjusted through the coordinating committee.

18. Various guidelines, such as those on the limits of foreign borrowing, foreign debt-service ratios, and limits of government borrowing from the central bank should be set through discussion in the coordinating committee.

19. There is need to develop an institutional capacity for providing better handling of official development assistance and private capital inflows, and for providing increased coordination among ministries and with the various partners in development, with regard to these. Keeping in view the heterogeneity in donor interests and procedures, such capacity may be in the ministry of finance, the planning body or other central agency designated by the government. It also needs to have mechanisms to promote coordination with the private sector and non-governmental organizations.

#### **4. Policies and private sector**

20. Mechanisms for consulting the private sector need to exist and can include both providing information before policy changes are made and soliciting inputs to policy changes themselves. Governments should encourage the participation of the private sector and non-governmental organizations in the policy formulation process.

#### **5. Human resources development**

21. Human resources development is crucial in ministries, central banks, planning bodies and think tanks within government institutions. There is need to promote high-level technical and managerial training through special government programmes for this purpose.

22. There is need to be able to attract and keep competent individuals, especially in competition with the private sector and to stem the brain drain out of the country.

23. Macroeconomic management training within ministries should cover all levels of staff.

24. Human resources development can be organized by the government *inter alia* through in-house or in-country training, bonded overseas scholarship programmes, short-term overseas diploma courses, attachment training in institutions in other countries and training by expatriates. Every effort should be made to continue the career of the individuals receiving training within the macroeconomic institutions.

25. There is need to provide for increased training of chartered accountants and other professionals involved in prudential supervision of the financial sector. This could be organized at the country level, or through the provision of specialized courses organized at the subregional or regional level.

## **6. Public awareness**

26. There is need to promote public education and awareness of critical macroeconomic issues.

27. The holding of open public policy debates can be helpful. These can be at the local or national level. Round tables can be organized by local think tanks.

28. There is need to provide comprehensive public information in an understandable form through the media; the content of information needs to be sensitive to the general level of education of the public.

29. There is need to keep the elected representatives informed. Issues of critical importance should be discussed in the parliament.

30. When necessary, technical advisers can be engaged to provide sound advice to public officials.

31. Regional or subregional debates may be useful for exchange of experience or when macroeconomic policies in one country impinge on those in other countries.

## **7. Role of macroeconomic think tanks**

32. Macroeconomic think tanks within the government are necessary to provide policy advice. In countries where there are shortages of technocrats, some of the staff could be expatriates. The development of a think tank can benefit from support from those of developed economies or other relatively more advanced developing countries.

33. Independent macroeconomic think tanks subsidized by the government may be encouraged and developed. These can have several important functions within the macroeconomic institutional framework, including undertaking work for the planning body and for the longer-term strategic vision; providing short-term macroeconomic forecasts; undertaking assessments of policy options; providing technical advice to macroeconomic coordination mechanisms for annual budget exercises; providing assistance to government officials, technocrats and politicians; transferring research technology to government departments; and contributing to public debates on macroeconomic policy and performance.

## **8. Data collection and monitoring systems for macroeconomic variables**

34. There is need to improve data collection systems for macroeconomic variables in terms of their updating, timely availability, consistency and reliability. While data can be collected by different relevant agencies, there should be some coordination in their work, without forcing uniformity.

35. There is need for good monitoring systems in both line ministries and central planning bodies for assessing and coordinating external assistance and public sector investment programmes.

36. The performance of macroeconomic policies clearly depends on labour market conditions and labour market rigidities, the degree of inequality of income distribution and the degree of attention paid to environmental problems and sustainability of natural resources. Collection of data and information on these variables is needed urgently and regularly in order to assess interactions and policy implications.

### **9. Fiscal policy formulation and implementation**

37. Appropriate mechanisms should be put in place to promote sound and disciplined budgetary or fiscal approaches, including adequate analytical capacity, databases, monitoring capacity and tax systems.

38. There is need to increase public awareness of the importance of taxation through more public education campaigns on the civic responsibility to pay taxes and other public dues; a simple, transparent and fair system of revenue-raising, with emphasis on using instruments that are relatively easy to calculate and collect; a tax system applied in a consistent manner over the business cycle to act as an automatic stabilizer; promotion of understanding of the relationship between tax payment and the development of creditworthiness for loans from the formal financial system, especially for small and medium-sized enterprises; and effort to develop the capabilities of tax administration officials, including establishing special training facilities.

39. Governments should actively consider ways and means to contain fiscal deficits in order to maintain financial and economic stability in their countries and to ensure complementarity between fiscal and monetary policies, including, if necessary, through having a fiscal rule or law directly relating maximum expenditure levels to total revenue levels.

### **10. Monetary policy formulation and implementation**

40. There is need for the central bank or monetary authority to be effective, with a high degree of authority within a country. It should have a fair degree of independence and the composition of the board of the bank or authority should be fairly widely representative of the economy. The names of the members of the board should be reported to the cabinet.

41. Financial deepening should first put focus on the development, stability and credibility of the banking system, before that of the capital markets (stock and bond markets); a sound banking system and a habit of using the banking system for savings are preconditions for further financial deepening and

42. In recognizing the need to expand the financial system in least developed countries, entry and exit conditions for banks and other financial institutions should allow the development of a sound and competitive financial system. Any expansion should also take into account the need to expand the supervisory capability of the central bank and other supervisory agencies.

43. There is need for some standardization of prudential rule supervision of the financial sector in terms of content, timing etc.; there may be need for consolidation of supervision of the overall financial sector, including the non-bank financial institutions. The supervision and monitoring unit in the central bank should be accorded a high degree of autonomy within the bank in the exercise of its functions.

44. To improve the availability of long-term capital, there is a role for development finance institutions which operate on commercially viable principles.

### **11. Follow-up action**

45. The use of technical cooperation among developing countries (TCDC) and economic cooperation among developing countries (ECDC) should be fostered to provide support for institution-building in least developed countries in the areas of policy decision-making processes, implementing techniques, development of think tanks and human resources development of various kinds.

46. Technical assistance should be sought from bilateral and multilateral donors and international organizations to assist in overcoming institutional constraints to the implementation of macroeconomic policies, including in the areas of policy planning and economic management, public sector reform, the utilization of foreign aid, capacity-building for tax system analysis and for budget analysis and financial sector development.

47. It was recognized that efforts towards macroeconomic adjustments might impose transitional hardships on certain population groups within a country. International assistance should be provided to assist least developed countries in establishing social safety nets for mitigating such hardships.

48. ESCAP should be requested to organize a high-level meeting for least developed countries in which the implementation status related to the issues in paragraphs 2-47 above could be reviewed and further advice and guidance given. This could be a special session of the Special Body on Least Developed and Landlocked Developing Countries.

### **B. Issues and problems of landlocked countries and modalities for addressing them**

49. The Special Body recognized the need of the landlocked developing countries in Asia for unhindered, reliable and efficient access through alternative routes to all possible major ports as well as countries in Asia and Europe as a necessary condition for partnership in the ongoing regionalization and



globalization processes.

50. The Special Body also recognized that the availability and choice of such alternative routes, minimization of transit costs and time, and cooperation among the governments and organizations concerned constituted major problem areas to be addressed.

51. As far as the availability and choice of the alternative routes are concerned, the Special Body:

(a) Stressed the importance of the implementation of the integrated project on Asian land transport infrastructure development (ALTID), comprising the Asian Highway and Trans-Asian Railway projects as well as facilitation of land transport, and Commission resolution 52/9 of 24 April 1996 on Intra-Asia and Asia-Europe land bridges. It urged all the landlocked developing countries in the region to join the ALTID project, if they had not yet done so, and to put more emphasis on the implementation of resolution 52/9. The importance of the early completion of a detailed study by the secretariat on the development of the Trans-Asian Railway in the southern corridor of Asia-Europe routes (including linkages between Bangladesh, China, India, Myanmar, Nepal and South-East Asia) was also stressed;

(b) Urged the secretariat to initiate the development of draft ESCAP agreements on Asian Highway and Trans-Asian Railway routes and networks, as recommended by the Ministerial Conference on Infrastructure, held at New Delhi in October 1996, to provide a legal framework for eventual unhindered access to the routes;

(c) Recommended that the secretariat should carry out a special study to assess the potential of inland waterways of international importance in Asia for the transit transport of the landlocked developing countries.

52. With regard to minimization of transit costs and time on transit routes of the landlocked developing countries in Asia, the Special Body:

(a) Urged the landlocked developing countries and their neighbouring States to take the necessary action, if they had not yet done so, to become parties to the international conventions listed in Commission resolution 48/11 of 23 April 1992 on road and rail transport modes in relation to facilitation measures. To that end, the secretariat should organize a subregional seminar for South Asian Association for Regional Cooperation (SAARC) countries on the benefits of accession to land transport facilitation conventions similar to those conducted for the members of the Economic Cooperation Organization (ECO) (1994), North-East Asia (1996) and the Greater Mekong subregion (1996); undertake advisory missions on request; and assist in organizing follow-up national workshops in the landlocked developing countries;

(b) Recommended that the landlocked developing countries, as well as transit countries, should consider, if they had not yet done so, becoming parties to the Convention on Transit Trade of

(c) Recommended that the secretariat should undertake corridor studies along the transit routes of the landlocked developing countries where necessary and with the concurrence of the countries concerned, to identify non-physical impediments to traffic flows and suggest measures to overcome the problems identified;

(d) Urged ESCAP members with seaports serving the landlocked developing countries to consider, if they had not yet done so, appropriate steps to become parties to the Convention on Facilitation of International Maritime Traffic (FAL Convention) of 1965, while ESCAP should continue organizing related seminars and workshops, as well as advisory missions on request;

(e) Noted the increasing importance of transport logistics for the efficient international transport of the landlocked developing countries, and requested the secretariat to put more emphasis on providing assistance to those countries, in improving multimodal transport and freight forwarding through special seminars, workshops, and advisory services on request; and the formulation of working documents for the development of subregional multimodal transport agreements in cooperation with ECO and SAARC, similar to the draft ASEAN agreement of 1995 which had been prepared with ESCAP assistance. The landlocked developing countries should initiate the necessary action for the introduction, development and strengthening of electronic data interchange (EDI) on a step-a-step basis;

(f) Recommended that it might be useful for landlocked developing countries and the other countries along the transit routes to undertake studies and projects related to the operational performance of transit routes for which they could avail themselves of assistance from ESCAP and other international organizations and agencies.

53. For the effective utilization of limited available resources, the Special Body recommended that the secretariat should further promote cooperation with other international organizations involved, particularly with ECO and SAARC, as 9 out of the 12 landlocked developing countries in Asia were members of those subregional organizations.

54. The Special Body supported the role of the International Civil Aviation Organization (ICAO) in assisting least developed countries and landlocked developing countries in: (a) addressing difficulties and problems such States might have in terms of their participation in international air transport; and (b) in providing transit facilities through the International Air Services Transit Agreement (IASTA). However, some of the countries were not yet parties to IASTA and the Special Body urged them to become parties.

### **C. Implementation of the programme of work, 1996-1997**

55. During the deliberations on item 6 of the agenda, the Special Body had before it the secretariat document: "Implementation of the programme of work, 1996-1997" (E/ESCAP/SB/LDC(3)/3). The Special Body noted with appreciation the various activities implemented for the least developed countries and landlocked developing countries under the programme of work, 1996-1997. It also considered the draft programme of work for the biennium 1997-1998. It recommended that a fourth session of the Special Body be held in 1999, at which the final review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s, based on a study to be prepared by the secretariat, should be considered. That review would then constitute an input into the final global review of the Programme of Action. The Special Body endorsed the programme of work under subprogramme 10, Least developed, landlocked and island developing countries, for the biennium 1997-1998, for submission to the Commission.

## **II. PROCEEDINGS OF THE SPECIAL BODY AT ITS THIRD SESSION**

56. During its deliberations on items 4 and 5 of the agenda, the Special Body had before it the following secretariat documents: "Institutional development for macroeconomic policy management and coordination" (E/ESCAP/SB/LDC(3)/1) and "Issues and problems of landlocked developing countries and modalities for addressing them" (E/ESCAP/SB/LDC(3)/2). It commended the secretariat on those documents, which provided a solid basis for its deliberations.

### **A. Institutional development for macroeconomic policy management and coordination**

57. Under the item on institutional development for macroeconomic policy management and coordination, the findings and conclusions of the Consultative Meeting on the Identification of the Institutional Constraints of Selected ESCAP Least Developed Countries on Implementing Macroeconomic Policies and Lessons from East and South-East Asian Countries were presented to the Special Body.

58. The Special Body noted that a major change in the development paradigm had been witnessed in recent years. While it had been universally recognized that governments played a critical role in shaping the pace and pattern of development, the strategic approach to growth and development was increasingly focused on enhancing the role of the private sector. It recognized that an important lesson from the rapidly growing economies of East and South-East Asia was that governments were responsible for creating the enabling environment for the private sector to contribute to economic growth and to bring desired structural changes. Macroeconomic stability, characterized by low rates of inflation as well as stable exchange and interest rates, had been an essential component of that environment. That allowed countries to benefit from liberalization and globalization processes, and to attract foreign direct investment. It noted that those results could not have been obtained without coordinated formulation and implementation of macroeconomic policies by key government institutions.

59. The Special Body took note of the project being implemented by the secretariat identifying institutional constraints in least developed countries to the formulation and implementation of macroeconomic policies, including those in coordination among government agencies. It noted that institutional development was a crucial but difficult issue for least developed countries and appreciated the efforts of their experts from central banks, ministries of finance and planning bodies to present key issues in that regard to governments. It also expressed appreciation to the Government of the Republic of Korea for its generous financing of the project.

60. The Special Body noted the importance of human resources development for the establishment and successful running of the institutions for design and implementation of macroeconomic policies. It noted the important role played by think tank institutions in the formulation of macroeconomic policies in a number of developing countries. Those institutions could be part of economic ministries or could function autonomously. They could carry out research on economic problems and suggest appropriate measures to tackle them. They could also provide independent, objective evaluation of government economic policies and programmes.

61. The Special Body discussed the issue of mergers between central planning bodies with ministries of finance to achieve better coordination of macroeconomic policies. The main disadvantage of that approach was that long-term developmental issues tended to receive less than the desired attention, while short-term macroeconomic concerns dominated.

62. The Special Body noted the importance of the foreign private sector in terms of its provision of financial resources for the development of the least developed countries. However, least developed and landlocked developing countries had not been very successful in attracting foreign private capital. Therefore, ways and means should be explored to enhance private capital inflows to those countries, including from other developing countries.

63. The Special Body discussed at length the merits of having strict rules and laws to contain fiscal budget deficits at a certain specified level. Least developed countries, on account of a shortage of financial resources, might incur budget deficits for financing their development. In pursuing that strategy, close monitoring of macroeconomic stability became very important so that inflationary pressure did not develop. High inflation in general had an adverse impact on the poor rather than the rich.

64. The Special Body noted that agriculture was the most important sector of the economy in the least developed countries in terms of its contribution to gross domestic product (GDP) and the provision of employment. Without its sustained development, the problem of poverty could not be eradicated from those countries. There was also need for dynamic structural adjustment programmes to assist in industrialization, supported by the training of managers to operate enterprises.

65. A number of developing countries mentioned their assistance programmes to least developed and landlocked developing countries under TCDC and ECDC arrangements, including to support the development of macroeconomic institutions. Technical assistance programmes included fellowships, study tours and training workshops. Those countries pledged to continue and strengthen their assistance programmes for least developed and landlocked developing countries.

#### **B. Issues and problems of landlocked countries and modalities for addressing them**

66. The Special Body recognized that with "just-in-time" delivery and cost-effective transport becoming almost a prerequisite for efficient international trading, it was essential that adequate attention be given to resolving transport problems which were currently constraining the development of international trade and tourism. For the landlocked developing countries, the provision of reliable transport services was vital if they were to compete in an increasingly open market environment.

67. It further noted that in today's context of ongoing regionalization and globalization, the dependence of those countries in Asia on routes to one or only a few seaports could become a serious impediment to international trade. The answer lay in the unhindered, reliable and efficient access through alternative routes to all major seaports, as well as countries in Asia and Europe.

68. The Special Body also took note of (a) information provided by India, the Lao People's Democratic Republic and Nepal on the development of bilateral agreements with neighbouring countries to facilitate trade; (b) the policy of the Lao People's Democratic Republic to become a land-link country in the Greater Mekong subregion; (c) priority Asian Highway routes in India; and (d) the statement by the secretariat that the necessary corrections would be made in the draft map in figure IV of document E/ESCAP/SB/LDC(3)/2.

69. The Special Body also noted three projects that were being taken up for implementation by

ICAO during the sixth intercountry programme cycle of the United Nations Development Programme (UNDP), that is (i) civil aviation human resources development master planning for the least developed countries and high priority training; (ii) programme for economic reform in civil aviation -Asia and the Pacific; and (iii) poverty alleviation through rural airfield development in those countries.

70. The Special Body noted the offers of continued possible assistance to least developed countries and landlocked developing countries in the field of transport from China, India, Indonesia and Thailand.

### **III. ORGANIZATION OF THE SESSION**

#### **A. Opening of the session**

71. The third session of the Special Body on Least Developed and Landlocked Developing Countries was held in Bangkok on 21 and 22 April 1997.

72. In his opening address, the Executive Secretary noted that despite efforts to implement economic reforms, the least developed countries had been unable to meet the objectives set forth in the Programme of Action for the Least Developed Countries for the 1990s. Among the constraints that had inhibited the implementation of macroeconomic policies, limited the extent of economic reforms and deterred the pace of economic growth were those embedded within the structure and functions of the institutional frameworks. The identification of institutional constraints which inhibited implementation of sound macroeconomic policies should include a strong focus on the arrangements for coordination among agencies responsible for policy formulation and implementation. Understanding of the interrelationship between monetary policies, their instruments and the stage of development of the financial sector was crucial.

73. For landlocked developing countries, the provision of reliable transport and communication services was vital in order for them to compete effectively and adequate attention should be given to resolving transport problems which were currently constraining the development of international trade and tourism. Since dependence on land routes could be a serious impediment to international trade, unhindered access to major seaports in Asia and Europe was critical.

74. Since the Special Body served as a platform for calling attention to the special needs of those countries and for soliciting support from other member countries of the Commission, the Executive Secretary urged the promotion of technical and economic cooperation among developing member countries of the Commission for the benefit of the least developed countries, and proposed that at its fourth session the Special Body should focus on the final review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

#### **B. Attendance**

75. The session was attended by representatives of the following members and associate members of the Commission: Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Kiribati, Lao People's

Democratic Republic, Mongolia, Myanmar, Nepal, Netherlands, Northern Mariana Islands, Philippines, Republic of Korea, Samoa, Solomon Islands, Thailand, United States of America, Uzbekistan and Vanuatu.

76. Representatives of the following United Nations body and specialized agency also attended the session: United Nations Conference on Trade and Development (UNCTAD) and International Civil Aviation Organization (ICAO).

### **C. Election of officers**

77. The meeting elected Mr Punya Prasad Dahal (Nepal) Chairperson, Mr Steveen Kara (Solomon Islands) and Ms Sunee Sakaorat (Netherlands) Vice-Chairpersons, and Mr Fakrul Ahsan (Bangladesh) Rapporteur.

### **D. Agenda**

78. The meeting adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Institutional development for macroeconomic policy management and coordination.
5. Issues and problems of landlocked countries and modalities for addressing them.
6. Implementation of the programme of work, 1996-1997.
7. Other matters.
8. Adoption of the report.

### **E. Adoption of the report**

79. The Special Body adopted its report on 22 April 1997.

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