



# LDC-specific International Support Measures



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# LDC ISMs

- Development assistance
- International trade
- General support

*[Smooth transition provisions]*



# Development Assistance



# Official development assistance

- **Financial aid and technical assistance**
- **Multilateral and bilateral partners**

## **Modalities and commitments:**

- ➔ DAC: 0.15 to 0.20% donor's GNI
- ➔ Untied aid: max extent possible
- ➔ Average grant element: 90% all LDCs (given year) or 86% each LDC (3 years)

## **Important!**

ODA is **not** LDC-specific, just the modalities and the targets.

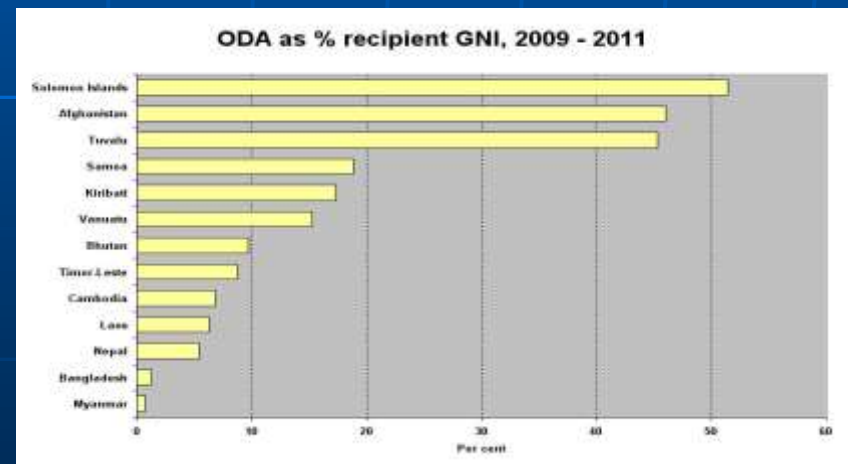
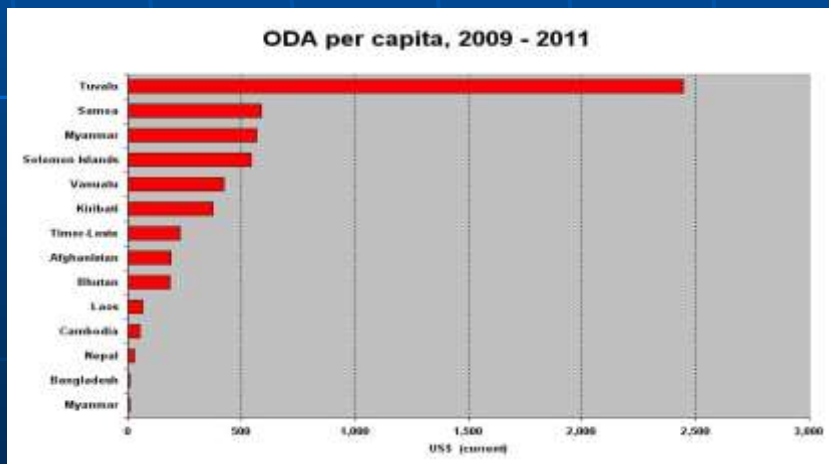
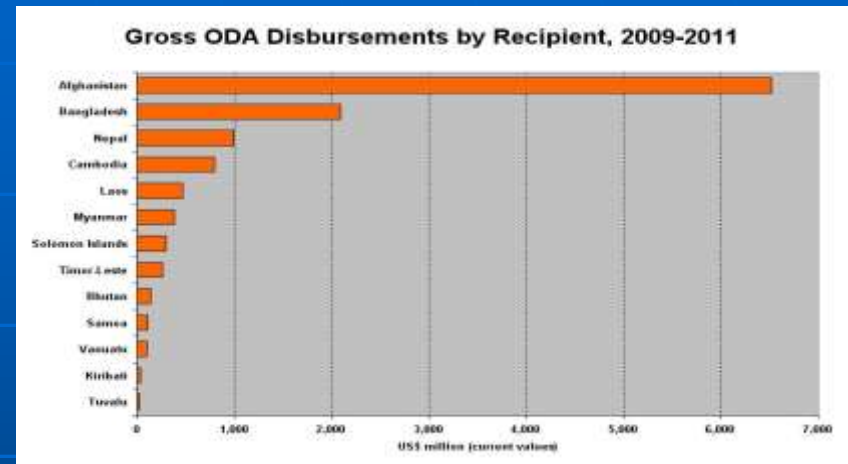
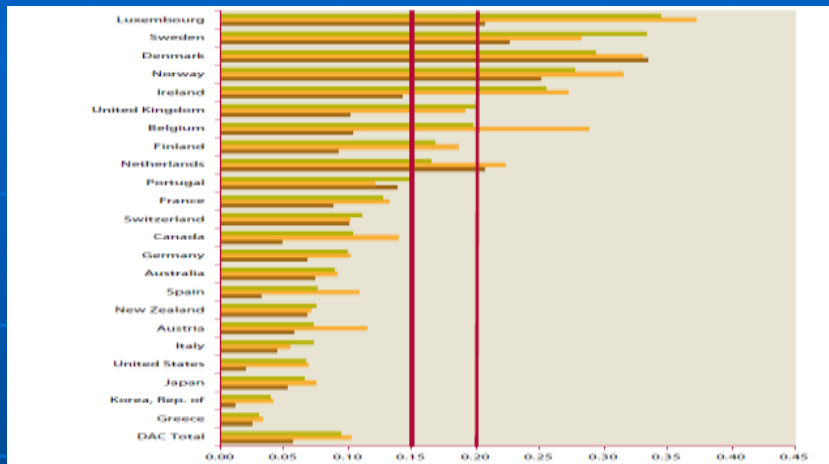
Donors allocation **not** based on LDC status: overlap criteria

# ODA modalities (cont.)

- Targeted budget set asides by some multilaterals:  
UNDP, UNICEF, WFP, others
- Targeted funds/technical cooperation programmes:  
GEF-LDCF, UNCDF, EIF, others  
- Smooth transition available LDCF and EIF

**Attention!** There are **NO** LDC-specific measures or programmes at World Bank and IMF.

# ODA flows, 2009-2011



# EIF approved projects (Nov 2012)

Country	Tier 1	Tier 2	Total
Afghanistan	450,000		450,000
Bangladesh	450,000		450,000
Bhutan	450,000		450,000
Cambodia	909,900	2,407,714	3,317,614
Lao	1,236,999		1,236,999
Maldives	900,000		900,000
Nepal	900,000	711,550	1,611,550
Samoa	1,100,000		1,100,000
Solomon Islands	900,000		900,000
Timor-Leste	50,000		50,000
<b>Total above</b>	<b>7,346,899</b>	<b>3,119,264</b>	<b>10,466,163</b>
<b>Total LDCs</b>	<b>36,251,053</b>	<b>24,109,303</b>	<b>60,360,356</b>

# GEF/LDCF approved or endorsed NAPA projects (as of Oct 2013; US dollars)

Country	Total LDCF amount (grant + fees)	Co-financing
Afghanistan	16,003,500	45,109,000
Bangladesh	10,010,000	49,139,000
Cambodia	22,360,995	70,289,607
Kiribati	8,300,000	16,190,000
Lao PR	10,301,995	38,952,944
Maldives	6,814,981	6,561,649
Nepal	15,799,240	41,235,516
Samoa	10,587,000	30,332,500
Solomon Islands	7,700,000	40,405,000
Timore Leste	11,072,150	131,527,179
Tuvalu	8,453,500	24,555,880
Vanuatu	15,411,000	38,998,217



# International Trade



# International trade

## → Special and differential treatment WTO

- Increase trade opportunities for LDCs
- Safeguard the interests of LDCs
- Flexibility in rules and disciplines
- Longer transitional periods
- Provision of technical assistance

### *The fine print:*

- Some expired
- Not all are binding
- Acceding members (2012 Guidelines vs. Article XII)
- No smooth transition

## → Preferential market access

- Lower Tariffs
- DFQF
- Smooth transition: some partners

# Asia Pacific LDCs and the WTO

Country	WTO accession
Afghanistan	in process
Bangladesh	1995
Bhutan	in process
Cambodia	2004
Kiribati	...
Lao PDR	2013
Myanmar	1995
Nepal	2004
Samoa	2012
Solomon Islands	1996
Timor-Leste	...
Tuvalu	...
Vanuatu	2012

# Special and differential treatment

- **The 1979 Enabling Clause:** *"Special treatment of the least developed among the developing countries in the context of any general or specific measures in favour of developing countries."*
- **Preferential tariff treatment of LDCs:** *"The provisions of Article 1 of the GATT 1994 shall be waived until 30 June 2009, to the extent necessary to allow developing country Members to provide preferential treatment to products of the least developed countries [...]"* [adopted in 1999, extended to 2019]
- **Services Waiver:** *"Members may provide preferential treatment to services and service suppliers of least-developed countries with respect to the application of measures described in Article XVI"* [MFN market access, adopted in Dec 2011, valid for 15 years]
  - Generalized System of Preference (GSP)
  - Regional and bilateral agreements
  - Global System of Trade Preferences (GSTP)
  - Developing country trading partners

# DFQF access in GSP schemes WTO developed Members, 2010

<b>Country</b>	<b>Duty-free coverage (exclusions)</b>	<b>Number of Dutiable lines (national tariff lines)</b>
Australia	100 per cent	None
Canada	98.8 per cent (dairy, eggs and poultry)	102
European Union	99.8 per cent (arms and ammunitions)	22
Japan	98.2 per cent (rice, sugar, fishery products, articles of leather)	164
New Zealand	100 per cent	None
Norway	100 per cent (except roses)	1
Switzerland	100 per cent (except two cheese items)	2
United States	82.4 per cent (dairy products, sugar, cocoa, articles of leather, cotton, articles of apparel and clothing, other textiles and textile articles, footwear, watches, etc.)	1,834

# DFQF access for LDC products in selected WTO developing country members

<b>Country</b>	<b>Duty-free coverage</b>
China	At present, 60 per cent of all tariff lines covered by DFQF access, with an aim to increase to 97 per cent of its tariff lines
India	Duty-free access for 85 per cent of tariff lines by 2012, and a margin of preference above MFN for an additional 9 per cent of tariff lines
Korea, Republic of	95 per cent of tariff lines (as of January 2012)
Chinese Taipei	Nearly 32 per cent of tariff lines (2010)
Turkey	Nearly 80 per cent of tariff lines (2010)

# Preferential access: EBA imports, 2009

EBA Countries	Total Imports (€ 1,000)	Eligible Imports (€ 1,000)	Preferential Imports (€1,000)	Eligibility Rate (% total imports)	Utilization Rate (% eligible imports)
Afghanistan	14,447.35	3,726.67	191.08	25.8	5.1
Bangladesh	5,801,965.43	5,722,986.23	4,543,072.26	98.6	79.4
Bhutan	2,326.87	490.07	65.78	21.1	13.4
Cambodia	764,629.86	747,022.87	553,642.71	97.7	74.1
Kiribati	345.53	158.29	8.57	45.8	5.4
Lao PDR	138,008.03	120,540.18	107,208.79	87.3	88.9
Myanmar	155,864.99	-	-	0.0	0.0
Nepal	74,241.43	65,236.52	59,541.54	87.9	91.3
Solomon Islands	21,029.09	20,577.99	19,965.05	97.9	97.0
Timor-Leste	3,634.41	34.07	-	0.9	0.0
Tuvalu	37.32	13.28	-	35.6	0.0
Vanuatu	20,963.20	1,811.31	1,745.56	8.6	96.4
Yemen	27,900.27	15,269.91	13,466.46	54.7	88.2

# General support





# General Support

## Travel support

- Attendance GA sessions
- Others (UNFCCC, UN Convention Against corruption, etc)
- Travel funds
  - UNFPA (\$170K/year)
  - UNIDO (€300K/year)
  - Others

(Some smooth transition provisions)

## Caps to budget contribution

- *Regular UN budget*: LDC limited to 0.01 per cent (\$236,317 in 2012). Bangladesh is the only AP beneficiary of the 0.01% cap in 2012, savings of \$756K
- *Peace Keeping Operations*: 90% cent discount in PKO budget
- *Budget caps*: UNIDO, WMO, others

(No smooth transition provisions)

# General Support (cont.)

- Grants, fellowships, scholarships: bilateral, multilateral and private
- Other forms of support by the UN system: research, policy analysis and advice, advocacy, support relevant intergovernmental processes
- Smooth transition and graduation