

# **OPTIMIZING INTERNATIONAL SUPPORT MEASURES FOR LDCs**

## **ACCESS > UTILIZATION > EFFECTIVENESS**

### **Special Event**

**Fourth United Nations Conference on the Least Developed Countries  
Topkapi B, Lutfi Kirdar Convention and Exhibition Centre  
Wednesday 11 May 2011, 1:15–2:30 p.m.**

### **Opening remarks by**

**Mr. Jomo Sundaram, Assistant Secretary-General on Economic Development  
UN Department of Economic and Social Affairs**

Ladies and gentlemen,

The challenges faced by the least developed countries (LDCs) are not new. Nor have they been unnoticed by the UN and the international community:

- In 1964, UNCTAD-I noted that policies and measures for the economic development of developing countries needed to take into account the different stages of development of the developing countries.
- Development experts have long acknowledged that the most disadvantaged economies were seriously lagging behind and were unable to overcome their handicaps to growth without specifically tailored measures and additional support by the international community.
- Towards the end of the 1960s, special measures for dealing with the problems confronting these countries were recommended. These led to the creation of the category of LDCs in 1971.

These developments took place over 40 years ago. Fast forward to 2011, and the LDCs continue to lag behind the rest of the developing countries.

It is important to remark that there will always be a group of least developed countries, since this is a relative concept and there will always be countries in the bottom. Yet, the fact that there is no change in the composition of the group of LDCs is worrisome. Among the countries that composed the group in 1971, Botswana is the only one to leave the group.

Membership has increased over the years, indicating severe setbacks to development in some countries. Even more troublesome is the fact that the gap between the group and other developing countries is, in general, widening, instead of shrinking:

- At the end of the 1980s, the average income per capita in LDCs as a share of the average per capita income of non-LDC developing countries was 37 per cent. Thirty years later, that share had fallen to 19 per cent.
- LDCs have also become increasingly vulnerable compared to the rest of the developing world. As measured by CDP's economic vulnerability index (EVI), economic vulnerability in the LDCs was, on average, 19 per cent higher than in non-LDC developing countries in the late 1980s. By 2006, it was almost 30 per cent higher.

On the positive side, there has been some important progress in reducing other disparities in terms of some social indicators (such as the under-five mortality ratio and primary school enrolment ratios). Yet, this has been not enough to close the gap in other areas and to lift LDCs out of the category.

This suggests severe shortcomings, both in designing and supporting an effective development strategy for the LDCs themselves to transform their economies. These deficiencies and failures need to be identified and discussed. In fact, some are well known, but need to be urgently addressed.

While LDCs are responsible for their own development, this event will center on the role of the international community in supporting those efforts. Focus is given to existing measures available to LDCs and their impact on progress in these countries.

In this regard, two efforts have been developed in the last year:

First, the DESA-Committee for Development Policy Secretariat project to improve LDC capacity to more effectively benefit from support measures available to them. LDCs seem to know little of such measures, which certainly constrains their ability to make use of them. Thus, there is a need to better provide LDCs with information about support measures, to verify the extent of their utilization, and to identify major constraints to their use.

The other initiative led by Prof. Patrick Guillaumont has undertaken important work evaluating the effectiveness of support measures in removing structural impediments to sustained growth and poverty eradication in LDCs.

The conclusions of these two initiatives should contribute to strengthening the international development strategy for LDCs. It is hoped they will help replace the vicious cycle of economic marginalization and poverty with a virtuous cycle of productive integration into the global economy and ensure prosperity for the peoples of these countries.

Thank you