

LEAST DEVELOPED

8622
aspects of development



Volume
II



TRADE PROMOTION CENTRE, NEPAL

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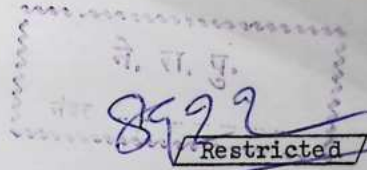
KATHMANDU, 1981



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PREFACE

The present publication is a selective compilation of relevant documents relating to UN meetings and proceedings on developmental issues of the least developed countries. This is the second volume in its series, the earlier having been published in 1972. The documents in the present volume have been compiled as of 1980.

The least developed countries as a sizable section of the international community continue to remain in the world's economic backwaters and continue to project a rather harsh developmental scenario. All economic and social indicators currently available would simply vouch the difficult times that these countries are passing through. This disturbing situation refuses to change for the LDCs primarily for lack of adequate resources and economic support.

It is notable, however, there is among the world community today an increased awareness of the problems besetting the LDCs. The forthcoming UN Conference on the LDCs in Paris would certainly be one most crucial international forum to tackle the developmental issues of the LDCs. Clearly, the establishment of the New International Economic Order (NIEO) would only be possible if the socioeconomic conditions of the developing countries - among which the LDCs remain the most hard pressed - are sufficiently improved.

The Centre has been regularly bringing out publications relating to trade and more particularly export promotion related issues. The present publication, it is hoped, would be of interest to the country's administrators, academicians, businessmen and all alike who have their own roles to play in the nation's development process.

Shanta Ram Bhandary

Executive Chairman

August 1981.

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INTERNATIONAL RESOLUTIONS

3036 (XXVII). Special measures in favour of the least development among the developing countries

The General Assembly,

Having considered the report of the United Nations Conference on Trade and Development on its third session 1/ and the report of the Trade and Development Board for the period from 22 September 1971 to 25 October 1972, 2/

Bearing in mind the joint statement by eight socialist countries at the twenty-fifth session of the General Assembly concerning the Second United Nations Development Decade and social progress 3/ and their declaration at the third session of the United Nations Conference on Trade and Development, 4/

Conscious that the production capacity and trade flows of the least developed among the developing countries have been and continue to be extremely low, and that it is urgent for the commercial policy measures which are applied to all developing countries to be supplemented by liberal and considerably larger contributions of financial and technical assistance for the least developed countries, in order to eliminate the existing bottle-neck in their economy at the production level,

1/ TD/178 and Add.1. For the printed text see Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (to be issued as a United Nations publication).

2/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1).

3/ Ibid., Twenty-fifth Session, Annexes, agenda item 42, document A/8074.

4/ TD/154. For the printed text see Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (to be issued as a United Nations publication), annex VIII, G.

Recognizing that the relevant provisions of resolution 62 (III) of 19 May 1972 of the United Nations Conference on Trade and Development^{5/} and of the International Development Strategy for the Second United Nations Development Decade ^{6/} must be applied in practice as soon as possible,

1. Endorses resolution 62 (III) unanimously adopted by the United Nations Conference on Trade and Development at its third session;

2. Requests the specialized agencies concerned and other United Nations bodies, as well as the regional economic commissions and the United Nations Economic and Social Office at Beirut, to initiate and accelerate the implementation of their action programmes in favour of the least developed countries in the areas within their competence and to submit periodic reports on the matter to the General Assembly through the Economic and Social Council;

3. Also requests all States members of the United Nations Conference on Trade and Development, especially developed countries, to implement urgently the special measures in favour of the least developed countries contained in Conference resolution 62 (III) and to continue to review the measures they have taken in favour of these countries, as well as ways and means of carrying out those measures, and to provide information to the Secretary-General of the United Nations Conference on Trade and Development on actions taken in connexion with the consideration and implementation of the recommendations of the Conference to enable him to submit periodic reports to the Trade and Development Board.

^{5/} TD(III)/Misc. 3 and Corr. 1. For the printed text see Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (to be issued as a United Nations publication).

^{6/} General Assembly resolution 2626 (XXV).

3174 (XXVIII). Special measures in favour of the least developed countries

Date: 17 December 1973

Meeting: 2203

Adopted without vote

Report : A/9400

The General Assembly.

Recalling resolution 62 (III) of the United Nations Conference on Trade and Development 55/ in which the Conference recommended, inter alia, that developed countries should give urgent consideration to the modalities for increasing flows of multilateral and bilateral assistance to the least developed countries and, for this purpose, spelt out certain measures for the implementation of which the Conference called for the study of ways and means for establishing institutional arrangements, including a study on the principle of establishing a special voluntary fund for the least developed countries,

Recalling Trade and Development Board decision 100 (XIII) of 8 September 1973, 56/

Noting the resolution adopted by the Fourth Conference of Heads of State or Government of non-Aligned Countries at Algiers on 9 September 1973, 57/ which recommended that in international economic action top priority should be given to the urgent implementation of the programme of special measures in favour of the least developed countries adopted by the United Nations Conference on Trade and Development at its third session and by other specialized international institutions,

Recalling Economic and Social Council resolution 1710 (LIII) of 28 July 1972, in which the Council, inter alia, called upon developed countries and multilateral institutions and agencies to respond favourably to the needs of the least developed countries in different fields of trade and development,

55/ See Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E. 73.II.D.4), p.68.

56/ A/9015 (part III), annex I, p. 8.

57/ A/9330, p.81

Recalling General Assembly resolution 3036 (XXVII) of 19 December 1972, in which the Assembly recognized that the relevant provisions of resolution 62(III) of the United Nations Conference on Trade and Development and those of the International Development Strategy for the Second United Nations Development Decade must be applied in practice as soon as possible,

Further recalling Economic and Social Council resolution 1753 (LIV) of 16 May 1973 in which the Council recommended, inter alia, that the General Assembly should review at its twenty-eighth session the institutional arrangements for the implementation of the special measures in favour of the least developed countries, and consider ways and means of further employing sizable sums of the resources of the United Nations Capital Development Fund, as well as other sources and arrangements, for assisting the least developed countries in overcoming their basic handicaps,

Further recalling Economic and Social Council resolution 1754 (LIV) of 16 May 1973, in which the Council recognized that the organizations of the United Nations system should take further concerted measures, including the adaptation of their operational rules, the terms and conditions under which assistance is provided, and their institutional arrangements, for according priority and co-ordinated attention to the particular problems and needs of the least developed countries,

Noting with appreciation the concern of and reporting by different United Nations bodies, particularly the Trade and Development Board and the Governing Council of the United Nations Development Programme, in response to General Assembly resolution 3036 (XXVII) under which they were requested to initiate and accelerate the implementation of their respective action programmes in favour of the least developed countries in areas within their competence,

Taking note of the note by the Secretary-General 58/ on the desirability and feasibility of establishing a special fund for the least developed among the developing countries, and the note by the Secretary-General 59 on institutional arrangements for the implementation of special measures in favour of the least developed among the developing countries, including the need for the creation of a special fund for the creation of a special fund for these countries,

1. Calls upon the developed countries to give the highest priority to the urgent implementation of the special measures in favour of the least developed countries as envisaged in resolution 62 (III) of the United Nations Conference on Trade and Development and to evolve innovative measures in different fields of assistance to the least developed countries with a view to enhancing their capacity to derive equitable and effective benefits from the policy measures of the International Development Strategy for the Second United Nations Development Decade;

2. Urges the concerned organizations within the United Nations system, and the bilateral and multilateral sources of development financing, to expedite action on Economic and Social Council resolutions 1753 (LIV) and 1754 (LIV), and to introduce the necessary ways and means for increasing their capacity of participating more effectively in the implementation of the measures for assisting the developed countries as spelt out in resolution 62 (III) of the United Nations Conference on Trade and Development;

3. Requests all developed countries to respond favourably to the trend for reactivating and reorienting the United Nations Capital Development Fund by contributing to it and enforcing its operational activities through the annual pledging conferences;

58/ E5269

59/ E5416.

4. Decides to consider further at its twenty-ninth session the question of the creation of a special development fund for the least developed countries for the purpose of complementing the services accorded them by existing financial institutions, and for this purpose, requests the Secretary-General to prepare, for submission to it through the Economic and Social Council at its fifty-sixth session, a summary of the studies already made, together with any additional information, on the need for creating a special fund for the least developed countries and the institutional arrangements for the purpose;

5. Further decides that a comprehensive evaluation of the implementation of the special measures in favour of the least developed countries, together with a decision on the principles and possible mode of operation of a special fund for the least developed countries, should be undertaken at the twenty-ninth session of the General Assembly, and that, on the basis of the reports and studies requested by the Economic and Social Council from the organizations concerned within the United Nations system, a review of the special measures in favour of the least developed countries should be conducted with the purpose of enhancing the capacity of the organizations in the United Nations system to carry out all the provisions of resolution 62 (III) of the United Nations Conference on Trade and Development and of adapting policy guidelines, operational rules, terms and conditions, and institutional frameworks suitable to the conditions and problems of the least developed countries.

119 (XIV). Special Measures in favour of the least developed among the developing countries

The Trade and Development Board,

Recalling that the United Nations Conference on Trade and Development, in paragraph 10 of resolution 80 (III) adopted on 20 May 1972, invited the Trade and Development Board to consider setting up, as its subsidiary organ, an intergovernmental group, with appropriate secretariat services, to be entrusted with the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries, and to determine its terms of reference,

Recalling further the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session,

Having considered progress in the implementation of special measures in favour of the least developed countries,

Recalling further its decision 100 (XIII) of 8 September 1973 on special measures in favour of the least developed among the developing countries,

Taking note of decision 30 (LVII) adopted by the Economic and Social Council on 2 August 1974 on special measures in favour of the least developed among the developing countries,

Recognizing the need to have a focal point within UNCTAD for action in an integrated way on the problems of the least developed among the developing countries,

Bearing in mind the statements made in the Trade and Development Board at its twelfth and thirteenth sessions on the establishment of an intergovernmental group to consider the question of special measures in favour of the least developed countries,

Bearing also in mind Conference resolution 62 (III) of 19 May 1972 on special measures in favour of the least developed among the developing countries,

1. Decides to convene within UNCTAD an intergovernmental group, open to Governments of all States members of UNCTAD, with the following terms of reference:

- (a) To initiate intensified efforts towards the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries;
- (b) To carry out a methodical analysis and evaluation, taking into account the individual circumstances of the least developed countries, of the progress and difficulties encountered in carrying out the policy measures designed to assist the least developed countries and the provisions of Conference resolution 62 (III);
- (c) To make suggestions for adequate means of overcoming these difficulties and accelerating progress;
- (d) To report on its activities and make recommendations to the next regular session of the Board so as to facilitate the seeking of new areas of agreement and the broadening of existing areas of agreement in the dynamic context of the International Development Strategy for the Second United Nations Development Decade;

2. Requests the Secretary-General of UNCTAD to prepare the necessary documentation and to provide appropriate secretariate services;

3. Urges other organs of the United Nations system with responsibilities in this field to intensify their efforts in favour of the least developed countries, and invites them, in this regard, to take note of the present resolution;

4. Invites the General Assembly at its twenty-ninth session, when considering the note by the Secretary-General of the United Nations on the establishment of a special fund for the least developed countries, to take fully into account the views expressed by member countries in the Economic and Social Council at its fifty-seventh session;

5. Urges, in addition to paragraph 4 above, the regional development banks to consider allocating additional resources for the least developed countries of their regions, where such special allocations have not yet been made.

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED
AMONG THE DEVELOPING COUNTRIES

The Trade and Development Board,

Recalling the invitation of the third session of UNCTAD in resolution 80 (III) to the Trade and Development Board to consider setting up, as its subsidiary organ, an intergovernmental group, with appropriate secretariat services, to be entrusted with the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries; and to determine its terms of reference;

Recalling further the Declaration and the programme of action on the establishment of a New International Economic Order of the General Assembly at its sixth special session;

Having considered progress in the implementation of special measures in favour of the least developed countries;

Recalling further its decision under 100 (XIII) on special measures in favour of the least developed among the developing countries;

Taking note of decision 30 (LVII) of the Economic and Social Council at its fifty-seventh session on special measures in favour of the least developed among the developing countries;

Recognizing the need to have a focal point within UNCTAD for action in an integrated way on the problems of the least developed among the developing countries;

Bearing in mind the statements made at the Trade and Development Board at its twelfth and thirteenth sessions on the establishment of an intergovernmental group to consider the question of special measures in favour of the least developed countries;

Bearing also in mind Conference resolution 62 (III), on special measures in favour of the least developed among the developing countries;

1. Decides to convene within UNCTAD an intergovernmental group, open to all Governments of States members of UNCTAD, with the following terms of reference;

(a) To initiate intensified efforts towards the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries;

(b) To carry out a methodical analysis and evaluation taking into account the individual circumstances of the least developed countries, of the progress and difficulties encountered in carrying out the policy measures designed to assist the least developed countries and the provision of Conference resolution 62 (III);

(c) To make suggestions for adequate means of overcoming these difficulties and accelerating progress;

(d) To report on its activities and make recommendations to the next regular session of the Board so as to facilitate the seeking of new and broadening of existing areas of agreement in the dynamic context of the Strategy;

2. Requests the Secretary-General of UNCTAD to prepare the necessary documentation and to provide appropriate secretariat services.

3. Urges other organs of the United Nations system with responsibilities in this field to intensify their efforts in favour of the least developed countries, and invites them, in this regard, to take note of this resolution;

4. Invites the General Assembly at its twenty-ninth session, when considering the note of the Secretary-General of the United Nations on the establishment of a special fund for the least developed countries (E/5499) to take fully into account the view expressed by member countries during ECOSOC at its fifty-seventh session;

5. Urges, in addition to paragraph 4 above, the regional development banks to consider allocating additional resources for the least developed countries of their regions, where such special allocations have not yet been made.

136 (XV). Special measures in favour of the least developed among the developing countries

The Trade and Development Board,

Bearing in mind its resolution 119 (XIV) of 13 September 1974,

Recalling Conference resolution 62 (III), adopted unanimously on 19 May 1972, on special measure in favour of the least developed among the developing countries,

Recalling also Conference resolution 63 (III) of 19 May 1972 on special measures related to the particular needs of the land-locked developing countries, and noting the relevance of this resolution to the needs of the land-locked least developed countries,

Recalling further General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) on the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session,

Recalling article 25 of the Charter of Economic Rights and Duties of States,

Taking note of decision 30 (LVII) adopted by the Economic and Social Council on 2 August 1974 on special measures in favour of the least developed countries,

Recalling the International Development Strategy for the Second United Nations Development Decade, adopted by the General Assembly in its resolution 2626 (XXV) of 24 October 1970, in which, inter alia, provision is made for special measures in favour of the least developed among the developing countries, in order to enhance their capacity to benefit fully and equitably from the policy measures for the decade,

Recognizing that the international community has a particular responsibility to assist the least developed countries in all their efforts, although the primary responsibility for their development rests upon these countries themselves,

Noting that there is an urgent need to initiate more effective commercial policy measures in favour of the least developed among the developing countries and to provide greater financial and technical assistance flows, under more favourable and flexible norms than in the past, to these countries so as to overcome structural bottlenecks and to generate the required levels of growth rates in their economies,

Taking note of the report of the Intergovernmental Group on the Least Developed Countries (TD/B/577),

1. Endorses, as recommended by the Intergovernmental Group on the Least Developed Countries in its resolution 1, the addition of Bangladesh, the Central African Republic, the People's Democratic Republic of Yemen and the Gambia to the list of least developed countries, and recommends to the General Assembly to approve this addition;

2. Endorses the recommendations of the Intergovernmental Group on the Least Developed Countries in its resolution 2, entitled "Special measures in favour of the least developed among the developing countries", taking into account the statements and positions taken by groups and delegations and recorded in the report of the session of the Intergovernmental Group;

3. Invites the General Assembly at its thirtieth session to take fully into account the strong desire of the developing countries, expressed at the meeting of the Intergovernmental Group on the Least Developed Countries to establish immediately a special fund for the least developed countries, and also to take fully into account the views expressed by the countries members of the Economic and Social Council at the fifty-seventh session of the Council;

4. Instructs its Committees, within their respective fields of competence, to give consideration at the earliest possible opportunity to the measures in favour of the least developed countries proposed by the countries members of the Group of 77 in paragraph 13 of resolution 2 of the Intergovernmental Group, to enable the Trade and Development Board to consider the progress made at its sixteenth session;

5. Endorses also the requests and invitations by the Intergovernmental Group addressed to the Secretary-General of UNCTAD in paragraphs 4, 6, 10, 11, 12 and 13 of resolution 2;

6. Decides, as recommended by the Intergovernmental Group in its resolution 3, to reconvene the Intergovernmental Group on the Least Developed Countries within the next two years, and under the terms of reference as specified in Board resolution 119 (XIV).

UNCTAD Review on Least developed countries

1. General assessment

UNCTAD, from its inception, and particularly since the adoption of the International Development Strategy, has played a pioneering role in analysing the special problems facing the least developed countries, in helping to identify these countries, and in developing special measures on their behalf. In addition, UNCTAD is responsible for a growing volume of technical assistance on behalf of these countries.

Resolution 62 (III), unanimously adopted at the third session of the United Nations Conference on Trade and Development, sets the basis for a detailed and comprehensive programme of special measures in favour of the least developed countries. The measures cover the whole range of UNCTAD's activities, including commodity agreements, diversification, access to markets and other commercial policy measures, restrictive business practices, development finance and technical assistance, transfer of technology, shipping, trade promotion, economic co-operation and regional integration, and action by the socialist countries of Eastern Europe. The resolution calls for a substantial increase in the flow of both bilateral and multilateral financial and technical assistance to these countries and for better terms and conditions for such flows, and for special attention to the removal of tariff and non-tariff barriers affecting their exports. It also calls for action to be taken multilaterally by all the main organs of the United Nations system as well as by the major international financial and technical assistance institutions.

Despite this favourable policy framework, the essential facts concerning the progress of the least developed countries are bleak. These have been reviewed in part one (chapter II) of this report and may be summarized as follows :

Per capita GNP of the countries concerned has shown virtually no growth since the beginning of the Decade. Import volume has grown weakly (at 3.2 per cent per annum) and export purchasing power has increased by only 2.4 per cent per annum. Food output and agricultural production have grown very weakly, at less than 1 per cent per annum, so that per capita output has declined. The terms of trade for several of the least developed countries improved in 1973 and 1974 because of the commodity price boom, but commodity prices are now declining. Moreover, many of the least developed countries were unable to take advantage of favourable prices because of the weak growth in the volume of their exports, often associated with the serious drought conditions which affected many of these countries. Financial flows to the least developed countries have clearly improved in the 1970s as compared with the late 1960s, but the total flow of financial resources to these countries still remains well below the average for other developing countries, namely \$7 per capita, as compared with \$10.5 per capita.

2. Commercial policy measures

It remains true, as was already noted two years ago at the time of the first review and appraisal exercise, that little has yet been done in concrete terms to implement special measures in favour of the least developed countries in the field of commercial policy, as called for in Conference resolution 62 (III). The weak export performance of these countries underlines the urgency of implementing such measures. It has now become clear that these countries are not likely to benefit from the present GSP. In this context it is relevant to note that in the Tokyo Declaration of 14 September 1973 launching the multilateral trade negotiations, it was recognized that the particular situation and problems of least developed countries should be given special attention in the negotiations, and the need to ensure that these countries receive special treatment in any general or special measures taken in favour of developing countries during the negotiations was also stressed.

On a bilateral basis a few countries have begun, or indicated their intention, to initiate measures with a view to providing wider access to their markets for products of the least developed countries. For example, Yugoslavia has stated that it plans to institute a system of customs concessions on a non-reciprocal and non-discriminatory basis in favour of the least developed countries with the aim of facilitating their trade. The Government of Norway is considering taking special commercial measures in favour of the least developed countries. Such measures may include full duty-free treatment on all items of the Brussels nomenclature, including chapters 1-24. The Netherlands is reported to be giving a high priority to the needs of the least developed countries in its scheme for promoting imports from developing countries. Sweden has established a market development project in which a number of the least developed countries are participating.

3. Financial and technical assistance

The total financial flow from all sources to the least developed countries amounted to \$1,261 million in 1973 (an increase of \$203 million and \$367 million over the figures for 1972 and 1971 respectively). This constituted 5.7 per cent of flows to all developing countries. In per capita terms the least developed countries received \$7.98 from all sources, compared with \$12.48 for all other developing countries. Official development assistance from DAC countries and multilateral agencies on a per capita basis was, however, higher in 1973 for the hard-core countries than for all developing countries - \$5.71 as against \$5.06 (The details of these financial flows in 1973 are shown in table 4.)

In 1973 official development assistance from DAC member countries and multilateral agencies to the hardcore least developed countries amounted to \$902 million, reflecting an increase of \$ 167 million, or

22.7 per cent, over the figure for 1972. However, in real terms this represents a slight decline, because of sharply rising import prices.

The available data indicate that net disbursements of financial flows from the socialist countries of Eastern Europe to the least developed countries amounted to \$81 million in 1973 as against \$120 million in 1972.

The estimated total net flow to the hard-core countries in the first three years of the Decade increased at an annual rate of 20 per cent. The corresponding figure for the developing countries is 16 per cent. The amounts received by the individual countries varied widely, however, in per capita terms while the per capita net flow of loans and grants from DAC member countries and multilateral agencies for the least developed countries as a whole averaged \$6.4 in 1973, 10 of the countries received \$ 10 or more and six received \$3 or less.

GNP, foreign trade and financial flows in 1973 and growth rated in 1970-1973:
least developed countries compared with other developing countries

TABLE 4

	Total		Per capita		Growth rates, 1970-1973			
	Least developed countries	other developing countries	Least developed countries	Other developing countries	in current prices	Other prices*	Least developed countries	Other developing countries
	Billions of dollars	Billions of dollars	Dollars	Dollars	percentage per annum	percentage per annum	percentage per annum	percentage per annum
1. GNP	15.1	439.3	95	260				
2. Exports (f.o.b.)	2.1	102.3	14	62	13.3	24.3	2.9	5.8
3. Imports (c.i.f.)	2.6	91.8	18	56	14.2	19.3	2.3	12.9
	millions of dollars						3.2	7.9
4. Official Development Assistance of which	902	8457	5.71	5.06	15.9	8.9	4.9	-2.5
Multilateral assistance	287	2144	1.82	1.28	23.0	14.8	12.0	3.4
5. Other official flows	64	1750	0.41	1.05		45.6		34.2
6. Private flows	214	10017	1.35	5.99	37.1	19.8	26.1	8.4
7. Disbursements from socialist countries of Eastern Europe	81	627	0.51	0.38	4.5	14.5	-6.5	3.1
8. Total financial flows(4+5+6+7)	1261	20851	7.98	12.48	20.0	16.0	9.0	4.6

Source : UNCTAD secretariat estimates based on OECD/DAC statistics and international and national sources.

The DAC member countries have all expressed in general terms their intention of increasing their programmes of financial and technical assistance to the least developed countries, in line with the targets of the International Development Strategy and of Conference resolution 62 (III).

The 1972 DAC recommendation on terms and conditions of aid states with regard to the least developed countries that:

"Official development assistance to these countries should preferably be in the form of grants and the average grant element of all commitments from a given donor should either be at least 86 per cent to each least-developed country over a period of three years, or at least 90 per cent annually for the least-developed countries as a group."

Information is available only for the second of the two options contained in the recommendation as it applies to the least developed countries. For DAC countries as a whole, the grant element of official development assistance commitments to this group of countries was 91 per cent in 1970, and 89 per cent in both 1971 and 1972. In 1972, the grant element of the official development assistance commitments of 10 DAC member countries to the least developed countries exceeded 90 per cent; these countries would therefore have met the terms target via the second option, had the target been in effect in 1972. Two major donor countries, the United Kingdom and the United States of America, are among those DAC members whose commitments to the least developed countries showed a grant element of less than 90 per cent in 1973. These two countries, however, would require only a marginal softening of their programmes in order to qualify under the second option. It therefore appears that the softening in the terms of flows to the least developed countries that may be expected as a result of the new terms target will be rather modest.

In addition to their bilateral programmes, the DAC member countries contribute to the various multilateral programmes, and hence the performance of the multilateral agencies must be seen as part of the wider efforts of these countries. Many of these donor countries have made reference in policy statements to the important role which multilateral programmes can play in assisting the least developed countries, and in many cases have expressed their intention of increasing their support for such programmes under such auspices as UNDP and IDA. In this connexion several countries, including Belgium, Japan, Norway, Sweden and Switzerland, have made or have announced their intention of making, special contributions to UNDP to support efforts in favour of the least developed countries. Nevertheless, greater efforts on the part of donor countries will be needed if the potentially important role that UNDP can play in assisting the least developed countries is to be fully realized. More support will also need to be given to IDA and other similar "soft-window" institutions, including those connected with regional and subregional development banks.

According to available data, net disbursements of financial assistance from the socialist countries to the least developed countries averaged about \$82.6 million during the period 1971-1973.

The technical assistance disbursements from DAC member countries and multilateral agencies to the 25 hard-core least developed countries increased from \$224.5 million in 1970 to \$345.8 million in 1973. The average annual rate of growth during 1970-1973 was 15.5 per cent for the hard-core countries and 16.8 per cent for other developing countries. On a per capita basis, hard-core least developed countries received \$2.2 worth of technical assistance in 1973 as against \$1.2 for all other developing countries. However, technical assistance received by individual countries varied widely.

In section X of the Programme of Action the General Assembly adopted a Special Programme "including particularly emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis, bearing in mind the particular problem of the least developed and land-locked countries." It recognized that.

"The countries which have been most seriously affected are precisely those which are at the greatest disadvantage in the world economy: the least developed, the land-locked and other low-income developing countries as well as other developing countries whose economies have been seriously dislocated as a result of the present economic crisis, natural calamities, and foreign aggression and occupation".

The emergency programme of the United Nations in favour of the most severely affected countries will provide benefits to a number of least developed countries in overcoming the special difficulties they are faced with as a result of the present world economic crisis.

4. New UNCTAD activities relating to the least developed countries

In addition to the UNCTAD activities summarized in a Note submitted by the Secretary-General of UNCTAD to the Trade and Development Board at the first part of its fourteenth session, the following new developments are noteworthy.

With a view to providing a focal point for considering the formulation and implementation of special measures in favour of the least developed countries, the Trade and Development Board decided in its resolution 119 (XIV) to convene an intergovernmental group, in pursuance of Conference resolution 80 (III), with the following terms of reference:

"(a) To initiate intensified efforts towards the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries'

"(b) To carryout a methodical analysis and evaluation, taking into account the individual circumstances of the least developed countries, of the progress and difficulties encountered in carrying out the policy measures designed to assist the least developed countries and the provisions of Conference resolution 62 (III);

"(c) To make suggestions for adequate means of overcoming these difficulties and accelerating progress;

"(d) To report on its activities and make recommendations to the next regular session of the Board so as to facilitate the seeking of new areas of agreement and the broadening of existing areas of agreement in the dynamic context of the International Development Strategy for the Second United Nations Development Decade".

The General Assembly, in its resolution 3214 (XXIX) of 6 November 1974, endorsed this decision of the Board, and the Intergovernmental Group will meet at Geneva in July 1975.

A UNDP project entitled "Preparatory Mission of Foreign Trade Policy and Planning in the Least Developed Countries" has already been approved and has commenced operations. The mission is expected, in each least developed country visited, to:

(a) Review foreign trade policy and planning with particular reference to the overall strategy for the foreign trade sector within the framework of national plans and objectives, and to the adequacy of national policies affecting foreign trade for achieving national objectives;

(b) Identify needs for additional assistance, including assistance through advisory services and training, and bearing in mind the importance of adequate institutional arrangements for the planning of the foreign trade sector as well as for its administration and operations;

(c) Develop proposals for assistance through advisory services and training or other means, at the country or inter-country level, in the light of the needs identified and the measures required to permit these countries to benefit effectively from the opportunities for foreign trade.

Fourteen least developed countries have already endorsed this project and indicated their desire to receive the mission at an early date.

Special measures to assist the least developed and
landlocked developing countries and island
developing countries

Recent events in the world economy, and especially the changes in price relationships, have had a particularly adverse impact on the economies of the least developed among the developing countries. Since the exports of the least developed countries consist essentially of primary commodities, a general decline in commodity prices resulting from an economic recession in the industrial countries would further seriously worsen their position. A review of the aggregate of emergency assistance from all sources needs to be undertaken for the purpose of determining in what way the total resources available to meet these countries' emergency requirements might be increased.

It is now evident that more far-reaching measures are required to assist these countries to extricate themselves from their present state of chronic underdevelopment. The elements of a comprehensive programme of measures in favour of the least developed countries were set out in some detail in Conference resolution 62 (III). In the commercial policy field, little action appears to have been taken so far on the lines indicated in that resolution, though some individual developed countries have initiated, or are planning, measures designed to improve access to their markets for exports from least developed countries.

It is also evident that the least developed countries will not derive much benefit from the GSP in its present form, since agricultural products, whether crude or processed, are generally excluded from GSP tariff preferences. The trade of the least developed countries which export these products would only benefit if they became eligible for preferential tariff treatment. A further opportunity for according such trade benefits will occur during the forthcoming GATT multilateral trade negotiations, for it was recognized in the Tokyo Declaration of September 1973, which launched the negotiations, that the particular situation and problems of the least developed countries should be given special attention.

As regards financial and technical assistance, there has been a noteworthy shift in emphasis in the assistance policies of the multilateral agencies in favour of the least developed countries. The World Bank Group has been directing an increasing proportion of assistance to the poorest

countries, including an increase in loans on concessional terms, while the United Nations Development Programme has substantially increased its programme for these countries. The DAC member countries of OECD adopted in 1972 a Recommendation on aid which, inter alia, called for especially soft terms for loans or assistance to the least developed countries. From the available figures relating to the grant element in official development assistance to the least developed countries in 1972 and 1973 it would appear that the softening in aid terms that may be expected as a result of the Recommendation will be rather modest.

On a per capita basis, the total flow of official and private resources to the least developed countries remains significantly lower than the average for all other developing countries. Moreover, though there was a substantial increase, of some 40 percent, in the total flow of resources (in terms of United States dollars) to the least developed countries between 1971 and 1973, this increase was more than offset by a rise in the prices of these countries' imports over the same period.

It would seem imperative, therefore, that a very much larger flow of resources should be directed towards the least developed countries, with emphasis on grants or grant-like loans. In addition, because each of these countries has its own specific problems, each country must devise its own detailed development strategy, taking into account its particular disabilities and constraints. The implementation of such development strategies should have the full support of the international community.

Most of the least developed countries are also land-locked. The international community has recognized that these countries suffer from additional handicaps, and a programme of action embodied in Conference resolution 63(III) aims at mobilizing effective efforts toward reducing these handicaps and assisting the land-locked countries and their transit neighbours in improving transit facilities and in lowering the real costs involved. The problems of these countries can only be solved with the full co-operation of all the parties in the region concerned, and with effective financial and technical assistance support. A comprehensive study of the transit problems of these countries has been requested for the seventh special session of the General Assembly, and it is hoped that this study will point the way to the further progress of these countries.

Similarly, recent international recognition of the special problems facing developing island countries, particularly the small geographically isolated ones, will now need to be followed by measures to assist them in adjusting to their particular difficulties.

Special measures in favour of the least developed
among the developing countries

The Intergovernmental Group on the Least Developed Countries,

Bearing in mind resolution 119 (XIV) of the Trade and Development Board,

Recalling resolution 62 (III) of the United Nations Conference on Trade and Development, adopted unanimously on 19 May 1972, on special measures in favour of the least developed among the developing countries,

Recalling also Conference resolution 63 (III) on special measures related to the particular needs of the land-locked countries, and noting the relevance of this resolution to the needs of the land-locked least developed countries,

Recalling further resolutions 3201 (S-VI) and 3202 (S-VI) on the Declaration and the Programme of Action on the Establishment of a New Economic Order, adopted by the General Assembly at its sixth special session,

Recalling article 25 to the Charter of Economic Rights and Duties of States,

Taking note of decision 30 (LVII) adopted by the Economic and Social Council on 2 August 1974 on special measures in favour of the least developed countries,

Recalling the International Development Strategy for the Second United Nations Development Decade, adopted by General Assembly resolution 2626 (XXV) of 24 October 1970, in which inter alia, provision is made for special measures in favour of the least developed among the developing countries, in order to enhance their capacity to benefit fully and equitably from the policy measures for the Decade,

Fully aware of the great importance for the least developed countries of increased co-operation among themselves and between themselves and other developing countries,

Recognizing that the international community has a particular responsibility to assist the least developed countries in all their efforts, although the primary responsibility for their development rests upon these countries themselves,

Conscious that the least developed countries face particularly severe constraints to development,

Noting further that in the early 1970s the average annual growth rate of the per capita real product of the least developed countries, taken as a group was only 0.6 percent, as against the target of 3.5 percent set in the International Development Strategy for the Second United Nations Development Decade, as indicated in part one of TD/B/AC.17/3 (Parts I and II),

Noting also that the export purchasing power per capita of the least developed countries actually deteriorated in the early part of the Second United Nations Development Decade,

Noting the progress made by some bilateral and multilateral donors in increasing the volume, and improving the terms and conditions, of their aid for the least developed countries, but considering that the special measures in favour of the least developed countries in the field of trade policy have not been satisfactorily implemented and that the financial assistance to these countries is far below the flow necessary to enable them to attain the gross national product growth rate called for in the International Development Strategy for the Second United Nations Development Decade,

Noting also that there is an urgent need to initiate more effective commercial policy measures in favour of the least developed among the developing countries and to provide greater financial and technical assistance flows, under more favourable and flexible norms than in the past to these countries so as to overcome structural bottlenecks and to generate the required levels of growth rates in their economies,

Noting with appreciation the assistance of the Government of Finland to UNCTAD in support of the study summarized in TD/B/AC.17/Misc.1, "An assessment of constraints to development and the role of external assistance in the least developed countries",

Noting the issues for consideration by the Intergovernmental Group submitted by the UNTAD secretariat in TD/B/AC.17/2,

I. Technical and financial assistance

1. Urges:

- (a) The developed countries to endeavour to achieve the 0.7 per cent target for official development assistance at the earliest possible date, as established in the International Development Strategy for the Second United Nations Development Decade, and in so doing to endeavour to ensure that the least developed countries are among the highest priority recipients of such flows. The developed countries should also take into account any change in the purchasing power of their own currencies when fixing future budgetary requests for development assistance;
- (b) The international financial institutions and regional development banks to increase their assistance to the least developed countries in areas of high national priorities;
- (c) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to provide all future assistance in the forms of grants and highly concessional forms of financial assistance;
- (d) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to finance local costs of development projects wherever appropriate;
- (e) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to provide where appropriate financing of recurrent costs associated with on-going projects and projects after their completion, including maintenance costs, during an appropriate phasing-out period;

- (d) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to finance local costs of development projects wherever appropriate;
- (e) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to provide where appropriate financing of recurrent costs associated with on-going projects and projects after their completion, including maintenance costs, during an appropriate phasing-out period;
- (f) Developed countries to give immediate and favourable consideration to providing highly concessional terms of relief for the debt problems of the least developed countries where they arise, on a case-by-case basis;
- (g) The donor countries to continue to reduce, with the final objective of eliminating, all forms of aid-tying for the least developed countries;
- (h) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to reduce or eliminate, where appropriate, financial counterpart requirements in connexion with technical assistance projects in the least developed countries;
- (i) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to assist in identifying, planning and preparing both financial and technical assistance projects of the least developed countries, when such assistance is requested;
- (j) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to assist in carrying out feasibility and pre-investment surveys and post-implementation reviews in the least developed countries, when such assistance is requested;

- (k) The socialist countries of Eastern Europe to expand and intensify their trade and economic co-operation and assistance arrangements with the least developed countries;
 - (l) Governments of developed market economy countries and socialist countries of Eastern Europe and others in a position to do so, and multilateral financial institutions, to give high priority in providing financial and technical assistance towards the creation of integrated projects aimed at expanding the exports of the least developed countries, and in accordance with their plans;
 - (m) Developed market economy countries, socialist countries of Eastern Europe and others in a position to do so, as well as multilateral development agencies, to provide urgently needed technical and financial assistance to improve the mobilization of domestic resources (i.e. higher savings rates, improved tax administration and fiscal mechanisms, strengthened institutions for mobilizing savings, etc.) in the least developed countries, and to supplement their very limited ability to mobilize resources by providing technical and other forms of assistance, in accordance with their plans;
2. Requests the bilateral and multilateral donor agencies to co-ordinate their efforts with the objective of ensuring that at least a minimum flow of assistance equal to the average for all developing countries on a per capita basis is provided to each least developed country;
3. Requests bilateral and multilateral aid agencies to adopt more flexible procedures and criteria in examining projects for assistance to the least developed countries in order to accommodate their special situation;
4. Requests the Secretary-General of UNCTAD, in collaboration with the United Nations Development Programme and other competent bodies, to explore the possibility of convening special meetings at which multilateral and bilateral financial and technical assistance agencies can carry out, together with representatives of the least developed countries themselves,

a general review and assessment of their requirements and progress and of the problems arising in the co-ordination and implementation of assistance programmes on both the donor and the recipient sides;

5. Invites Governments of the least developed countries, in co-operation with UNDP, to consider convening, at the regional or country level as appropriate, meetings with all donors concerned, multilateral or bilateral, to review and assess assistance requirements, current programmes and policy directives with a view to drawing up lists of additional projects. Where necessary, the UNDP officials should establish multisectoral teams, drawn from all appropriate sources, to assist in this review and assessment. These meetings should review, as well, the problems of implementation of projects under way with a view to obtaining improved collaboration among donors and recipient Governments in the co-ordination of project and programme implementation;

6. Calls upon the Secretary-General of UNCTAD to submit as soon as possible a proposal to the Administrative Committee on Co-ordination for the creation of a sub-committee or other appropriate mechanism of that Committee to review and co-ordinate at the highest level the action and programmes of the United Nations system, so as to improve co-ordination and to ensure greater emphasis on the problems of the least developed countries by the agencies of the United Nations in their programmes and policies;

7. Recommends to the Trade and Development Board to invite the General Assembly at its thirtieth session to take fully into account the strong desire of the developing countries, expressed at the meeting of the Intergovernmental Group on the Least Developed Countries, to establish immediately a special fund for the least developed countries, and also to take fully into account the views expressed by countries members of the Economic and Social Council at the fifty-seventh session of the Council

II. Land-locked least developed countries

8. Requests the transit countries developed countries and international agencies to give high priority to the early implementation of special measures for the least developed land-locked countries contained in Confer

resolution 63 (TII);

III. Economic co-operation among developing countries

§. Requests:

- (a) The more industrialized developing countries to provide preferential treatment as far as possible to imports of goods produced by the least developed countries;
- (b) Developing countries which are in a position to do so to provide increased flows of technical and financial assistance to the least developed countries;
- (c) The developing countries to consider setting up committees for industrial co-operation with a view to examining and solving the special problems of the least developed countries in this respect;

IV. Directions of future work

10. Requests the secretary-general of UNCTAD to strengthen, in co-operation with appropriate agencies, the technical assistance activities of UNCTAD in the planning and policies of the foreign trade sector of the least developed countries, and in other specific areas falling within the competence of UNCTAD, on behalf of the least developed countries;

11. Invites the Secretary-General of UNCTAD, taking account of the work being done in the International Trade Centre UNCTAD/GATT and other pertinent organizations, to make adequate provision for the needs of the least developed countries in the orientation of the work programme of UNCTAD along the lines proposed in TD/B/AC.17/2 (Part IV), and to make recommendations to the Trade and Development Board thereon;

12. Requests the Secretary-General of UNCTAD to propose to the Trade and Development Board the convening, as necessary, of groups of experts for implementing specific parts of the work programme;

V. Commercial policy, transfer of technology and shipping measures

13. In addition, the Intergovernmental Group decides, since it was unable to give full consideration to this matter, to recommend to the Trade and Development Board and other competent committees of UNCTAD, as appropriate, to give consideration at the earliest possible opportunity to the following measures, proposed by the countries members of the Group of 77, in favour of the least developed countries, and invites the Secretary-General of UNCTAD to transmit the section on commercial policy measures to GATT:

A. Commercial policy measures

(a) Recommends:

- (i) Allocation of quotas to the least developed countries in commodity agreements in a flexible and favourable manner designed to ensure the optimal marketing of their production of such commodities in order to increase their foreign exchange earnings, bearing in mind the characteristics peculiar to each product, while ensuring that the interests of the other developing countries are not injured or prejudiced in any manner;
- (ii) A special provision, including exemption from financial contributions, to accommodate the needs of the least developed countries in any future integrated programme for commodities;
- (iii) Extension of Generalized System of Preferences to agricultural products, in both processed and non-processed form, of export interest to the least developed countries;
- (iv) Pending the complete removal of tariff and non-tariff barriers for all developing countries, the immediate and complete removal of such barriers, including ceilings, quotas and safeguard clauses, specifically for products of present and potential export interest to the least developed countries;

- (v) Liberalization of the rules of origin in respect of products of the least developed countries;
 - (vi) Multilateral arrangements, such as the compensatory financing arrangement for export shortfalls of the International Monetary Fund, should provide for less exacting requirements for the least developed countries;
 - (vii) Developed countries should assist the least developed countries in a co-ordinated manner, from the planning, production and transportation stages to the stage of ensuring sales of their products at remunerative prices;
- (b) Requests the preference-giving countries to formulate such modalities within the framework of the Generalized System of Preferences as to favour, in particular, the least developed countries;
- (c) Recommends that the least developed countries should be granted special treatment in the early phase of the multilateral trade negotiations, giving priority to tropical products both in their natural and processed forms within the context of the Tokyo Declaration;
- (d) Requests Governments of developed market economy countries and socialist countries of Eastern Europe:
- (i) To provide long-term guarantees of a reasonable level of sales of the products of least developed countries;
 - (ii) To give favourable treatment, in the case of Government procurement, to imports from the least developed countries;
- (e) Recommends that, in the development of arrangements under the integrated programme for commodities, and in other multilateral and bilateral agreements affecting the imports of least developed countries, every effort should be made to reduce the burden of import costs on these countries through the establishment of concessional price arrangements, or especially favourable financing terms for the purchase of essential imports;

B. Transfer of technology

(f) Recommends that the international community:

- (i) Assist the institutions of least developed countries to obtain, under preferential terms and conditions and at a minimum cost, the results of scientific and technological developments appropriate to their requirements;
- (ii) In order to overcome the technological and negotiating weaknesses of these countries, assist in the establishment of transfer-of-technology centres designed to obtain necessary technological information, to select from available alternatives and to negotiate proper terms and conditions for external collaboration;
- (iii) Make arrangements for the grant of patented, patent-related and non-patented technologies, including know-how, suited to the economic conditions of the least developed countries;
- (iv) Provide the necessary assistance for establishing institutions of applied technology, with the aim of developing indigenous technologies and promoting the adaptation of imported technologies to national requirements;
- (v) In order to compensate for the reverse transfer of technology through brain-drain from the developing countries, now amounting to several billion dollars, make arrangements for the provision to the least developed countries, on a cost-free basis, of skilled manpower suited to the requirements of accelerated development of the least developed countries;

C. Shipping and promotional freight rates

(g) Requests:

- (i) That Governments of developed and developing countries invite shipowners and liner conferences to establish freight tariffs for the least developed countries which

will encourage and assist in expanding the export and import trade of these countries, and to develop promotional rates for the non-traditional exports of the least developed countries which will facilitate the opening up of new markets and the development of new trade flows;

- (ii) That the developed countries and the international financial institutions give high priority, in their financial and technical assistance, in assisting the least developed countries to acquire and expand national merchant fleets.

II General Conference of UNIDO, Lima

12-26 March 1975

IV. The least developed, land-locked and island developing countries.

The least developed, land-locked and island developing countries present a set of problems which require special measures if these countries are to attain an acceptable level of economic development. Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) on the Declaration and Programme of Action on the Establishment of a New International Economic Order, industrialization in these countries must take place at a more rapid pace than average. Concerted action and special measures of assistance from other countries and international organizations are necessary to mobilize a greater volume of resources to make possible the launching of innovative projects in these countries and the laying of a sound basis for the promotion of their industrialization through projects and measures such as:

- (a) Specific, urgent measures to establish the necessary conditions for industrialization: infrastructures, inventories of natural resources, and the technical and financial assistance required for the exploitation of these resources;
- (b) The establishment and financing of complete industrial estates and pilot plants based as much as possible on the use of available local resources;
- (c) The creation of integrated production units such as agricultural machinery plants, appropriate engineering industries, and repair and maintenance services;
- (d) The implementation of an appropriate agrarian policy as an essential basis for the promotion of integrated rural development schemes involving the establishment of small-scale production units to meet both the needs of internal markets and export requirements;
- (e) The development of crafts and cottage industries including artistic crafts;
- (f) Assistance for systematic studies of their industrialization potential;
- (g) Speedy examination and establishment of infrastructures permitting the harnessing and full utilization of water resources and the establishment of agro-industries with special emphasis on the countries affected by drought;
- (h) Preferential treatment within the context of international agreements for industrial products and processed commodities from these countries as well as the setting up of joint enterprises under regional co-operation;

(i) Special aid and assistance to the least developed, land-locked and island developing countries in the establishment and development of adequate means of transport and communications;

(j) Urgent measures to increase the import and export capabilities of the least developed countries and to help offset the disadvantages of the adverse geographic situation of the land-locked countries, particularly with regard to their additional transportation and transit costs;

(k) In addition to priority assistance from UNIDO and other international organizations in all fields, additional favourable financial and technical assistance with exemption from counterpart requirements, where appropriate, should be given to these countries through bilateral and multilateral channels to accelerate their industrialization in conformity with their national policies and development plans.

THE ECONOMIC SITUATION AND PERFORMANCE OF THE LEAST DEVELOPMENT COUNTRIES

Basic characteristics of the least developed countries

3. The 25 least developed countries, with an estimated population of 159 million in 1973, constitute about 8.7 per cent of the total population of all developing countries (for details see annex table 1).
4. The basic characteristics of the least developed countries include "extremely low levels of labour productivity, scarcity of skilled manpower, inadequate knowledge about the nature and extent of their natural resources, low level of physical and institutional infrastructure, the predominance of subsistence production, dependence on a very narrow range of primary commodities in their production and export structure, and lack of integrated and co-ordinated industrialization". The original list of 25 hard core least developed countries, proposed by the Committee on Development Planning (CDP) in 1971, and approved by the General Assembly in Resolution 2768 (XXVI), were selected on the basis of their very low per capita income (for the most part under \$100), the small share of manufacturing in Gross Domestic Product (generally less than 10 per cent), and the low level of literacy (in most cases less than 10 per cent of the adult population).
5. The original list of 25 least developed countries approved by the General Assembly in resolution 2768 (XXVI) has been reviewed by the Committee for Development Planning at its eleventh session in April 1975. The Committee reached the following conclusion (paragraph 130 of E/5671):

"The question of identification of the least developed among the developing countries remains a very difficult one because of the multiple dimensions of development which lead to differentiation of countries and the absence of adequate data. The main criteria used when the exercise was first carried out per capita gross domestic product, the share of manufacturing in total output, and the literacy ratio - have some

limitations. But (with some updating to take account of the intervening inflation and expansion of the world economy) they still provide a serviceable basis for drawing broad inferences. The application of those criteria to the latest available information suggests that four countries - namely, Bangladesh, the Central African Republic, Democratic Yemen and the Gambia - could now be added to the list of the least developed countries approved by the General Assembly in resolution 2768 (XXVI). The latest information might also suggest that two or three countries currently on the list should be deleted. However, the Committee is of the view that an abrupt removal from a list approved in the framework of policy measures for the Second Development Decade would not be desirable, and therefore that no country at present included should be dropped from the list during the remainder of the Decade."

6. It should be noted that the Committee for Development Planning also re-iterated its view that the list of least developed countries should be used "in a flexible and pragmatic manner", and it indicated its intention to analyse more closely differentiations among developing countries for purposes of policy recommendations.

The growth of real product

7. The widening income gap between the hard core least developed countries, as a group, and the developed and developing countries is illustrated by the following projections of per capita GNP (in constant 1972 dollars):

	Developed market economy countries	Socialist countries of Eastern Europe	All developing countries	Least developed countries
GNP <u>per capita</u> 1973	3 841	1 630	247	96
GNP <u>per capita</u> in 1980 (assuming continuance of 1970-73 growth rate)	5 089	2 294	306	100

8. The least developed countries have averaged less than 1 per cent per annum in the growth of per capita GNP throughout the 1960s and early 1970s, and have thus failed by a wide margin to reach the minimum goal of 3.5 per cent per annum postulated for the poorest developing countries in the International Development Strategy. Indeed, nine of the hard core countries showed negative rates of per capita growth during the 1970-1973 (Niger, Mali, Chad, Laos, Afghanistan, Uganda, Ethiopia, Nepal and Guinea), the first three declining by more than 5 per cent per annum (see annex table 1). Only four of the countries showed growth rates of 3.5 per cent per annum or better during the early 1970s (Botswana, Malawi, Burundi and Somalia) and only the first two exceeded 4 per cent per annum. The sharpest declines were registered in the African States severely affected by drought in recent years. The sharply lagging performance of the least developed countries, in comparison with other developing countries, may be seen from the following summary data (annual average growth rates in per cent):

	All developing countries	All developing countries (excluding major petroleum exporters)	Least developed countries
<hr/>			
<u>Total GNP</u>			
1960-70	5.2	5.1	3.4
1970-73	5.7	5.3	3.2
1970-80 target	<u>6.0</u>		
<hr/>			
<u>Per capita GNP</u>			
1960-70	2.6	2.5	0.8
1970-73	3.1	2.7	0.6
1970-80 target	<u>3.5</u>		

Agricultural production

9. A paramount characteristic of the least developed countries is the predominance of the agricultural sector which accounts for about half of the GDP in these countries and for 85 per cent of the labour force (see annex table 2). In contrast to the 1960s when agricultural and food production about kept pace with the growth of population, the rate of increase has slowed to less than 1 per cent annum in the first four years of the 1970s, and far below the target of 4 per cent growth per annum in the International Development Strategy, as the following data indicate (annual average growth rates in per cent):

	<u>Agricultural production</u>			<u>Food production</u>		<u>Population</u>
	1960-70	1970-74	1970-80 target	1960-70	1970-74	1960-73
All developing countries	2.9	1.5	4.0	3.0	1.5	2.5
Least developed countries	2.7	0.6		2.5	0.9	2.6

10. Eight of the least developed countries showed actual declines in food production between 1970 and 1974, while only four countries (Western Samoa, Botswana, Afghanistan and Sudan) showed per capita gains in food output.

Manufacturing production

11. The share of manufacturing production in GNP averages only 10 per cent in the least developed countries though the size of this sector varies from 3 per cent (Yemen Arab Republic, Lesotho and Burundi) to 15 per cent (Malawi and Rwanda); (see annex table 3). While the average growth was favourable during the 1960s, available data so far in the 1970s shows a considerable slowdown, as the following data (in per cent) indicate:

	Share of manufacturing in GNP 1973	Annual average growth rate of real GNP originating in manufacturing		
		1960-70	1970-73	1970-80 target
All developing countries	20	7.2	9.1	<u>8.0</u>
Least developed countries	10	12.3	5.2	

1972 / 1970-72

12. Botswana, Somalia, United Republic of Tanzania and Malawi showed growth rates of more than 10 per cent for this sector between 1970-1973; on the other hand two countries (Uganda and Burundi) registered actual declines.

Gross domestic investment

13. The share of gross domestic investment in GNP is considerably lower on average in the least developed countries than in developing countries generally. Exceptions are Botswana, Dahomey, Malawi, Somalia, United Republic of Tanzania, Mali, Lesotho and Upper Volta, where investment exceeded 15 per cent of G.P in 1973 (see annex table 3). The growth rate of investment, which had been relatively favourable during the 1960s, averaged sharply lower during the 1970-1973 period, reflecting actual declines in six of the least developed countries (Uganda, Niger, Chad, Mali, Sudan and United Republic of Tanzania); the summary data (in per cent) are as follows:

	Share in GDP (1973)	Gross domestic investment	
		<u>Real annual average growth rate</u>	
		<u>1960-70</u>	<u>1970-73</u>
All developing countries	18	6.4	7.2
Least developed countries	13	7.8	1.2

1972 1970-72

Foreign trade

14. The overall performance of the least developed countries in external trade showed a marked deterioration in the 1970s, and results were particularly unfavourable in 1974 (see annex tables 4 and 5). The prospects for 1975, given deteriorating commodity export prices, while import prices for food, manufactures and petroleum remain high, are especially bleak, and suggest a possible worsening of the deficit facing these countries from the level of \$1.1 billion estimated for 1974 to perhaps \$1.7 billion in 1975 (assuming no change in the volume of trade). Key trade results (annual average growth rates in per cent) are summarized below:

	All developing countries	All developing countries (excluding major petroleum exporters)	Least developed countries
<u>Export purchasing power</u>			
1960-70	5.4	5.8	3.3
1970-74	17.5	3.8	-4.2
1970-80 target	<u>7.0</u>		
<u>Import volume</u>			
1960-70	4.7	4.7	5.0
1970-74	6.8	4.9	-0.7
1970-80 target	<u>7.0</u>		

15. In contrast to the target growth rate postulated in the International Development Strategy of about 7 per cent for exports and imports in real terms, the least developed countries as a group have registered actual declines, with those for the purchasing power of exports sharply down (by some 17 per cent in 1974 alone - see annex table 4).

16. The lack of overall progress in foreign trade in real terms is perhaps best illustrated by what has happened to the purchasing power of exports and the volume of imports on a per capita basis. Thus the purchasing power of exports per capita for least developed countries as a group averaged only \$11.10 in 1974 and had actually declined by \$1.70 as compared with the situation 14 years earlier. Clearly trade as an engine of growth for the least developed countries as a whole has been working very poorly, and in considerable contrast to the performance of all developing countries, as the following data (expressed in constant 1973 dollars) indicate:

	Purchasing power of exports <u>per capita</u>	<u>Increment in purchasing power of exports per capita</u>		
	<u>1974</u>	<u>1960-70</u>	<u>1970-74</u>	<u>1960-74</u>
All developing countries	75.20	+ 10.00	+ 31.90	+ 41.90
All developing countries (excluding major petroleum exporters)	36.20	+ 7.40	+ 1.60	+ 9.00
Least developed countries	11.10	+ 1.30	- 3.00	- 1.70

17. Improvements in foreign assistance flows to the least developed countries in the 1960s and early 1970s have cushioned the weak performance of export purchasing power to a certain degree. Nevertheless, as the

following data (also in constant 1973 dollars) indicate, the volume of imports per capita, which reached \$16.30 in 1974, was up by only \$1.90 as compared to the situation 14 years earlier.

	Volume of imports per capita 1974	Increment in volume of imports per capita		
		1960-70	1970-74	1960-74
All developing countries	53.70	+ 8.00	+ 8.50	+ 16.50
All developing countries (excluding major petroleum exporters)	47.30	+ 8.30	+ 4.40	+ 12.70
Least developed countries	16.30	+ 4.00	- 2.10	+ 1.90

18. In contrast to all developing countries, the commodity structure of the exports of least developed countries as a group is more heavily concentrated in food, beverages and crude materials, and far less heavily concentrated in fuels and manufactured goods. Indeed, manufactured goods comprised less than 4 per cent of the exports of the hard core countries in contrast to 20 per cent for all developing countries, as the following data for 1972 (in per cent) indicate (see also annex table 6):

	Food and beverages	Crude materi- als	Fuels	Non- ferrous metals, etc.	Manufactured goods	Total Exports
All developing countries	21.7	16.2	37.5	3.6	20.2	100.0
Least developed countries	43.2	43.0	2.6	5.1	3.9	100.0

19. The great bulk of the exports of the least developed countries is accounted for by only a few products. These are shown in detail for individual least developed countries in annex table 9 and are summarized for all of the hard-core countries in annex table 8. Cotton, coffee and oil seeds alone account for more than half the exports of the group.

Trade barriers facing least developed countries

20. The trade barriers facing least developed countries in four major developed market economy areas (United States, Japan, the original six-country European Economic Community and the United Kingdom) are summarized in table 1, below, according to six major product categories. The situation facing all developing countries is also given for comparison. The data show the value of total imports into the four major market areas in 1970; these values are then allocated according to trade barrier status, using the types of barrier generally prevailing in 1973, as well as an estimate of the effect of the United States GSP scheme, had it been in effect in 1970.

21. The method used and the shortcomings of the resulting data are described in the explanatory notes to table 1; nevertheless, the data give some indication of the rough orders of magnitude involved, and of the interrelations of MFN tariffs, special preferences, the GSP, and non-tariff barriers in these major markets. The overall comparison can be summarized as follows:

Imports into four major market areas	Total imports 1970 (\$ million)	Per cent of total imports according to barrier status				
		Free of all barriers	Under special prefer- ences	Potential under GSP	Facing barriers	of which: Facing Non-tariff barriers
From all developing	40,882	55.2	8.3	4.2	44.8	16.6
From least developed	814	81.6	16.2	2.5	18.4	7.9

22. The exports of least developed countries are heavily concentrated in agricultural products, and particularly those that are relatively free of trade barriers in the major market areas. A further substantial share of the exports of these countries move under special preferential arrangements (estimated at 17 per cent of total in table 1, but likely to increase as a result of the broadening of the geographical coverage of special preferences for the least developed countries in the Lome Convention).
23. The result is that, given the structure of exports in 1970, remaining tariff and non-tariff barriers facing the trade of least developed countries cover only 18 per cent of exports (as against 45 per cent for all developing countries). This reflects the concentration of the exports of the least developed countries in goods which generally do not compete with products produced in the developed countries, and this seems to apply also even to the small amount of manufacturing exports from the hard-core countries.
24. A further result is that the average tariff facing the exports of least developed countries (when full account is taken of preferences) is estimated to be 8 per cent, in contrast to the average of 12 per cent facing all developing countries in the major markets. The same phenomena is reflected in the lower per cent of products facing non-tariff barriers (8 per cent for the least developed countries as against 17 per cent for all developing countries).
25. The estimated maximum potential under the GSP schemes in these major markets would provide benefits for only about 2.5 per cent of the total exports to these areas from the least developed countries (a figure amounting to less than \$50 million even at 1974 price levels).
26. It is important, however, to stress that as the least developed countries move into more sophisticated product lines, the effect of such a structural change will be a substantial increase in the barriers facing them on average, and will thus comprise a further difficulty in the expansion of their export earnings, unless the barriers on such products can be effectigely reduced.

98 (IV). Least developed among the developing countries,
developing island countries and developing
land-locked countries

The United Nations Conference on Trade and Development

Adopts the following decisions:

I. Introduction

1. The Conference reaffirms the need to agree upon effective international action towards the solution of the particular and long-term or permanent problems of the least developed among the developing countries, developing island countries and developing land-locked countries.
2. The Conference stresses the urgency for the developed countries, both market-economy countries and the socialist countries of Eastern Europe, and for the competent international agencies to adopt and execute, through appropriate machinery, the measures identified and agreed upon within the framework of UNCTAD and other fora in the fields of trade and financial policies, capital and technical assistance, shipping, insurance, and transfer of technology in favour of these developing countries.
3. The increasing efforts of the developing countries in a position to do so to provide special measures and specific action, respectively, in favour of the least developed countries and in favour of land-locked and island developing countries should be implemented through the machinery which these countries deem appropriate.
4. Special measures and specific action, respectively, in favour of the least developed countries and in favour of land-locked and island developing countries would be supplementary to the general measures applicable to all developing countries in the spirit of the Declaration

and the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolutions 3201 (S-IV) & 3202 (S-IV) of 1 May 1974). In executing these measures, attention shall be given to the safeguarding of the interests of other developing countries.

5. The Conference expresses its firm conviction that, in the interest of world economic development, the international community, and in particular those countries best able to do so, should act urgently in favour of the least developed countries and the land-locked developing countries by implementing further their commitments in Conference resolutions 62 (III) and 63 (III) of 19 May 1972 and in Trade and Development Board resolution 119 (XIV) of 13 September 1974, as well as the measures and actions agreed below for these countries and for developing island countries.

II. Action on special measures in favour of the least developed among the developing countries

A. Financial and technical assistance

Expanding the flow of assistance

6. The developed countries should:

- in the case of the developed market-economy countries :

- (a) expand the flow of official development assistance in keeping with their commitments in the International Development Strategy, and in so doing should ensure that the least developed countries receive a higher proportion of this flow and should endeavour to increase their proportion of the total flow to meet their urgent needs;
- (b) provide the least developed countries, on a continuing basis, with a higher proportion of official development assistance flows in actively working towards achieving

or surpassing the target of 0.7 per cent of the gross national product of developed countries at market prices, taking into account their commitments, under the International Development Strategy;

- in the case of the socialist countries of Eastern Europe:

- (c) expand the flow of financial and technical assistance to the least developed countries, taking into account their special needs and problems, with a view to providing a higher proportion of their total development assistance to the least developed countries.

7. Bilateral and multilateral donor agencies should agree on effective measures to ensure that each least developed country receives a higher flow of assistance in proportion to its individual needs and in support of its efforts as reflected in its plans and programmes.

8. Developed countries, both the market-economy countries and the socialist countries of Eastern Europe, developing countries who are in a position to do so, multilateral donors and other sources, such as private grant programmes and voluntary agencies, should give high priority to increasing their assistance to the least developed countries.

9. Developed countries and others in a position to do so, where their specific aid policies so permit, should provide strong financial support for a special fund for the least developed countries without delay and should provide stronger financial support to the least developed countries through existing funds or programmes particularly geared to the needs of these countries.

Terms and conditions for financial and technical assistance

10. The terms and conditions of all future assistance to the least developed countries should, inter alia be as follows :

- (a) Such bilateral official development assistance of developed countries to the least developed countries should essentially be provided in the form of grants;
- (b) In providing assistance to the least developed countries, developed countries should, in the implementation of their programmes, take into account the effects of the loss of purchasing power of their assistance and make suitable adjustments in their assistance strategies;
- (c) Multilateral financial agencies should provide assistance to the least developed countries in the form of grants, or where this is not possible, such assistance should be given on the most highly concessional terms permitted by their statutes and financial position, if possible as concessional as those provided by the International Development Association;
- (d) Developed countries should cancel the official debts of the least developed, the developing island and the developing land-locked countries;
- (e) The developed market-economy countries should give immediate and favourable consideration to providing highly concessional terms of relief for the other outstanding debt burdens of the least developed, the developing island and the developing land-locked countries;
- (f) Multilateral financial institutions should convert loans to the least developed countries into highly concessional forms;

The Conference decided to remit sub-paragraphs 10 (d), 10 (e) and 10 (f) above to the permanent machinery of UNCTAD. Developed countries should give due consideration, on a top priority basis, at the sixteenth session of the Trade

and Development Board, to the problems of debt and other related matters, as set out in these paragraphs, and should agree on definite and favourable measures to relieve debt burdens.

- (g) Bilateral donors and multilateral assistance agencies should provide official development assistance flows to the least developed countries on a predictable, continuous and increasingly assured basis;
- (h) Developed countries should provide programme aid to the least developed countries and the projects should be selected in consultation with the donor countries;
- (i) As a general rule, all official development assistance loans to the least developed countries should be untied; where this is not possible, alternative arrangements should be sought in order to offset possible disadvantages of tying.

11. In their continued endeavour to assist in developing the economics of the least developed countries, the socialist countries of Eastern Europe should:

- (a) grant credits on highly concessional terms;
- (b) find mutually acceptable solutions to financial and credit issues, such as the repayment of credits received by the least developed countries;
- (c) devise forms and methods of utilization of the mechanism of multilateral payments in economic relations with the least developed countries, within the framework of the International Bank for Economic Co-operation.

Criteria and procedures for financial and technical assistance

12. All bilateral and multilateral aid agencies should adopt more suitable and flexible criteria and procedures in granting assistance to the least developed countries. They should, in particular:

- (a) Adapt financial criteria to take fully into account the longer-term social rate of return, including related secondary effects, in these countries;
- (b) Provide financial and technical assistance to help these countries design and implement their programmes which substantially increase the participation of the majority of the population in the benefits of social and economic development, as well as support the necessary structural changes and ensure that critical needs are satisfied;
- (c) Increase various forms of financial and technical assistance for the development of public services, including projects, in these countries consistent with their national development plans and programme;
- (d) Finance local costs and, during an appropriate phasing-out period, recurring and maintenance costs of both capital and technical assistance development projects, including on-going projects and projects after their completion, wherever the lack of adequate local resources makes this appropriate;
- (e) Provide increased help in identifying, planning and preparing technical and financial assistance projects with a view to expediting the approval and implementation of projects;
- (f) Assist these countries in carrying out feasibility and pre-investment surveys and post-implementation reviews;

(g) Endeavour to attract the highest quality technical assistance personnel, speed up recruitment and project implementation procedures and ensure the most urgent response to the technical assistance needs of those countries;

(h) Arrange for rapid training of local replacement personnel.

13. The Governing Council of the United Nations Development Programme (UNDP) is invited to continue to keep under constant review the needs of the least developed countries for additional resources and to take appropriate action - including, whenever necessary, revision of the criteria of allocation - and, in particular, to avoid cutbacks in programmes for these countries in times of UNDP budgetary stringency. The Conference calls upon all donor countries to increase their overall voluntary contributions in freely convertible currencies to UNDP for the second cycle, so as to enable it to meet the increasing technical co-operation requirements of developing countries and in particular to secure additional resources for the least developed countries.

B. Commercial policy

14. Special consideration should be given, in the context of commodity agreements, to the least developed countries in a flexible and favourable manner with a view to improving the marketing of their production of such commodities in order to increase their foreign exchange earnings, bearing in mind the characteristics peculiar to each product and taking into consideration the need to protect the interests of other developing countries.

15. In the continuous improvement of their schemes of generalized preferences, and in the implementation of Conference resolution 62 (III), special attention would be given by developed countries to processed and semi-processed agricultural and mineral and handicraft products and to other products of export interest to the least developed countries.

16. Developed countries, through their work in the multilateral trade negotiations, should accelerate the adoption of special treatment in favour of the least developed countries, as envisaged in the Tokyo Declaration, with the aim of substantially improving the exports of these countries through the removal or reduction of tariff and non-tariff barriers at the earliest possible date with regard to products of present and potential export interest to the least developed countries.
17. The rules of origin in respect of products of export interest to the least developed countries should be subject to further work towards improvement, including, where appropriate, measures of liberalization, as well as towards simplification and harmonization.
18. If the evaluation of the recent liberalization of the compensatory financing facility of the International Monetary Fund should prove it necessary, taking particular account of the problems of shortfalls in export earnings of the least developed countries, the further improvement and enlargement of compensatory financing facilities to stabilize export earnings should be considered.
19. Developed countries should assist the least developed countries in a co-ordinated manner, from the stage of planning, through the production, transportation and promotional stages, towards the maximization of sales of their products at remunerative prices.
20. In the promotion of trade and economic co-operation with the least developed countries, the developed countries should encourage the least developed countries in their exports of traditional and non-traditional goods, taking into account the specific difficulties and peculiarities of these countries, through the expansion and strengthening of mutually beneficial co-operation.
21. Developed countries and international organizations should adopt measures to foster the creation of industries for on-the-spot processing of raw materials and food products.

22. The preference-giving countries should actively work towards adapting the generalized system of preferences to respond better to the evolving needs of the developing countries, taking account in particular of the interests of the least developed countries.
23. The least developed countries should be granted special treatment in the multilateral trade negotiations, priority being given to tropical products of particular interest to these countries.
24. Special measures, including exemption from financial contributions, should be taken to accommodate the needs of the least developed countries in the Integrated Programme for Commodities.
25. The developed countries, both market-economy countries and the socialist countries of Eastern Europe, should:
 - (a) provide assistance for the promotion and the expansion of the sales of the products exported by the least developed countries and encourage the conclusion of longer-term purchase arrangements;
 - (b) actively consider giving favourable treatment, in the case of government procurement, to imports from the least developed countries;
 - (c) assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures.
26. The socialist countries of Eastern Europe should conclude with the least developed countries, taking into account their specific needs, long-term agreements or contracts on favourable terms for the export of their goods and for imports of goods, where required by them.
27. The interests of importing least developed countries adversely affected by measures under the Integrated Programme for Commodities should be protected by means of appropriate differential and remedial measures within the Programme.

C. Economic co-operation among developing countries

28. The developing countries in a position to do so should:

- (a) Provide preferential treatment, as far as possible, to imports of goods produced by the least developed countries;
- (b) Assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures;
- (c) Provide, under preferential terms and conditions and at a minimum cost, the results of scientific and technological development adapted to the development needs of the least developed countries;
- (d) Provide increase flows of financial and technical assistance and goods for the benefit of the least developed countries through special preferential arrangements;
- (e) Promote and expand joint ventures with the least developed countries involving the transfer of equipment and technology, in the context of long-term bilateral agreements or special arrangements;
- (f) Explore the possibilities of undertaking long-term arrangements to assist least developed countries to achieve a reasonable level of sales of their products.

D. Shipping and promotional freight rates

29. The governments of developed and developing countries should invite and urge shipowners and members of liner conferences, as far as is feasible, to establish freight rates for the least developed countries which will encourage and assist the expansion of the export trade of these countries, which will facilitate the opening up of new markets and the development of new trade flows.

30. The developed countries and the international financial institutions should consider giving higher priority in their financial and technical assistance to help the least developed countries in acquiring and expanding their national or regional merchant marines, where beneficial, and in improving their port facilities; similar assistance should be considered in order to carry out pre-feasibility and pre-investment studies and to execute port infrastructure projects and repair and maintenance of ships and road infrastructure.

Insurance and reinsurance

31. Based on the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) and on recommendations of the Committee on Invisibles and Financing related to Trade, developed countries should make special efforts to minimize the foreign exchange cost of insurance and reinsurance for the least developed countries, to the extent that this is compatible with the effective operation of insurance and reinsurance companies, and to financially and technically assist the growth of domestic insurance and reinsurance markets in the least developed countries and the establishment to this end, where appropriate, of institutions in these countries, and at the regional level.

32. With this in view, the least developed countries should make all efforts to:

- (a) take appropriate legislative and administrative actions to ensure more effective supervision and to regulate the insurance operations which are transacted in their territories by both national and foreign insurance concerns;
- (b) take necessary measures so that the technical reserves and guarantee deposits of insurance and reinsurance companies should be invested in the country where the premium arises, without prejudice to their effective operation.

33. UNCTAD and the United Nations Development Programme and other related agencies should render all adequate and necessary assistance within their sphere of competence in the implementation of the measures.

E. Transfer of technology

34. The developed countries and competent international institutions should:
- (a) Assist the institutions of least developed countries in obtaining the results of scientific and technological developments appropriate to their requirements. They should consider particularly ways of transferring technology on terms and conditions favourable to the least developed countries and the dissemination of technological information to these countries to enable them to select technology appropriate to their needs. In their activities for the development and adaptation of technology to the technological needs of developing countries, governments should consider particularly the needs of the least developed countries;
 - (b) In order to overcome the technological and negotiating weaknesses of these countries, assist in the establishment of transfer of technology centres designed to obtain necessary technological information, to select from available alternative and to negotiate proper terms and conditions for external collaboration;
 - (c) Facilitate the transfer of patented, patent-related and non-patented technology, including know-how, suited to the economic conditions of the least developed countries, on favourable terms and conditions, and consider requests for assistance for this purpose;

- (d) Provide the necessary assistance for establishing institutions of applied technology, with the aim of developing indigenous technologies and promoting the adaptation of imported technologies to national requirements, and consider appropriate linkages with international and regional centres of technology and research.

F. Other action by UNCTAD

35. The Secretary-General of UNCTAD should convene as soon as possible a special meeting at which multilateral and bilateral financial and technical assistance institutions can carry out, together with representatives of the least developed countries themselves, a general review and assessment of their requirements and progress and of the problems arising in the co-ordination and implementation of assistance programmes on both the donor and the recipient sides, with the aim of agreeing on specific proposals for the more rapid increase in growth and welfare in the least developed countries. The results of this meeting should be communicated to the Intergovernmental Group on Least Developed Countries.

36. The Secretary-General of UNCTAD in consultation with other competent organizations, should convene an ad hoc group of experts to study:

- (a) Improved methods for expanding the exports of the least developed countries which would involve co-ordinated efforts ranging from the planning and production in the least developed countries to the sale of their products in developed countries;
- (b) Possibilities for providing or promoting long-term arrangements for the sale of export products of least developed countries in the markets of developed countries;

- (c) Possible measures for the expansion and improvement of the work of existing institutions and financing corporations, or if necessary the creation of new institutions, in the developed countries as well as in the least developed countries, specifically designed to promote the sale of products of the least developed countries, including the development of suitable arrangements by the developed countries concerned to reduce the risks and maximize the benefits of such trade;
- (d) Possibilities for improving existing institutional arrangements, procedures and practices at the national, regional and global level, so as to ensure efficient procurement of imports by the least developed countries at minimum cost.

37. The Secretary-General of UNCTAD should:

- (a) Strengthen the technical assistance activities of UNCTAD, in collaboration with the United Nations Development Programme and with other sources of technical assistance funds, in the planning and policies of the foreign trade sector of the least developed countries and in other specific areas within the competence of UNCTAD on behalf of these countries, including the provision of adequate advisory services to assist the least developed countries in these areas; and co-ordinate, as appropriate, with other agencies concerned with technical assistance related to these activities, such as the Food and Agriculture Organization of the United Nations, the United Nations Industrial Development Organization, the International Trade Centre UNCTAD/GATT, and the regional commissions;

- (b) Make more adequate provision for the needs of the least developed countries in the orientation of the work programme of UNCTAD, stressing also the need for in-depth study of the circumstances of the individual least developed countries, and including inter alia, the following:
- (i) To carry out a methodical analysis and evaluation of the progress and difficulties encountered in implementing the policy measures designed to assist the least developed countries and to suggest additional measures that may be needed;
 - (ii) To explore possible ways and means of increasing both the absorptive capacity and the effectiveness of external assistance to least developed countries, as well as to provide a more satisfactory basis for an assessment of the external requirements of these countries;
 - (iii) To explore the export potential and import substitution possibilities for least developed countries (including diversification possibilities);
 - (iv) To study the potential benefits for least developed countries from expanded trade and co-operation arrangements among developing countries;
 - (v) To evaluate the adequacy of the institutions, both public and private, in the foreign trade sector of the least developed countries;
 - (vi) To evaluate the overall policies regarding the foreign trade sector of the least developed countries and to make recommendations for possible improvements in the planning and programming of their external sectors;

- (vii) To provide necessary background studies in preparation for the meetings referred to in paragraphs 35 and 36 above.

Special measures in favour of the least developed
among the developing countries

A. The need for action

Despite growing international awareness of the economic problems of the "hard-core" least developed countries, their situation and prospects remain, with a few exceptions, desperate. Indeed, at the time when the Conference is about to hold its fourth session, most of these countries appear to be in a worse position than they were at the time of the third session. The international community had adopted a number of special measures for these countries and the third session of the Conference at Santiago, Chile, marked a new stage with the adoption of a wide-ranging set of measures in resolution 62 (III). Since facing these countries, at the first meeting of the UNCTAD Intergovernmental Group on the Least Developed Countries in July 1975. The Group was able to make some progress, particularly with respect to financial and technical assistance, and it passed on for further consideration proposals in other areas, particularly that of commercial policy.

The fact remains, however, that the special measures so far adopted have led on the whole only to relatively small, although positive, results in the fields of financial and technical assistance, and that in other areas very little indeed of practical significance has yet been accomplished. It is also true that many of the measures so far adopted have been very general, calling for increased attention to or higher priority for policy measures on behalf of all developing countries. While there is a greater understanding of the nature of the problems facing the "hard-core" countries, and there have been some important new initiatives which may yield considerable benefits later on, it seems clear that far too little is being done and, what is perhaps more important, that far too little is being planned on their behalf. Far larger and more effective efforts are urgently needed to help these countries to improve their economic and social well-being. The Conference therefore needs to consider the measures it can now take to assist these weakest developing countries to escape the prospect of continuing, and deepening, acute poverty. The proposals below are aimed at providing for commitments by the international community which go beyond those previously agreed on, at reaffirming and making more explicit the commitments previously made, and at strengthening the sense of urgency and the political will to implement a far more effective action programme in the future.

B. The deteriorating economic position
of the least developed countries

Before considering specific action proposals, it is worth taking a brief look at the disconcerting data on the economic position of the hard-core least developed countries. The real per capita GNP of these countries, taken as a group, grew at an annual rate of only 0.7 per cent during the 1960s, and virtually no growth at all was recorded during the first four years of the Second United Nations Development Decade. Stagnation of this sort means that the hope, expressed in the International Development Strategy, that the poorest developing countries would achieve a growth rate in per capita income higher than 3.5 per cent per annum remains so far entirely unfulfilled. The per capita incomes of only three of the countries (Botswana, the Gambia and Malawi) recorded growth rates above this minimum during the period 1970-1974. Indeed, 14 of them (with almost 80 per cent of the total population of the group) recorded per capita income growth rates of less than 1 per cent per annum during the early 1970s, and 10 of these (with over half the population) suffered actual declines. Agricultural and food production, which had just kept pace with the growth of population during the 1960s, actually declined for the group as a whole during the 1970-1974 period. Related indicators for manufacturing and investment also suggest a weaker performance by the hard-core least developed countries during the early 1970s. While the recent widespread droughts which affected many of the least developed countries have further weakened their position, the long-term stagnation of most of them reflects deep-seated structural difficulties. These problems were sharply aggravated in 1974 and 1975 by the world economic crisis.

In areas of special policy concern to UNCTAD, the extreme difficulties facing the least developed countries can be most clearly seen in their starkly limited ability to obtain foreign exchange, through higher export earnings, effective import substitution (including efforts to attain food self-sufficiency) or expanded flows of assistance. Both the level and the growth of foreign exchange available to the least developed countries have been far inferior on average to that available to other developing countries, as the data in the following table (expressed in constant 1974 dollars) indicate:

	The least developed countries		All other developing countries	
	1965-1968 average	1974	1965-1968 average	1974
1. Export purchasing power per capita	20.2	12.8	49.4	62.2
2. Total financial flows per capita	8.2	11.4	18.3	20.8
of which:				
Official development assistance per capita	(6.8)	(6.9)	(9.9)	(6.7)
loans and grants from OPEC countries	-	(2.7)	-	(2.5)
3. Total foreign exchange availabilities per capita (=1 + 2)	28.4	24.2	67.7	83.0
4. Import volume per capita	26.2	22.1	61.9	80.7
5. GNP per capita	101	102	248	316

The low level of the export earnings of the least developed countries reflects their low income levels and the fact that their agricultural sectors are still largely at subsistence level, but even more disconcerting than the low level of earnings is the utter lack of progress. From the bleak picture presented in paragraph 6 above, it is clear that the purchasing power per capita of the exports of the least developed countries declined steadily during the early 1970s, with a further sharp decline in 1974, the total decline since the mid-1960s being 37 per cent.

It is true that total financial flows, in real terms, have increased by about \$3 per capita since the mid-1960s, and that official development assistance per capita for the least developed countries now slightly exceeds the average for other developing countries. However, the over-all import volume per capita which the least developed countries have been able to command has declined markedly (particularly since 1970), and in 1974 represented, on average, only one-fourth of the import capacity achieved by other non-oil-exporting developing countries.

Even though total financial flows per capita represent only about half those available to other ~~non-oil-exporting~~ developing countries, these flows play a far more crucial role in the hard-core least developed countries in supporting their imports. For 11 of the least developed countries, these flows accounted for more than half their imports in 1973 and in 1974.

While overcoming the structural handicaps of these countries is obviously far more complex an undertaking than simply expanding their foreign exchange receipts, any serious development efforts on their part are severely restricted by their very limited internal resources. Stronger efforts need to be made to improve the mobilization of domestic resources, both in real and in financial terms, in the least developed countries (with a fuller use of labour, higher savings rates, improved fiscal mechanisms, strengthened institutions for the mobilization of savings, etc.). However, it must also be recognized that these countries are highly dependent on subsistence agriculture and that their supply of skills is severely limited, their governmental administrations being only poorly endowed with highly trained people. This means that only limited results can be expected for quite some time in terms of mobilization of domestic resources, and that technical and financial assistance will be needed both to strengthen these efforts and to supplement them. Indeed in supplementing these efforts assistance in the form of budgetary support may be especially important.

Clearly, from the point of view of the international community, extraordinary efforts will be needed, in terms of both strengthened commercial policy measures and increased financial and technical assistance flows, if the sharply increased import capacity that will be needed to improve economic and social welfare and to sustain more rapid growth is to be achieved.

C. Financial and technical assistance measures

The Conference should seek to ensure that:

- (a) Far larger flows of technical and financial assistance, applied under far more flexible norms than in the past, are made available to the least developed countries

- (b) These flows, wherever possible, are in the form of grants and that outstanding bilateral official development assistance loans are covered to grants;
- (c) Effective steps are taken to provide at least an adequate minimum flow to each of the least developed countries;
- (d) Effective steps are taken to seek agreement between donor agencies and the least developed countries on a global plan for a much more rapid increase in growth and welfare in these countries, based on a longer-term assurance of far larger assistance flows.

1. Over-all requirements

From the examination of the growth potential of the least developed countries in such key areas as agriculture and mineral resources and from the study of the major constraints on development facing the least developed countries, it can be seen that many of these countries have considerable untapped resources which can contribute to their growth, at least in the longer run, and that all of them, being highly dependent on agriculture and suffering from very low productivity in the agricultural sector, can benefit substantially, even in the short and medium term, from concerted efforts to improve their agricultural output. The realization of such potential will require strong efforts in mobilizing internal skills and resources, but will inevitably also require the parallel mobilization of external technical and financial assistance efforts. Indeed, study of the long series of constraints on development, which most acutely affect the least developed countries, suggests that far greater technical and financial assistance flows, applied under far more flexible norms than in the past, are necessary if these constraints are to be overcome (or temporarily bypassed while longer-term solutions are worked out).

The problem is further aggravated by the immediate and urgent need for expanded assistance flows to maintain even the past inadequate levels of imports, in the face of the current collapse in the purchasing power of exports in many of these countries. Indeed, 22 of the least developed countries are on the list of the most seriously affected countries established for the purposes of the United Nations Emergency Operation undertaken in pursuance of section X, paragraph 2, of General Assembly resolution 3202 (S VI).

Since the prices developing countries have had to pay for their imports doubled between 1970 and 1975, and since inflation continues apace, the prospects for a further erosion of the purchasing power of aid commitments remain strong. Regular adjustments in aid programmes which will fully offset this erosion are urgently needed.

2. Sources of assistance

The International Development Strategy for the Second United Nations Development Decade calls for the developed countries to provide a major part of financial resource transfer to the developing countries in the form of official development assistance, and for such flows to reach a minimum net amount of 0.7 per cent of GNP at market prices. If member States of the Development Assistance Committee of OECD, as a group, had achieved this target in 1974, official development assistance flows to the least developed countries (assuming the maintenance of their current share of these flows) would have reached approximately \$3,350 million. The actual net flow of official development assistance received from the DAC countries and from multilateral institutions was \$1,670 million, or only half the hypothetical total.

Official development assistance from DAC member countries and multilateral institutions remains the largest source of total financing flows to the least developed countries (67 per cent in 1974). In view of the importance of assistance on the softest possible terms, the Conference should not only seek to put an end to the stagnation and halt the recent decline in these flows in real terms, but should also seek ways of realizing the extremely important potential for the least developed countries represented by the target of 0.7 per cent of GNP of such flows, particularly if the additional amount described in paragraph 16 above could be made immediately available to the least developed countries as a matter of first priority.

In the light of both the longer-term development needs and the immediate emergency, action should be called for on the part of all present major donors - DAC member countries, multilateral agencies, socialist countries of Eastern Europe, the People's Republic of China, and OPEC members - to expand the real volume of assistance to least developed countries. While 22 per cent of 1974 IDA commitments and 26 per cent of UNDP country programme funds for the next programming cycle are being directed to the

25 least developed countries originally designated, commitments of official development assistance by DAC countries and multilateral agencies to these countries were 9 per cent of the total in 1973. Several member countries of OPEC made substantial assistance commitments in 1974, with disbursements to the 29 least developed countries estimated at \$ 657 million in that year (including funds channelled through the IMF oil facility). The Lome Convention provides for expanded resources for the European Development Fund, which to judge by past allocation standards, may increase flows to least developed countries by \$ 100- \$150 million per year over the next five years.

While the bulk of the additional assistance required will undoubtedly have to come from a general expansion of the flow of grants and concessional loans from the traditional major sources and from the newly launched programmes of the OPEC countries, steps should also be taken to expand flows from other sources, such as private grant programmes and voluntary agencies, private foreign investment suited to the development needs of the hardcore least developed countries, and the assistance programmes of other, more advanced developing countries. The Conference may also wish to consider what automatic transfers might be devised to take special account of the needs of the least developed countries. Of immediate interest are the arrangements being made for the use of part of the IMF gold reserves for development aid purposes, which could constitute a source of additional funds for those countries.

Also of immediate interest will be the possible role which already established or proposed special-purpose United Nations funds can play in attracting significant amounts of financial resources and in channelling an important part of them to the least developed countries, e.g. the Special Fund set up in pursuance of section X, paragraph 5, of General Assembly resolution 3202 (S-VI), the United Nations Capital Development Fund, the proposed special fund for the least developed countries, the International Fund for Agricultural Development, and the special fund for land-locked developing countries. If these funds are to be effective in attracting and using resources, it will be important to clarify the special role which each of them can perform.

3. Ensuring an adequate minimum flow for each least developed country

An issue of great practical importance is how to ensure more adequate flows of assistance to many of the least developed countries which have suffered from relative neglect and whose export earnings are also especially low. While the foreign exchange receipts per capita of the least developed countries are far lower on average than those of other developing countries, the hard-core least developed countries show a wide diversity of performance both in export earnings and in external assistance flows. The Intergovernmental Group on the Least Developed Countries endorsed the principle that a minimum flow of assistance should be furnished to each least developing country at least equal to the average for all developing countries on a per capita basis. The seriousness of the problem can be seen from the fact that 11 of the least developed countries (containing more than two thirds of the total population of these countries) received less than this average in 1974 - and that this shortfall totalled about \$700 million. Since the policies of individual donor countries governing the allocation of assistance reflect a wide variety of historical ties and other special considerations often having little connection with comparative needs of absorptive capacity, the Conference should seek to provide more effective means to ensure the fulfilment of at least this minimum standard for each least developed country.

4. Criteria and procedures for financial and technical assistance

While there has been a growing recognition that traditional criteria for financial and technical assistance are often quite inappropriate for the least developed countries, and that a far more flexible approach is needed, and while there is evidence of improvement in some of these respects, many of the bilateral and multilateral donor agencies continue conditions which act as serious constraints on the amount and the effectiveness of external assistance flows.

Action is needed along the following lines:

(f) Local cost obligations for the least developed countries in connexion with technical assistance projects should be minimized.

(g) Assistance in the form of support for sectoral or general import programmes may be particularly appropriate for the least developed countries, given the precarious balance-of-payments position which almost all of them face and given the urgent need to maintain and expand imports both for development and for meeting minimum human welfare standards.

(h) More positive efforts by donor agencies are needed to help the least developed countries in identifying, planning and preparing both technical assistance and financial projects, in expediting the approval and implementation of projects, in carrying out feasibility and pre-investment surveys, and in post-implementation reviews. Technical assistance and training should be provided to enable the least developed countries, in keeping with their own development priorities and objectives, to negotiate most effectively with bilateral and multilateral donors and with sources of private foreign investment.

(i) In view of the special difficulties facing the least developed countries, every effort should be made to attract technical assistance personnel with special knowledge of conditions in these countries, and to speed up the procedures for recruitment and for project implementation, in order to ensure the quickest possible response to these countries' assistance needs.

(j) While it is recognized that provision for the training of counterpart local personnel in technical assistance projects is important where such personnel can be made available, any firm donor requirement for such counterparts should be waived in the case of least developed countries, in view of the special difficulties these countries frequently encounter in providing such personnel. Where such a requirement is insisted upon, the provision of urgently needed technical assistance is often seriously delayed or rendered impossible.

(k) In view of the shortage of entrepreneurial skills and know-how in the least developed countries, donors and recipients may often find it appropriate to make special arrangements for integrated financial and technical assistance projects, combining finance, know-how and management talent in a single package.

5. Terms and conditions for financial and technical assistance

in view of the fact that the least developed countries are likely to require very large amounts of assistance over a long period in order to accomplish the major structural transformations required in their economies, and that many of them are already heavily burdened with debt, it seems essential to provide particularly favourable terms and conditions for assistance. The conference should therefore seek to ensure that:

- (a) All future bilateral official development assistance to the least developed countries is provided in the form of grants;
- (b) Multilateral financial agencies provide assistance to the least developed countries, where possible in the form of grants, and otherwise in the form of loans of terms at least as concessional as those granted by IDA;
- (c) Developed countries, as part of their urgent measures to alleviate the debt problems of developing countries;
 - (i) Take immediate steps to convert all outstanding bilateral official development assistance loans to the least developed countries into grants;
 - (ii) Give immediate and favourable consideration to providing highly concessional terms of relief for other outstanding debt burdens of the least developed countries;
- (d) Multilateral financial institutions endeavour to offset the burden of past loans, make on less-concessional terms, by means of refinancing loans, or similar devices, on highly concessional terms;
- (e) Developed countries, as part of their efforts to eliminate all aid-tying provisions applying to assistance flows to developing countries generally, see to it that these barriers are immediately removed with respect to the least developed countries;

(f) Bilateral and multilateral assistance agencies make special efforts to provide firmer guarantees of the continuity of their assistance to the least developed countries over a longer period, in order to facilitate the planning efforts of these countries.

6. Some priority areas for technical
and financial assistance

Some of the more significant priority areas requiring urgent attention in the least developed countries emphasize the need, repeatedly stressed above, for larger and more flexible flows of assistance to these countries.

Major new initiatives are called for with respect to rural development programmes designed to rise traditional subsistence agriculture to a more productive and technologically advanced level, with appropriate incentives for farmers, including land tenure reforms, adequate credit facilities, appropriate pricing policies for both farm products and farm inputs (such as pumps and fertilizers), better feeder roads, effective extension services, improved marketing arrangements and the development of the necessary supporting institutions.

The careful selection of new and expanded manufacturing activities, closely integrated with agricultural development strategies, can play a vital role in supplying necessary farm inputs, in processing agricultural outputs, and in responding to the agricultural sector's increasing demand for consumer goods.

Greater efforts will be needed to reduce the disparities in the entire range of programmes and benefits reaching the more remote regions of the least developed countries as compared with those directed towards the more populous centres, through the assignment of higher priority to a more balanced regional development in both governmental and external assistance programmes.

Improved internal and international transport and communication links have a major part to play both in fostering a better balanced regional development and in linking the local and national economy with the outside world.

Major modifications are required in many of the least developed countries in order to establish an efficient educational system functionally oriented and more responsive to the requirements of development. Special efforts will be needed to strengthen skills at the intermediate level in government, agriculture and industry (e.g. at the level of the foremen in a factory).

Since the administrative systems of most of the least developed countries need to pursue for the purpose of modernization a range of objectives exceeding those countries' existing capabilities, their Governments may wish to seek expert advice in assessing their administrative capacities in priority fields, in order to identify areas for special attention and to suggest possible programmes of technical co-operation.

The least developed countries would benefit from greater economic co-operation with other developing countries in the context of "collective self-reliance". A policy of expanding relations with other developing countries would provide an additional source of economic growth, and external assistance in support of this would be useful.

Many of the above measures would have their main effect only in the medium and longer term. To provide immediate benefits, programmes embodying the following also need priority attention: (a) support for local smallscale, labour-intensive rural public works projects; (b) financial and commodity support for voluntary agency activities at the community level; (c) accelerated project feasibility studies in priority development sectors; (d) additional physical inputs in the agricultural sector to increase productivity, particularly in foodstuffs; (e) the encouragement of simple, small-scale agro-industrial activities based on locally produced agricultural products; and (f) the improvement of current nutritional, medical and health standards.

The measures in all these priority areas must aim at bringing about a structural transformation both in the short run and in the longer term, and foreign trade policies which assist and sustain that transformation will be urgently needed.

D. Commercial policy and related measures

The evidence of stagnating and declining real export earnings for most of the least developed countries, the low absolute level of these exports in per capita terms, and their overwhelming concentration on a few commodities, raises the question of what can be done to expand these countries' export earnings, and in particular the role which commercial policy measures can play. The existing internationally agreed measures taken by developed countries in the commercial policy field are non-discriminatory in their application to developing countries generally. Other forms of special treatment for the least developed countries, within the framework of general policy measures on behalf of all developing countries, might be helpful in promoting the expansion of foreign-exchange earnings or the reduction of import costs, which these countries so urgently require.

1. The integrated programme for commodities

The adoption of the UNCTAD integrated programme for commodities and the consequent stabilization of export prices at remunerative levels would in itself be expected to bring very substantial benefits to the least developed countries, given their heavy dependence on exports of primary commodities. The Conference should seek to ensure that these countries benefit fully from the programme, and, at the same time, that their financial contributions to the arrangements are kept as low as possible, and in line with their capabilities, in view of their extremely weak economic position.

Commodity agreements

Special allowance should be made for the needs of the least developed countries, in order that they may derive more substantial benefits from international action in the area of commodity agreements, for example in regard to the establishment of export or sales quotas in such agreements. New agreements should provide for exemption from quota restrictions for at least small producers among the least developed countries. Greater use should be made of such devices as basic quotas which would provide a substantial margin for expansion rather than merely reflect traditional market shares. Such measures might also include exemption from the obligation to share the financial costs and risks involved in the maintenance of stocks.

Favourable treatment for essential imports

The Conference may also wish to consider what could be done to assist the least developed countries as importers of essential commodities which are governed by international agreements or for which agreements might be formulated. This might involve sales to these countries on concessional terms, either directly by exporters or from international buffer stocks.

Compensatory financing agreements

Multilateral arrangements, such as the IMF compensatory financing arrangements for export shortfalls, should provide for less exacting requirements for economically weaker developing countries, and particularly the least developed countries.

2. Tariff and non-tariff barriers

Although the least developed countries in general face relatively few obstacles to trade, given the present composition of their exports, a programme for enhancing their export potential through diversification quickly faces a number of barriers, both tariff and non-tariff. This is particularly true of efforts to embark on the processing of primary commodities for export, such as food and fibres.

With regard to the generalized system of preferences, a number of initiatives have been stressed in the work of the Special Committee on Preferences, but in general these countries still derive very limited benefits from the schemes. In the case of the new preferential arrangements under the Lome Convention accorded by the countries of the European Economic Community to the African, Caribbean and Pacific countries, it should be noted that these 46 countries include 19 of the 29 hard-core least developed countries.

The Tokyo Declaration, which initiated the current round of multilateral trade negotiations, stated:

The Minister recognize that the particular situation and problems of the least developed among the developing countries shall be given special attention, and stress the need to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations.

No specific action has yet been taken to implement this paragraph of the Tokyo Declaration.

E. Economic co-operation among developing countries

As is indicated in the report by the UNCTAD secretariat on economic co-operation among developing countries, a third-world preference scheme should make provision for the special situation of the least developed countries, special preferential concession being granted for the exports of the relatively less advanced countries, taking into account the special circumstances of each particular case, and these concessions should be linked to more active measures in the fields of production and finance.

As has already been noted greater economic co-operation among developing countries could yield substantial benefits for the least developed countries and this should be a priority area for technical and financial assistance to these countries. Such efforts should aim at the expansion of trade and economic co-operation arrangements with other developing countries interregionally and regionally, as well as within existing or new subregional economic integration schemes.

Within regional integration schemes in which the least developed countries participate, there are a number of special measures which might be taken by the more advanced participating countries to promote a more rapid development of the least developed countries. These include arrangements for preferential treatment of the exports of those countries, the allocation of higher financial resources by the regional development banks, and the promotion and protection of specific industrial projects in the least developed countries. Bilateral and multilateral assistance for such arrangements should be encouraged.

The financially stronger developing countries are already providing considerable financial assistance to the least developed countries, and efforts to expand these flows will be of great importance. Many of the more advanced developing countries (which themselves face serious balance-of-payments problems) have substantial capacity for the provision of expert technical assistance personnel with extensive practical experience in techniques particularly suitable to the actual situations facing the least developed countries and of a wide variety of goods and services, and efforts to expand these flows should be supported. Increased flows of technical assistance and good from these more advanced developing countries to the least developed countries should be encouraged through special arrangements (by international agencies, developed countries, or the financially stronger developing countries) to offset the added burden of foreign-exchange costs associated with such flows.

F. Other special measures

The Conference should reaffirm the need for special attention to be devoted to the problems of the least developed countries in other special area of UNCTAD interest, such as shipping and ports, insurance, the transfer of technology, restrictive business practices, trade facilitation, trade promotion, and trade with socialist countries. In view of their particularly weak physical and administrative infrastructure in all these areas, the special attention required includes:

(a) The study of the particularly difficult problems faced by the least developed countries in each of these areas;

(b) The urgent provision of technical and financial assistance adapted to the especially difficult situation of these countries, including the establishment of appropriate institutions;

(c) Adjustments to general policy measures to take special account of these difficulties.

Many of these measures will be essential ingredients in the integrated approach to the expansion of trade for these countries.

1. Shipping and ports

As far as shipping is concerned, the least developed countries are particularly vulnerable to high costs and delays, because of the relatively small scale of their trade. Their ability to obtain promotional freight rates will often be a crucial element in efforts to expand existing exports or to develop new export products. Port congestion is a further very serious problem, imposing heavy financial losses on account of demurrage payments and failure to meet delivery dates on exports and imports. These problems are often even more acute for the land-locked least developed countries.

2. Insurance

The characteristically complete dependence of the least developed countries on the purchase of insurance services abroad results in a considerable outflow of foreign exchange, so that efforts to create local insurance markets would be of significant benefit to them.

3. Transfer of technology

The position of the least developed countries is particularly weak with regard to technological information and the appropriate choice of technologies suited to their difficult economic conditions, and with regard to their ability to negotiate effectively for the especially preferential terms and conditions which they require.

4. Restrictive business practices

Restrictive business practices could seriously hamper any efforts to expand the foreign trade of the least developed countries. These countries would, therefore, benefit from studies in depth of the impact of such practices on their present and potential trade.

5. Trade facilitation

Non-tariff barriers in the form of complicated formalities, unwieldy procedures and cumbersome documentation often present particularly severe problems for the least developed countries, and especially for those that are land-locked. For them, continued efforts to simplify formalities and procedures and to standardize documents are important in the expansion of trade and the reduction of costs.

6. Trade promotion

As part of the integrated effort needed to expand and diversify the production base of the least developed countries and to open up new export markets for their products or to enlarge existing ones, export promotion services, carefully adapted to the special situation of each of these countries, will continue to be of marked importance. Efforts by developed countries to assist the expansion of their imports from the least developed countries, through such devices as trade fairs, import promotion campaigns, the exchange of trade missions and the establishment of direct business contacts, should be greatly increased.

7. Trade with socialist countries of Eastern Europe

The socialist countries of Eastern Europe already have significant assistance and economic co-operation arrangements with many of the least developed countries. However, (a) there is considerable scope for broadening these arrangements to include many others of the least developed countries; (b) there is considerable latitude for expansion of the purchase of raw materials from the hard-core least developed countries, and the possibility of the expansion of other imports on a preferential basis could be quite significant also; (c) the possibilities for the further multilateralization of payments and for other multilateral arrangements to broaden trade are also considerable, and (d) there is an urgent need for larger flows of financial aid and with the application of more flexible criteria and conditions.

G. A broad integrated approach to strengthening the foreign trade sector

In view of the failure of the least developed countries in general to expand their real export earnings in recent years, or to reduce their dependence on imports of food and other essentials through expanded domestic output, and in view of the importance of achieving a larger command over foreign-exchange resources if development goals are to be met, a higher priority for all elements of a broad integrated approach to export expansion seems essential, and it should be paralleled by co-ordinated efforts at effective import substitution (in the first place, the achievement of self-sufficiency in food supply, where, possible) and

by strong efforts to carry out a programme of import cost-reduction measures. This integrated approach will require, inter alia, efforts to increase access to markets, and financial and technical assistance for the purposes of improving planning and policies for the foreign trade sector, creating more adequate supporting institutions, and expanding and diversifying output, in order (a) to meet growing domestic requirements, (b) to ensure economical substitution of domestic production for imports, (c) to ensure expanded export earnings, (d) to reduce the impact of fluctuations in earnings by the diversification of export products and markets, and (e) to lower the real cost of imports by adopting a wide range of policy measures, including improved procurement arrangements. An expanded programme of this kind of technical and financial assistance in UNCTAD and in other multilateral and bilateral agencies is already in preparation, but greater efforts and support will be needed.

1. Export expansion measures

As indicated repeatedly above, far more intensive efforts are needed if the present decline in real export earnings per capita is to be reversed for the least developed countries. Therefore, a thorough review of the studies carried out on export potential, policies, financing and institutions should be undertaken, special emphasis being placed on new approaches that might help to solve this problem. Among possible new initiatives, the following should be explored.

Long-term sales guarantees

Governments, international institutions and even private commercial enterprises (especially large ones) might wish to consider purchasing some of their supplies from the least developed countries as a matter of deliberate policy. A readiness to take such action might lead to a broader policy of giving to the least developed countries long-term guarantees of a reasonable level of sales. Such guarantees, on the part of both the developed market-economy and the socialist countries, might be provided by the conclusion of long-term supply contracts, with appropriate financial and technical assistance to help the least developed countries to fulfil them. UNCTAD should explore ways of facilitating such guarantee arrangements.

Import promotion and financing corporations

The possibilities should be explored of establishing import promotion and financing corporations in the developed countries, specifically designed to promote the sale of products of the least developed countries, including the development, by the developed countries concerned, of suitable guarantee arrangements to offset part of the risks of such trade. Alternatively, institutions of this type might be multilateral in nature, and in addition to promoting the sale of present and new products from the least developed countries, might finance private investors or subcontractors in those countries to help to ensure the quality and stability of production for export to developed countries.

Measures to facilitate an integrated vertical approach to export expansion

Studies are needed of ways to bring about an integrated vertical approach for expanding the exports of the least developed countries, which would involve co-ordinated efforts ranging from the planning and production stage in the least developed countries to the stage of ensuring sales of their products in the developed countries to the stage of ensuring sales of their products in the developed countries. This could involve "package" projects for which a single donor agency attempts to provide finance or technical assistance to overcome all the problems related to a particular export product, or it could involve co-ordination by several donor institutions to the same end.

In connexion with specific projects to assist one or other of the least developed countries to expand production or to take up new processing for export, the assurance of access to export markets could be of great practical value. It might prove feasible and indeed particularly useful to negotiate bilaterally specific enlargements of quota or exemptions from quotas or other trade barriers with respect to a particular product or particular products of interest to certain of the least developed countries, as part of a specific "package" project. The development of other imaginative bilateral arrangements to encourage production and ensure market access for exports should be encouraged (and where aid tying is a necessary part of such arrangements, this should constitute an exception to the recommendation in paragraph 24 (e) above).

Country meetings on trade bottlenecks

It would be useful to explore the possibility of organizing meetings on the commercial policy problems of specific least developed countries or of small closely-related groups of such countries, with the participation of appropriate government officials from those countries and from developed countries, together with representatives of commercial importers of State-trading companies in the developed countries and of principal exporters in the least developed countries concerned. Such meetings could encourage projects to promote production and exports from the least developed countries, and at the same time might discover possible ways of overcoming existing governmental or non-official trade barriers.

2. Import cost-reduction measures

The possibilities of making very substantial savings on the import costs of the least developed countries through cost-reducing policies, better procurement techniques and new institutional arrangements may be great, but these countries face particularly severe difficulties in realizing such savings. The dimensions of this problem and the possible solutions should be carefully examined in order to determine what further action is needed in this still largely unexplored area. Studies should include an examination of the adequacy of existing institutional arrangements at the national, regional and global levels to ensure efficient procurement of imports by the least developed countries at the minimum cost. The aim should be to establish more effective procurement advisory services for the least developed countries which would secure substantial savings on import costs and thus increase their foreign-exchange availabilities.

H. Co-ordination arrangements

Improved co-ordination in financial and technical assistance, as well as in broader areas calling for special measures, can bring substantial benefits to the least developed countries. The problem of co-ordination arises at several levels and a number of different mechanisms will prove useful and complementary.

The Intergovernmental Group on the Least Developed Countries itself provides a central organ devoted solely to the problems of this special group of countries, and the Group has been reconvened for a second session, not tentatively scheduled for mid-1977. At its first session in July 1975, it endorsed various proposals in the field of co-ordination, including a proposal for specific country or regional co-ordination meetings in co-operation with UNDP, and with the support, where appropriate, of multisectoral teams. The Group also called for the creation of appropriate mechanisms by the United Nations Administrative Committee on Co-ordination to review and co-ordinate, at the highest level, the action and programmes of the United Nations system on behalf of the least developed countries.

Combined meetings of donors and recipients for the benefit of the least developed countries constitute another important co-ordination technique. Given the difficult problems and special needs of these countries and their general lack of effective economic progress, it would be useful to convene an early meeting between representatives of multilateral and bilateral technical and financial assistance agencies on the one hand, and representatives of all the least developed countries themselves on the other. The Intergovernmental Group on the Least Developed Countries, in requested the Secretary-General of UNCTAD to explore the possibility of convening meetings of this type, and discussions with UNDP, other donor agencies and recipients on this question are continuing. The topics for discussion at such meetings would include the following:

- (a) A general review and assessment of the requirements of the least developed countries, and the adequacy of present and prospective flows of financial and technical assistance resources to meet them;
- (b) The least developed countries' own assessment of the priorities for an expanded flow of assistance;
- (c) A review of the progress and the problems, from both the donors, and the recipients' points of view, in the co-ordination and implementation of assistance programmes for the least developed countries;
- (d) The possibilities of the adoption of more flexible criteria for assistance, more responsive to the needs of the least developed countries and providing a more effective use of available resources;

(e) Discussion of specific steps which might be taken to ensure that at least a minimum flow of assistance is provided to each of the least developed countries, and thus to overcome the relative neglect which many of them have faced in the past;

(f) As a broader aim, consideration of the kind of global action plan needed for a much more rapid increase in growth and welfare in the least developed countries;

(g) In the light of the results of the discussion of the above topics, proposals for further meetings of this type should be considered, with the possibility of exploring more specific themes.

There is also the need for strengthening existing arrangements for the on-the-spot co-ordination of the operations of assistance agencies in certain of the least developed countries. Furthermore, technical assistance should be furnished to individual countries to help them to build more effective co-ordination mechanisms for assistance programmes, involving arrangements within the government structure to expedite the processing of assistance projects, strengthen the technical knowledge of assistance agency operations, and help to prepare assistance programmes for discussion with donors.

32/163 Strengthening of operational activities in the field of industrial development in the least developed among the developing countries

The General Assembly,

Taking note with satisfaction of the report of the Industrial Development Board on the work of its eleventh session.

Taking note of the report of the Executive Director of the United Nations Industrial Development Organization on the strengthening of operational activities in the field of industrial development,

Recalling the Programme of Action on the Establishment of a New International Economic order contained in its resolution 3202 (S - VI) of 1 May, 1974,

Bearing in mind the Lima Declaration and Plan of Action on Industrial Development and Co-operation adopted by the United Nations Industrial Development Organization at its Second General Conference, held at Lima from 12 to 26 March 1975,

Recognizing that further steps should be taken to implement without delay the decision to convert the United Nations Industrial Development Organization into a specialized agency,

1. Commends the United Nations Industrial Development Organization for its efforts in favour of the least developed countries and requests it to intensify its activities in connection with the implementation of the special measures adopted in their favour and to devote the maximum resources possible to meet their needs and requirements;

2. Welcomes the establishment of a section within the secretariat of the United Nations Industrial Development Organization to deal with the needs and requirements of the least developed countries';
3. Urges the Industrial Development Board to allocate a sizable sum from the United Nations Industrial Development Fund to the needs and requirements of the least developed countries, taking into consideration General Assembly resolution 31/202 of 22 December 1976;
4. Requests the Secretary-General in co-operation of the Executive Director of the United Nations Industrial Development Organization, to report to the General Assembly at its thirty-third session on the implementation of the provisions of the present resolution.

32/169 Implementation of the recommendations of the United Nations Conference on Desertification with respect to financial and technical assistance to the least developed among the developing countries.

The General Assembly,

Taking note of the resolutions adopted by the United Nations Conference on Desertification, held at Nairobi from 29 August to 9 September, 1977,

Recognizing the desertification constitutes a world wide economic and social problem,

Reaffirming the cardinal principle of the permanent sovereignty of states over their natural resources,

Bearing in mind resolution 2 of 9 September 1977 adopted by the United Nations Conference on Desertification, in which the Conference recognized that the least developed among the developing countries with limited resources at their disposal were in need of immediate financial and technical assistance from the United Nations, the specialized agencies and other organizations within the United Nations system,

Taking note of resolution 98 (IV) of 31 May, 1976 of the United Nations Conference on Trade and Development,

1. Recommends the speedy implementation of recommendation 28 of the United Nations Conference on Desertification with respect to financial and technical assistance to the least developed countries;

2. Urges the United Nations and its Member States, the specialized agencies and international and regional financial institutions to ensure the implementation of the recommendations of the United Nations Conference on Desertification in favour of those countries by extending additional international and bilateral assistance;
3. Requests the Secretary-General to report to the General Assembly at its thirty-third session on the implementation of the present resolution.

32/190 Special measures in favour of the least developed
among the developing countries

The General Assembly,

Taking into consideration General Assembly resolution 3214 (XXIX) of 6 November 1974, in which the Assembly urged Member States and Organizations of the United Nations system to intensify urgently their efforts for the benefit of the least developed countries, including those in the field of trade,

Reaffirming the special measures in favour of the least developed among the developing countries adopted by the United Nations Conference on Trade, and Development in its resolutions 62 (III) of 19 May 1972 and 98 (IV) of 31 May 1976,

Recalling Economic and Social Council resolution 2124 (L XIII) of 4 August 1977,

Bearing in mind the results of the meeting convened by the United Nations Conference on Trade and Development between 31 October and 8 November 1977, at which the multilateral and bilateral financial and technical assistance institutions, together with the representatives of the least developed among the developing countries, carried out a general review and assessment of their requirements and progress as called for in paragraph 35 of Conference resolution 98 (IV).

1. Invites the developed countries as well as international institutions to increase the flow of financial and technical assistance to the least developed among the developing countries;

2. Further invites the United Nations Development Programme, the World Bank and other financial institutions to provide increased resources to meet the particular needs of the least developed countries;
3. Urges the developed countries, as well as appropriate international organizations and financial institutions, to adopt specific and concrete measures in favour of the least developed countries, as called for by the General Assembly and in the decisions adopted by the United Nations Conference on Trade and Development and other related Organizations within the United Nations system;
4. Welcomes the inclusion in the agenda of the Trade and Development Board, to be convened early in 1978, of the review of measures taken in accordance with resolution 98 (IV) of the United Nations Conference on Trade and Development concerning the debt and related development and financial problems, inter alia, of the least developed countries;
5. Takes note of the allocation of \$1 million to the special action programme pledged by the developed countries at the conference on International Economic co-operation in Paris;
6. Endorses the request made in paragraph 6 of Economic and Social Council resolution 2124 (L XIII).

33/149. Special measures in favour of the least developed among the developing countries

Date : 20 December 1978

Meeting : 90

Adopted without a vote

Report : A/33/526

The General Assembly,

Recalling the special measures in favour of the least developed among the developing countries adopted by the United Nations Conference on Trade and Development in its resolutions 62 (III) of 19 May 1972 and 98 (IV) of 31 May 1976,

Taking into consideration its resolution 3214 (XXIX) of 6 November 1974 and 32/190 of 19 December 1977;

Taking note of the report of the Secretary-General entitled "Review of progress in the implementation of special measures in favour of the least developed among the developing countries",

1. Invites the developed countries, as well as the international financial institutions to increase the flow of financial and technical assistance to the least developed among the developing countries;
2. Urges the United Nations Development Programme, the World Bank and other financial institutions to provide additional resources in order to meet the particular needs of the least developed among the developing countries;
3. Affirms the decision of the Conference on International Economic Co-operation with respect to the allocation of \$1 billion in the context of the special action programme;
4. Welcomes United Nations Conference on Trade and Development resolution 165 (S-IX) on debt and development problems of developing countries, adopted at the ninth special session of the Trade and Development Board at the ministerial level, and urges implementation,

as soon as possible, of the measures envisaged therein and also welcomes the implementation measures already adopted;

5. Welcome further Trade and Development Board resolution 171 (XVIII) on special measures in favour of the least developed among the developing countries, adopted on 17 September 1978;

6. Recommends that the developed countries, as well as the appropriate international organizations and financial institutions within the United Nations system, implement the special measures in favour of the least developed among the developing countries, as recommended by the General Assembly and other related organizations of the United Nations;

7. Welcome the call in paragraph 6 of resolution 4 (II) of the Second Committee of the United Nations Conference on Trade and Development Intergovernmental Group on the Least Developed Countries, which requests the Secretary-General of the United Nations Conference on Trade and Development to prepare an outline, to be given full consideration at the fifth session of the Conference for launching a substantial new programme of action for the 1980s on behalf of the least developed countries.

122 (V) Comprehensive New Programme of Action
for the Least Developed Countries

The United Nations Conference on Trade and Development,

Expressing concern that Conference resolutions 62 (III) of 19 May 1972 and 98 (IV) of 31 May 1976 have not been fully implemented,

Considering further that the basic structural and economic problems facing the least developed countries are so severe that extraordinary additional measures, especially designed in a comprehensive programme as an essential contribution to the establishment of the New International Economic Order, are required,

Urging the immediate launching of an action programme in favour of the least developed countries, additional to the measures in favour of all developing countries, as well as continued, effective and accelerated implementation of the measures contained in Conference resolutions 62 (III) and 98 (IV) with respect to the least developed countries, taking into account the interests of all developing countries and the responsibilities of the international community as expressed in those resolutions,

Expressing deep concern at the gravity of the economic and social situation of the least developed countries,

Acknowledging the growing support of some countries for the least developed countries, while expressing concern at the failure of others to make similar progress, and noting with concern that an adequate and equitable flow of resources has not been provided to all least developed countries,

Affirming that there is a need for a greatly expanded increase in the transfer of resources to meet the needs of the least developed countries and to promote rapid and self-sustained socio-economic development,

Emphasizing the need for a greatly expanded transfer of official development assistance to the least developed countries,

Emphasizing that such increased resource flows should fully support the priorities as set by the least developed countries,

Emphasizing the particular importance of the contribution that economic co-operation among developing countries can make to the development of the least developed among them,

Underlining that external support should be forthcoming from developed countries, developing countries in a position to do so, multilateral development institutions and other sources,

Recognizing that primary responsibility for their development rests with the least developed countries themselves,

1. Decides as one of its major priorities to launch a comprehensive and substantially expanded programme, with both immediate and longer-term phases, to be known as

COMPREHENSIVE NEW PROGRAMME OF ACTION
FOR THE LEAST DEVELOPED COUNTRIES

Phase One: An immediate effort to meet the critical situation of the least developed countries in the form of an Immediate Action Programme (1979-1981) of greatly expanded assistance for the least developed countries, aimed at (1) providing an immediate boost to their economies and immediate support for projects for the provision of the most pressing social needs, and (2) paving the way for much larger longer-term development efforts; and

Phase Two: A Substantial New Programme of Action for the 1980s for the least developed countries with the objective of transforming their economies toward self-sustained development and enabling them to provide at least internationally accepted

minimum standards of nutrition, health, transport and communications, housing and education as well as job opportunities to all their citizens, and particularly to the rural and urban poor.

This Substantial New Programme of Action for the 1980s would be undertaken within the framework of the new International Development Strategy for the Third United Nations Development Decade. The priority areas for action in the first phase of the programme will also require continued emphasis in the second phase.

2. The efforts of the least developed countries themselves have already been considerable and primary responsibility will remain with them both for the Substantial New Programme of Action for the 1980s in the longer-term and for what will be needed in the important first phase. These necessary efforts will be inadequate without a parallel and expanded commitment and co-operation on the part of the international community to play its full part in the process, and it will be especially imperative that this begin in the first phase.

I. Immediate Action Programme (1979-1981)

3. The Immediate Action Programme for the least developed countries should contain, inter alia, the following:

(a) Provision of greatly expanded resources to speed up the approval and implementation of all assistance projects already in the pipeline, and to identify and to implement projects and programmes that can be executed quickly and bring immediate benefits including:

(i) Immediate expansion of resources to strengthen efforts to improve nutrition, health, education, transport and communications, housing and job problems, and thus to provide immediate support for projects for the provision of social needs;

- (ii) Urgent and substantially enhanced supply of inputs necessary for agricultural and rural development, such as fertilizers, pumps, etc., in order to increase production and productivity, especially of foodstuffs;
 - (iii) Provision of assistance for overcoming urgent bottlenecks in management, maintenance, repair and physical facilities in order to obtain better use of existing infrastructure and industrial plant;
 - (iv) Financial and commodity support for activities at the community level which create jobs, including support for local small-scale labour-intensive rural public works projects;
- (b) The fullest use should be made of all existing arrangements for the provision of emergency assistance and action should be taken, where considered appropriate, for their improvements or for new arrangements in order to mitigate the effects of natural disasters, including those resulting in unforeseen shortfalls in resource mobilization, and thus to minimize their adverse effect on the development process so as to allow the Immediate Action Programme (1979-1981) to go forward on schedule as far as possible;
- (c) Immediate financial support for preparations for the Substantial New Programme of Action for the 1980s, including identification of planning bottlenecks and steps to correct them, survey of resources, feasibility studies and detailed preparation of investment projects, as well as projects to meet social needs;
- (d) Major immediate efforts to mobilize the skilled personnel (both domestic and foreign) which will be urgently needed to support the planning efforts for the 1980s as well as other aspects of the Immediate Action Programme (1979-1981).

4. Assurances on a bilateral and multilateral basis should be given by the international community that adequate resources will be made available to complement the activities of the least developed countries themselves in this critical first phase.

II. Substantial New Programme of Action for the 1980s

5. The Substantial New Programme of Action for the 1980s for the least developed countries will require support from donors for a much wider range of actions than have been typical of such flows in the past, and they will need to be provided under more flexible criteria and conditions. They should cover four main areas: structural change, social needs, transformational investments and emergency support.

A. Structuctural change

6. The Substantial New Programme of Action for the 1980s must aim to transform the main structural characteristics of the least developed countries, which are the sources of their extreme economic difficulties, as well as to alleviate the effects of their natural handicaps. The characteristics to be overcome include:

- (a) Very low income per head, with the bulk of the population far below a minimum standard of social needs;
- (b) Very high proportion of the population in the subsistence sectors;
- (c) Extremely low agricultural productivity and weak agricultural support institutions;
- (d) Extremely low level of exploitation of natural resources - minerals, energy, etc. (because of lack of knowledge or lack of financing and skills for their development);
- (e) Very limited development of manufacturing industry;

(f) Extremely low level of exports per head of population and, even with aid inflows, very limited absolute availabilities of imports;

(g) Acute scarcity of skilled personnel at all levels;

(h) Very weak institutional and physical infrastructure of all kinds (including administration, education, training, health, housing, transport and communications, etc.);

(i) Most of the least developed countries suffer from one or more major geographical or climatological handicaps, such as land-lockedness, insularity, drought and desertification, or high exposure to cyclone or flood disaster or locusts.

B. Social needs

7. The Substantial New Programme of Action for the 1980s should provide financial, technical and material support for the improvement of nutrition, health, housing, education, and employment, as well as support to such sectors as rural development and transport and communications, in each of the least developed countries. Such expenditure should accelerate economic progress, provide needed employment and income in rural areas and among the urban poor, and should bring tangible benefits to the poorest and subsistence sectors of the population even before the structural changes needed can take place. The aim should be to provide fully adequate and internationally accepted minimum standards for the poor as soon as possible. As the decade progresses, the better working of the economic system in the least developed countries should itself provide increasing support for such standards.

C. Transformational investments

8. High priority should be given within the Substantial New Programme of Action for the 1980s to identify and support the major investment opportunities in the least developed countries, because of

their high potential for leading the way to the substantial transformation that are necessary if more ambitious growth and welfare targets are to be realized. Donor countries and multilateral development institutions should consider allocating increased financial resources and technical assistance in support of these activities.

D. Emergency support

9. The fullest use should be made of all existing arrangements for the provision of emergency assistance and action should be taken, where considered appropriate, for their improvements or for new arrangements in order to mitigate the effects of natural disasters, including those resulting in unforeseen shortfalls in resource mobilization, and thus to minimize their adverse effect on the development process so as to allow the Substantial New Programme of Action for the 1980s to go forward on schedule as far as possible.

III. Detailed steps for the planning and approval of the Substantial New Programme of Action for the 1980s

10. The Substantial New Programme of Action for the 1980s on behalf of the least developed countries requires, in the first place, a global effort, aimed at launching the programme and mobilizing international support. This should be paralleled by commencement, as soon as possible, of planning efforts for a greatly expanded programme by each least developed country itself, with full support from bilateral and multilateral assistance institutions to complement each country's own more intensive work in the identification, preparation and implementation of such a major new programme, and reflecting its own specific needs and priorities.

11. The further stages of the global planning effort should include:

(a) Studies of the requirements, special measures and other detailed elements of an improved strategy to assist the least developed countries, being undertaken by the UNCTAD secretariat, in close collaboration with the secretariats of the other relevant bodies and organs of the United Nations, as called for in resolution 4 (II) of 28 July 1978 of the Intergovernmental Group on the Least Developed Countries and endorsed by the Trade and Development Board in resolution 171 (XVIII) of 17 September 1978, should, inter alia, be geared specifically to providing detailed recommendations for the operation of the Substantial New Programme of Action for the 1980s. These studies should take account of the similarities of the economic situations which exist in the least developed countries within the same geographical region.

(b) The result of these detailed studies are to be considered by the Group of High-Level Experts to be convened by the Secretary-General of UNCTAD late in 1979, in accordance with paragraph 4 of Trade and Development Board resolution 171 (XVIII).

(c) The recommendations of the Group of High-Level Experts, as well as the background studies, should be reviewed by the Intergovernmental Group on the Least Developed Countries at its third session, called especially for this purpose, early in 1980s, and by the Trade and Development Board, as part of its preparations for the Third United Nations Development Decade.

(d) This work should lead to precise recommendations within the context of the preparations for the New International Development Strategy to meet the objectives of the Substantial New Programme of Action for the 1980s, with commitments by the international community, bilateral or multilateral, with respect to, inter alia: (i) goals and objectives, including in terms of growth; (ii) financial needs; (iii) priority areas for support; (iv) institutional arrangements; and (v) provisions for the review of progress.

(e) In view of the special importance of the action to be taken, the Conference invites the General Assembly to convene a United Nations Conference on the Least Developed Countries, in order to finalize, adopt and support the Substantial New Programme of Action for the 1980s.

IV Financial assistance requirements and policies

12. The massive efforts needed for the Substantial New Programme of Action for the 1980s will require much more ambitious planning and preparation on the part of the least developed countries themselves, with the full support of the international community. However, such plans can only seriously be drawn up and implemented if there is assurance that substantial additional resources are indeed committed to the least developed countries. Thus serious planning must start with such assurances.

13. Reaffirming the conclusions agreed and the commitments made by donor countries at the 19th meeting, on 31 January 1979, of the Committee Established under General Assembly Resolution 32/174 on some aspects of the transfer of resources in real terms to developing countries, the Conference urges all donor countries which have not yet reached the 0.7 per cent target to increase effectively and substantially their official development assistance towards the target. To this end, within the framework of an equitable sharing of their efforts, the efforts of donor countries will be the greater, the lower their relative performance. Within this context, and in conformity with the determination and the firm political will of donor countries to redress the situation with respect to the volume of official development assistance, particularly strong efforts should be made for the least developed countries to ensure that a substantial proportion of official development assistance benefits this category of countries. Equitable efforts should be made by donor countries with a view to doubling as soon as possible the flow of

official development assistance to the least developed countries, taking into account the relative performance of donor countries, in order to contribute to the preparation and implementation of the Comprehensive New Programme of Action. Some donors have already made firm commitments to increase significantly official development assistance to the least developed countries in the short run.

14. Furthermore, the Conference invites donors to take all possible immediate steps for the provision of much larger flows required for the implementation of the Substantial New Programme of Action for the 1980s and to ensure that flows of funds intended for the least developed countries are made available on a continuous, predictable and increasingly assured basis.

15. In providing assistance to the least developed countries, developed countries should, in the implementation of their programmes, take into account the effects of the loss of purchasing power of their assistance and make suitable adjustments in their assistance strategies.

16. As agreed in the Committee Established under General Assembly Resolution 32/174, flows from multilateral development institutions should continue to increase significantly and special consideration should be given to the particular needs of the least developed countries. In this context developed countries and developing countries in a position to do so should support and enhance from among appropriate channels such as International Development Association, the United Nations Development Programme (including its Special Measures Fund for Least Developed Countries), and the United Nations Capital Development Fund, the activities of the United Nations system to assist the least developed countries in undertaking measures which they consider necessary to facilitate and carry out the Substantial New Programme of Action for the 1980s.

17. The Conference calls upon the developing countries, in elaborating their programme for greater collective self-reliance and economic and technical co-operation among themselves, to pay particular attention to the special difficulties of the least developed countries and to expand support for the latter substantially as a further important contribution to the above programmes.

18. With respect to the terms and conditions of official development assistance to the least developed countries, donor countries should make their best efforts to reach decisions at the earliest opportunity concerning the following proposed measures to improve the quality of official development assistance;

(a) Official development assistance should as a general rule be in the form of grants, and loans to these countries when provided by mutual agreement, should be provided at high concessional terms;

(b) Official development assistance loans and grants should be untied to the maximum extent possible;

(c) The share of the programme assistance and recurrent cost financing in official development assistance should be increased substantially where necessary.

19. Those developed countries which have not yet done so should take steps as quickly as possible to apply fully the conclusions approved under Part A of Trade and Development Board resolution 165 (S-IX).

20. As a major contribution to expanding the capacity of the least developed countries to put external assistance to immediate use, donors should, where agreed, provide to the maximum extent possible local cost financing in connexion with financial and technical assistance projects, including where considered necessary all such costs.

21. Donors, in providing expanded assistance to meet the needs of the least developed countries, are called upon to make full use of the more flexible modalities as agreed upon in the UNCTAD donor/recipient meeting held from 31 October to 8 November 1977 (set out in part two of TD/B/681), and in particular are urged:

- (i) to provide more flexibility in the types of financing made available, so as to include not only project assistance, but also programme and sector assistance, and wherever possible balance-of-payments assistance and budgetary support, etc.;
- (ii) to provide assistance in support of social objectives, minimum standards of consumption and human welfare and minimum levels of public services;
- (iii) to provide for recurrent costs wherever appropriate;
- (iv) to give urgent attention to making administrative improvements in the planning and implementation of assistance programmes;
- (v) to increase the volume and to improve the quality of technical assistance;
- (vi) to reduce as far as possible the time-lag between commitments and disbursements.

22. The Conference invites governments of individual least developed countries to organize meetings with bilateral and multilateral donor institutions to examine the report of the donor/recipient meeting (TD/B/681) in detail and to consider the specific follow-up steps that might be taken to implement the recommendations in each country. The UNCTAD secretariat should stand ready to assist least developed countries in organizing such meetings, in collaboration with the United Nations regional commissions and with support from the United Nations Development Programme.

23. The Conference calls upon interested bilateral and multilateral donor agencies where practicable to co-ordinate their efforts with the objective of ensuring that at least an adequate minimum flow of assistance is provided to each least developed country and to work out specific arrangements for this purpose in order to contribute to the implementation of the Substantial New Programme of Action for the 1980s.

24. The Conference invites the members of the Governing Council of the United Nations Development Programme, while deciding on the criteria which will govern the allocation of Programme resources during the third development cycle, to consider to increase substantially the share of resources allocated to the least developed countries under their indicative planning figures.

V. Commercial policy measures

25. The extremely low absolute level of export receipts for the least developed countries and the resulting sharp limitation on their capacity to import, is one of their major structural handicaps. Special efforts will therefore be needed to ensure or promote adequate markets for the expanded production which the Substantial New Programme of Action for the 1980s will bring about. The Conference therefore recommends the following:

- (a) Within the Integrated Programme for Commodities, adoption of appropriate differential and remedial measures as called for in Section III, paragraph 3 and 4, of Conference resolution 93 (IV) of 30 May 1976;
- (b) With respect to the generalized system of preferences:
 - (i) in the continuous improvement of their schemes of generalized preferences, developed countries to give special attention to the least developed countries;

(ii) special attention should be given to products exported by least developed countries in the context of work related to the improvement, harmonization and simplification of the rules of origin.

(c) Provision of assistance for the expansion of exports of the least developed countries, wherever possible, in an integrated manner, covering all the relevant stages, including planning, production, transportation, promotion and sales;

(d) Provision of longer-term purchase arrangements for the products of the least developed countries by the developed countries wherever possible;

(e) Granting of special treatment for imports from the least developed countries in the case of government procurement by developed countries as covered by the code negotiated in the multilateral trade negotiations; the least developed countries could receive the advantages provided for in this code;

(f) Developed countries and international organizations should adopt measures in favour of the least developed countries to foster the creation of industries for on-the-spot processing of raw materials and food products, as one of the bases for diversification of exports;

(g) Where there are projects to expand exports of the least developed countries, special consideration should be given by developed countries, as part of the programme, to temporary suspension of tariff and non-tariff barriers to market access for such products, taking into account the interests of other developing countries;

(h) Consideration should be given by the producers and consumers concerned in the context of international commodity agreements for exempting the least developed countries from financial contributions, including pre-financing of buffer stocks;

(i) Consider establishing special arrangements to assist the least developed countries in the sale of their exports in developed countries, including the creation of special sections in import promotion centres in the developed countries.

VI. Transfer of technology

26. Developed countries, developing countries in a position to do so, and competent international institutions should:

(a) Assist the institutions of the least developed countries to obtain on the best possible terms and conditions the results of scientific and technical developments appropriate to their specific requirements'

(b) In order to overcome the technological and negotiating weaknesses of these countries, assist in the establishment of transfer of technology centres designed to obtain necessary technological information, to select from available alternative and to negotiate proper terms and conditions for external collaboration;

(c) Facilitate the transfer of patented, patent-related and non-patented technology, including know-how, suited to the economic conditions of the least developed countries, on favourable terms and conditions, and consider requests for assistance for this purpose;

(d) Provide the necessary assistance for establishing institutions of applied technology, with the aim of developing indigenous technologies and promoting the adaptation of imported technologies to national requirements'

(e) Give special consideration to the problems faced by the least developed countries in the field of reverse transfer of technology, including examination, in the light of the in-depth study on the brain drain by the Secretary-General of the United Nations called for in General Assembly resolution 33/151 of 29 December 1978, of possible arrangements whereby these countries could secure assistance in dealing with adjustment problems arising from outflows of their skilled professionals, including provision, on a concessional and, where possible, cost-free basis, of skilled

manpower suited to the needs and requirements of accelerated development of these countries;

(f) Consider as part of the process of accelerating transfer of technology to the least developed countries, provision for an increase in the number of scholarships for studies and training in science and technology.

27. The Conference urges developed countries and competent international institutions to strengthen their efforts to assist the least developed countries in the field of transfer of technology and to implement fully the provisions of paragraph 34 of Conference resolution 98 (IV).

VII. Shipping

28. The governments of developed and developing countries should invite and urge shipowners and liner conference members as far as feasible to establish freight rates for the least developed countries that will encourage and assist in expanding the export trade of these countries, and to develop promotional rates for the non-traditional exports of the least developed countries which will facilitate the opening up of new markets and the development of new trade flows.

29. The developed countries and the multilateral development institutions should consider giving high priority, in the context of their financial and technical assistance, to help the least developed countries in acquiring and expanding their national or regional merchant marine, where this is in their interests, and in improving port facilities.

VIII. Other special measures

30. The Conference urges developed countries and international institutions to implement the special measures on behalf of the least developed countries in other fields, as agreed in Conference resolution 62 (III) and 98 (IV), and in particular calls upon UNCTAD, the United Nations Development Programme and other relevant institutions to strengthen their assistance to the least developed countries in the field of insurance and reinsurance and to implement fully the provisions contained in paragraphs 31-33 of Conference resolution 98 (IV).

IX. Application

31. All the above measures should benefit each least developed country.

X. Further work for the least developed countries

32. The Conference calls upon the Secretary-General of UNCTAD to continue the detailed preparation of the Immediate Action Programme (1979-1981) and the Substantial New Programme of Action for the 1980s on behalf of the least developed countries.

33. The Conference calls upon the Secretary-General of the United Nations, bearing in mind the focal role UNCTAD had played in the preparations of the Comprehensive New Programme of Action for the Least Developed Countries and should continue to play in elaborating the detailed arrangements at the global level for its implementation, co-ordination, and monitoring, and in consultation with other appropriate institutions, to make arrangements for the full participation of all relevant organs and bodies of the United Nations system in these activities.

34. In view of the importance attached to alleviating the problems of the least developed countries, the Conference urges all international development institutions and specialized agencies, as well as bilateral donor institutions, regional commissions, and the relevant governmental and non-governmental organizations, to accord a high priority to special measures for the least developed countries and to give their full support for the Comprehensive New Programme of Action for the Least Developed Countries.

35. The governments of individual least developed countries may consider organizing meetings, in so far as appropriate arrangements do not already exist, with bilateral and multilateral donors to review periodically the implementation of the Comprehensive New Programme of Action, and if so needed to recommend additional measures in order to execute it appropriately. The United Nations regional commissions, the World Bank, the United Nations Development Programme, UNCTAD and other relevant organizations, should stand ready to assist in organizing these meetings.

36. The Secretary-General of UNCTAD should continue and intensify the work programme of UNCTAD on behalf of the least developed countries as contained in Conference resolution 98 (IV), paragraph 37 (b) and, in preparation for the Substantial New Programme of Action for the 1980s, along the lines indicated in TD/B/AC.17/7, paragraph 52.

37. Further work should be undertaken by UNCTAD, in co-operation with other relevant United Nations bodies, taking into account work already done in these areas, with particular attention to the need for in-depth study of the circumstances of individual least developed countries, in the following areas (such studies, in the form of pilot studies and individual country case studies, should provide the basis for necessary policy changes, at the

international or country level, and should identify promising areas for technical and financial assistance):

(a) Study of longer-term export potentials, import substitution potentials and alternative strategies for their realization;

(b) Study of import cost-savings potentials;

(c) Evaluation of the role of foreign financial and technical assistance and potential for expanding the capacity to use aid effectively;

(d) Survey of the internal trade and distribution network, including its relations to foreign trade.

38. The Secretary-General of UNCTAD should strengthen the technical assistance activities of UNCTAD; in collaboration with the United Nations Development Programme and with other sources of technical assistance funds, in the planning and policies of the foreign trade sector of the least developed countries and in other specific areas within the competence of UNCTAD on behalf of these countries, including the provision of more adequate advisory services to assist the least developed countries in these areas.

39. The preparation by individual least developed countries of their own specific proposals under the Immediate Action Programme (1979-1981) and the Substantial New Programme of Action for the 1980s will require strong technical assistance support. The UNDP and bilateral assistance institutions are invited to support UNCTAD in strengthening its technical assistance activities in support of such efforts.

40. In order to effectively discharge its responsibilities in this area, and in recognition of the importance of these issues, the unit of UNCTAD dealing with the least developed among the developing countries should be adequately strengthened and the necessary additional resources made available. Urgent consideration should also be given, in the context of the restructuring of the institutional machinery of UNCTAD, to transforming it into a separate division of the secretariat.

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THE LEAST DEVELOPED COUNTRIES IN THE CONTEXT OF THE GSTP

A. Introduction

1. Following the Conference on Economic Co-operation among Developing Countries (Mexico City, 13-22 September 1976) and pursuant to the mandate given by resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries, the UNCTAD secretariat has launched a study on major aspects of a Global System of Trade Preferences (GSTP) among developing countries. The Mexico City Conference, while requesting the UNCTAD secretariat to undertake this study, had indicated "the need for devising special measures and applying non-reciprocity in favour of the least developed countries and such measures as would enable these countries to share in technological progress and increase their productive capacity". In the preparatory meeting to the Mexico City Conference, the Conference of African Ministers on Economic Co-operation among Developing Countries (Addis Ababa, 1-4 September 1976) had, in the context of trade preferences among developing countries, advocated the need to formulate measures in favour of least developed countries on the basis of non-reciprocity. The Arusha Programme for Collective Self-Reliance and Framework for Negotiations provides that within the context of a global system of trade preferences among developing countries (GSTP), "in addition to non-reciprocal trade preferences, effective special treatment would be required in favour of products of export interest to least developed countries, land-locked and island developing countries on a non-reciprocal basis".
2. Several UNCTAD resolutions and documents also contain relevant recommendations regarding special treatment in favour of least developed countries in the context of economic co-operation among developing countries. Similarly, the Intergovernmental Group on the Least Developed Countries, established within UNCTAD has, inter alia, recommended "special non-reciprocal benefits to the least developed countries" in the framework of economic co-operation among developing countries.
3. The present study deals with the least developed countries within the framework of the global system of trade preferences among developing countries. The justification for special measures for the least developed countries as set out in the above-mentioned resolutions is based on the

substantial diversity and difference among developing countries in terms of resource endowment, economic structure and level of development. Hard-core least developed countries, as defined by the relevant General Assembly resolution [2768 (XXVI)], suffer from lack of resources and structural deficiencies due to their overall economic and social underdevelopment. This works as a strong impediment against utilization of benefits from the trade liberalization and preference schemes. Past experiences within regional economic groupings have shown that the non-utilization of trade preferences by their less developed members often leads to polarization and inequitable distribution of benefits. What is generally true for less advanced member countries within regional and subregional economic groupings is particularly so in the case of the hard-core least developed countries.

4. This study aims, accordingly, at identifying special requirements and measures for the least developed countries with a view to enabling them to effectively participate within a GSTP. It analyses in particular the various experiences of relatively less advanced and least developed countries within subregional, regional and interregional integration, economic co-operation and preference schemes. It also evaluates special measures and the corrective measures and programmes introduced in the course of the operation of those schemes in favour of relatively less advanced and least developed member countries. A detailed survey of the special and non-reciprocal measures adopted by different groupings within the context of their preferential arrangements in favour of relatively less developed or least developed member countries is contained in an addendum (TD/B/C.7/35/Add.1) to this study.

B. The least developed countries

5. The group of least developed countries comprises a population (1977 estimate) of 257.7 million, or 12.3 per cent of the population of all developing countries. The category of least developed countries includes countries which are the weakest according to critical economic and social indicators of a longer-term structural character (particularly levels of income, literacy and share of manufacturing in total output). The main structural characteristics of the least developed countries, which are the sources of their extreme economic difficulties, include:

- (a) Very low income per head, with the bulk of the population far below a minimum standard of basic needs;
- (b) Very high proportion of the population in the subsistence sectors;
- (c) Extremely low agricultural productivity and weak agricultural support institutions;
- (d) Extremely low level of exploitation of natural resources - minerals, energy, water, etc. (because of lack of knowledge or lack of financing and skills for their development);
- (e) Very limited development of manufacturing industry;
- (f) Extremely low level of exports per head of population and, even with aid inflows, very limited absolute availabilities of imports;
- (g) Acute scarcity of skilled personnel at all levels;
- (h) Very weak institutional and physical infrastructure of all kinds (including administration, education, health, housing, transport and communications, etc.);
- (i) Most of the least developed countries suffer from one or more major geographical or climatological handicaps, such as a land-locked position, drought and desertification, or high exposure to cyclones or flood disaster.

C. The participation of least developed countries in subregional, regional and interregional groupings

6. Most of the least developed countries are members of economic co-operation or integration schemes in their respective regions (see annex I), though only few have been members of fully fledged integration groupings with fully articulated trade liberalization and preferential provisions for any considerable length of time (e.g., in the case of UDEAC, the WAEC and the former EAC).

7. In addition, in some groupings a category of relatively less developed members, who are not necessarily among the hard-core least developed, is recognized, and special measures are extended to this category of members. This has been the case with the Latin American groupings shown in section B of annex I. Thus, in LAFTA, Bolivia, Ecuador and Paraguay are the less developed members. Uruguay is also treated as a less developed country in view of its special situation. Bolivia and Ecuador are at the same time considered as relatively less developed member States of the Andean Common Market. Eight of the 12 member countries of the Caribbean Community are considered to be less developed, namely Grenada, Antigua, Dominica, St. Vincent, St. Lucia, St. Kitts-Nevis-Anguilla, Montserrat, Belize. Within the Central American Common Market, Honduras and Nicaragua are relatively less developed members.

ANNEX

Focus on the Least-Developed Countries

One of the major initiatives at UNCTAD V, at Manila, was a call for increased efforts by the international community to assist the least-developed countries in overcoming the structural bottlenecks which are at the root of their unsatisfactory development performance. The Conference decided to launch a comprehensive new programme of action in favour of the least-developed to serve as the focal point for these efforts during the decade of the 1980s. The programme consists of two parts: an urgent effort to meet the critical situation of the least-developed countries in the form of an Immediate Action Programme of expanded assistance for the period up to 1981, and a Substantial New Programme of Action for the 1980s with the objective of assisting a fundamental transformation of their economies towards self-sustaining development. The fact that broad consensus and support for this two-pronged approach was achieved in Manila proves the international community's serious concern about the critical situation of the least-developed if it showed the following characteristics:

- a per capita gross domestic product (GDP) of \$ 100 or less
- a share of manufactures of 10 per cent or less of its GDP
- a literacy rate of 20 per cent or less.

According to the Committee, these criteria were chosen because they reflect the dimensions of poverty in a country, the extent of the necessary structural transformations of its economy and the existing potential for enlarging the resources of trade and skilled manpower.

On the basis of these criteria, 24 countries were originally classified as least developed. By today six more countries have been added to that list which is now made up of the following 30 countries:

Africa (20): Benin, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Ethiopia, Gambia, Guinea, Lesotho, Malawi, Mali, Niger, Rwanda, Somalia, Sudan, Tanzania, Uganda and Upper Volta.

Asia (8): Afghanistan, Yemen Arab Republic, Bangladesh, Bhutan, People's Democratic Republic of Yemen, Laos, Maldives, Nepal.

Pacific (1): Samoa.

America (1): Haiti.

Economic situation and prospects of the great majority of the countries classified as least-developed countries are bleak. Using constant dollars at 1976 prices, the gross domestic product of these countries taken as a group has grown from a level of \$ 123 per capita in 1960 to only \$ 140 in 1978, and would reach only \$ 152 by 1900 if the past long-term trend were to continue.

Moreover, the gap is widening not only between the developed and the developing countries, but also between the developing countries and the least developed countries, with the latter rapidly falling behind the group of developing countries as a whole. In 1960, at the beginning of the First United Nations Development Decade, the average per capita income of the least-developed countries was only one-third of the average for all developing

countries; by 1978 it had fallen to one-fourth the general average, and if the trends of the past two decades continue, by 1990 the least developed countries will average only one-fifth of the per capita income of the entire group.

This grim picture extends to all of the major economic sectors. For example, agricultural production per head of population has actually declined on average in the least developed countries from an estimated \$69 per head in 1960 to \$65 in 1977. This is all the more disquieting in that the least-developed countries are especially heavily dependent on agriculture, with more than 80 per cent of their population employed in this sector. It is noteworthy that output per worker in agriculture in the least-developed countries, taken as a group, is now less than half that in all developing countries. Manufacturing output amounted to only \$ 13 per capita in 1977 as compared with \$ 96 for all developing countries and with enormously higher figures in the developed countries.

The purchasing power of the exports of the least-developed countries, expressed in per capita terms, has actually declined during the past decade, from a level of \$22 in the late 1960s to only \$ 18 in 1979. While the flow of concessional assistance they received has increased over the past decade, it has been more than offset, in real terms, by the decline in the purchasing power of their exports. The volume of imports of the least-developed countries amounted to only \$ 35 per head in 1979, which is one-third the level of other developing countries.

A hopeful sign in this depressing picture is the fact that awareness of the severe difficulties of the least-developed countries and the willingness to help have increased in the international community. The General Assembly has endorsed the Manila resolution

on the least-developed countries and decided to hold the United Nations Conference on the least-developed countries in the second half of 1981. The Conference will finalise and adopt the Substantial New Programme of Action and discuss ways of effectively implementing it. Mr. Gamani Corea, Secretary-General of UNCTAD, has been named Secretary of the Conference. At the Special Session of the General Assembly which ended on 15 September 1980, France has offered to host the Conference in Paris.

Preparations for the Conference have already begun. In February 1980, the first Session of the Preparatory Committee for the Conference was held in Geneva; its second session is meeting this month (October). The Committee's task is to monitor progress on the Immediate Programme of Action and to make preparations for the forthcoming Conference on the least-developed countries.

Dates for the United Nations Conference on the Least Developed Countries have now been fixed for 1-14 September 1981. This was decided at the second meeting of the Preparatory Committee of the Conference which met from 9-17 October in Geneva. At that meeting, all regional groups accepted with appreciation the offer of the French Government to host the Conference in Paris. A formal decision on this will be taken at the current session of the General Assembly.

Intensifying preparations for the Conference, the Committee considered in depth both phases of the Comprehensive Programme of Action for the Least Developed Countries which was adopted at UNCTAD V.

In the context of the Immediate Action Programme which stipulates substantially expanded assistance to the least developed countries on an urgent basis, donor countries have been asked to double as soon as possible their official development assistance to these

countries. The funds should provide an immediate boost to their economies and tackle their most pressing social needs, helping them to provide for their populations at least minimum standards of nutrition, education and training, health and housing. The Programme should, however, exceed pure emergency aid in paving the way for the long-term development efforts envisaged in the context of the New Substantial Programme of Action for the 1980s.

This scheme forms the core of the concerted long-term efforts in favour of the least developed countries. Its objective is to transform the economies of the least developed countries towards self-sustained development by tackling the structural weaknesses and bottlenecks which are the root causes of their persistent economic stagnation and even decline. The programme should cover four main areas: structural change, social needs, transformational investments, and emergency support.

Structural change: The programme should overcome the main structural bottlenecks of the least developed countries, which are the source of their extreme economic difficulties. They tend to compound and mutually reinforce each other in a way which makes it difficult, if not impossible, to deal successfully with any one of them in isolation. A major obstruction is the generally-weak physical and institutional infrastructure in such important fields as public administration, education and training, transport and communications, health and housing. The impact of these bottlenecks is further aggravated by such factors as a high proportion of the population in the subsistence sector of the economy, an acute scarcity of skilled personnel and a limited exploitation of natural resources.

Social needs: The programme should provide assistance that brings "tangible benefits to the poorest and subsistence sectors of the population even before the structural changes needed can take place".

Transformational investment: It is necessary to identify and grasp investment opportunities which have a high potential to effect the substantial transformation needed to achieve the ambitious growth and welfare targets of the programme.

Emergency support: To prevent natural disasters wiping out the progress achieved in the course of the programme, sufficient funds must be forthcoming to mitigate their effects.

Apart from the increased aid flows required to fulfil the above objectives, the terms and conditions under which this aid is given and administered must be liberalized. This question assumes considerable importance in the context of the traditional discussion about the absorptive capacity of the least developed countries. This concept refers to the amount of foreign capital and related productive resources which a country can usefully employ for development purposes within a given time-span. In the case of the least developed countries, donors have often argued that they lacked the absorptive capacity for more substantial development assistance - this has often limited the flow of external assistance to these countries. In recent years, it has been increasingly recognized, however, that in their case aid efficiency cannot be measured by the conventional standards for short-term capital productivity, since these standards are developed under "normal conditions" which do not take sufficient account of the structural bottlenecks affecting the least developed countries. It is the modalities of aid which have to be adjusted to meet the particular needs of these poorest and weakest countries, because the way in

in which aid flows are organized, structured and administered greatly influence their absorptive capacity, External assistance should indeed, have as one of its objectives, the increase in the absorptive capacity of the least developed countries. This would be achieved by the Substantial New Programme of Action which requests donors to support a much wider range of actions than has been typical in the past, and adopt more flexible criteria and conditions.

To prepare for a speedy and effective implementation of the Substantial New Programme of Action, it has been agreed that each least developed country should meet with its aid partners, and present a comprehensive national programme which pinpoints its development aspirations, its priorities and potentials and the structural bottlenecks and other problems which need to be overcome. The presentation should outline what has been done in the country in terms of technical assistance and include an inventory of projects and programmes to be financed. It should assess aid modalities, including the problems of aid co-ordination and administration, and discuss questions of programme financing and local and recurrent costs. These country presentations would be a basis for aid negotiations and consultations and their careful preparation is seen as an essential prerequisite for the success of both the review meetings with donors, and of the Conference itself.

The review meetings should precede the Conference; it is envisaged to hold them at sub-regional level, involving each time a cluster of countries and their traditional and potential donors. Countries of Asia and the Pacific will meet in March 1981, those of Eastern Africa in April 1981, of Western and Central Africa in May 1981, and countries of Southern Africa in June 1981. A separate meeting is planned for Haiti in May 1981. The results achieved at these review meetings will, it is hoped, form a valuable basis for the Conference to finalize, adopt and support the Substantial Programme of Action for the 1980s.

Some characteristics of least developed countries

The least developed countries can be characterized as being on the "periphery of the periphery"; and although structurally they are quite diverse, they share the following characteristics:

(1) They are all very poor countries with high percentages of their population depending on agriculture, predominantly at a subsistence level, or at best having only limited access to modern monetized economic activity.

(2) An overwhelming proportion of the population lives in rural areas, typically badly served by transport and communications.

(3) The output of manufacturing activity is generally extremely limited in absolute terms and as a percentage of total output.

(4) Most of these countries are characterized by very low rates of economic growth, so that in many cases income per head has declined, with over-all growth failing to keep pace with the growth of population.

(5) For a variety of reasons, they have generally been unable to build up an export sector at all commensurate with their needs for imports to support a sustained development effort. Whatever export trade does exist is in most cases limited to one or two primary products, with little or no processing.

(6) The least developed countries as a group vary greatly in terms of their endowment of natural resources, but in most cases, even where significant mineral potentials are known to exist, exploitation has yet to take place. Many of the least developed countries in fact have large potential mineral and hydro-electric resources, but these cannot be utilized without concerted efforts. Others may have potentials as yet unknown, and in these cases high priority should be given to exploration and development. Still other least developed countries have limited or no natural resource potentials (often with agricultural land in short supply), and in cases efforts to alter their economic situation fundamentally will depend on the development and effective use of human capital.

(7) Many of the least developed countries suffer from severe geographic handicaps-15 of them are landlocked and four are very small island countries. Others suffer from severe disadvantages of climate (e.g. desertification) and topography (e.g. limited arable land because the terrain is mountainous).

(8) The availability of skilled personnel of all kinds and of administrative capacity to organize and manage development is extremely limited in most of these countries, as reflected by their low literacy rates, by the low percentage of their population receiving primary education and by an acute lack of secondary and higher education.

(9) In terms of social needs of the population, these countries suffer particularly from malnutrition, lack of safe drinking water, extremely limited health services and education systems. Their crude birth and death rates are among the highest in the world.

(10) The least developed countries are also handicapped by the poor condition of physical capital and the low level of investment.

(11) Most of them are heavily dependent on foreign aid, which pays for a relatively high proportion of their imports, while the total foreign exchange available to purchase imports for their development remains exceedingly low in absolute terms. Moreover the gap between these countries and other developing countries, let alone the developed world, has been growing.

ASIAN REVIEW MEETINGS IN VIENNA ADVANCE PREPARATIONS FOR PARIS

The first round of review meetings to be held in preparation for the United Nations Conference on the Least Developed Countries took place in Vienna from 30 March to 10 April. It gave nine of the poorest and weakest countries in Asia and the Pacific an opportunity to discuss their development plans for the 1980s with trade and aid partners who could help to support their implementation within the framework of the Substantial New Programme of Action called for by UNCTAD V in 1979.

The significance of the start of the review meetings was underlined by the presence of Dr. Bruno Kreisky, Federal Chancellor of Austria, who was paying his first visit to the UN's Vienna International Centre since it was inaugurated in August 1979. In his address of welcome to representatives of some 40 countries and nearly a score of international and regional organizations, Dr. Kreisky urged the industrialized countries of Europe, as a way of "Paying back" the massive assistance which they had received from abroad during the post-war period, to join in a "major multilateral action" of sufficient scope to enable developing countries as a whole to reconstruct their economies. He said the "tremendous political and economic crisis" now being experienced in some European countries would render such a task "extremely difficult", but he pointed out that apart from the question of devotion to the principles of international solidarity, there was the practical economic consideration that a prosperous Third World would help developed countries to absorb the overcapacity which affected many branches of their industry.

Gamani Corea, Secretary-General of UNCTAD, speaking in his capacity as Secretary-General of the Paris Conference, stressed the valuable opportunity afforded by the review meetings to test reactions to each least developed country's ten-year development effort. Trade and aid partners would be able to ask questions and comment in a two-way process from which both sides would gain. The sharp deterioration in the terms of trade of the 30 least developed countries was evident in the fact that over-all the purchasing power of their exports was less now than it had been 20 years ago. As concessional aid had not increased enough to offset this trend, he asserted there was a clear need for the Substantial New Programme of Action, which sought to combine greatly augmented resource transfers with measures designed to bring about nothing less than the transformation of the least developed economies during the current decade. The purpose of the Paris Conference was "to finalize, adopt and support" this special programme. In so doing he said it would constitute a "major element in the whole process of actions that the international community is being called upon to take to deal with the wider problems of development and international co-operation for development."

J.B.P. Maramis, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP), noted that the average growth rate for the Least Developed Countries, during 1970-78 was less than 1 per cent as compared with 3.1 per cent for developing countries in general. ESCAP attached great importance to the Vienna meeting as a means of setting in motion action to accelerate this slow progress. He emphasized the "imperative need" to promote better performance in the agricultural sector which accounts for more than half of the GDP and four-fifths of the total labour force in each of the Asian least developed countries.

In fact the country programmes put forward at Vienna taken as a whole did place primary emphasis on attaining agricultural self-sufficiency as the basis for over-all progress. Other objective reiterated in the presentations were the development of natural resources, especially in the energy field; stepped-up education and training; expansion of transport and communication links, particularly in the land-locked countries of Afghanistan, Bhutan, Lao People's Democratic Republic and Nepal; and the improvement of administrative infrastructure.

Each least developed country had drawn up its own list of trade and aid partners to be invited. The response to these invitations was on the whole encouraging; it had been stressed from the outset that participation in the review meetings implied no commitment of any kind beyond a willingness to take part in a dialogue. None of the socialist countries of Eastern Europe, however, attended any of the sessions,

Two three-hour meetings were allocated to each of the Asian least developed countries with an additional session of the same length earmarked for consideration of the report. The proceedings were chaired with skill and authority by Sartaj Aziz, Assistant President of the International Fund for Agricultural Development, who presided over the meetings for Bangladesh, Democratic Yemen and Lao People's Democratic Republic, and by Andrew Joseph, Assistant Administrator and Regional Director for Asia and the Pacific in the United Nations Development Programme, who was in charge of those devoted to Bhutan, the Maldives, Nepal and Samoa, Jan P. Pronk, UNCTAD Deputy Secretary-General, chaired the meetings on Afghanistan and Yemen.

The sessions were marked by discussion both of the over-all strategies reflected in the presentations of the nine least developed countries and of specific aspects of individual projects. The nine presentations were well prepared, and in the concluding plenary on 10 April the Federal Republic of Germany paid tribute to the high quality of the papers submitted. Other developed countries, including the United States, the Netherlands, France, Japan and Italy expressed general satisfaction with the review procedure although Japan and the United States made suggestions for improving it. Bangladesh, speaking for the nine, said the meetings had served to highlight their problems and to make known specific needs which were a matter of survival for the least developed countries.

Mr. Pronk attributed the positive outcome of the review sessions to four factors: the high quality of the documentation submitted by the nine, supplemented by the presence of ministers or senior officials at the meetings, the broad participation in the meetings (though he shared the disappointment expressed by some delegates that not all trade and aid partners who had been invited had accepted); the frank and cordial atmosphere in which the talks took place; and the fact that while it was not expected that specific pledges would be made at this point, "concrete and substantive results" had been obtained.

HIGHLIGHTS OF VIENNA CONSULTATIONS

A - 13

Following are highlights of the consultations, presented in the order in which the reports of the review meetings on the nine least developed countries were approved.

Bhutan and Lao People's Democratic Republic, two land-locked nations with the lowest per capita GDPs in the world, were the first Asian least developed countries to complete reviews of their development plans for the 1980s with trade and aid partners. DASHO LAM PENJOR, Bhutan's Deputy Minister of Planning, said that the Five-Year Plan from 1981 to 1986 would have among its main objectives the achievement of self-sufficiency agricultural and livestock products, the setting up of industries based on indigenous raw materials and training of manpower. It was hoped to lift Bhutan's per capita GDP, the second lowest in the world, from \$US 105 per annum in 1980/81, to \$US 140 by 1985/86, with a projection to \$US 192 by 1990.

Out of the total of \$US 408 million required, the Government would provide \$US 125 million from internal sources, \$US 162 million had been sought from India and \$US 66 million had been committed by the United Nations and other agencies, leaving \$US 53 million to be found. Escalating project costs might raise the balance needed to \$US 70 million, he warned. "We request this meeting to consider the urgency of our position as the work programme envisaged even for the first year has a shortfall in financial requirements", he stated.

In the discussion on specific aspects of Bhutan's proposed plan, interest centred particularly on the Government's stated aim of decentralizing the administration of the new programme in the interest of making the population more self-reliant. KOTH SIDLAKONE, chief of the Lao delegation, explained that for the Five-Year Plan 1981-85 the main targets had been set at 7-8 per cent growth of Laos' GDP per annum (in 1978 its per capita GDP was only \$US 83 per year, the world's lowest), a 4-5 per cent growth of agricultural production and a 14-16 per cent rise in industrial output. In view of the extremely low level of economic activity in the country and negative growth rate in the recent past, the Government considered these goals "essentially modest" compared with the requirements. Of the total investment of \$US 1.6 billion entailed, it was expected that up to 20 per cent could be provided from domestic sources. Of the external requirements of \$US 1.28 billion, about 44 per cent of \$US 560 million had already been secured so that \$US 720 million were still needed. In addition, to fill the gap in supplies of food and essential consumer goods, about \$US 40 million a year was required.

In the discussion full support was expressed for the priority being given to agriculture and to the objective of achieving self-sufficiency in food production.

The main thrust of the development effort of the 1980s for Bangladesh, the most heavily populated of the least developed countries with 100 million people, was described by S.M. Al-Husainy, member of the Bangladesh Planning Commission, as rural development with particular emphasis on stimulating the people themselves to take an active part in increasing food production. He estimated that in view of the fertility of the land, irrigation could make it possible to raise three crops a year in most regions. The drive to attain self-sufficiency in food grains by 1985 would, however, involve doubling irrigated acreage and fertilizer usage, and increasing use of high-yielding seeds nearly tenfold, and these goals in turn implied massive external support. Taking into account other endeavours planned in the field of population control, health, energy and industrial development he said that per capita resource flow would have to go up to US \$ 24.5 in 1985 and to \$ US 33.6 in 1990 compared with US \$ 14 in 1980.

"The present level of transfer of resources is too inadequate to make a dent in the prevailing poverty situation let alone undertake the kind of structural transformation desired."

The meeting agreed that successful development in Bangladesh in the coming years would depend not only on determined efforts by the country itself but also on a substantial increase in the flow of external assistance. Frequent mention was made of the need to bring down the rate of population growth, currently 2.6 per cent per year. Top priority in the development programme put forward by Fathalla Jameel, Minister of External Affairs of the Maldives, was given to education. In 1977, only 20 per cent of the population had completed primary school; for middle and secondary levels the figure dropped to 1.8 per cent and 1 per cent respectively. Another key aim was to reduce the congestion in the capital city of Male; whereas for the Maldives as a whole, with its land area of only 150 square miles, the population density is nearly as high as Bangladesh's, in Male, the

overcrowding assumes staggering proportions. One estimate cited is 35,000 people in two square miles. The Government plans to develop a number of growth poles on other atolls and to promote conditions of life that will serve to give better balance to the distribution of population. Since \$ US 120 million in external assistance was being sought up to 1986 and a further \$ US 30 million was already programmed for the rest of the decade, the meeting was pleased to learn that the Government's planning capacity had improved greatly in recent years.

Afghanistan is stressing agriculture in its development plans for the 1980s. Syed Murtaza, head of the Afghan delegation, explained that the main elements of the effort in this sector would be democratic land reform, establishment of co-operatives and state farms, mechanization, use of chemical fertilizers and the expansion of the irrigation system. Irrigation will be particularly important in bringing about more intensive use of the land. At present out of some 65 million hectares, 8 million are arable of which only 50 per cent are cultivated. In the coming decade mineral resources will be developed, principally coal and natural gas which, already constitute a major source of export earnings.

Total financial requirements amount to between \$US 5.76- 6.13 billion of which 37 per cent is expected to be met from domestic sources. Needed in external resources will be some \$ US 3.52-3.84 billion. After deducting assistance already committed, the gap still to be filled is estimated at \$ US 1.9-2 billion.

Vaovasamania Filipo, Minister of Finance of Samoa, pinpointed remoteness as the overriding factor in his country's deteriorating economic situation. The gap between visible imports and exports had burgeoned from \$US 8 million in 1974 to \$ US 49 million in 1979 due in large part to the escalating price of fuel used for shipping. Outside assistance for development has been currently running at \$ US 24 million a year; Samoa would continue to depend

on external aid for its development activities. Under the Substantial New Programme of Action, it is proposed to double this flow throughout the 1980s. Vaovasamanaia Filipo underlined Samoa's history of political stability; the expanded development effort which he outlined was intended to lead toward durable economic strength. The Minister also provided a priority-ranking of the types of projects envisaged: first was food production with emphasis on the staples, followed by livestock and fisheries. The second main priority was energy. Road, sea and air transport came next.

Nepal's development programme as presented by Dr. Bijaya B. Pradhan, Member of the National Planning Commission, brought out the difficulties thus far encountered in promoting economic growth at a rate faster than the escalation in population. As a result per capita income still averaged only \$ US 140 per year. Forty per cent of rural households are estimated to be below the minimum subsistence level, i.e., to have income of less than 17 US cents per person per day. Only 11 per cent of the population is served by drinking water pipes and the over-all illiteracy rate is 76 per cent.

To bring about a fundamental change in such conditions requires an ambitious effort with priority being given to stepping up agricultural output. The aim is to raise per capita income to \$ US 157 by 1985, but this will also entail emphasis on controlling demographic growth. To implement the proposed programme about \$ US 1 billion will be required in net foreign aid for the first five years. For the second half of the decade economic growth of over 6 per cent per annum has been targeted. The comparable foreign aid component will then rise to \$ US 1.8 billion.

The general reaction to Nepal's proposals in this review meeting was favourable, and tributes were paid to the clear analysis which it embodied and to the detailed financial projections that had been prepared to support it. The emphasis on agriculture, irrigation and forestry was welcomed along with the objective of setting producer prices at remunerative levels for farmers. The

vital importance of effective control of population growth was repeatedly stressed. Though the programme called for a very rapid increase in net foreign assistance, the starting base was small and donor performance was running at the levels projected. Absorptive capacity was also improving.

In presenting the development programme of the People's Democratic Republic of Yemen, Nageeb A.R. Udar, Deputy Minister of Agriculture, stressed his country's dearth of natural resources. Although in recent years it had benefited from a substantial inflow of remittances from its nationals working abroad, this source of revenue had to be considered volatile. To achieve the prime objective set by the Government of doubling per capita real income over the decade, heavy external assistance both for the first five-year period (\$US 1.26 billion) and for the second (\$ US 1.63 billion) would be required. He identified the main sectoral priorities as industrial, with particular emphasis on meeting foreseeable demand for electric power, and agricultural, with the goal of attaining self-sufficiency in essential crops.

Some participants in the discussion indicated that there appeared to be need for manpower planning to correct the anomaly whereby a shortage of skilled manpower existed simultaneously with unemployment among educated persons. The issue of price policy in agriculture, in the context of increasing output, was also raised.

Fouad Kaid Mohammed, Minister of Development and Chairman of the Central Planning Organization of the Yemen Arab Republic charted the rapid economic progress made by his country since 1962 notwithstanding a long civil war and protracted drought. This had been achieved in large part thanks to foreign assistance, most of it in the form of grants. Among principal objectives of the Second Five Year Plan from 1981-1985 would be the development of the productive sectors in agriculture and industry, increase of domestic food production and mobilization of human resources and improvement of their skills. At present some 20 per cent of the labour force are temporary emigrants in

the Gulf States. Their remittances constitute a disproportionate share of foreign exchange receipts at present, and the meeting agreed that in view of the unpredictable character of these earnings, the present concessional modalities of aid flows should be maintained. Broad support was expressed for the programmes and strategies outlined by the Government, although more information on projects in the social sector was requested.

HIGHLIGHTS OF SUBSTANTIAL NEW PROGRAMME OF ACTION
adopted by UNCTAD V in Manila June 1979

The Conference decided as one of its major priorities to launch a Substantial New Programme of Action for the 1980s (SNPA) for the least developed countries. "with the objective of transforming their economies toward self-sustained development and enabling them to provide at least internationally accepted minimum standards of nutrition, health, transport and communications, housing and education as well as job opportunities to all their citizens, and particularly to the rural and urban poor".

The SNPA "will require support from donors for a much wider range of actions than has been typical of such flows in the past, and (such assistance) will need to be provided under more flexible criteria and conditions". The programme should cover four main areas:

A. Structural change

"The SNPA must aim to transform the main structural characteristics of the least developed countries". The problems to be overcome or alleviated include.

- (a) Very low income per head, with the bulk of the population far below minimum standard of social needs.
- (b) Very high proportion of population in subsistence sectors.
- (c) Extremely low agricultural productivity and weak agricultural support institutions.
- (d) Extremely low level of exploitation of natural resources - minerals, energy, etc. (because of lack of knowledge or lack of financing and skills for their development).

- (e) Very limited development of manufacturing industry.
- (f) Extremely low level of exports per head of population and, even with aid inflows, very limited absolute availabilities of imports.
- (g) Acute scarcity of skilled personnel at all levels.
- (h) Very weak institutional and physical infrastructure of all kinds (including administration, education, training, health, housing, transport and communications, etc.).
- (i) Most least developed countries suffer from one or more major geographical or climatological handicaps, such as land-lockedness, insularity, drought and desertification, or high exposure to cyclone or flood disaster or locusts".

B. Social needs

"The SNPA should provide financial, technical and material support for the improvement of nutrition, health, housing, education, and employment, as well as support to such sectors as rural development and transport and communications, in each of the least developed countries. Such expenditure should accelerate economic progress, provide needed employment and income in rural areas and among the urban poor, and should bring tangible benefits to the poorest and subsistence sectors of the population even before the structural changes needed can take place. The aim should be to provide fully adequate and internationally accepted minimum standards for the poor as soon as possible."

C. Transformational investments

"High priority should be given within the SNPA to identifying and supporting the major investment opportunities in the least developed countries, because of their high potential for leading the way to the substantial transformations that are necessary if more ambitious growth and welfare targets are to be realized."

D. Emergency support

"... Action should be taken ... in order to mitigate the effects of natural disasters, including those resulting in unforeseen shortfalls in resource mobilization, and thus to minimize their adverse effect on the development process so as to the SNPA to go forward on schedule as far as possible."

Targets proposed by high-level experts convened by UNCTAD
in November 1979

We believe that every possible effort should be made to develop programmes which could double national income in each least developed country by 1990 as compared to the level reached in the late 1970s, and to ensure that the poorest parts of the population fully benefit from such improvement.

It seems to us reasonable and feasible to require of the international community that it make a general commitment no later than the United Nations Conference on the Least Developed Countries that net disbursements of concessional assistance to these countries, should be raised at least four-fold in real terms - that is, from about \$ 3.5 billion in 1977 to about \$ 14 billion by 1990. This implies a tripling of per capita concessional resource flows. It will be particularly important, if the objectives for the decade are to be realized, to provide for a very rapid increase in the

flow of concessional resources early in the 1980s so that the bulk of the proposed increase is achieved by mid-decade. It should be possible for each developed country to commit itself to provide at least a minimum of 0.15 per cent of its GNP in the form of official development assistance to the least developed countries during the period 1980-1985, and to endeavour to increase this to 0.20 per cent during the second half of the decade.

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How Least Developed Countries
are Falling Behind

Using constant dollars at 1978 prices, the Gross Domestic Product of the least developed countries taken as a group has grown from a level of \$177 per capita in 1960 to only \$201 in 1978 and would reach only \$219 by 1990 if the past long-term trend were to continue. At the date the comparable figure for developing countries as a whole would be \$931.

In 1960, at the beginning of the first United Nations Development Decade, the average per capita income of the least developed countries was only 45 per cent of the average for all developing countries, while in 1978 it had fallen to less than one third of the general average and in 1990 it will have dropped to less than one fourth of the per capita income of the entire developing group if the trends of the past two decades continue.

In agriculture, which occupies over 80 per cent of the population in the least developed countries, output per worker is now less than half that in developing countries. The marginal role of the manufacturing sector is suggested by the fact that output in that field amounted to only \$18 per capita in 1978 against \$94 for agriculture; for developing countries in general manufacturing output represented \$126 per capita.

In the key area of purchasing power of exports there has been a decline from \$25 per capita in the late 1960s to only \$16 in 1979. This loss has more than offset in real terms the flow of concessional assistance to the least developed countries. The volume of imports of this group of countries amounted to only \$31 per head in 1979- less than one third the level of other developing countries.

Full fees to Common Fund for Least Developed
to be met by OPEC

The full subscription of Least Developed Countries to the Directly Contributed Capital of the Common Fund for Commodities will now be covered by the OPEC Fund for International Development.

In a decision of 31 January 1981, the Ministers of Finance of the OPEC countries went beyond previous commitments in two respects. Originally the OPEC countries had agreed to cover on behalf of the least developed countries the amount of \$ 1million required of all members of the Common Fund; now they will pay the full amount due i.e. not only the \$ 1 million but also any additional assessed contributions. Moreover this support from OPEC will now extend to 35 countries-the five new ones being Burma, Djibouti, Guinea Bissau, Mauritania and Sierra Leone.

The amounts in question, totalling \$37.16 million, in the form of grants, will be paid by the OPEC Fund directly to the Common Fund on behalf of the beneficiaries.

Gamini Corea, in his capacity as Secretary-General of the Paris Conference, termed the OPEC decision" a good augury for a year in which the international community as a whole will be called upon-in the period leading up to the Conference and beyond-to give particular attention to the situation of least developed countries".

Growth targets and summary of financing requirements as contained in country presentations A - 26 (a)

	For reference population growth	Annual average growth rates (per cent)							
		GDP		Agriculture production		Export purchasing power		Import volume	
		Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected
		1970-79	1981-85	1970-79	1981-85	1970-79	1981-85	1970-79	1981-85
	1.	2.	3.	4.	5.	6.	7.	8.	9.
Afghanistan ...	2.5	2.6	4.5-5.2	1.4	10.0	6.2	..	8.7	..
Bangladesh ...	2.7	3.7	7.2	1.4	6.3	-10.0	6.8	-5.2	7.6
Benin ...	2.7	1.5	6.5	2.2	4.0	-9.6	..	5.8	..
Bhutan ...	2.1	..	8.5	2.2	4.0	..	..	..	..
Botswana ...	2.0	11.7	10.1	2.1	7.3	22.6	..	13.9	..
Burundi ...	2.1	3.3	4.4	2.5	2.1	3.2	17.7	9.1	3.7
Cape Verde ...	1.9	-0.4	7.8	..	6.4	-7.9	16.9	-1.3	8.5
Central African Rep...	2.2	1.0	..	2.4	..	-1.0	..	-2.7	..
Chad ...	2.2	1.2	..	1.2	..	-4.3	..	0.3	..
Comoros ...	2.3	0.1	..	..	..	-0.6	..	-0.6	..
Democratic Yemen ...	2.6	6.2	10.0	3.4	=.1	-6.7	13.2	-5.6	6.2
Ethiopia ...	2.4	2.8	7.5	0.5	4.5	-0.1	10.0	-0.5	20.0
Gambia ...	2.8	3.2	6.0	1.1	..	1.2	..	11.0	..
Guinea ...	2.5	3.1	5.1	0.1	3.0	8.6	8.8	1.0	6.6
Guinea-Bissau	1.5	0.0	..	1.7	..	4.4	..	-5.6	..
Haiti ...	1.7	4.0	3.5	1.6	..	4.3	..	3.3	..
Lao People's Dem. Rep.	2.3	0.7	7.0	1.7	..	-1.1	..	-17.5	..
Lesotho ...	2.4	3.7	..	1.4	..	8.7	..	9.6	..
Malawi ...	2.9	7.7	5.1	4.4	..	3.3	..	5.4	..

Contd ...

	1.	2.	3.	4.	5.	6.	7.	8.	9.
Maldives ...	2.5	..	8.0	..	..	0.6	..	-26	..
Mali ...	2.5	2.6	..	1.3	..	6.7	..	2.7	..
Nepal ...	2.1	2.4	4.3	1.1	4.0	-3.6	2.5	-0.5	12.5
Niger ...	2.8	4.3	4.2	1.9	3.4	9.2	0.6	5.9	3.2
Rwanda ...	2.9	4.0	6.0	3.9	..	5.1	6.7	9.3	9.0
Samoa ...	0.8	..	..	..	..	1.5	..	5.7	..
Somalia ...	2.7	4.1	3.5	0.4	2.3	1.6	..	8.4	..
Sudan ...	2.7	3.3	6.0	1.0	..	-5.2	..	-1.9	..
Uganda ...	2.9	-0.3	5.4	-0.5	7.7	-7.8	11.4	-11.3	4.7
Un. Rep. of Tanzania ...	3.0	5.3	4.1	0.7	..	-5.6	7.7	0.1	5.4
Upper Volta ...	2.5	1.7	..	2.2	..	3.3	..	6.5	..
Yemen ...	2.0	4.3	..	3.1	..	5.2	..	33.9	..
All least developed countries	2.6	3.1	6.2	1.3	5.3	-2.0	8.9	1.3	7.9

External assistance (disbursements)
Annual averages in 1980 dollars

A - 26 (c)

8 Total (m\$ million)		Per capita (\$)	
Actual (net flows) 1975 - 79 10.	Requirements (gross flows) 1981 - 85 11.	Actual (net flows) 1979 12.	Projected (net flows) 1981 - 85 13.
222.9	253.2	9.8	15.5
1428.8	2199.6	16.0	24.1
102.4	288.2	34.1	78.7
5.1	53.0	5.3	39.4
85.0	51.6	142.5	62.8
102.4	198.0	27.6	43.3
38.4	69.0	122.7	207.6
88.4	194.2	54.4	95.3
134.4	..	20.9	..
32.4	48.0	59.5	137.1
243.6	210.2	69.7	108.4
218.7	740.0	7.3	23.2
36.0	72.6	84.8	117.1
65.9	138.0	9.9	26.8
..
131.3	190.0	29.5	37.3
70.5	256.0	19.0	67.3
64.6	(20.8)	58.3	15.2
160.9	167.6	36.7	27.2

Contd ..

A - 26 (d)

10.	11.	12.	13.
7.5	24.2	43.1	161.3
237.1	533.8	37.2	78.5
116.7	217.6	12.0	15.2
262.1	318.4	62.2	58.5
169.1	341.4	40.3	69.3
31.7	26.0	265.6	173.3
351.0	310.0	87.7	82.9
891.2	1181.8	40.3	62.6
19.7	593.0	1.9	42.3
735.6	1860.0	46.8	97.4
192.7	358.8	35.6	50.7
394.3	1415.2	52.6	234.7
6640.4	12330.2	24.7	44.4

Per capita GDP and population levels and growth in the least developed countries

A - 27 (a)

Country	Per capita GDP (in US dollars)						Average annual growth rates of per capita real product (per cent)		Projected per capita GDP in 1990 ³ (at 1976 prices)			Population (in million)		Average annual growth rates
	(at 1970 prices)			(at 1976 prices)			1960-1970	1970-77				1977	1970-1977	
	1970	1977	Increment	1970	1977	Increment			A	B	C			
	1	2	Change-ment 3	4	5	Change-ment 6	7	8	9	10.	11.	12.	13.	
Afghanistan	100	109	9	124	135	11	0.0	1.2	135	158	211	17.45	2.3	
Bangladesh	81	89	8	82	90	8	1.3	1.3	106	106	141	82.71	2.4	
Benin	81	80	- 1	177	175	- 2	1.4	-0.2	210	171	274	3.29	2.7	
Bhutan	45	-	-	-	75	-	-	-	-	-	117	1.23	2.2	
Botswana	143	324	181	198	449	251	1.7	12.4	559	2052	702	0.71	3.8	
Burundi	66	67	1	80	82	2	-5.0	0.2	42	84	128	3.97	2.4	
Cape Verde	114	81	-33	330	235	-95	-1.0	-4.7	206	126	368	0.31	2.1	
Central African Empire	127	101	-26	273	218	-55	-0.9	-3.2	194	143	341	1.87	2.2	
Chad	74	78	4	115	122	7	-2.1	0.8	93	135	191	4.20	2.1	
Comoros	114	93	-21	267	220	-47	4.1	-2.8	371	152	344	0.37	2.5	
Ethiopia	72	70	- 2	104	102	- 2	1.7	-0.4	127	97	160	28.98	2.6	
Gambia	101	118	17	181	212	31	1.6	2.3	261	285	332	0.55	2.6	
Guinea	82	84	2	180	185	5	-1.1	0.4	160	195	289	4.65	2.4	
Haiti	97	118	21	205	249	44	-0.6	2.8	230	357	389	4.75	1.6	
Laos People's Dem. Rep.	69	58	-11	119	100	-19	2.1	-2.5	131	72	156	3.46	2.2	
Lesotho	74	113	39	93	142	49	0.8	6.2	157	310	222	1.08	2.2	
Malawi	72	100	28	103	143	40	2.1	4.8	187	263	224	5.53	2.6	
Maldives	88	-	-	-	121	-	-	-	-	-	189	0.14	2.1	
Mali	55	51	4	87	93	6	-2.1	0.9	71	104	145	5.99	2.5	
Nepal	77	73	-4	105	99	-6	0.0	-0.8	99	89	155	13.14	2.3	

Niger	100	106	6	162	173	11	- 2.5	- 0.9	238	194	271	4.86	2.7
Rwanda	60	67	7	82	91	9	2.0	1.5	118	110	142	4.37	2.6
Samoa	211	-	-	-	350	-	-	-	-	-	547	0.15	1.0
Somalia	79	102	23	131	170	39	- 0.9	3.7	158	273	266	3.35	2.6
Sudan	157	166	9	263	279	16	- 0.4	0.8	265	309	436	16.95	2.5
Uganda	135	110	-25	318	259	-59	1.9	-2.9	351	177	405	12.35	3.3
United Rep. of Tanzania	97	109	12	156	176	20	5.0	1.7	332	219	275	16.09	2.7
Upper Volta	59	49	-10	89	74	-15	2.6	-2.6	103	53	116	6.32	2.3
Yemen Arab Rep.	79	96	17	224	270	46	1.2	2.8	315	387	422	7.08	3.0
Yemen Democratic	116	131	15	150	169	19	-5.4	1.7	82	210	264	1.80	2.7
<u>Total above</u>	89	94	5	133	139	6	0.9	0.8	156	154	217	257.70	2.5
<u>All developing countries</u>	220	272	52	406	505	99	2.7	3.1	714	751	790	2093.46	2.5

Source: UNCTAD secretariat calculation based on data from the Statistical Office of the United Nations, the World Bank and other International and national sources.

Annual average growth rates of total and per capita real gross domestic product at market prices, in the least developed countries, 1960 to 1977

A 28 (a)

Country	Total real product							Per capita real product				
	1960- 1970	1970- 1977	1970- 1973	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1970- 1973	1973- 1974	1974- 1975	1975- 1976	1976- 1977
Afghanistan	2.5	3.7	1.4	7.7	3.0	6.3	5.0	-1.1	5.1	0.5	3.7	2.5
Bangladesh	3.8	3.7	0.2	3.2	13.4	1.7	7.8	-2.1	0.8	10.7	-0.7	5.3
Benin	4.1	2.5	5.3	-0.9	6.2	-5.4	2.5	2.5	-3.5	3.4	-7.9	-0.2
Bhutan	-	-	-	-	-	-	-	-	-	-	-	-
Botswana	5.6	16.7	41.8	-8.2	1.2	3.0	7.6	36.7	-11.5	-2.5	-0.8	3.7
Burundi	-2.7	2.6	0.4	7.1	-1.1	5.4	6.1	-1.9	4.6	-3.5	2.9	3.6
Cape Verde	1.1	-2.7	-8.9	-10.2	7.3	6.4	6.0	-10.7	-12.0	5.1	4.2	3.8
Central African Empire	1.3	-1.0	-3.7	14.3	-8.1	-4.0	3.2	-5.7	11.8	-10.1	-6.1	1.0
Chad	0.0	2.9	-3.3	21.1	3.4	4.7	3.2	-5.2	18.6	1.3	2.5	1.1
Comoros	6.7	-0.3	3.7	11.6	-11.7	-12.3	1.4	1.2	8.8	-13.8	-14.4	-1.0
Ethiopia	4.3	2.2	4.0	1.5	0.1	-1.0	3.1	1.3	-1.1	-2.4	-3.5	0.5
Gambia	4.2	4.9	9.4	0.4	-0.4	5.7	1.2	6.6	-2.2	-2.9	3.0	-1.3
Guinea	1.3	2.8	3.2	7.8	-5.2	2.7	5.0	0.8	5.3	-7.5	0.3	2.5
Haiti	1.0	4.5	4.4	4.3	2.7	10.0	1.3	2.8	2.7	1.0	8.3	-0.3
Lao People's Dem. Rep.	4.3	-0.3	1.9	1.6	0.0	-2.1	-7.2	-0.3	-0.5	-2.2	-4.2	-9.2
Lesotho	3.0	8.5	15.7	-1.7	5.7	2.9	7.2	13.2	-3.9	3.4	0.7	4.9
Malawi	4.8	7.5	10.7	4.2	6.0	5.4	4.9	7.9	1.6	3.3	2.7	2.2
Maldives	-	-	-	-	-	-	-	-	-	-	-	-
Mali	0.3	3.4	0.8	0.5	12.7	4.8	4.4	-1.7	-2.0	9.9	2.3	1.8
Nepal	2.3	1.5	0.5	6.3	1.5	6.0	-4.6	-1.8	3.9	-0.8	3.6	-6.7

Niger	5.3	3.6	-3.6	15.9	-2.4	17.6	7.4	-6.1	12.9	-5.0	14.5	4.6
Rwanda	4.7	4.1	2.6	1.1	12.3	5.1	2.9	0.0	-1.4	9.5	2.5	0.3
Samoa	-	-	-	-	-	-	-	-	-	-	-	-
Somalia	1.7	6.4	9.7	3.8	5.8	3.5	3.0	6.9	1.2	3.2	0.9	0.4
Sudan	2.1	3.4	9.5	-2.0	1.6	5.9	-9.0	6.8	-4.4	-0.9	3.3	-11.2
Uganda	5.3	0.3	1.0	0.2	-2.2	-0.4	1.5	-2.3	-3.0	-5.3	-3.5	- 1.7
United Rep. of Tanzania	7.8	4.5	4.6	2.5	4.6	5.2	5.0	1.9	-0.2	1.8	2.4	2.2
Upper Volta	4.9	-0.4	-0.2	2.1	1.7	4.5	-9.5	-2.5	-0.2	-0.6	2.1	-11.5
Yemen Arab Republic	4.2	5.8	4.0	16.9	3.3	6.3	3.0	1.0	13.4	0.3	3.2	0.0
Yemen Democratic	-2.8	4.5	2.7	8.6	6.7	4.0	4.0	0.0	5.8	3.9	1.2	1.3
<u>Total above</u>	<u>3.4</u>	<u>3.3</u>	<u>3.0</u>	<u>3.4</u>	<u>4.9</u>	<u>3.5</u>	<u>2.7</u>	<u>0.5</u>	<u>0.8</u>	<u>2.4</u>	<u>1.0</u>	<u>0.2</u>
<u>All Developing countries</u>	<u>5.2</u>	<u>5.7</u>	<u>6.4</u>	<u>5.7</u>	<u>4.2</u>	<u>5.3</u>	<u>5.6</u>	<u>3.8</u>	<u>3.1</u>	<u>1.7</u>	<u>2.8</u>	<u>3.0</u>

Source: UNCTAD secretariat calculations based on data from the Statistical Office of the United Nations and other international and national sources.

Country	Per capita GDP originating in the agriculture sector in US dollars 1976	Agricultural labour force as a percentage of total labour force 1977	Percentage share of agricultural production in total GDP 1976	Average annual growth rates of agricultural production (per cent)							Average annual growth rates of food production (per cent)						
				1961-1970	1970-1977	1970-1973	1973-1974	1974-1975	1975-1976	1976-1977	1961-1970	1970-1977	1970-1973	1973-1974	1974-1975	1975-1976	1976-1977
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Afghanistan	66	79	20	1.6	4.0	3.9	2.7	3.5	3.4	-2.5	1.6	3.9	4.2	2.7	1.8	5.2	-2.5
Bangladesh	43	85	51	3.1	1.7	0.3	-5.9	-10.5	-3.8	7.9	3.2	1.9	0.3	-4.9	12.4	-6.4	7.8
Benin	67	47	38	3.8	0.4	-1.3	-1.0	-12.2	19.8	9.7	3.4	0.6	-1.6	1.0	-11.1	15.9	10.8
Bhutan	-	94	-	2.3	2.1	2.3	2.8	2.7	0.9	0.9	2.3	2.1	2.3	2.8	1.8	1.8	0.9
Botswana	143	82	33	2.8	4.7	6.8	7.1	-1.7	12.7	-2.3	2.7	4.7	6.8	8.0	-2.5	-12.7	-2.3
Burundi	28	84	35	2.7	1.9	3.8	0.9	-3.5	2.7	2.7	2.8	2.0	3.8	0.0	-1.8	1.8	2.7
Cape Verde	79	58	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central African Empire	71	89	33	1.4	2.2	3.2	3.6	-3.5	2.7	2.7	0.0	2.4	4.2	1.8	-0.9	1.8	3.4
Chad	59	86	49	0.4	0.5	-5.4	14.6	4.3	-2.0	3.1	-0.3	-0.6	-6.9	12.7	1.1	1.1	2.2
Comoros	104	65	47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	46	81	46	2.4	0.7	-1.0	2.0	2.0	2.9	-2.8	2.3	0.7	-0.3	1.0	2.0	1.9	-1.9
Gambia	129	79	60	3.7	1.2	-0.3	15.5	1.8	0.0	-12.3	3.4	1.2	-0.3	15.5	1.8	0.0	-12.3
Guinea	40	82	22	2.0	0.1	-3.8	2.2	3.3	7.4	0.0	2.4	0.2	-3.8	3.4	3.3	7.4	0.0
Haiti	110	69	44	1.3	1.3	1.6	2.9	0.0	0.0	1.9	1.9	1.4	1.6	2.9	-0.9	2.8	0.9

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Laos Peoples' Dem Rep	-	75	-	6.7	1.3	1.0	3.8	1.9	0.0	-5.5	6.7	1.4	1.0	3.8	1.8	0.0	-5.4
Lesotho	49	86	34	0.7	2.1	5.5	-12.2	-7.9	29.0	-8.3	0.7	2.3	7.4	-12.5	-11.4	33.3	-10.5
Malawi	60	86	43	4.4	3.6	8.7	0.0	-1.7	7.8	5.6	4.3	2.7	8.8	0.9	-6.0	9.1	0.8
Maldives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mali	35	88	38	2.1	0.9	-11.1	8.5	22.1	8.5	1.0	1.9	0.4	-11.5	8.6	19.7	7.7	1.0
Nepal	67	93	63	0.9	1.1	1.6	0.0	2.8	-0.9	-4.6	0.7	1.2	1.6	0.9	2.8	-0.9	-5.5
Niger	73	90	14	2.6	0.5	-10.9	22.1	-6.0	35.9	-6.6	2.6	0.6	-10.4	20.3	-6.0	37.2	-7.5
Rwanda	54	91	59	4.6	3.6	1.0	0.0	13.3	5.9	1.6	4.4	3.4	1.0	-1.9	13.6	6.0	1.6
Samoa	165	67	47	-2.8	1.3	-1.0	2.1	1.0	7.2	5.8	-3.0	1.1	-1.0	0.0	2.1	7.3	5.8
Somalia	47	82	28	3.1	0.7	1.3	-9.6	5.3	9.1	1.9	3.1	0.7	1.3	-9.6	5.3	9.1	1.9
Sudan	122	79	30	4.2	2.3	1.0	18.4	-0.8	-11.6	11.2	3.8	4.0	3.2	12.7	4.0	-3.9	3.2
Uganda	129	83	49	3.5	0.8	1.6	-5.7	1.0	2.0	2.9	3.1	2.0	2.0	0.9	0.0	4.7	3.6
United Rep. of Tanzania	69	83	40	3.1	1.3	-0.6	-2.9	4.0	4.8	3.7	3.2	1.7	0.0	-1.9	4.9	3.7	4.5
Upper Volta	29	83	34	3.3	1.2	-4.4	11.1	10.0	-0.9	-7.3	3.2	1.1	-4.1	12.2	9.9	-3.6	-7.5
Yemen Arab Rep.	95	76	35	-1.6	3.0	11.7	-8.5	17.8	-6.3	-1.7	-1.6	2.9	11.4	-9.5	19.0	-7.2	-0.9
Yemen Democratic	35	61	21	1.2	4.0	7.7	4.3	4.2	-1.6	0.0	1.9	4.5	8.0	4.3	5.0	0.8	-0.8
Total above	62	83	44	2.5	1.7	0.7	-0.1	5.2	-0.1	2.6	2.5	2.0	1.2	0.2	5.8	-0.1	2.3
All developing countries	92	61	18	2.7	2.6	1.6	2.8	4.6	1.8	2.6	2.9	2.9	1.6	2.8	5.5	2.6	2.5

Sources: UNCTAD secretariat based on data from FAO, the Economic Commission for Africa and the World Bank.

The manufacturing sector in the
least developed countries, 1960-1977

A - 30 (a)

Country	'Per capita GDP'		Manufacturing Production manufacturiere						
	'originating in'	'Per-	Annual average growth rates of real						
	'the manufactu-'	'tage	GDP arising in manufacturing						
	'ring sector in'	'Share in'							
	'US dollars	GDP	'1960-	'1970-	1970-	'1973-	'1974-	'1975-	1976-
	1976	1976	1970	1977	1973	1974	197	1976	1977
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Afghanistan	16	12	5.8	-	-	-	-	-	-
Bangladesh	7	8	3.9	4.5	1.4	-1.3	17.9	10.0	1.8
Benin	16	9	9.9	5.9	3.0	8.2	27.6	-2.5	1.5
Bhutan	-	-	-	-	-	-	-	-	-
Botswana	22	5	7.3	9.5	8.4	10.2	18.8	4.7	8.0
Burundi	5	6	7.6	6.6	4.3	14.6	-2.6	15.3	7.2
Cape Verde	5	2	9.6	0.6	3.5	-9.8	2.4	-4.5	6.3
Central African Empire	43	20	8.2	-3.6	-7.8	24.6	-2.0	-18.8	-0.3
Chad	11	9	6.0	4.2	4.5	8.3	7.4	-1.0	1.4
Comoros	20	9	11.6	2.9	3.2	9.4	-1.7	0.0	2.9
Ethiopia	9	9	9.1	1.5	3.6	-0.4	-2.5	-2.0	4.7
Gambia	4	2	7.2	-1.9	15.3	-39.2	-7.4	2.7	3.6
Guinea	13	7	3.5	0.3	6.6	5.0	2.9	-21.2	4.9
Haiti	28	11	0.6	6.5	6.3	9.8	4.8	5.7	-
Lao People's Dem.Rep.	-	-	-	-	-	-	-	-	-
Lesotho	3	2	4.1	4.4	6.3	0.0	4.7	3.1	3.8
Malawi	18	13	17.0	8.2	11.9	5.0	13.2	-2.9	7.5
Maldives	-	-	-	-	-	-	-	-	-
Mali	10	11	7.3	2.5	7.5	-15.4	7.8	0.3	4.6
Nepal	11	10	-	-	-	-	-	-	-
Niger	25	15	8.1	1.2	8.7	-22.1	7.5	0.5	0.9
Rwanda	4	4	14.0	5.0	11.6	-8.5	3.8	1.2	5.6
Samoa	11	3	-	-	-	-	-	-	-
Somalia	12	7	9.2	7.6	14.0	0.0	6.1	2.5	3.7
Sudan	28	9	5.5	4.5	3.3	-1.4	12.3	6.9	4.6

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Uganda	16	6	4.4	-5.9	-0.6	1.1	-13.1	-14.6	-11.1
United Rep. of Tanzania	15	9	18.2	5.4	7.5	1.3	0.3	6.2	7.8
Upper Volta	11	13	7.9	-2.7	-1.3	-7.5	8.6	1.1	-15.6
Yemen Arab Rep.	14	5	-	-	-	-	-	-	-
Yemen Democratic	12	7	-	12.3	9.4	18.2	15.4	-	-
<u>Total above</u>	12	9	6.3	3.4	3.8	0.8	8.0	3.4	2.8
<u>All developing countries</u>	88	17	7.2	7.4	9.1	4.6	3.7	-	-

Source: UNCTAD secretariat based on data from the UN Statistical Office, the Economic Commission for Africa and the World Bank.

Investment in the least developed countries, 1960-1977

A - 31 (a)

[illegible]

	1.	2.	3.	4.	5.	6.	7.	8.	9.
Lesotho	20	14	22.8	8.5	40.6	-39.6	-0.2	0.5	5.1
Malawi	22	16	8.9	0.7	0.2	-4.8	22.7	-27.1	23.0
Maldives	..	..	..	..	..	..	..	..	..
Mali	17	19	6.0	-0.2	-3.4	7.4	-1.3	-6.0	9.9
Nepal	10	9	..	..	..	..	..	..	..
Niger	26	16	6.0	5.6	14.6	-4.5	-17.3	19.3	3.0
Rwanda	9	10	5.9	17.0	16.3	12.0	75.4	-3.8	1.0
Samoa	77	22	..	..	..	..	..	..	..
Somalia	57	34	3.3	11.6	12.7	18.4	20.6	2.6	2.9
Sudan	57	18	4.6	11.6	34.0	2.2	5.0	-11.5	-5.4
Uganda	16	5	9.3	-7.5	-10.9	11.4	-24.3	-5.0	2.4
United Rep. of Tanzania	36	21	13.9	2.7	40.4	10.6	7.7	-2.4	5.0
Upper Volta	13	15	2.5	13.6	41.5	11.4	8.3	-1.4	6.4
Yemen Arab Rep.	95	35	..	..	..	..	..	..	..
Yemen Democratic	40	24	..	38.3	67.8	25.6	-15.0	..	..
<u>Total above</u>	22	16	6.0	3.3	4.1	8.1	3.6	-1.0	2.0
<u>All developing countries</u>	83	17	6.6	9.5	8.9	10.9	11.2	..	..

Source : UNCTAD secretariat based on data from the Un Statistical Office,
the Economic Commission for Africa and the World Bank.

Exports and Imports: Basic comparisons

Country	Exports in 1977			Increment in purchasing of exports in constant 1977 \$ per capita			Imports in 1977			Increment in volume of imports in constant 1977 \$ per capita		
	Value (\$ million)	Per cent GDP in 1977	Export per capita \$				Value (\$ million)	Per cent GDP in 1977	Imports per capita (\$)			
				1960-70	1970-77	1976-77				1960-70	1970-77	1976-77
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Afghanistan	327	11.3	18.7	0.4	6.7	2.7	538	18.5	30.8	-2.6	15.1	4.3
Bangladesh	451	5.8	5.5	3.0	-11.9	-0.3	1181	15.1	14.3	8.6	-11.1	3.8
Benin	57	9.4	17.3	6.9	-9.5	-1.5	220	36.2	66.9	18.3	14.7	2.2
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..
Botswana	200	58.8	281.7	25.0	193.8	4.9	220	64.7	309.9	138.4	115.1	-19.1
Burundi	92	27.1	23.2	7.4	5.8	7.7	91	26.8	22.9	2.5	7.6	6.6
Cape Verde	2	2.6	6.5	-24.6	-12.0	0-0.2	51	66.2	164.5	31.0	27.5	-2.2
Central African Empire	82	19.0	43.9	18.7	2.6	9.5	63	14.6	33.7	8.8	-11.3	2.0
Chad	70	12.9	16.7	3.8	-0.3	0.0	140	25.8	33.3	8.1	-1.3	2.2
Comoros	9	12.2	24.3	4.2	-20.1	-8.0	18	24.3	48.6	28.6	-29.2	3.4
Ethiopia	333	10.5	11.5	1.4	-0.7	0.9	352	11.1	12.1	4.8	-5.1	-1.4
Gambia	48	38.7	87.3	21.7	4.7	16.9	78	62.9	141.8	24.1	54.8	-8.2
Guinea	258	28.4	55.5	-11.7	30.8	3.4	173	19.1	37.2	-13.4	4.8	6.5
Haiti	143	11.4	30.1	-5.4	8.4	5.9	358	28.6	75.4	-6.3	47.1	27.2
Leo People's Dem. Rep.	15	4.1	4.3	4.4	-1.1	0.8	54	14.8	15.6	68.1	-72.9	2.9
Lesotho	28	17.2	25.9	2.0	10.8	0.4	160	98.2	148.1	24.8	68.5	4.7
Malawi	195	24.3	35.3	11.4	6.7	4.0	235	29.3	42.5	14.9	1.5	-0.7

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10. ^a - 32 (b)	11.	12.
Maldives	5	31.3	35.7	-3.9	-27.9	7.1	4	25.0	28.6	-80.7	-16.9	7.2
Mali	124	21.1	20.7	1.5	6.6	4.8	159	27.0	26.5	-6.6	6.3	-1.6
Nepal	113	8.2	8.6	8.3	-1.3	-0.1	180	13.1	13.7	9.5	-3.5	-0.3
Niger	165	18.6	34.0	5.4	16.8	3.1	150	16.9	30.9	17.1	-0.2	1.7
Rwanda	92	21.6	21.1	10.0	6.7	0.6	114	26.8	26.1	6.6	9.3	0.0
Samoa	13	22.8	86.7	-75.1	1.0	33.4	41	71.9	273.3	42.9	44.7	53.3
Somalia	100	16.7	29.9	-3.5	5.2	1.7	299	49.9	49.3	0.4	53.1	27.3
Sudan	661	13.6	39.0	-1.0	-9.5	1.8	1060	21.7	62.5	-7.5	8.8	-3.3
Uganda	561	16.6	45.4	12.0	-18.6	12.6	250	7.4	20.2	8.8	-18.8	4.8
United Rep. of Tanzania	504	16.9	31.3	4.1	-16.1	-2.6	248	25.1	46.5	14.9	-11.8	2.3
Upper Volta	55	11.2	8.7	5.2	1.6	-0.7	209	42.4	33.1	7.2	14.7	7.5
Yemen Arab Rep.	11	0.5	1.6	-1.5	0.4	0.3	1040	51.4	146.9	6.4	134.1	82.1
Yemen Democratic	200	62.3	111.1	-269.9	-117.5	1.4	600	186.9	333.3	239.6	18.3	125.3
<u>Total above</u>	4914	13.0	19.1	2.0	-4.7	1.4	8786	23.2	34.3	5.8	1.9	6.1
All developing countries	132660	17.0	73.1	12.9	14.0	4.5	161830	20.8	89.1	14.0	17.4	3.8

Source : United Nations, Monthly Bulletin of Statistics, national sources and preliminary estimates of the UNCTAD secretariat.

Growth of export value and purchasing power of least developed countries, 1960-1978

1 - 33 (a)

Country	Annual average growth rates of export value (per cent)							Annual average growth rates of purchasing power of exports (per cent)						
	1960	1970	1970	1974	1975	1976	1977	1960	1970	1970	1974	1975	1976	1977
	1970	1977	1974	1975	1976	1977	1978	1970	1977	1974	1975	1976	1977	1978
Afghanistan	4.2	21.0	27.2	-3.0	12.2	36.8	-2.1	2.6	9.0	10.2	-6.7	10.6	19.8	-9.7
Bangladesh	5.2	-2.0	-7.5	-20.3	42.6	4.4	10.9	4.3	-13.3	-22.6	-23.3	39.2	-3.7	2.3
Benin	7.0	8.1	0.7	35.3	19.6	3.6	-	5.8	-3.5	-13.2	26.2	18.6	-5.4	-
Bhutan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Botswana	8.5	37.1	53.1	17.4	23.9	13.6	-	7.3	21.7	22.3	11.1	21.5	4.7	-
Burundi	9.4	20.5	4.7	5.7	71.9	67.3	-45.7	8.2	6.9	-11.8	1.0	68.4	54.1	-49.9
Cape Verde	-5.2	0.0	0.0	0.0	0.0	0.0	-	-6.2	-11.2	-15.5	-5.3	-2.0	-7.9	-
Central African Empire	10.0	14.9	11.6	0.0	20.8	41.4	-	8.5	3.2	-4.2	-3.6	17.5	31.6	-
Chad	6.9	12.7	5.4	29.7	31.3	11.1	-	4.8	1.8	-8.9	25.2	28.8	2.1	-
Comoros	4.6	8.8	-5.4	150.0	-10.0	0.0	-	3.5	-3.5	-20.1	138.7	-11.8	-7.9	-
Ethiopia	5.0	15.4	23.4	-15.5	16.3	19.8	-9.9	3.8	1.5	3.1	-21.5	12.5	11.1	-16.9
Gambia	7.0	16.0	28.9	2.1	-27.1	37.1	-	5.8	3.3	9.4	-3.7	-27.7	25.9	-
Guinea	-0.4	29.6	26.0	34.9	51.7	16.9	4.7	-11.5	15.0	6.4	27.7	48.7	9.5	-3.4
Haiti	0.5	20.0	15.8	9.7	31.6	37.5	-	-0.6	6.5	-2.2	3.9	29.0	26.0	-3.4
Lao People's Dem. Rep.	21.9	11.5	12.0	0.0	0.0	36.4	-	20.6	-1.0	-5.5	-5.3	-2.0	25.6	-
Lesotho	4.7	24.6	23.6	-7.1	92.3	12.0	-	3.6	10.6	4.4	-12.2	68.5	3.2	-
Malawi	9.4	18.3	18.7	16.8	6.5	31.8	-2.6	7.6	6.3	2.3	10.2	5.6	22.6	-10.1
Maldives	2.6	7.6	7.5	0.9	0.0	25.0	-	1.5	-4.5	-9.3	-5.3	-2.0	15.1	-
Mali	5.0	20.8	28.0	-17.2	60.4	45.9	-	3.6	8.2	0.6	-22.0	58.7	33.7	-
Nepal	24.1	13.0	9.1	45.6	4.0	9.7	-	22.7	0.3	-7.9	37.8	2.0	1.1	-

Niger	7.8	26.4	13.4	71.7	47.3	23.1	-	6.6	13.3	-2.7	63.1	45.0	13.0	-
Rwanda	16.9	20.4	10.3	13.5	92.9	13.6	19.6	15.4	8.1	-5.4	8.8	90.1	4.1	10.4
Samoa	-4.1	14.6	27.0	-46.2	0.0	85.7	-	-5.2	1.8	7.2	-49.0	-2.0	71.0	-
Somalia	2.4	18.2	18.0	43.5	-4.5	17.6	-20.0	1.3	5.4	0.7	37.4	-5.6	8.2	-26.2
Sudan	3.4	12.3	10.7	-0.9	26.8	19.3	-	2.3	-0.3	-6.5	-6.7	24.6	10.2	-
Uganda	6.9	10.3	2.9	-18.7	40.9	55.0	-57.6	5.5	-1.6	-12.4	-22.6	37.0	43.3	-42.4
United Rep. of Tanzania	4.9	10.0	11.5	-7.7	32.4	2.9	-	3.6	-3.1	-6.4	-14.6	28.5	-4.8	-
Upper Volta	18.0	17.3	18.9	22.2	20.5	3.8	-9.1	16.5	5.4	2.2	16.6	19.2	-5.0	-16.1
Yemen Arab Rep.	-3.9	20.4	44.3	-15.4	-27.3	37.5	9.1	-4.9	6.9	21.8	-19.9	-28.7	26.6	0.7
Yemen Democratic	-4.0	4.6	13.5	-24.8	-2.7	13.0	-	-5.0	-7.1	-4.2	-28.8	-4.7	4.7	-
<u>Total above</u>	4.5	11.9	10.2	-2.4	26.5	20.9	-5.5	3.4	-0.6	-6.9	-7.6	-24.0	21.4	-12.8
<u>All developing countries</u>	6.5	20.0	20.2	-2.1	22.0	17.9	9.9	5.3	5.6	5.4	-8.1	18.8	9.0	2.1

Sources: United Nations, Monthly Bulletin of Statistics, national sources
and preliminary estimates of the UNCTAD secretariat.

Growth of import value and volume of least developed countries 1960-1978

4 - 34 (a)

Country	Annual average growth rates of import value (per cent)							Annual average growth rates of import volume (per cent)						
	1960	1970	1970	1974	1975	1976	1977	1960	1970	1970	1974	1975	1976	1977
	1970	1977	1974	1975	1976	1977	1978	1970	1977	1978	1975	1976	1977	1978
Afghanistan	2.4	25.1	21.2	44.6	18.3	30.0	6.4	0.8	12.7	4.5	39.2	16.7	19.0	-7.3
Bangladesh	7.7	6.5	0.3	14.1	-10.2	50.4	11.6	6.7	-5.7	-16.1	9.7	-12.3	38.8	3.2
Benin	3.4	12.3	22.9	2.7	26.7	15.8	-	7.2	6.5	5.0	-4.2	25.7	6.1	-
Bhutan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Botswana	18.6	23.9	39.4	16.2	-2.8	5.3	-	17.5	10.0	17.7	10.0	-4.7	-3.0	-
Burundi	2.0	22.5	18.2	46.5	-7.9	56.9	4.4	0.9	8.7	-0.2	38.7	-9.8	44.5	-3.7
Cape Verde	6.0	11.0	20.7	29.4	4.5	10.9	-	4.8	4.8	1.2	22.5	2.5	2.1	-
Central African Empire	5.9	9.2	7.8	4.3	12.5	16.7	-	4.4	-1.9	-7.4	0.6	9.3	8.1	-
Chad	7.0	12.6	10.8	44.6	-11.3	18.6	-	4.9	1.8	-4.2	39.5	-12.9	9.1	-
Comoros	6.5	10.4	13.6	53.3	-43.5	38.5	-	7.3	-2.0	-4.0	45.1	-44.6	27.5	-
Ethiopia	7.3	10.8	13.1	17.1	7.3	-0.3	-3.4	6.0	-2.6	-5.6	8.8	3.8	-4.5	-10.2
Gambia	7.2	23.3	25.0	38.6	21.3	5.4	34.6	6.0	9.8	6.1	30.7	20.3	-3.2	24.2
Guinea	0.0	17.8	11.8	90.7	-22.0	35.2	27.2	-1.1	4.6	-5.6	60.5	-23.5	24.5	17.4
Haiti	6.7	31.7	20.3	11.2	71.1	72.9	-	-0.4	16.9	1.6	5.1	67.7	59.3	-
Lao People's Dem. Rep.	17.6	-10.1	-13.4	-34.4	-4.8	35.0	-	18.3	-20.2	-26.9	-37.9	-6.7	24.3	-
Lesotho	7.3	25.8	38.0	38.8	-13.0	14.3	-	6.1	21.7	16.5	31.3	-14.8	5.3	-
Malawi	6.6	15.4	21.1	35.7	-18.3	14.6	44.7	7.3	3.7	4.3	23.5	-19.0	4.9	33.5
Maldives	-6.8	10.4	10.7	0.0	0.0	33.3	-	-7.8	-2.0	-6.6	-5.3	-2.0	22.8	-
Mali	1.0	19.0	39.7	-2.8	-13.8	6.0	-	-0.4	6.6	12.2	-6.1	-14.7	-2.9	-
Nepal	12.1	11.5	11.3	32.6	-2.9	6.4	-	10.9	-1.0	-6.0	25.5	-4.9	-0.1	-

Niger	12.8	14.5	13.	2.1	28.3	15.1	-	11.2	2.7	-2.4	-3.0	25.3	8.4	-
Rwanda	5.2	21.6	18.	65.5	7.3	30.7	31.6	7.8	9.2	2.0	58.7	5.7	2.5	21.4
Samoa	4.2	16.6	16.	22.3	18.9	36.7	9.8	3.1	3.5	-1.4	34.7	-20.5	25.9	1.3
Somalia	3.8	31.1	35.	13.3	14.6	60.8	-	2.7	16.8	13.2	0.4	13.5	47.8	60
Sudan	2.3	18.0	19.	45.7	2.5	8.2	13.2	1.2	5.1	0.7	31.2	0.8	-0.1	4.5
Uganda	7.4	5.5	5.5	6.1	15.0	17.1	0.0	6.0	-5.9	-10.2	-10.6	-17.3	36.0	-0.3
United Rep. of Tanzania	7.2	13.0	24.0	3.1	17.7	14.7	-	5.8	-0.5	1.	-1.1	20.1	8.4	-
Upper Volta	8.9	23.7	22.3	4.9	4.0	4.1	10.7	7.5	11.2	13.7	0.1	-5.0	32.0	1.5
Yemen Arab Rep.	11.5	64.0	56.1	51.1	39.0	153.7	15.4	10.3	46.0	31.8	46.5	36.7	133.6	6.5
Yemen Democratic	-1.8	16.9	19.0	-22.9	7.0	72.1	-	-2.9	3.8	0.7	-27.0	4.9	65.0	-
Total above	5.7	16.4	15.8	18.5	0.3	35.6	12.2	4.5	3.4	-2.2	12.2	-1.7	24.9	3.5
All developing countries	6.2	20.0	22.2	6.1	5.0	15.0	16.4	5.0	5.7	7.8	-0.4	2.3	7.0	7.8

Sources: United Nations, Monthly Bulletin of Statistics, national sources and preliminary estimates of the UNCTAD secretariat.

External public debt outstanding and debt service payments of
least developed countries, 1969, and 1974 to 1978

Country	\$ million						Debt outstanding (disbursed)				
	1969 1	1974 2	1975 3	1976 4	1977 5	1978 6	1969 7	1974 8	1975 9	1976 10	1977 11
Afghanistan	471.8	711.9	769.3	802.3	911.2	(983.7)	6.0	3.1	3.4	3.2	2.8
Bangladesh	..	354.5	1016.7	1615.3	1945.5	2292.0	..	0.9	3.4	3.7	4.3
Benin	41.2	57.6	79.2	85.3	113.4	(125.8)	1.5	1.7	1.7	1.6	2.0
Botswana	10.1	114.9	134.1	147.3	165.2	180.9	0.6	0.9	0.9	0.8	0.8
Burundi	6.0	7.8	9.4	21.6	23.7	37.1	0.5	0.3	0.3	0.4	0.3
Central African Empire	19.8	53.5	57.4	64.5	79.0	(80.9)	0.6	1.1	1.2	1.1	1.0
Chad	30.1	38.4	53.5	67.1	95.4	(108.9)	0.9	1.0	1.1	1.1	1.4
Comoroa	..	..	..	3.8	17.4	(23.5)	..	..	..	0.4	1.9
Ethiopia	135.4	299.5	324.0	381.2	429.5	470.5	1.1	1.1	1.4	1.4	1.3
Gambia	4.5	8.9	11.9	12.7	13.7	23.3	0.4	0.2	0.2	0.4	0.3
Guinea	214.0	627.7	746.8	790.5	871.5	(702.9)	3.8	5.9	5.2	3.6	3.4
Haiti	37.3	41.0	45.8	56.7	76.7	126.1	1.0	0.6	0.6	0.5	0.5
Lesotho	6.4	7.7	9.5	13.5	15.4	(18.7)	0.9	0.6	0.7	0.5	0.6
Malawi	68.5	201.2	227.1	243.4	257.9	291.9	1.3	1.7	1.6	1.6	1.3
Mali	200.0	283.3	331.7	351.8	375.7	(348.4)	11.8	4.4	6.3	4.1	3.0

	1	2	3	4	5	6	7	8	9	10	11
Nepal	4.7	19.5	27.1	33.7	44.3	70.9	0.1	0.3	0.3	0.3	0.4
Niger	18.3	70.6	95.3	109.8	123.4	(130.4)	0.8	1.3	1.0	0.8	0.7
Rwanda	1.8	7.9	12.4	24.2	48.4	77.6	0.1	0.2	0.3	0.3	0.5
Somalia	53.1	138.3	182.8	219.9	277.2	(374.7)	1.7	2.2	2.1	2.6	2.8
Sudan	233.2	376.9	723.1	941.7	1292.1	(1464.6)	0.9	0.9	1.7	1.7	2.0
Uganda	101.3	167.3	184.1	187.5	211.5	(197.7)	0.4	0.5	0.7	0.5	0.4
United Rep. of Tanzania	153.3	463.7	619.7	797.6	910.4	1005.0	0.6	1.2	1.7	1.6	1.8
Upper Volta	18.7	30.7	47.0	63.3	84.4	(122.7)	0.9	0.9	1.1	1.2	1.5
Yemen Arab Rep.	..	182.3	235.7	250.0	274.4	(263.3)	..	14.0	21.4	31.3	24.9
Yemen Democratic	..	55.3	84.9	107.3	226.1	(304.6)	..	0.2	0.5	0.6	1.1
Total above	1829.5	4320.4	6028.5	7392.0	8883.4	(9826.1)	1.3	1.3	1.9	1.9	1.8
All developing countries	35600.6	81304.0	98107.4	118186.2	146021.8	(161253.3)	0.7	0.4	0.5	0.5	0.5

Source: UNCTAD secretariat based on information supplied by the World Bank.

External public debt outstanding and debt service payments of
least developed countries, 1969 and 1974 to 1978

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	\$ million					Service payments					% of exports				
	1969	1974	1975	1976	1977	1969	1974	1975	1976	1977	1969	1974	1975	1976	1977
	12	13	14	15	16	17	18	19	20	21					
Afghanistan	20.9	37.1	23.2	26.0	(36.2)	26.5	16.1	10.4	10.8	11.0					
Bangladesh	..	25.2	70.0	64.9	66.0	..	6.6	23.1	15.0	14.0					
Benin	1.5	6.1	6.0	4.0	(9.4)	5.4	17.9	13.0	7.3	16.0					
Botswana	0.6	3.3	6.9	4.3	5.8	3.3	2.7	4.9	2.4	2.0					
Burundi	0.6	0.9	2.0	2.8	2.7	5.0	3.0	6.3	5.1	2.0					
Central African Empire	2.1	6.3	8.5	7.7	(10.5)	5.8	13.1	17.7	13.3	12.0					
Chad	3.0	3.6	6.2	5.3	(12.8)	9.4	9.7	12.9	8.4	18.0					
Comoroa	..	..	..	0.5	(0.6)	..	..	..	5.6	6.0					
Ethiopia	10.4	21.2	25.9	26.1	28.2	16.3	7.5	10.8	9.4	8.0					
Gambia	0.0	0.4	0.4	0.4	0.4	0.0	0.9	0.8	1.1	0.0					
Guinea	12.5	22.7	24.8	54.4	(147.8)	21.9	21.4	17.3	25.1	57.0					
Haiti	1.2	6.1	7.6	10.2	12.4	3.2	8.5	9.6	9.8	8.0					
Lesotho	0.3	0.3	0.4	0.4	(0.5)	4.3	2.1	3.1	1.6	1.0					
Malawi	4.0	14.3	16.6	41.2	12.6	7.5	12.0	11.9	9.6	6.0					
Mali	4.8	2.3	2.9	3.7	(27.9)	28.2	3.6	5.5	4.4	22.0					

k	12	13	14	15	16	17	18	19	20	21
	1.4	0.8	1.7	1.7	2.2	2.6	1.2	1.7	1.7	1.7
Nepal	1.4	0.8	1.7	1.7	2.2	2.6	1.2	1.7	1.7	1.7
Niger	2.2	3.2	9.2	6.2	(6.6)	9.2	6.0	10.1	4.6	3.6
Rwanda	0.5	0.5	0.8	0.8	1.4	3.6	1.4	1.9	1.0	1.5
Somalia	0.7	3.5	3.9	3.0	(10.8)	2.2	5.6	4.4	3.5	10.8
Sudan	22.6	58.5	93.0	119.8	(184.0)	9.1	13.3	21.3	21.6	27.8
Uganda	18.2	11.8	7.0	5.4	(24.1)	8.1	3.7	2.7	1.5	4.3
United Repl of Tanzania	15.6	23.4	26.4	27.7	33.2	6.2	5.8	7.1	5.7	6.6
Upper Volta	1.7	3.6	5.2	4.7	(5.8)	8.1	10.0	11.8	8.9	10.5
Yemen Arab Rep.	..	9.6	3.8	5.2	(19.4)	..	73.8	34.5	65.0	176.4
Yemen Democratic	..	0.2	0.2	0.1	(8.4)	..	0.1	0.1	0.0	4.2
Total above	134.5	264.9	352.6	400.4	(669.1)	9.7	8.1	11.0	9.9	13.6
All developing countries	4379.4	12852.3	14054.9	16632.8	(22684.2)	8.8	5.7	6.6	6.5	7.1

Source: UNCTAD secretariat based on information supplied by the World Bank.

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Basic Indicators for Least Developed countries as Compared with All Developing Countries and Developed Countries

	Popula- tion (milli- ons)	Per cent of labour force in agricul- ture	GDP per capi- ta annual average growth rates (per cent) 1960-1979	GDP	Agricul- tural output	\$ per capita of which : Manufactu- ring output	Exports	Concess- ional assis- tance	Energy Consump- tion per capita (kg. of coal equi- valent) 1978	Health Physician s per 100,000 popula- tion 1977	Education Secondary school enrolment ratio (per cent 1977
	1979	1979	1960-1979	1978	1978	1978	1979	1979	1978	1977	1977
	1	2	3	4	5	6	7	8	9	10	11
Afghanistan	15.5	78	0.7	241	127	48	27.7	(11.3)	47	5.0	7
Bangladesh	86.6	84	1.4	118	63	8	7.5	13.4	43	7.9	23
Benin	3.5	46	0.8	224	85	16	11.5	25.5	56	3.7	11
Bhutan	1.3	94	..	103	..	..	..	4.5	..	..	1
Botswana	0.8	81	3.6	632	158	44	316.5	126.2	..	9.6	20
Burundi	4.4	94	-1.6	146	73	12	24.0	23.5	12	2.0	3
Cape Verde	0.3	57	-1.6	150	32	9	12.5	104.4	143	12.9	..
Central African Republic	2.0	38	-0.9	248	79	35	43.6	45.6	44	5.7	9
Chad /	4.4	84	-1.4	188	75	19	13.1	18.2	22	2.4	3
Comoros	0.3	64	1.0	248	119	22	45.5	51.2	52	7.2	7
Democratic Yemen . . .	1.8	59	-3.0	316	76	..	135.9	46.5	523	12.6	28
Ethiopia	30.4	80	0.6	143	66	16	13.9	6.0	20	1.4	8
Gambia	0.6	78	1.1	244	127	2	100.0	69.7	107	7.4	12
Guinea	4.9	81	-0.3	262	58	18	57.3	6.6	91	6.5	14

	1	2	3	4	5	6	7	8	9	10	11
Haiti	4.9	67	0.5	278	117	36	40.7	18.8	57	16.8	9
Lao People's Dem. Republic	3.6	74	0.1	83	52	2	5.5	16.3	60	4.6	14
Lesotho	1.3	84	0.1	145	73	4	30.5	49.0	..	5.4	15
Malawi	5.8	84	2.9	175	77	21	40.0	24.4	52	2.1	1
Maldives	0.2	..	..	150	..	..	66.7	36.7	..	6.4	..
Mali	6.5	87	-1.2	131	47	18	18.5	29.6	30	4.2	9
Nepal	13.7	93	0.3	119	74	12	6.6	10.0	11	2.8	14
Niger	5.2	89	1.8	220	(115)	(11)	40.8	37.7	38	2.4	3
Rwanda	4.7	90	1.5	188	86	26	19.4	34.2	17	2.7	2
Samoa	0.2	60	..	520	260	16	112.5	186.9	187	34.7	..
Somalia	3.5	81	0.3	130	(46)	(11)	31.1	53.1	99	6.4	4
Sudan	17.9	77	-0.1	320	(112)	(19)	29.9	31.6	172	11.5	16
Uganda	13.2	81	-0.8	280	(213)	(14)	32.3	2.7	48	3.6	7
United Republic of Tanzania	18.0	82	2.9	263	121	21	29.1	32.8	65	6.5	3
Upper Volta	6.7	82	0.6	126	48	16	10.4	30.0	25	1.8	2
Yamen Arab Republic	5.8	75	1.9	447	156	22	2.6	35.9	53	7.2	3
All least developed countries	267.9	82	0.7	201	94	18	20.0	18.9	53	5.9	12
All developing coun- tries	2164.6	59	2.9	661	119	126	103.7	13.0	449	10.3	28
Socialist countries of Eastern Europe	375.7	21	5.4	(3681)	..	..	362.3		5477	257.7	72
Developed market economy countries	780.5	9	3.4	7922	317	2297	1378.4		6362	159.5	86

Source: UNCTAD secretariat based on data from the United Nations Statistical Office, FAO, UNESCO, OECD/DAC and World Bank.

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हरिहर भवन



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Trade Promotion Centre (TPC) was established in 1971 under the Development Board Act 2013. The establishment of the Centre was rightly in answer to the growing need felt in the country to initiate and expand export promotion services on a regular and sustained basis.

The following have been the major policy objectives of TPC since its establishment:

- ★ Export promotion in traditional and new markets abroad;
- ★ Product survey and development for export;
- ★ Undertaking market research surveys in different international markets with a view to promote Nepalese Exports;
- ★ Documentation so as to provide domestic and foreign markets studies and for a broad base of general information related to export marketing;
- ★ Development of export consciousness and entrepreneurship in the country;
- ★ Centralising the flow of business opportunities on behalf of businessmen both at home and abroad;
- ★ Providing general information both quantitative and qualitative on potential trade opportunities abroad;
- ★ Design and development of effective trade infrastructure;
- ★ Product development aimed at diversifying international trade;
- ★ Organising participation in international trade fairs and exhibitions;
- ★ Providing market research and other related consultancy services;
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