Statement

by

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Introducing

The Report of the Secretary General on the implementation of the Programme of Action for the LDCs for the Decade 2011 to 2020 (A/68/88-E/2013/81 and Corr.1) and the Report of the Secretary-General on the establishment of a Technology Bank and Science, Technology and Innovation supporting mechanism dedicated to LDCs (A/68/217)

Second Committee

Agenda item: "Groups of countries in special situations"
Under sub-item (a)

Monday 21 October 2013

New York
Mr. Chairman,

Excellencies and distinguished delegates,

It gives me great pleasure to introduce the Report of the Secretary-General on the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/68/88-E/2013/81 and Corr.1) and the Report of the Secretary-General on the establishment of a Technology Bank and Science, Technology and Innovation supporting mechanism dedicated to LDCs (A/68/217). These reports are presented in accordance with GA resolution 67/220.

Mr. Chairman,

Allow me first to introduce the Report of the Secretary-General on the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/68/88-E/2013/81 and Corr.1). This report outlines mixed progress towards achieving the goals and targets of the eight priority areas of IPoA. LDCs have 880 million people with lowest development indicators. A number of LDCs, albeit fewer than during the last decade, have recorded strong and rising investment rates, rapid urbanization, improved human development, and robust expansion of sectors other than agriculture. This development may point to structural changes taking hold in these countries.

Yet, most LDCs continued to face pervasive poverty, still at about 47 per cent, while the world average is 22 per cent in 2010. They also face low levels of social and human development, despite the progress made in recent years. Maternal and child mortality rates have been reduced by half but LDCs started from very high initial conditions. LDCs also continue to display serious structural impediments to growth, and high exposure to shocks and disasters. Also, the headwinds of the global economic slowdown are reaching the LDCs in the forms of reduced ODA flows and increased fluctuations in commodity prices. Recent estimates suggest that bilateral ODA has declined by nearly 13 per cent in 2013, which is much larger than overall reduction of ODA, which was 4 per cent. At the current trends, most LDCs will not meet most MDGs by 2015 and these LDCs in conflict situations are farthest behind.

Mr. Chairman,

Efforts have been made by LDCs and development partners, including the UN system, to integrate the IPoA into their national development and development cooperation strategies, respectively. OHRLLS has provided UN system-wide coordination of the follow up of the IPoA in the context of the interagency consultative group meeting on LDCs. It has also played a strong advocacy role in support of implementation of IPoA. As mandated by the Secretary General, my Office also initiated some analytical work in support of the implementation of the IPoA. This work has culminated in the production of a first edition of the Office’s flagship publication, “State of the Least Developed Countries”. Parliaments, the private sector and civil society have also contributed to the implementation of the IPoA through various activities.

Mr. Chairman,
Looking forward, removing obstacles and accelerating growth and development in LDCs require putting productive capacity-building at the core and centre of the domestic, regional and global agenda. Such a focus will not only enable LDCs to sustain high economic growth, but also help them take important strides towards sustainable progress in human and social development and build resilience, in short, graduate from the least developed status on a sure footing and sustainable manner.

Productive capacity building efforts cannot take off without adequate means of implementation. Increased domestic investment, as well as fulfilment of ODA commitments and multilateral flows, should therefore be channelled into productive capacity-building, including infrastructure and energy, in LDCs. In this regard, important steps need to be taken to live up to the ODA commitments made in the Istanbul Programme of Action and to improve the quality and effectiveness of ODA. With right policy instruments and delivery on commitments on DFQF and rules of origin and other relevant areas, trade can be made a powerful instrument for development and poverty reduction in LDCs.

South-South cooperation and triangular cooperation could be strengthened in all areas of the Istanbul Program of Action with more institutionalized collaborative effort. Similarly, resources from innovative financing should be made available for the development of the LDCs.

A rapid structural transformation of their economies is possible, and it is desirable. In a single generation, countries have transformed themselves. In an age of unprecedented progress in science and technology and of abundance, continued deprivation of a billion people is not justifiable from any point of view. In this globalized world of today, effectively dealing with the concerns and aspirations of LDCs is in the enlightened self interests of the international community. Despite so many constraints, there is some optimism in the air. We must seize this opportunity for the common good.

My Office have done a thorough analysis of the fundamental determinant of growth and development: that is a coherent and holistic productive capacity building with four essential pillars of mutually reinforcing nature.

The ongoing discussions on the post-2015 Development Agenda and SDGs provide an excellent entry point in echoing LDCs' concerns and needs on the global stage and in focussing the attention of the world on the challenges and opportunities of the most vulnerable groups of countries. Eradication of poverty and sustainable development cannot happen without LDCs, and their structural transformation. Care must be taken to ensure that the issues critical to LDCs find their proper place and get due priority in the discourse and on the agenda. These issues include: (a) productive capacity-building, including through rapid development of infrastructure, and energy, including trade and private sector development (b) green economy policies with supportive global measures to achieve sustained, equitable and inclusive economic growth (c) structural transformation; (d) hunger and poverty eradication and inclusive human development (e) resilience-building from nature and as well as man-made disasters and shocks; and (f) sufficient policy space to pursue the agenda of structural transformation and productive employment.
Finally, one of the fundamental premises of the IPOA is mutual accountability. When the LDCs themselves are putting up their best efforts to ensure inclusive and rapid sustainable development, international community should come up with a robust, enhanced and coherent global support measures in all the relevant areas.

Mr. Chairman,

I now have the honour to introduce the report of the Secretary-General on technology bank and science, technology and innovation supporting mechanism dedicated to LDCs contained in document A/68/217.

As mentioned before, this second report is submitted pursuant to General Assembly resolution A/67/220, whereby the Secretary-General was requested to undertake a joint gap and capacity analysis on a priority basis by 2013 with the aim of establishing a technology bank and science, technology and innovation supporting mechanism dedicated to LDCs, building on existing international initiatives. This report is prepared in close consultation with a number of UN system organizations.

The IPoA identifies the productive capacity building as a key priority for LDCs. Accordingly, the Programme of Action recognizes Science, Technology and Innovation as critical enablers for the structural transformation of their economies. However, LDCs are lagging well behind other developing countries in the capacity to generate and apply scientific and technological knowledge. Research and development expenditure as a percentage of GDP stood nearly at nil in the majority of these countries.

As we all are aware, some of the key avenues of technology transfer are imports, FDI and licensing. However, LDCs, given their structural constraints, have not been able to take meaningful advantage of these three channels. Technology transfers to LDCs do occur through donor assistance agencies; but such efforts are either incidental to specific country and regional projects, or part of a targeted technical objective such as clean water, combating AIDS and malaria, eradicating crop pests, etc. While commendable, such efforts rarely constitute a coherent tech-transfer adoption and innovation, nor do they constitute more than a very small proportion of total development assistance.

Therefore, the existing arrangements and mechanisms for the transfer of technology have not been able to benefit the least developed countries in a substantial way so as to bring fundamental transformation in their technological base. There is no global framework, agreement, or mechanism that is comprehensive and all-encompassing for scientific and technological capacity building in LDCs covering the entire gamut of technological ecosystem.

The report suggests that LDCs need technological leapfrogging to overcome their backwardness, which warrants the speedy bridging of their technology gaps through three interrelated goals: first, the facilitation of technology transfer; second, the promotion of robust, endogenous
science, technology and innovation capacity-building; and third, the mobilization of strong global support.

The report has not attempted to sketch a blueprint of specific arrangements relating to the technology bank, which will require wide-ranging consultations with key stakeholders including the host country, LDCs and their partner countries, and OHRLLS and other relevant bodies of the United Nations. However, the report suggests that a technology bank dedicated to LDCs could advance the goals of endogenous science, technology and innovation capacity-building and technology transfer in an integrated manner through: (a) a patents bank; (b) a science and technology depository facility; and (c) a science, technology and innovation supporting mechanism.

**The Patents Bank** will facilitate transfer and adaption of technologies to LDCs. As suggested in the report, technology transfers under the technology bank would attract additional ODA while at the same time provides guarantees to IP holders by providing a corresponding legal framework that protect any IP transferred by the Bank. This would allow IP holders to safeguard IP seen to be of genuine and direct value to themselves, without having to establish a comprehensive and costly IP regime for the full panoply of trade-in-services. The Patents Bank arm can find a way to balance the technological needs of LDCs, on the one hand, and legitimate interests of individual IP holders, whose IP is transferred through its aegis.

**The second window of the technology bank would be STI Supporting Mechanism** which will build a robust endogenous STI capacity in LDCs and mobilize international support in this regard. The need for such a mechanism has been made acute by the internationalization of R&D requiring strong local capacity for acquisition and adaptation of technologies. Beyond traditional North-South avenues, an STI mechanism can also encourage capacity building through South-South cooperation.

**The third window of the technology bank is a Research Depository Facility (RDF)** which can offer the potential for LDC S&T investigators to join global research teams "virtually." The RDF could help broker collaborations with advanced-economy institutions (North-South), across the developing world through South-South, and act as a global facilitator for them all through Triangular cooperation. The RDF could also build on some of the existing mechanisms such as Research4Life, which is an innovative public-private-partnership (PPP) between four UN agencies (WHO, FAO, UNEP, and WIPO), global publishers of on-line scientific and technical publications, and several technical partners, including Microsoft.

Before I conclude, let me express my most sincere appreciation to the Government of Turkey, which hosted the 4th UN Conference on LDCs in 2011, and also offering to host the Technology bank, which was welcomed by the Heads of State and Government in the Istanbul Declaration.

I thank you so much and look forward to substantive discussions on this agenda item.

Thank you.