



Statement

by

Ms. Fekitamoeloa Katoa ‘Utoikamanu

High Representative

and

Under-Secretary-General

**for the Least Developed Countries, Landlocked
Developing Countries
and Small Island Developing States**

Introducing

Report of the Secretary-General on the implementation of the
Programme of Action for the Least Developed Countries for the
Decade 2011 to 2020 (A/73/80-E/2018/58)

Coordination and Management Meeting of ECOSOC
Item 11(b)

Monday, 2 July 2018, 10 a.m.
ECOSOC Chamber

Madam Vice-President,

Excellencies,

Distinguished Delegates,

Ladies and Gentlemen,

I am honored to introduce the 2018 report of the Secretary-General on the Implementation of the Programme of Action for the least developed countries for the Decade 2011-2020.

My remarks focus on main findings and key policy recommendations.

We are at a critical juncture. Just two years are left to reach the IPoA goals.

In spite of complex if not adverse global conditions, growth has begun to pick up in LDCs.

In 2017, LDCs growth is estimated to stand at 4.9 per cent. In 2015, we record 4.2 per cent and 4.3 per cent for 2016.

This encouraging trend is projected to continue in the near term with projections of 5.4 per cent and 5.6 per cent for 2018 and 2019 respectively.

This trend though masks very uneven results.

In 2017, 9 LDCs achieved growth of almost 7 per cent or more – which is the IPoA target - as compared with 14 in 2015.

We must take note of major variations in growth rates achieved within the LDCs group.

Allow me to highlight key analysis and action areas.

The fastest growing LDCs all record strong public AND private investment. LDCs relying on oil commodity exports however showed subdued growth in line with falling oil price at that time and thus experienced diminished commodity revenues.

While we have seen remarkable graduation progress - and I will come to this - POVERTY remains a major concern.

In macro terms, GDP per capita in LDCs increased between 2011 and 2016.

The share of populations living on less than \$1.90 per day fell from 38.9 per cent in 2010 to 33.7 per cent in 2013.

At this pace, we can NOT achieve poverty eradication by 2020 as stipulated by IPoA nor as envisaged by Agenda 2030.

For graduation, we witnessed encouraging progress.

The group of least developed countries category came into being in 1971.

Since, only 5 countries had graduated.

At the March 2018 meeting of the Committee for Development Policy, an additional 12 LDCs met the graduation thresholds.

This included three countries meeting graduation criteria for the first time (Bangladesh, Lao People's Democratic Republic and Myanmar).

Vanuatu is scheduled to graduate in 2020 and Angola in 2021.

Additional LDCs may be designated for graduation by the General Assembly during the 73rd session.

This is encouraging progress but we are still far from the IPoA target of enabling half the number of LDCs to meet the criteria for graduation by 2020.

In this regard, OHRLLS currently prepares a separate report on "Implementation, effectiveness and added value of smooth transition measures and graduation support".

The report will be presented to the Second Committee this autumn for Member States to discuss how to support the graduation process.

I will now focus on some key sectors and areas for action.

Progress in enhancing and diversifying productive capacity has been limited. The contribution of manufacturing value added to growth has slightly increased from 11.8 per cent in 2011 to 13.2 per cent in 2016. This progress is still limited.

Services account for almost half of the growth in the least developed countries.

Agriculture accounts for around a quarter.

Again, we must be mindful of considerable variations within the LDCs group.

Connectivity is a key feature for today's and future socio-economic development.

The good news is that in 2016, mobile cellular subscriptions in LDCS increased to 68 per 100 people (from 63.6 per 100 people in 2014).

Internet coverage reached almost 16 per cent (up from 5 per cent in 2011).

Mobile broadband coverage increased to just over 20 per cent of the population in 2017 while it stood at 50 per cent for developing countries!

Electricity and clean energy access are a further determining factor. From 2012 to 2014, access to electricity increased from 35.8 per cent of the population to 38.3 per cent.

Again, the macro figure hides that four LDCs had access levels at below 10 per cent.

We also must bear in mind intra-country disparities. On average, only 26 per cent of the rural population has access compared to 68 per cent in urban areas.

The IPoA and Agenda 2030 stipulate universal access.

This can only be achieved with considerable new investments and the improved governance of public utilities.

Knowledge and innovation are key driver's in development. The number of patents filed by citizens of LDCs in 2015 increased to 1,486 patents or tripled compared to 542 patents filed the previous year.

Yet, this is a minor number by international comparisons.

Some time ago already, the General Assembly recognized the critical need for enhanced technology and knowledge access and decided on establishing the Technology Bank for the LDCs.

The Bank's goals are to build national capacities for intellectual property rights, scientific production and dissemination and innovation adapted to the context of each LDC.

The initiative became operational in September 2017 and in June 2018, the Technology Bank's Offices were inaugurated in Gebze, Turkey.

There is no time to waste and work is underway already on preparing science, technology and innovation reviews, technology needs assessments and on promoting digital access to research and technical knowledge. This is undertaken in collaboration with other UN entities. Indeed, the initiative demands to leverage the full capacities of the entire UN-system.

At present, agriculture remains the sector with the highest share of employment in the LDCs - a lifeline for people and often women.

The sector employs around 60 per cent of people, but only generates 26 per cent of value added in GDP.

It is urgent to increase productivity through investment, training, and access to critical inputs ranging from irrigation to fertilizers.

It is of concern that trade performance has declined. It has declined primarily because of price rather than quantity produced.

The already marginal share of exports originating in LDCs of 1.09 per cent in 2014 fell to 0.89 per cent in 2016.

Driving factors were globally falling commodity prices, especially at that time in the oil sector.

Bottom-line this means at the aggregate level that the LDCs' overall performance moved even further away from attaining the target of 2 per cent called for in the IPoA and SDG17.11.

Some progress was made in human and social development. But it is by far not enough considering how critical, for example, education is to the future!

School enrollment rates have improved.

Yet, globally two out of five of all out-of-school children and adolescents - some 40 per cent! - are in the least developed countries!

Gender disparities persist.

Maternal and infant mortality rates remain high.

Youth unemployment is alarmingly high in many LDCs.

The percentage of urban slum dwellers has decreased but the figure at 63 per cent in 2014 is too high and cause for concern given the high expected growth rates of urban populations.

Some, albeit very uneven, progress can be noted in gender equality and the empowerment of women.

Some LDCs are among the top performers in terms of parliamentary seats held by women. We have seen some improvements with regard to the gap between men and women below the poverty line, and girls' enrollment in education. These are hard won gains to be built on.

Natural disasters from floods, droughts to cyclones affected an estimated 23 million people in LDCs.

They claimed over 1,400 lives.

2016, 2016 and 2017 have been the warmest years on record and the impact of climate change is a major issue for LDCs.

International support is of critical importance to the LDCs.

In 2017, bilateral aid from the OECD DAC members increased by 4 per cent in real terms reversing several years of decline. We reached the USD26 billion mark.

On the other hand, foreign direct investment flows decreased by 13 per cent in 2016 and stood at USD38 billion.

The trend line is one of continued decline and LDCs account for a mere 2 per cent of global FDI. Furthermore, the figure is skewed as FDI in LDCs is concentrated in a few mineral and oil extracting countries.

As we all know, governance and management capacity are key to progress. Progress has been made in certain areas of governance and capacity-building such as planning processes, inter-ministerial coordination, engagement of diverse stakeholders, or compliance and implementation of the Extractive Industries Transparency Initiative.

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

The report tables several recommendations for consideration and action.

Allow me to say it again: time is not on our side with two years left to meet IPoA goals and those of Agenda 2030 to be achieved if we want to be true to our promise of leaving no one behind!

Words will not do for women, men, boys and girls- only ACTION.

A major ACTION drive by all stakeholders is needed. We must build synergies with the 2030 Agenda, the Addis Ababa Agenda and the Paris Agreement.

LDCs ought to focus on building an enabling environment for the private sector to develop and step up their efforts to leave no one behind in all priority areas.

Development partners are called on to meet commitments made including in the areas of ODA and trade preferences.

More investment in technology and innovation is needed and we call for continued support to the Technology Bank.

Enhanced support ought to be given to graduating and graduated countries. We must avoid risking the loss of hard won gains and invest in smooth transition measures.

Finally, momentum has to be maintained if not accelerated for the IPoA implementation.

Member States are invited to consider holding a Fifth United Nations Conference on the Least Developed Countries, with the purpose of a comprehensive appraisal of the implementation of the Programme of Action and deciding on subsequent action.

Thank you.