



International Support Measures for the least developed countries

**Myanmar Graduation Workshop
Nay Pyi Taw, 9-10 December 2014**

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Structure

1. Background
2. Official development assistance
3. International trade
4. General support



BACKGROUND

The LDC category

- Countries consistently lagging behind
- Special measures for catching up
- Beyond what available for other developing countries
- Main challenges:
 - low income and lack of financial resources
 - Limited or absent manufacturing base; limited participation in international trade besides commodities
 - Low level of human capital

LDC ISMs

- Development assistance
- International trade
- General support

[Smooth transition provisions]



A photograph of terraced rice fields in a mountainous region. The terraces are filled with young green rice seedlings. In the foreground, two people and two water buffaloes are walking along a dirt path. One person is wearing a blue shirt and black shorts, and the other is wearing a white shirt and black shorts. The buffaloes are grey and white. The background shows more terraced fields and a small village on a hillside.

Official development assistance

CDP Secretariat

Official development assistance

- Financial aid and technical assistance
- Multilateral and bilateral partners

Modalities and commitments:

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

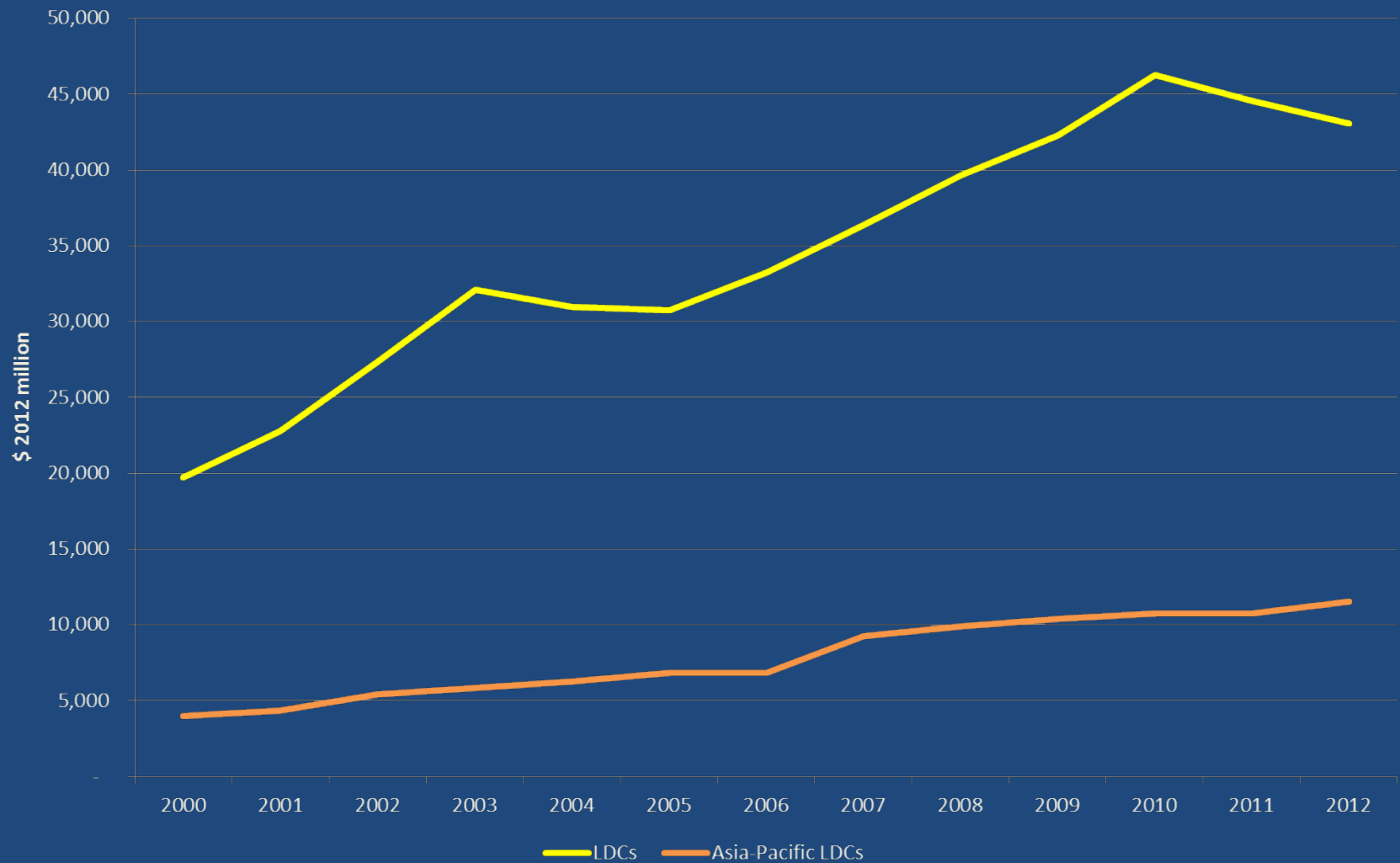
Important!

ODA is **not** LDC-specific, just the modalities and the targets.
Donors allocation **not** based on LDC status: overlap criteria

ODA modalities (cont.)

- Targeted budget set asides by some multilaterals:
 - UNDP, UNICEF, WFP, others
 - Targeted funds/technical cooperation programmes:
 - GEF-LDCF, UNCDF, others
- **Attention!** There are **NO** LDC-specific measures or programmes at World Bank and IMF.

ODA flows by OECD/DAC, 2000-2012



Increasing ODA flows to LDCs

➔ Donors to meet commitments renewed at Istanbul

Currently (2012):

- *Above 0.20%:* Denmark, Ireland, Luxembourg, Norway, Sweden
- *At 0.15%, but < 0.20%:* Netherlands, UK

DAC ODA flows to LDCs, \$ million (current)		
	2011	2012
Observed	44,758.3	40,536.6
Committed	70,949.3	71,173.1
Gap	26,191.0	30,636.5

Source: Gap Task Report database

A photograph of a fruit stand with several woven baskets filled with fresh produce. In the foreground, there are baskets of bright pink dragon fruit and yellow-green dragon fruit. Behind them are large stacks of brown kiwis, yellow lemons, and red apples. Price tags are visible among the fruit. An orange banner with white text is overlaid on the bottom left of the image.

International trade

Trade-related ISMs

- Special and differential treatment WTO legal texts:
 - Preferential market access
 - Other preferential treatment provisions
- Other measures besides WTO agreements

Objectives of trade-ISMs:

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

Preferential Market Access

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

DFQF (goods):

- On average, relatively high utilization rates by LDCs of GSP and other preferential schemes (2011):
 - Canada: 90%
 - EU: 92~96%
 - USA: 83%

- Room for improvement:
 - Coverage: the DFQF commitment
 - Bali outcome; Most developed already at 100%, US as exception
 - Preference erosion, with caveats
 - Productive capacity constraints (volume and tariff lines)
 - Utilization: needs lower cost of compliance (RoO)

The Services Waiver

- Preferential treatment to be extended to like services and service suppliers of all LDCs
- To promote trade in sectors and modes of supply of LDC export interest
- Bali outcome → operationalization of services waiver:
 - LDCs collective request (sectors and modes)
 - CTS to organize meeting in 6 months with trading partners
 - Targeted and coordinated technical assistance
- LDC request submitted on 21 July 2014
 - Waive: restrictions, fees, taxes, visas, tests, work permits, residence requirements, etc. Not clear whether all fall under art XVI
 - List of service categories: construction, accounting, packaging, veterinary, engineering, etc.

Beyond preferential market access

Uruguay Round Provisions for LDCs

Uruguay Round Agreements	Number	Observations
Establishing the WTO (articles IV.7 and XI.2)	2	Commitments compatible with level of development; review of measures by the Committee on Trade and Development
Understanding balance of payment provisions (article 8)	1	Simplified consultation procedures allowed more than 2 successive consultations. Bangladesh under simplified only up to 2000 then reverted to regular consultations.
Agriculture (articles 15.2, 16.1 and 16.2)	3	No reduction commitments required for LDCs; reference to Decision on least-developed and Net food importers; monitoring by the Committee on Agriculture. Acceded LDCs (Cambodia, Cape Verde and Nepal) made commitments
Sanitary and Phytosanitary Measures (articles 10.1 and 14)	2	Special attention to, in particular LDCs. Several LDCs identified by WTO Secretariat as being potentially affected by SPS measures by other members.
Technical barriers to trade (articles 11.8, 12.7 and 12.8)	3	Give priority/, in particular LDCs. WTO and few members have provided technical assistance to LDCs
TRIMS (article 5.2)	1	Renewed at Hong Kong up to 2015. Only Uganda has informed WTO on TRIMS
Licensing procedures (article 3.5 (j))	1	Special consideration for LDCs
Subsidies and Countervailing Duties (articles 27.2 and 27.3)	2	Export subsidy exemption not taken in Cambodia and Nepal accessions
GATS (articles IV.3, XIX.3 Annex on Telecommunications art 6(d))	3	Special priority to LDCs; guidelines on future negotiations to include SDTs for LDCs

Uruguay Round Provisions for LDCs

TRIPS (Preamble, Articles 66.1 and 66.2)	3	Extended: medicines: January 2016; implementation: July 2021
Annex 2 Dispute settlement (articles 24.1 and 24.2)	2	No DS with LDC as defendant; DG office consulted in cotton initiative
Annex 3 Trade policy review mechanism	2	longer review periods. In practice, LDCs are reviewed every 6 years as the majority of members
Annex 4. Government procurement (articles 1, 2, 12, and 13)	4	in particular the LDCs, bearing in mind special problems of LDCs, special treatment for LDCs. No LDC is party to the Agreement
Total	29	
Additional Ldc-specific instruments adopted by the Uruguay Round: Decision on measures in favour of Least Developed Countries, Agriculture: measures concerning the possible negative effects of the reform programme on least-developed and net food-importing developing countries.		

→ Many others followed

Use and effectiveness

- Some expired
 - Not all are binding
 - Ambiguous nature
 - Dispersed
 - Complex
 - Require capacity:
 - Limited awareness
 - Low productive capacities
 - Institutional capacity constraints
 - If design flaws and capacity constraints removed: greater effectiveness of SDTs
- No smooth transition



General support

General Support

Travel support

- Attendance GA sessions
 - Others (UNFCCC, UN Convention Against Corruption, etc.)
 - Travel funds
 - UNFPA (\$170K/year)
 - UNIDO (€300K/year)
 - Others
- (Some smooth transition provisions)

Caps on budget contribution

- *Regular UN budget*: LDC limited to 0.01 per cent (\$255,196 in 2014). Myanmar contribution capped in 2014. It would have been \$306,235 if not an LDC
- *Peace Keeping Operations*: 90% cent discount in PKO budget . Peacekeeping at \$67,412 for Myanmar, with LDC discount; \$161,789 with no discount.
- *Budget caps*: UNIDO, WMO, others
(No smooth transition provisions)

General Support (cont.)

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

www.un.org/ldcportal



Support Measures Portal for Least Developed Countries

[Home](#) [Trade](#) [Development Assistance](#) [General Support](#) [Find a support measure](#) [Learn more](#)



FOURTH UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES
11-13 May 2011, Doha, Qatar

Improving Access to Support Measures

This Portal gives users access to information about special international support measures (ISMs) adopted by the international development community for countries included in the LDC category. ISMs are meant to assist LDCs in confronting their special development challenges and in achieving progress towards graduation from the category. The measures can be grouped into 3 broad areas of assistance:



Trade

International support measures from development partners related to international trade.

[go to Trade »](#)



Development

Support measures related to the volume and quality of Official Development Assistance.

[go to Development »](#)



General Support

Other support measures such as dedicated travel funds and caps on contributions to the UN.

[go to General Support »](#)



- [LDCs and trade in services](#)
LDCs continue to play a marginal role in global trade in services flows, but their market share is...
- [Smoothing the Transition](#)
On 7 December 2012, the General Assembly of the United Nations adopted a resolution on smooth...

[more »](#)



- [Deadline for STDF funding applications](#)
The next deadline for STDF funding applications for project preparation grants...



[Deadline for STDF funding](#)



[Bilateral ODA to LDCs in](#)



[SPOTLIGHT: New](#)

A man wearing a straw hat and a light-colored shirt is harvesting coffee beans from a bush. The background shows a vast, terraced coffee plantation on a hillside under a cloudy sky. The coffee plants are lush green with clusters of red and yellow berries.

THANK YOU!