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Sessional Committee I

REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION
FOR LEAST DEVELOPED COUNTRIES FOR THE 1990S AND REVIEW OF THE STATUS
OF THE PREPARATORY PROCESS FOR THE THIRD UNITED NATIONS CONFERENCE
ON THE LEAST DEVELOPED COUNTRIES

DRAFT AGREED CONCLUSIONS

**A. Review of progress in the implementation of the Programme of Action for
Least Developed Countries for the 1990s**

1. While commending the quality of the Overview to *The Least Developed Countries 1999 Report* and the relevance of the theme of the *1999 Report*, and taking note of the reasons given for its delay, disappointment was expressed that the full *Report* was not available to facilitate deliberations. UNCTAD was urged to accord similar status and resources to the preparation of future editions of *The Least Developed Countries Report* as to the other UNCTAD flagship reports, and was called upon to ensure that the *1999 Report* was finalized and distributed as soon as possible in order to provide a solid basis for discussions and preparations for UNCTAD X and the Third United Nations Conference on the Least Developed Countries.

2. The major structural weaknesses underlying poor production capacities and competitiveness in the least developed countries (LDCs), including deficiencies in physical infrastructure, low human-resource development and insufficient resources to address major investment needs, were noted. It was considered that a participatory preparatory process for the Third United Nations Conference on the Least Developed Countries would shed further light on those problems, help find solutions and give new impetus to commitments in favour of LDCs.

3. LDC Governments, with the support of the international community, were encouraged to pursue and deepen the economic reforms and structural adjustment programmes as well as public policy in addressing investment in human resources and physical infrastructure and in creating an enabling environment for peace, economic growth and development. In that regard, the importance of comprehensive and integrated development strategies that are people-centred and results-based was highlighted. LDCs should be assisted in designing and implementing all-encompassing development strategies, for the benefit of all people and capable of generating economies that are integrated nationally and regionally.

4. The paucity of resources to finance the enhancement of productive capacities is one of the important constraints on the development of LDCs. In the light of the poor prospects for the internal mobilization of adequate development resources, through domestic savings and the production of adequate exportable surpluses, official development assistance (ODA) flows continue to be of critical importance in sustaining growth and development in LDCs. However, those flows have continued to decline and only a few donor countries have met or surpassed their agreed ODA targets. In real terms, ODA flows to LDCs have fallen by 23 per cent since the beginning of the decade. Donor countries were called upon to increase the level of aggregate financial support to LDCs in line with the ODA targets contained in the Programme of Action for Least Developed Countries for the 1990s. Coordination among donors, full ownership and the adoption of sound domestic policies by the recipient country are necessary conditions for effective and well-targeted assistance.

5. The LDCs' debt burden represents one of the major obstacles to economic and social development and it is imperative to proceed more vigorously with debt relief. Recent initiatives, including the G-7 Cologne Summit initiative and the endorsement of the Enhancement Framework by the Ministerial Meeting of the Interim and Development Committees of the International Monetary Fund and the World Bank, which promise to expedite the resolution of the debt problem of the heavily indebted poor countries, were welcomed.

6. Along with the need to improve productive capacity and overcome supply-side constraints, the need for improved and unencumbered market access for LDCs was highlighted. A call was made for immediate action to improve export opportunities for LDCs and assist their integration into the multilateral trading system. In that context, the proposals submitted by LDCs to the Third World Trade Organization (WTO) Ministerial Conference were noted. The WTO accession process for LDCs which are not yet members was recognized as an integral and important part of efforts to reverse the current marginalization of LDCs in world trade and support their efforts to become integrated into the world economy and international trading system. In that regard, the UNCTAD secretariat was called upon to continue strengthening its efforts to assist LDCs through analytical work to facilitate the formulation of a positive agenda in trade negotiations for LDCs and through technical assistance to strengthen their capacity to defend their interests in future negotiations.

B. Review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

7. The timely initiatives undertaken by the Secretary-General of UNCTAD, in his capacity as Secretary-General of the Conference, and by the Executive Secretary of the Conference, to launch the preparatory process for the Conference, including the establishment of the Consultative Forum, inter-agency consultations and the initiation of country-level preparations, were welcomed. The approach proposed by the Secretary-General of the Conference, to base the global-level preparatory process for the Conference on comprehensive and participatory country-level

preparatory activities, was noted. While calling upon the Conference secretariat to observe cost-effectiveness, donors who had not already done so were encouraged to provide the UNCTAD Conference secretariat with the resources required to facilitate the preparatory process, particularly at country level.

8. UNCTAD, as a focal point for the LDCs in the United Nations system, has an important role to play in assuring the realization of an inclusive vision of development and the evolution of a global economy that provides opportunities for all. Continued support was expressed for UNCTAD's activities in the form of both technical assistance and analytical work. A special call was made to ensure that the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries in UNCTAD was provided with the necessary support and adequate resources to carry out its important task.

9. The relevant upcoming global meetings and conferences, including the Third WTO Ministerial Conference, UNCTAD X, reviews of major global conferences, the Millennium Assembly and the high-level international intergovernmental consideration on financing for development, should contribute to, and be linked with, the preparatory process of the Third United Nations Conference on the Least Developed Countries. Other ongoing and planned initiatives on LDCs should be monitored by the Conference secretariat and their outcomes relevant to LDCs should be brought under the overall umbrella of the preparations for the Conference with a view to ensuring consistency, coherence and effectiveness.

10. Any possible future action plan for LDCs would need to be flexible enough to accommodate unexpected developments in the global economy and to meet the challenges of LDCs in the next century. Most importantly, there is a need to clearly spell out goals and objectives, as well as to make specific resource commitments and identify the necessary performance criteria by which to assess whether the goals have been attained at specific time periods.

C. Technical Assistance

11. Enhancing and improving trade-related technical cooperation is a key element in supporting LDCs' efforts to integrate into the multilateral trading system. In that regard, concern was expressed at the slow pace of implementation of the Integrated Framework for Trade-Related Technical Assistance. The need to continue to enhance and improve coordination and coherence among the agencies, the LDC concerned and donor countries involved in the implementation of the Integrated Framework was emphasized.

12. The regular review and replenishment of the LDCs Trust Fund was stressed. The secretariat's intention to publish a report on the activities financed and additional resource requirements for the LDCs Trust Fund was welcomed.