MINISTERIAL MEETING ON NEW PARTNERSHIPS FOR PRODUCTIVE CAPACITY BUILDING IN THE LEAST DEVELOPED COUNTRIES

28–31 July 2014
Cotonou, Republic of Benin
<table>
<thead>
<tr>
<th>Acknowledgements</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agenda</td>
<td>3</td>
</tr>
<tr>
<td>Concept Note</td>
<td>4–5</td>
</tr>
<tr>
<td>Session 1: Interactive dialogue with Heads of United Nations agencies on productive capacity building</td>
<td>6</td>
</tr>
<tr>
<td>Session 2: Policy framework and institutions for productive capacity building</td>
<td>6–7</td>
</tr>
<tr>
<td>Session 3: Development of value chains in agriculture, industry and services</td>
<td>8</td>
</tr>
<tr>
<td>Session 4: Energy</td>
<td>9</td>
</tr>
<tr>
<td>Session 5: Physical infrastructure</td>
<td>10</td>
</tr>
<tr>
<td>Session 6: Public-Private Partnerships and South-South Cooperation in support of technological acquisition</td>
<td>11</td>
</tr>
<tr>
<td>Session 7: The contribution of skill development, innovation and technological acquisition to the promotion of green and blue economy</td>
<td>12</td>
</tr>
<tr>
<td>Session 8: Building productive capacity through sustainable land management and combating land degradation, and desertification</td>
<td>13</td>
</tr>
<tr>
<td>Session 9: Means of Implementation (ODA and Debt)</td>
<td>14</td>
</tr>
<tr>
<td>Session 10: Means of Implementation (Other traditional and new and innovative sources of development finance)</td>
<td>15</td>
</tr>
<tr>
<td>Session 11: Means of Implementation (Trade and Commodities)</td>
<td>16</td>
</tr>
</tbody>
</table>
This Ministerial Meeting was made possible thanks to the generous contributions of Germany, Italy, the Netherlands, New Zealand, Norway, Spain and Turkey. The United Nations Development Programme (UNDP), the International Institute for Environment and Development (IIED) and the Enhanced Integrated Framework (EIF) also contributed financially.

In addition, the following organisations led the organisation of specific sessions: the International Institute for Environment and Development (IIED), the International Trade Centre (ITC), the Office of the High representative for LDCs, LLDCs and SIDS (OHRLLS), Sustainable Energy for All (SE4All), the United Nations Convention to Combat Desertification (UNCCD), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO) and the United Nations Office for South-South Cooperation (UNOSSC).

<table>
<thead>
<tr>
<th>MONDAY, 28 JULY, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 10:15</td>
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<td>10:30 – 11:00</td>
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<table>
<thead>
<tr>
<th>TUESDAY, 29 JULY, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00 – 11:30</td>
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<table>
<thead>
<tr>
<th>WEDNESDAY, 30 JULY, 2014</th>
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<tbody>
<tr>
<td>13:00 – 18:00</td>
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</table>

<table>
<thead>
<tr>
<th>THURSDAY, 31 JULY, 2014</th>
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BACKGROUND

The Istanbul Programme of Action (IPoA), adopted at the Fourth United Nations Conference on Least Developed Countries in Istanbul, Turkey, in May 2011, constitutes the most ambitious attempt by the international community to address structural challenges faced by the LDCs. The overarching goal of the IPoA is to enable half of the least developed countries to meet the criteria for graduation by 2020. The IPoA identifies productive capacity building as the defining challenge and opportunity of rapid, inclusive and sustainable development in the decade to come.

Productive capacity building requires not only investments in health, education and other MDG-related interventions, but also sustained expansion of production and export supply capacities—including physical infrastructure development, improved access to energy, greater access to finance, improved trade facilitation and other private-sector development enablers.

Progress on productive capacity building is essential to transforming LDC economies and moving towards the production of higher added-value goods and services. Enhanced productive capacity in agriculture, manufacturing and services, through private sector development, is therefore essential to benefit from greater integration in the global economy, adapt and build resilience to climate change and other exogenous shocks, foster inclusive and equitable growth, create decent employment and accelerate poverty eradication.

Given the huge financial resource and technical cooperation requirements for the productive capacity agenda, there is a realisation that neither LDCs alone nor the business-as-usual approaches could deliver on this agenda, hence the need to move towards renewed and strengthened partnerships—another novelty of the IPoA. In this regard, international assistance, trade, investment, technology transfer, innovative financing, remittances, North-South and South-South cooperation—both working in synergy—with private sector development and domestic resource mobilisation will be critical.

OBJECTIVE

Cognizant of this, the Ministerial Conference on New Partnerships for Productive Capacity Building in LDCs will identify new and innovative partnerships to support efforts of LDCs to strengthen their productive capacity, based on an analysis of the different factors that affect productive capacity in LDCs. It will also focus on appropriate means of implementation. Some issues, like gender and women’s empowerment, employment and sustainable development, will be cross-cutting.

The meeting will make policy recommendations on leveraging development partnerships, including through enhanced contributions of ODA, South-South cooperation, remittance earnings, FDI and other traditional forms of external finance, innovative sources of finance, domestic resource mobilization and private-public partnerships and through harnessing domestic endowments and other potentials. These recommendations are also expected to feed into the discussions on the Sustainable Development Goals (SDGs) and the post-2015 development agenda. Furthermore, the meeting will provide an opportunity to launch concrete and innovative mechanisms to mobilize financial resources for LDCs as well as partnerships for productive capacity.

ORGANIZERS AND FORMAT

The organization of this meeting is led by Benin as chair of the LDC group in close collaboration with the Office of the High Representative for LDCs, LLDCs and SIDS (OHRLLS), which coordinates the contributions of the UN system, and the United Nations Development Programme (UNDP). The substantive sessions of the meeting will be chaired by participating ministers, heads of agencies and internationally reputed persons. Experts, mainly from the UN system, will provide short introductions on the respective topics and the issues to be discussed. Key-note speakers will be drawn among well-known authorities on development and panelists will be drawn among participants. Interactive discussions will focus on concrete examples and best practices will be included in the sessions.
In this session Heads of United Nations agencies, which were fully involved in the preparations for this Ministerial Meeting will present their vision for productive capacity building in LDCs. Their interventions will reflect the work of the different organisations in this respect and highlight key initiatives in support of LDCs.

Knowledge and innovation systems are also key in building technological capabilities as a springboard for developing productive capacities and accelerating structural economic transformation in LDCs. Finally, regional institutions, including regional development banks and other intuitions, such as EXIM Banks, are equally important in creating regional infrastructure and policy frameworks that are supportive of building productive capacities, diversification and structural transformation in LDCs.

In sum, government and the private sector as well as domestic financial, knowledge and innovation systems and institutions should work closely with the objective of building productive capacities and accelerating structural transformation in LDCs. It is particularly important that domestic financial and knowledge systems are viewed as complementary institutions supporting the process of investment and innovation for productive capacity building and structural transformation, including economic diversification and economy-wide value addition.

**OBJECTIVE**

This session will set the stage for the substantive work of the conference. It will review the shortcomings of current and past development strategies and outline elements of a new framework for productive capacity building.

**ISSUES FOR DISCUSSION**

- What should be the objectives of the policy framework for productive capacity building?
- How can macroeconomic and sectoral policies be more supportive of productive capacity building?
- What types of institutions and institutional framework are necessary and how can the roles and responsibilities of different institutions be harmonized and coordinated to enhance the development of productive capacities in LDCs?
- What is the role of development partners in enhancing the role of institutions?
- How can regional cooperation, including in the context of South-South cooperation contribute to building productive capacities in LDCs?
SESSION 3  
DEVELOPMENT OF VALUE CHAINS IN AGRICULTURE, INDUSTRY AND SERVICES

Monday, 28 July, 2014 (15:00 – 17:00)

BACKGROUND
One of the most important challenges facing LDCs is the issue of how to trigger structural transformation for sustainable development whilst diversifying production. Further challenges relate to the need to create more value-addition in exports and generate higher employment. A large share of exports of LDCs, especially in Africa, comprises basic commodities with very little value-addition. One of the ways of triggering structural transformation is to increase competitiveness of the countries in producing and exporting commodities-based manufactured products and develop competitiveness in services using the large reserves of natural resources and capacities available within the region. Regional integration and pooling of resources and capabilities by forming regional value chains (RVCs) can be an important step in this direction. Linking into global value chains (GVCs) can offer further opportunities for diversification. However, linking into GVCs per se may not bring automatic gains in terms of higher value-addition in exports, increased industrialization and employment generation. In fact, linking at lower end in GVCs by exporting raw materials can be counter-productive for LDCs. Countries may find themselves trapped at the bottom of the chain, “locked-in” and unable to add value to their exports or “locked-out” of GVCs. In the process they may continue to export low-value added commodities, with lower gains in terms of domestic value-addition and diversification.

OBJECTIVE
The session will explore the challenges and constraints facing LDCs in gainfully linking into global as well as regional value chains in agriculture, industry and services. Constraints related to production, market access and policies will be discussed. The role of different players in linking into value chains will be explored. The sessions will identify the capacities and institutions which need to be developed; policies and regulations which need to be in place; and role of South-South and trilateral partnership which is needed for successfully linking LDCs into global value chains and initiating regional value chains. Sector-specific success stories will be discussed.

ISSUES FOR DISCUSSION
• What are the constraints to LDCs in gainfully linking into global as well as regional value chains?
• What are the capacities that countries need to build for successful linkages in agriculture, industry and service?
• What are the strategic interventions in terms of policies which can help?
• What are the regional initiatives that can help in promoting regional value chains? What role can regional investment agreements play?
• What role can South-South integration play in promoting gainful linkages of LDCs in regional and global value chains?

SESSION 4
ENERGY

Monday, 28 July, 2014 (17:00 – 18:00)

BACKGROUND
Sustainable energy for all holds the key to solving two major challenges of our time, namely poverty eradication and curbing of climate change. At the United Nations Conference on Sustainable Development (Rio+20) in 2012, world leaders expressed their determination “to act to make sustainable energy for all a reality and, through this, help to eradicate poverty and lead to sustainable development and global prosperity”. Many success-stories and best-practices of how this can be done are already readily available, many of which were made visible during the High-level event on Sustainable Energy for the Least Developed Countries in New York on 23 September 2013.

The Least Developed Countries constitute the poorest and most vulnerable group of countries in the world. Out of the 1.3 billion people who do not have access to electricity, more than half live in LDCs. Currently, 79% of people in LDCs lack access to electricity and 91% of people lack access to modern fuels. In LDCs, only 27% of urban dwellers have access to modern fuels, while a mere 3% of rural dwellers have access. These rates demonstrate the large “energy gap” faced by LDCs. The Istanbul Programme of Action for the Least Developed Countries for the decade 2011-2020 (IPoA) recognizes that access to affordable, reliable and renewable energy and related technologies, as well as the efficient use and distribution of energy will be critically important for accelerating growth, improving livelihoods and advancing sustainable development.

The UN Secretary-General’s Sustainable Energy for All (SE4All) initiative has the potential to substantially contribute to IPoAs objectives in the area of energy. It sets the ambitious objective of ensuring sustainable energy for all by 2030, including with targets on ensuring universal access to modern energy services, doubling the global rate of improvement in energy efficiency, and doubling the share of renewable energy in the global energy mix. The initiative was launched in response to the UN General Assembly’s declaration of 2012 as the International Year of Sustainable Energy for All. The General Assembly has later established the years 2014-2024 as the United Nations Decade of Sustainable Energy for All.

OBJECTIVE AND ISSUES TO BE DISCUSSED
The issues and objectives of this session include the following:

• To introduce and welcome the Communique of the High-level event on Sustainable Energy for the Least Developed Countries, held in New York on Monday 23 September 2013.
• To launch the United Nations Decade of Sustainable Energy for All 2014-2024 for the Least Developed Countries (LDCs), as part of the special focus to be given to this category.
• To discuss productive capacities, finance and public-private partnerships as solutions for unlocking the enormous potential held by many LDCs to achieve sustainable energy for all as a development enabler.
• To show examples of how some Least Developed Countries are already working and planning to work with and under the Sustainable Energy for All (SE4All) framework in the time ahead.

8

9
BACKGROUND
Physical infrastructure, including transport, water and sanitation as well as information and communication technology (ICT), is recognized as a major challenge for LDCs in the Istanbul Programme of Action. Reliable and affordable infrastructure is a growth and development enabler: it is essential for private sector development, expansion of trade and enhancing productive capacities. Also, the design, construction and functioning of infrastructure generates demand for goods and services from various economic sectors, therefore raising investment and growth and engendering direct and indirect jobs.

In most LDCs investments in infrastructure have been very limited. However, recently FDI in infrastructure has increased significantly, mainly in the energy sector but also in ICT and transport. For example, efforts to improve railway connections within the LDCs and between neighbouring countries have resulted in many projects upgrading existing infrastructure and expanding networks. FDI in infrastructure is not only expected to enhance available funding for infrastructure but also increase efficiency and has positive spillovers with respect to technology, skills and knowledge to the host country. However, in some infrastructure sectors, especially water and sanitation, private sector involvement is very limited and public funding is also insufficient to ensure access to the various services for all. In addition, to making infrastructure resilient to climate change costs are increasing. Furthermore, in many LDCs utility tariffs are not sufficient for cost recovery, which contributed to the deterioration of assets.

OBJECTIVE
The session will explore how the infrastructure gaps in LDCs can be bridged and sustainable infrastructure development achieved, including through public-private partnerships, innovative financing, regional integration and appropriate institutions and regulation. In this respect it is important to focus on how to prioritise investments in infrastructure projects with the greatest positive impact on economic growth and poverty reduction as well as the environment. Furthermore it is important to achieve the right balance between building new infrastructure and maintenance or upgrading of existing facilities. The session will highlight best practice examples of successful infrastructure projects that might provide lessons learned.

ISSUES FOR DISCUSSION
• What can be learned from successful infrastructure projects?
• What new financing options for infrastructure could be tapped into?
• How can universal access to infrastructure services as well as cost recovery be ensured?
• How can new challenges to infrastructure development, especially vulnerability to the effects of climate change, be addressed?
SESSION 7
THE CONTRIBUTION OF SKILL DEVELOPMENT, INNOVATION AND TECHNOCAL ACQUISITION TO THE PROMOTION OF GREEN AND BLUE ECONOMY

Tuesday, 29 July, 2014 (15:00 – 16:30)

BACKGROUND
A green economy is one that generates jobs and growth, through activities that use natural resources sustainably and in ways that add value, without compromising the essential services that our natural environment provides. A blue economy is similar, except that the economic activities and natural resources involved are marine-based.

Many LDCs have great potential for adopting green or blue economy pathways, given their considerable natural capital endowments and low-carbon profiles. Assets such as arable land, forests, biodiversity, renewable energy resources, reserves of fresh water and marine and coastal resources have real potential, but are not yet optimally managed for economic development and poverty reduction. LDCs also have a considerable share of the world’s mineral and hydrocarbon resources, but these are either underutilized or generating only unsustainable, jobless growth. Yet managed in inclusive and sustainable ways, these natural resources can yield high returns on investments for LDCs.

Since most LDC economies are at early stages of industrialization, they have only a few ‘brown’ industries. This, together with the challenges posed by climate change and energy security and the opportunities offered by climate finance to address them in innovative ways, have led several LDCs to embark recently on economic development strategies with a strong ‘green’ orientation. Their initiatives could well demonstrate that the challenge of expanding productive capacity in LDCs—the overall theme of this LDC ministerial conference—can be turned into an opportunity for leapfrogging directly to sustainable and resilient infrastructure, technologies and means of production without the opportunity costs of transition that more industrialized countries face.

Through the Istanbul Programme of Action (IPoA), LDCs have adopted an economic development roadmap based on structural transformation and productive capacity-building. However, the IPoA does not provide much guidance on how to harness LDCs’ comparative advantage for green industrialization, or how to assure that growth, while rapid and robust, is also environmentally sustainable.

OBJECTIVE
There are a number of reasons why (with some exceptions) LDCs have yet to embrace green and blue industrialization strategies. In part, it is because of their limited capacity to attract, generate, absorb and utilize new and innovative forms of technology and finance. In part it is also due to governance not yet being suited to making the transition effectively from primary (subsistence and commodity export) economic activities to value-adding agribusiness, diverse rural economies and clean industrialization. But, in addition, LDCs and other developing countries have raised legitimate and important concerns about the green (or blue) economy concept and how it is implemented. These concerns need to be addressed before LDCs are likely to invest whole-heartedly in such approaches, and to help them to tailor relevant initiatives.

ISSUES FOR DISCUSSION
• Examine the concerns raised by LDCs about the green economy concept and explore ways to overcome them.
• Explore existing examples, and further opportunities, for achieving rapid and sustained growth through: green value addition, scaling up existing green and blue sectors, and creating new products and services based on sustainable use of LDCs’ vast natural resource wealth.
• Identify the skills, technologies and other enabling conditions required for LDCs to build a green and blue dimension to the growth strategy laid out in the IPoA.
• Identify key directions for joint LDC action on increasing the contribution of sustainable natural resource-based industries to economic development and poverty reduction.

SESSION 8
BUILDING PRODUCTIVE CAPACITY THROUGH SUSTAINABLE LAND MANAGEMENT AND COMBATING LAND DEGRADATION, AND DESERTIFICATION

Tuesday, 29 July, 2014 (16:30 – 18:00)

BACKGROUND
Land degradation and desertification corrodes the productive capacity of LDCs in multiple ways. The geography of land degradation and desertification coincides with that of LDCs. It is estimated that more than a billion hectares, globally are affected by desertification and land degradation, most of it in LDCs. In economic terms, on site productivity, loss due to land degradation and desertification, are much higher than the global average. To cite an example agricultural GDP losses due to land degradation and desertification are estimated to be as high as 30% in Mali and 20% in Burkina Faso.

Land degradation and desertification therefore are among the major impediments to sustainable development of LDCs, whose economies are primarily agrarian in nature and dependent on the agricultural sector for revenues, livelihoods and food security. Indeed studies suggest continued climate induced water stress and land degradation could lead to a loss of up to 2/3rds of all arable land in Africa alone by 2025, plunging the 650 million people who depend on rain fed agriculture, most of whom reside in the LDCs, into abject poverty. Land degradation and desertification, particularly in LDCs also carries a high human cost, corroding human productive capacities, as it uproots millions from their desertified lands and fuels political instability, social breakdown and conflicts over scarce water and land resources. Climate change is further aggravating the situation and many regions in LDCs are becoming drier or experiencing more frequent and prolonged droughts or at the other extreme facing floods. As a result more land is lost to desertification or soil erosion, further undermining productive capacities particularly in the agricultural sector and increasing vulnerability to climatic shocks.

OBJECTIVE
The key to any meaningful effort to build productive capacity, particularly climate resistant in LDCs, lies in the land on which they are so crucially dependent. This session will discuss how to build the productive capacity of land in LDCs, through sustainable land management policies, striving for land degradation neutrality by reclaiming and rehabilitating land and adopting a land based approach to adaptation. It will highlight the multiple benefits that will be generated as a result, including enhancing agricultural productivity, ensuring food security, generating employment and livelihoods and contributing to lifting populations from poverty and putting LDCs on a trajectory of sustainable climate resilient growth.

ISSUES FOR DISCUSSION
• How can we meet the growing demand for food and the need to increase food production by 70% by 2050 when the productive capacity of land is declining due to desertification and land degradation?
• What can be done to stop land degradation? How can Sustainable Land Management contribute to reversing land degradation and enhancing the productive capacity of land?
• Is land degradation neutrality achievable? What can be learned from best practices?
• How can a land based approach to adaptation enhance productive capacity of land and place LDCs on a trajectory of climate resilient growth and sustainable development?
SESSION 9
MEANS OF IMPLEMENTATION (ODA AND DEBT)

Thursday, 31 July, 2014 (10:00 – 11:30)

BACKGROUND
Building productive capacity in LDCs requires resources well beyond domestic resources available in LDCs. As the majority of LDCs lacks or, at best, has limited access to international financial markets, much of the financing gap will be bridged, in the short term, by ODA and debt relief. Recent trends point to worrisome developments, however. ODA to LDCs started to decline in 2011, after experiencing a decade-long steady rise. The drop in aid flows to LDCs further accelerated in 2012, with aid from DAC members retreating by 9.4%. As a result of this recent decrease in ODA flows, the share of LDCs in total aid from DAC countries eroded from 0.34% in 2010 to 0.31% in 2012. Looking forward, the outlook is daunting, with country programmable aid—a good measure of aid effectively received by recipient countries—expected to decrease by 5% in 2014. Progress in improving the quality of aid continues to be mixed. While important strides have been made in reducing the share of tied aid, using recipients’ public financial management systems and shifting aid allocation towards productive sectors, aid fragmentation and predictability persist.

On debt relief front, the enhanced Heavily Indebted Poor Countries (HIPC) debt initiatives, the Multilateral Debt Relief Initiative (MDRI), coupled with robust economic growth, have helped lessen the debt burden of many LDCs. The relative sizes of external debt stock and debt service have reached sustainable levels in these countries. Yet pronounced economic vulnerability of LDCs to shocks implies that they will continue to face a high risk of debt distress.

OBJECTIVE
The session will discuss how to improve the quantity and quality of aid channelled to LDCs but also how to use ODA to leverage other new sources of finance. It will also serve as a venue to explore practical ways of bringing debt burden of all LDCs to sustainable levels.

ISSUES FOR DISCUSSION
• How could the volume of aid to LDCs be increased so as to bridge the financing gap associated with productive capacity building? Could setting a target share of ODA to LDCs be an important step towards that direction?
• What are the changes in the current aid architecture that will contribute to scaling up the leveraging impact of aid on other sources of finance?
• What are some good practices in terms of ownership, alignment, harmonisation, managing for results and mutual accountability in the context of the partnerships between LDCs and their development partners?
• How could the debt service burden of LDCs align with their repayment capacity?

SESSION 10
MEANS OF IMPLEMENTATION (OTHER TRADITIONAL AND NEW AND INNOVATIVE SOURCES OF DEVELOPMENT FINANCE)

Thursday, 31 July, 2014 (11:30 – 13:00)

BACKGROUND
Acquiring the means to finance their development agenda remains a big challenge for most countries, more so for Least Developed Countries (LDCs). LDCs have remained large beneficiaries of Overseas Development Assistance (ODA) to finance their development needs. This financing model underpinned MDG implementation through the Monterrey (2002) and other commitments which focused on domestic resource mobilisation and traditional ODA. Increased aid flows and cancellation of multilateral debt constituted a large share of development financing complementing domestic resource mobilisation efforts, which also have been increasing in LDCs in the past years. Other forms of finance (private finance, sovereign wealth funds, remittances, Diaspora funds/bonds) were either non-existent or much less than ODA in LDCs.

The current development finance landscape is very different from the early 2000s as most emerging economies and LDCs are among the fastest growing economies in the world therefore creating scope for significant increases in domestic resource mobilisation coupled with stagnant or reduced traditional ODA. Moreover, there are a lot of actors in development broadening the sources of development financing. There are now plenty of ‘innovative’ sources and mechanisms of development finance, many of which seek to combine public and private resources in non-traditional ways to meet development needs. These facts have created a lot of optimism on the future of economic growth in most LDCs.

EMERGING FACTS
• Developing countries have been driving global growth and expanding domestic tax revenues at a rapid rate, giving much more scope for development to be funded domestically. The average tax-to-gross domestic product (GDP) ratio rose from 23% in 2000 to nearly 29% in 2011.

• All the main sources of development finance such as tax revenue, private flows, sovereign wealth funds, FDI, remittances, philanthropic and non-governmental organizations financing have been expanding over the past decade, but the relative importance of ODA vis-à-vis other forms of finance has declined.

• Workers’ remittances have increased since the year 2000, and the amounts have been twice as high as aid flows since 2005.

• These trends are very uneven across countries, with private cross-border flows heavily concentrated in MICs. The majority of LDCs have remained dependent on ODA.

• While ODA is now under pressure, there has been rapid growth in new ‘aid-like’ forms of development finance, which are not classified as ODA but nevertheless have a public interest purpose. This includes South-South Cooperation (SSC), climate finance, philanthropy and other private development assistance. All these flows have been growing over the past decade and are likely to do so in future.

ISSUES FOR DISCUSSION
This session therefore explores a variety of non-traditional development financing mechanisms, associated drivers and challenges, and a framework for harnessing them for enhanced productive capacity in LDCs. Harnessing these resources calls for the removal of some binding constraints from implementation of policies that would encourage inclusive growth, broadening of tax bases and improvements in tax administration, and the creation of conducive environments for private investments. It also includes policies to increase the availability of long-term financing and access to finance for small and medium enterprises (SMEs). The role of new forms of development financing (including South-South and triangular cooperation), its sustainability and ways of reddefining the role of traditional ODA as well as sharing of emerging knowledge and experiences will be critical to strengthening productive capacities in LDCs.
It is widely recognized that trade serves as engine of growth and poverty reduction. The growth performance of LDCs during 2000s is remarkable, with an average GDP growth rate of 7.5%, although this rate has gone down to 5% since the aftermath of the 2008–2009 global financial and economic crises, which is less than the 7% target rate agreed in the Istanbul Programme of Action. The LDCs growth performance has been driven largely by the performance of the exports sector thanks to buoyant commodity prices particularly during the boom period of 2002–2007. For instance, overall merchandise exports have increased rapidly even in the aftermath of the financial crisis, from US $50 billion in 2002 to about US$220 billion in 2012. The share of LDCs’ overall merchandise exports going to developing countries, especially China, has been rapidly increasing and, in 2012, accounted for over 50% of total merchandise exports. Consequently, on a measure of trade/GDP ratio which is higher than 50% (on average), the trade orientation of LDCs is among the highest as compared to other groups of countries. It is equally important to note that the economic performance of LDCs as a group relies heavily on commodities. UNCTAD classifies 27 of the current 48 LDCs as commodity exporters: 11 agricultural exporters, 10 mineral exporters and six oil exporters. Moreover, the three largest exports in 19 of these 27 countries were commodity products that accounted for more than 50% of merchandise exports in 2012. After all, commodities accounted for four-fifths of LDCs’ goods exports during 2007–2012, with the share of commodities exceeding 50% in 38 countries.

However, an impressive growth performance observed in LDCs has not translated into accelerated poverty reduction and improved human well-being in these countries. UNCTAD has been arguing that the key to reducing poverty in the world’s poorest countries is to build their productive capacities and promote structural transformation, including diversification and value-addition.

It is crucial that LDCs’ development policies and international aid programmes focus increasingly on enabling such countries to develop the ability to produce efficiently, goods and services that can be sold both at home and abroad. That is, goods and services that gradually increase in variety and sophistication—so that a “virtuous circle” of increasing employment and stable growth takes hold. Similarly, the heavy dependence on exports of primary commodities is the cause and consequence of weak productive capacities in LDCs which also made them excessively vulnerable to commodity price volatility.

**ISSUES FOR DISCUSSION**

- What policies and strategies are required to enhance the role of trade in building productive capacities?
- How can natural resources wealth contribute to sustained growth, poverty reduction and development? How can LDCs integrate in regional and global commodities value chains?
- What policies and strategies are needed to capture commodities gain in LDCs’ development?
- How can LDCs maximize benefits from market access opportunities and S&D provisions contained in WTO agreements?
- What will be the role of development partnership in diversification and value addition?
THE 48 LEAST DEVELOPED COUNTRIES

AFRICA [34]
Angola
Benin
Burkina Faso
Burundi
Central African Republic
Chad
Comoros
Democratic Republic of the Congo
Djibouti
Equatorial Guinea
Eritrea
Ethiopia
Gambia
Guinea
Guinea-Bissau
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mozambique
Niger
Rwanda
São Tomé and Príncipe
Senegal
Sierra Leone
Somalia
South Sudan
Sudan
Togo
Uganda
United Republic of Tanzania
Zambia

ASIA [13]
Afghanistan
Bangladesh
Bhutan
Cambodia
Kiribati
Lao People’s Democratic Republic
Myanmar
Nepal
Solomon Islands
Timor-Leste
Tuvalu
Vanuatu
Yemen

LATIN AMERICA AND THE CARIBBEAN [1]
Haiti