Summary Report of the National Focal Points (NFP) Meeting of the Least Developed Countries (LDCs) on the Implementation of the Istanbul Programme of Action (IPoA)

13 and 14 November 2019
Conference Room 11, United Nations Headquarters

Opening

Ms. Fekitamoeloa Katoa 'Utoikamanu, Under Secretary-General and the High Representative for LDCs, LLDCs and SIDS, noted the particular importance of this NFP meeting, as the IPoA period comes to an end and the preparatory process for the Fifth United Nations Conference on Least Developed Countries (UNLDC-V) is underway. She emphasised the need to identify emerging challenges, new priorities and initiatives in this context. She also underlined mixed and uneven progress in the implementation of the IPoA, as LDCs remain the most vulnerable countries and are at the highest risk of being left behind. She then reported on various activities of UN-OHRLLS in the last year. She informed that UNLDC-V will be held in Qatar in 2021 from 21 to 25 March. She also noted that national reports are key inputs into the preparatory process and will be summarised in a synthesis report prepared by UN-OHRLLS. She finally noted that this meeting marks the beginning of NFPs’ participation and engagement for UNLDC-V, asking for NFPs’ support and coordination throughout the process.

H.E. Mr. Perks Ligoya, Permanent Representative of Malawi to the United Nations, and Chair of the LDC Group, expressed optimism about the new momentum in Friends of LDCs’ support to LDCs. He highlighted the significance of the meeting in preparing for UNLDC-V and emphasised the unique opportunity that national reports offer to track progress and assess performance in the implementation of the IPoA. He also noted the importance of experience sharing and peer learning, and for the next programme of action to reflect best practices as well as lessons learnt. He reiterated that progress has been mixed and uneven, especially recognising issues of continued concern over graduation. He then reported on the UNFCCC process and the Secretary-General’s Climate Action Summit, noting that LDCs will focus on Article 6 of the Paris Agreement and loss and damage at COP25. He sought support of LDCs for the LDC Ministerial Declaration formulated at the Eighth UNIDO Ministerial Conference and encouraged them to participate in the African regional review meeting taking place in Malawi in February 2020.

H.E. Sheikha Alya Ahmed bin Saif Al-Thani, Permanent Representative of Qatar, stated that Qatar is deeply committed to support development efforts of LDCs and delighted to host UNLDC-V in Doha. She emphasised the shared responsibility to reach a meaningful and action-oriented outcome that will serve as a building block for continued efforts to support LDCs. She underscored that efficient and timely preparations for UNLDC-V is of the utmost importance to Qatar, and looked forward to working closely with UN-OHRLLS in this regard. She underlined that Qatar will strive to ensure the active participation and substantive contributions from relevant and varied stakeholders and to promote UNLDC-V through advocacy and outreach campaigns, as appropriate. She was pleased to announce that the Government of Qatar had contributed USD 500,000 to the OHRLLS Trust Fund for the preparatory process. She further highlighted that Qatar will contribute USD 100 million to support LDCs and the small island developing states to address climate change.
H.E. Mr. Martin Bille Hermann, Permanent Representative of Denmark, noted that the pace of development in LDCs so far has been insufficient and is further threatened by arising challenges. He reported that Denmark had, with Ethiopia, led the Energy Transition Coalition at the Secretary-General’s Climate Action Summit, and that Denmark had surpassed official development assistance (ODA) targets. He argued that development assistance should focus on LDCs and emphasised the role of multi-stakeholder partnerships in achieving the SDGs. He also informed that Denmark will contribute an additional USD 31 million to the LDC Fund of the GEF and seek to engage the Danish private and public sectors in development cooperation. He finally encouraged NFPs to share their national experiences and voice their concerns during the preparatory process to ensure that the next programme of action responds to the needs of LDCs.

Introduction on preparations for the Fifth United Nations Conference on the Least Developed Countries

Ms. Susanna Wolf, Deputy Chief, UN-OHRLLS, provided an update of the preparatory process of UNLDC-V, and asked for NFPs’ support in ensuring attendance of all LDCs at the highest possible level. She stressed the importance for LDCs to voice their concerns and demands and to submit their national reports. She informed that intergovernmental negotiations were underway in the Second Committee to finalise the preparatory details of the Conference.

She then explained the preparatory process at the national, regional and global levels. She underscored the importance of involving all relevant stakeholders in consultations at the national level, and that national reports would feed into the regional and global process. She added that UN-OHRLLS will prepare a synthesis report on the implementation of the IPoA based on these national reports. At the regional level, she noted that UN-OHRLLS is working with ECA and ESCAP to organise regional meetings in Africa (in Malawi) and Asia and the Pacific, whose outcome documents will then be endorsed by the respective regional commissions. At the global level, she noted that two international preparatory committees, numerous other high-level meetings will be organised by UN agencies and others providing opportunities to discuss LDC issues and move the agenda forward. She then informed of various tracks on civil society, the private sector, academia, parliamentarians and the youth. She highlighted a global academic conference scheduled for October 2020 in Helsinki.

Interactive discussion

Participants stressed that LDCs face unique challenges, and thus require a unique response. They expressed the need for LDCs to move forward strategically with a united voice. While acknowledging gaps in achieving the targets and goals of the IPoA, participants shared views on how best to promote the next programme of action in support of LDCs. They noted that focus should be laid on how the multilateral system can assist LDCs to prosper and how the United Nations can better advocate for LDCs. UN-OHRLLS provided clarification on the organisation of regional review meetings, which aim to articulate LDCs’ demands for the next decade, and the intergovernmental process to gather support from international partners. UN-OHRLLS also informed that other regional organisations such as ECOWAS, the African Union, and the African Development Bank will be involved in the regional review. It was suggested to formulate a common position of LDCs on their critical socioeconomic situation through a memorandum at the 75th General Assembly.
Session I: Eradicating poverty, enhancing agriculture, food security and rural development

Mr. Abdul Alim, Senior Economic Affairs Officer, UN-OHRLLS, moderated the session. He mentioned that the issue of poverty had been superseded by the idea that structural transformation, industrialisation and productive capacity building would have trickle-down effects. He explained that, while this had not been realised, the concept of inequality had evolved both within and across countries, and poverty had reclaimed its place in mainstream development discourse. He shared the view that, despite massive progress, poverty remains a most pressing challenge. He cited poverty statistics to reveal the state of poverty in LDCs, highlighting the linkages between poverty and food security, agriculture and rural development. He also addressed the multidimensional aspect of poverty and discussed the additional risks posed by climate change and insufficient ODA. He also noted the potential of agrotechnology and space technology as well as concepts of weather insurances and derivatives for agriculture, food security and rural development.

Presentations

The Gambia reported gains in poverty reduction in urban areas and a regress in rural areas, where populations are economically dependent on agriculture. It presented several initiatives undertaken as part of its National Development Plan to combat rural poverty, including: (i) agricultural cooperatives; (ii) the involvement of farmers in the transformation of agriculture for rural development; (iii) studies on the revitalisation of cooperatives; (iv) the construction and rehabilitation of slaughter facilities by the Gambia Livestock Marketing Agency; (v) the development of feeder roads through the Food and Agriculture Sector Development Project; (vi) developments for rice production through the Gambia Land and Water Management Project; (vii) the improvement of irrigation and drainage services through the Gambia Commercial Agriculture and Value Chain Project; and (viii) the release of climate smart seed varieties under Climate Smart Agriculture Initiatives. The Gambia finally detailed the government’s plan to build on existing and past initiatives.

Lao People’s Democratic Republic reported a decline in poverty, with higher poverty rates in upland than lowland areas as well as in rural than urban areas. It noted the following lessons learnt from the establishment of its Poverty Reduction Fund, key vehicle for poverty reduction and rural development: (i) the capacity of development practitioners needs to be further enhanced; (ii) the remoteness of focus villages make them hard to access; (iii) disparities remain and inequality has increased in some cases; and (iv) effective policies are required to ensure pro-poor growth and redistribution of growth benefits to the poor and vulnerable. It reported on the following actions for enhancing agriculture and food security: (i) adopting and implementing the Agriculture Development Strategy 2025 and Vision 2030; (ii) creating a Policy Research Center; (iii) adopting and implementing the Agriculture and Forestry Sector Development Plan 2016-2020; (iv) passing a moratorium on logging; and (v) adopting SDG indicator 2.1.2 as a guide towards sustainable food security.

Togo reported a decline in poverty, with higher inequality in northern than southern regions as well as in rural than urban areas. It cited the following key initiatives for poverty reduction: (i) the Accelerated Growth and Job Creation Strategy 2013-2017; (ii) several projects and programmes to increase farmers’ incomes and improve rural and vulnerable populations’ living conditions, namely the Agricultural Development Support Project, the Agricultural Sector Support Project and the West African Agricultural
Productivity Project in Togo; (iii) the Community Development Emergency Programme to reduce regional inequalities and foster social inclusion; and (iv) a National Fund for Inclusive Finance to provide financing for those excluded by the banking system. It also noted that its National Development Plan 2018-2022 will boost economic growth, create jobs, increase banking coverage, increase local transformation of agricultural products, reduce the agricultural trade deficit and lead to the implementation of incentive financing mechanisms.

Session II: Enhancing productive capacity and achieving sustained economic growth

Ms. Dawn Holland, Chief, Global Economic Monitoring Branch, Economic Analysis and Policy Division, DESA, moderated the session. She mentioned that strong and dynamic economic growth is essential to progress on any or all of the SDGs, which is reflected in the SDG target of seven per cent gross domestic product (GDP) growth in LDCs. She informed that only few LDCs had reached that target. She thus hoped that these countries could share their experience and lessons learnt. She noted that slow progress towards diversification was a major obstacle to growth. She added that the majority of LDCs still have less than 10 per cent of value-added in manufacturing industries, raising the sensitivity of their economies to external shocks and limiting their prospects for sustained and resilient growth.

Presentations

Cambodia reported average economic growth of more than seven per cent. It reported: (i) increased shares of the industrial, manufacturing and construction sectors to GDP and employment; (ii) increased share of international trade to GDP; (iii) a boom in real estate; (iii) infrastructure development; (iv) factory relocation in rural areas; and (v) improved telecommunication infrastructure. It however noted slow progress in industrialisation, in addition to persistently high logistics costs, weak institutional coordination, lack of quality infrastructure and limited market access. It also noted lack of development in skills, the energy and technology sectors as well as constraints on the manufacturing sub-sector and inadequate capacity to implement its Industrial Development Policy 2015-2015. It also acknowledged room for improvement in rural and remote areas while realising the private sector interest in the telecommunication sector. Cambodia finally highlighted key policies and accelerating strategies, including: (i) 17 reform measures to improve the country’s competitiveness, promoting small and medium-sized enterprises and attracting foreign direct investment (FDI); (ii) a Skills Development Fund to bridge the skills gap; (iii) a public-private partnership (PPP) unit at the Ministry of Economy and Finance to boost mostly privately financed PPP projects; and (iv) various projects and programmed such as the Programme for Country Partnerships 2018-2023.

Ethiopia reported several indicators of structural transformation, highlighting rapid economic growth, high capital formation and domestic savings, economic infrastructure development, human and social development, and poverty reduction. It then presented the following major interventions for enhanced productive capacity and sustained growth: (i) enhancing smallholder and pastoral agriculture; (ii) strengthening demand-driven agricultural research; (iii) modernising the agriculture sector; (iv) conserving natural resources; (v) developing infrastructure; (vi) strengthening the role and capacity of public enterprises; (vii) developing micro and small enterprises; (viii) encouraging prioritised and selected manufacturing industries; (ix) ensuring access to credit and foreign exchange; (x) providing comprehensive support to the manufacturing industry; (xi) investing massively on industrial parks, agro-processing zones and information and communications technology (ICT) parks; (xii) increasing participation of the state in
some sectors; and (xiii) providing incentives for domestic and foreign investors. Ethiopia explained that this led to fast economic growth driven mainly by construction and service sectors, and a declining resource gap due to a decline in imports. It finally noted several challenges, including: (i) low productivity in the agriculture, manufacturing and mining sectors; (ii) untapped mineral resources; (iii) unexploited tourism sector; (iv) slow structural transformation; (v) financial and capacity constraints that delay infrastructure projects; (vi) unsuccessful large investments in manufacturing; (vii) lacking or limited access to reliable electricity, affordable and reliable high-speed Internet and costly IT equipment; (viii) underdeveloped e-commerce and government monopoly in telecommunication and energy; and (ix) weak institutions.

**Nepal** reported GDP growth of almost seven per cent. In the industrial sector, it highlighted the following actions: (i) prioritisation of investments in industrial infrastructure; (ii) regularisation of the power supply and creation of a favourable industrial environment; (iii) provision of incentives for FDI; (iv) involvement of the private sector in policy advocacy; and (v) prioritisation of the industrial sector in all tiers of government. It noted considerable progress in the energy sector, namely through (i) hydropower, (ii) the smoothing of electricity supply, and (iii) the doubling of transmission lines, despite high dependency on fossil fuels and low energy consumption per capita. It however noted a declining contribution of agriculture and unimproved agricultural productivity, in addition to high vulnerability to climate change, despite: (i) a shift from subsistence to commercial crops and livestock, (ii) the prioritisation of irrigation and smooth supply of agri-inputs, and (iii) increasing agriculture credits. In the infrastructure sector, it reported having: (i) increased budget allocation; (ii) prioritised new strategic road corridors; (iii) improved road quality; (iv) developed airports; and (v) strengthened regional connectivity. Despite having implemented its Trade Policy and Trade Integrated Strategy, it observed: (i) low export competitiveness due to high transportation costs, economies of scale, wages and technology; (ii) utilisation of concessions for recovery; (iii) expected reduction in export competitiveness after graduation; and (iv) necessary enhanced utilisation of trade concessions and facilities for LDCs.

**Lesotho** reported much lower growth than the prescribed target, as the public sector has been the main employment creator. It reported diversified exports, high manufacturing value added and significant employment in industry. It listed numerous initiatives undertaken to improve performance in the manufacturing and agricultural sectors, including: (i) a one-stop business facilitation centre, streamlined process for construction permits and investment climate reforms; (ii) a response strategy for diversification in manufacturing; (iii) the prioritisation of digital technologies; (iv) the Private Sector Competitiveness project and mapping of suitable locations for commercial fruit production; (v) the Partial Credit Guarantee scheme to alleviate credit; and (vi) the promotion of niche markets. It then detailed its “Big Fast Results” methodology, which targets interventions towards private sector-led initiatives for sustainable job creation and inclusive growth. It concluded that Lesotho’s main challenges have been related to governance, hence the need to promote good governance and build effective institutions.

**Mr. Joshua Setipa, Managing Director, Technology Bank for LDCs**, highlighted that productive capacity is essential to achieve the SDGs and sustained economic growth, as well as to unlock the benefits of the African Continental Free Trade Agreement and fully integrate the African economy in the multilateral trading system. He noted that, although productive capacity was recognised as a priority area in the IPoA, little progress had been made over the last decade. He stressed that the creation of the Technology Bank marked the realisation of the first SDG and underlined the potential of technology and innovation to enhance productive capacity and diversification. He indicated that the Technology Bank expects to provide support to LDCs, including: (i) undertaking technology needs assessments in LDCs such as Timor-
Leste, Uganda, Guinea, and the Gambia, with ten more to come; (iii) launching the process to build technology innovation labs in four LDCs for 2019, with ten more in 2020; (iv) training over 2,600 researchers in 15 LDCs over the last 11 months, with twice more in 2020 along with new research networks within LDCs; (v) building capacity in the utilisation of geospatial information technologies, in partnership with UNITAR and NASA; and (vi) setting up a platform to build institutional capacity in LDCs.

Session III: Promoting sustainable energy

Ms. Susanna Wolf, Deputy Chief, UN-OHRLLS moderated the session. She mentioned that only one in two people has access to electricity in LDCs. She stressed that low access rate constrains socioeconomic development in LDCs. She further commented that drastic changes will be needed to achieve universal access by 2030 (SDG7) in LDCs, increase access to finance and scale-up the current energy initiatives to accelerate energy transition in LDCs.

Presentations

Zambia reported that it has had inadequate investment in its energy sector since the 1970s, and that it has been traditionally hydro-electricity dependent. It informed that, for the first time in 2008, its electricity supply couldn’t match the demand. It also reported that, during the period of the IPoA, demand for electricity grew at an average annual rate of 4 per cent due to increased economic activity in agriculture, mining and manufacturing, thus justifying the government’s focus on increasing investment in electricity generation capacity by implementing policy regulations and public investment interventions. It also noted that electricity generation has increased by 68 per cent since 2011, with improvements made in the diversification of its energy mix by including thermal coal and solar energy. It noted that households in rural areas have less access to connectivity compared to urban areas, although this has improved. It then announced that it surpassed the target for increasing electricity generation capacity and increasing public investment, for which private sector investment promotion helped. It also explained that the government invested ahead of the current increased demand for electricity and has encouraged alternative sources of renewable energy and implemented policies to promote private power facilities. It highlighted that these efforts led to a number of small mini-hydro and solar projects. It further noted that public investment alone is not sufficient, and that private sector investment is necessary to meet rising demand. It listed several policies to increase private sector investment in electricity generation: (i) allowing entities other than the national utility to invest in electricity transmission; (ii) building mini hydro, solar, and thermal plants eligible for fiscal incentives; (iii) implementing a renewable feeding tariff that will promote private investment in renewable sectors; and (iv) removing subsidies by migrating to cost-reflective tariffs to promote investment in the electricity sector.

H.E. Mr. Taye Atskeselassie Made, Ambassador and Permanent Representative of Ethiopia to the UN briefed participants on the Coalition on Energy Access. He stated that Ethiopia co-lead the energy transition track for the Secretary-General’s Climate Action Summit, along with Denmark and SE4ALL, which includes four key engagement areas: (i) mobilising investment for clean energy transition; (ii) promoting PPPs; (iii) engaging high-polluting sectors; and (iv) leaving no one behind during energy transition. Ethiopia reported having worked with other coalition members and many LDCs to create an actionable proposal of a coalition for sustainable energy access. He noted that the coalition has support from several developed countries as well as international institutions such as the IEA, World Bank, UNDC, UNECA, UNDP, UNFCCC, UNIDO and UN-OHRLLS. He also stated that renewable energy is one of the best ways to provide energy to those currently without access, but that technical and financial capacity gaps
in many LDCs remain a challenge in the implementation of scalable initiatives for renewable energy access. He explained that the coalition is working to prepare a roadmap to guide the implementation of initiatives, which will ensure linkages between energy access initiatives and nationally determined contributions towards climate change mitigation of each country. He added that the coalition is exploring sources of financing, and that there is a strong commitment from a number of multilateral institutions and countries. He then listed the following expected deliverables from the coalition’s initiatives: (i) developing a generic model to understand the needs in terms of energy access; (ii) mastering the use of renewable solutions; (iii) creating a best practice sharing platform; (iv) mapping existing initiatives and creating synergies to align sustainable energy ambitions; (v) increasing the visibility of off-grid local markets of renewable projects to attract investors and create a local ecosystem with maximum added value; and (vi) mapping research and development platforms to boost innovations.

Mr. Eric Wanless, Senior Director of the Rocky Mountain Institute introduced the Malawi Sustainable Energy Study, a project undertaken by UN-OHRLLS. He noted that LDCs in Sub-Saharan Africa face common challenges such as low electrification rates, rural electrification, electricity price, installed capacity and availability of finance. He explained that Malawi has prioritised energy investment in its national economic development plans. He further noted that renewable energy is the least expensive way for Malawi to meet its energy targets. He added that Malawi has the opportunity to save up to USD 500 million by 2030 through the use of renewables. He stated that focusing on power generation is essential but not sufficient to drive economic development, highlighting that a holistic view is necessary to ensure valuable investment and productive energy use. He added that investment is crucial to meet the needs of Malawi’s energy system, both on- and off-grid, including: distribution; demand-side management; transmission; off-grid lighting; and productive use. He informed that the USD 1.8 billion low-cost renewable investment pathway would allow Malawi to meet its energy goals by 2030. He finally noted that Malawi could reach its energy targets with blended finance.

Interactive Discussion

Participants shared successful national policies to address energy shortage, and deliberated effective strategies to increase electricity supply in LDCs.

Zambia highlighted that its government is making efforts to increase its renewable energy capacity by implementing measures to de-risk investment and promote various technologies, in addition to implementing a framework for promoting solar energy. It recognised that it needs to create an enabling environment to attract private sector investment to achieve desired results.

Senegal stated that West Africa needs access to clean energy, specifically hydro energy, given the many rivers shared between countries in the region. It underscored the importance of LDCs sharing best practices and fostering South-South cooperation.

Burkina Faso noted that the development of its renewable energy sector has been progressing successfully, and that it will, in the next five to ten years, begin exporting energy to neighboring countries as a solution to its energy storage challenge.

Ethiopia acknowledged that the investment cost for renewable energy are large, but noted that the aggregate benefits outweigh the costs. It stated that many of the challenges faced by the LDCs are rooted in energy poverty, and that access to energy offers a way for LDCs to develop.
**Mr. Eric Wanless of the Rocky Mountain Institute** added that the energy challenges faced by Sierra Leone are not necessarily related to the supply-side of the energy equation, but rather the country’s transmission and distribution system. He stated that roughly half the actual energy capacity is delivered to Freetown, but that a floating barge power station has improved the situation. He underscored the importance of taking a whole-of-system view to identify the bottlenecks. He commented that an independent distribution utility could address some of these challenges but would require political action.

**Session IV: Trade, commodities and investment**

**Mr. Americo Beviglia Zampetti, Senior Programme Management Officer, UN-OHRLLS**, moderated the session. He emphasized that while the value of LDC exports of goods and services increased in 2018, their share of world exports remained far below the target in the IPoA of doubling their export share by 2020. LDCs continue to exhibit a high degree of concentration on primary commodities, which is subject to high price volatility. The share of FDI flows to LDCs is still below 2% of the total global flows.

**Presentations**

**Bangladesh** expressed its regret over the stalemate at the Doha Round negotiations. It stated that more collective efforts are required, and hoped for a successful and early conclusion of the Doha Round. It reported on the following policy supports and other incentives to achieve targets for enhancing export diversification and competitiveness: (i) simplification of rules and regulations related to imports of capital machinery, raw materials, and exports; (ii) introduction of bonded warehouse facilities for exports; and (iii) implementation of the WTO Trade Facilitation Agreement to facilitate trade and maximum utilisation of duty-free quota-free market access. It then noted that results of these initiatives have led to an increase in exports of 177 per cent from 2010 to 2018, although product and market diversification have not achieved desired results. It reported having thus learnt that market diversification is slow due to various non-tariff barriers, including stringent compliance measures in export destinations, and that trade-related infrastructure and productivity must be enhanced. It concluded by noting that attaining high GDP growth will be its greatest challenge, as existing investment to GDP ratio remains low.

**The Democratic Republic of the Congo** stated that its economic stability has been threatened by conflicts, an Ebola epidemic, and the growing impact of climate change during the period of the IPoA, hence the need for support from development partners is crucial. It explained that it aims to become an emerging country by 2050 and thus places great emphasis on developing the fishing, education and energy sectors. It reported on several regional and international trade conventions ratified to improve the trade sector, as well as a framework for a more attractive business environment in the mining industry, as trade in this sector is dependent on mining product prices. It further stated that the new investment code in the mining sector has forbidden the exportation of mining products as a means to encourage investments in transformation units, to promote sub-contracting, and to foster investments in the area of agriculture. It also reported that efforts to attract private sector investment have shown progress, and that its Ease of Doing Business ranking has improved in recent years. It finally stated that it faces challenges on free market and free circulation of goods due to lack of diversification and is thus unable to compete on a level playing field with other countries in the region.

**Senegal** reported that it is one of the fastest growing economies in Africa, with continued prioritisation of export promotion and improving the business environment. She mentioned measures including: (i) broad tax cuts to modernising and exporting companies; (ii) modernisation of the customs system; and (iii) a tribunal for managing trade issues. It explained that it introduced subsidies for primary products, and
enacted a freeze on certain imports at specific times during the year to protect domestic production. It also said it created a plan of action for investors prioritising social and economic needs. It then commented on the success of its regulatory framework for PPPs, which has financed the expansion of highways and the new Dakar airport. It also reported an annual GDP increase of 2.6 per cent, despite a low share of goods and services exports to GDP. It noted low penetration of its exports on global markets and weak sophistication of export products, adding that greater amounts of private finance are needed and that the government has implemented the following measures to this end: (i) reform the fiscal system to enhance the business environment; (ii) reinforce the fiscal administration; and (iii) invite informal actors to the formal sector.

The representative of the International Development Law Organization (IDLO) introduced the Investment Support Programme for the Least Developed Countries, which was spearheaded by UN-OHRLLS, implemented by IDLO and aimed to provide on-demand legal assistance to LDCs for investment negotiations and dispute settlement at pro-bono or reduced fee as well as capacity building to investment promotion agencies in LDCs.

**Interactive Discussion**

Discussions focused on policy options to promote trade and how to deal with the loss of international support measures after graduation and make use of the ISP.

The representative of Senegal explained that the import freeze was aimed to protect the domestic agriculture industry, which is most affected by foreign imports. He also explained that Senegal froze all imports on poultry a few years ago due to a virus contamination and has not lifted the freeze since because it had benefited the poultry industry. However, he noted that many countries intend to take legal action through the WTO on this import freeze, while the government remains committed to protecting its domestic producers.

The representative of Tuvalu informed that his government was actively looking for solutions to address the challenges of economies of scale that are especially evident in SIDS, as its small population makes access to international markets and investments more expensive.

On the question of enhancing trade partnerships after graduation, the representative of Bangladesh stated that both his government and UNCTAD are conducting impact assessments to calculate the projected impact of ISM the loss post-graduation. He emphasised the government’s intention to raise the voice of the LDC group within the international arena on the issue of extending ISMs after graduation. Mr. Americo Zampetti, UN-OHRLLS, stressed that it is important for LDCs to reflect on how to prepare their trading systems and firms to transition out of the LDC benefits.

**Session V: Reducing vulnerabilities and strengthening resilience: disaster risk reduction, climate change and environmental sustainability**

Mr. Aniket Ghai, Senior Economic Affairs Officer of UN-OHRLLS moderated the session. He stressed that LDCs are disproportionately affected by the negative impacts of climate change and various types of disasters. He also noted that resources provided to LDCs for climate change adaptation under existing mechanisms are far from meeting the needs.
Presentations

Malawi reported that the total damage and losses caused by Cyclone Idai was estimated at USD 220.2 million, while the total economic impact was estimated at USD 9.96 million, representing 0.13 per cent of the country’s GDP. It informed that, along with UNDP, the World Bank and European Union, the government commissioned a Post-Disaster Needs Assessment to assess the impact of floods on different sectors as well as determine recovery and reconstruction needs. It reported that the government has implemented the National Disaster Risk Management Policy, which introduces a common purpose to break the cycle of food and nutrition insecurity in Malawi by bridging development and humanitarian interventions, prioritising a continuum of more predictable livelihood support packages that target vulnerable households. He added that the government has developed Safer Housing Construction Guidelines to guide reconstruction and will conduct hazard mapping to inform decisions of settlement areas. It declared that it will continue to implement initiatives for phasing out Ozone Depleting Substances, to completely phase out hydrochlorofluorocarbons by 2030. It informed that the government has also launched the Atomic Energy Regulatory Authority to improve the management of nuclear radiation sources. It finally highlighted that environmental awareness materials were disseminated on the importance of managing natural resources, with a focus on waste management, biodiversity conservation, and climate change management.

The Solomon Islands informed that resilience building has been mainstreamed in its nationally determined contribution as well as its National Adaptation Plan and National Development Strategy 2016–2035. It reported having conducted vulnerability assessments and implemented adaptation projects on water, food security, climate proofing infrastructure, improving ecosystems and agriculture in several vulnerable and remote communities. It highlighted the following adaption projects: (i) the CRISP project, financed by the Japanese Human Development Fund and administered by the World Bank, which aims to improve clean water access in rural communities; (ii) the Solomon Islands Water Adaptation Project, mainly implemented under UNDP; and (iii) the Solomon Islands Climate Adaptation Project, supported by the European Union. It noted the following lessons learnt: (i) cooperation and citizen participation is essential for improving resilience; (ii) communities appreciate and welcome adaption projects, especially in remote areas; and (iii) more resources are needed from development partners to continue implementing more similar projects.

Tuvalu listed the following aspects of its climate vulnerability: (i) over-dependence on rainwater as a key water source; (ii) internal displacement due to climate disasters; (iii) fishing licenses comprising half of its national income; and (iv) little potential for economies of scale. It stated that climate change and disaster risk management are at the center of its development agenda, and are upheld in its National Climate Change Policy 2012–2021, which prioritises adaptation and mitigation measures. It highlighted the following measures implemented with development partner support: (i) national adaptation programs aimed at building climate resilience, with LDCF; (ii) the protection of coastal foreshore in the capital of Funafuti, with GCF; and (iii) the building code, which implements codes that ensure new buildings are climate proof, with the ADB. It also highlighted various challenges faced due to inefficiencies in monitoring and lack of data, namely: (i) identifying success stories of tackling climate change; (ii) monitoring progress on the IPOA; and (iii) reporting on indicators and targets. It stated that improvements are needed in the National Statistics System and National Statistics Strategy, and that the government plans to promote policy coherence, mainstreaming and coordination across government ministries.

The LDC Chair (Malawi) reported on the outcomes of the Secretary-General’s Climate Action Summit held in September, noting that Bhutan represented LDCs at the meeting, where it delivered a presentation on
resilience and adaption. It also mentioned the energy transition track of the summit led by Ethiopia and Denmark, in which LDCs underlined the importance of energy access. He encouraged member states to be more ambitious in their nationally determined contributions and informed that IRENA through UNDP would to support LDCs in the annual revision of their nationally determined contributions, and urged LDCs to take advantage of this opportunity. He noted that a large amount of private sector assistance was pledged at the summit, and that the Secretary-General is mobilising one trillion dollars to assist 26 LDCs between now and 2030. He stated that discussions with GEF are underway to improve LDCs’ access to climate financing. He added that UNDP has offered to support LDCs to build capacity and prepare projects proposals to receive climate finance. He concluded by noting that the LDC group was prepared for and expected a breakthrough at COP25.

**Interactive Discussion**

The representative of Senegal stated that not enough attention was given to the Economic Vulnerability Index, an important criterion given the aspect of multiple, inter-related crises. He cited examples of terrorism in Sub-Saharan Africa caused largely by the impacts of climate change or crises in neighbouring countries, noting that Dakar is no longer a major tourist destination due to the rise of terrorism in neighbouring states.

The representative of Malawi referred to Article 6 of the Paris Agreement, and affirmed the LDC group’s intention of upholding Article 6 at COP25, as well as compensation for countries who experienced loss and damage from climate change.

**Session VI: Human and social development: improving health and education, access to water and sanitation, shelter, youth development and enhancing gender equality**

Mr. Jacob Assa, Policy Specialist, Human Development Report Office, UNDP, moderated the session. He noted that LDCs have made the most progress on the human development index, although they remain the furthest behind. He also mentioned large inequalities in health, education and income in LDCs, despite inequality reductions in graduated and graduating LDCs (particularly in Angola, Botswana and Solomon Islands). He then informed that the next Human Development Report would be launched the following month in Colombia.

**Presentations**

Bhutan reported remarkable social progress, having used the income earned from its national resources (i.e., hydropower) to develop its human assets. It described mixed but mostly positive changes in education, health, the youth and shelter. It attributed successes to: (i) its unique development approach, guided by the philosophy of gross national happiness, with a constitutional mandate for the State to provide free basic education and health services, and strategic frameworks for the social sector; (ii) allocating the highest share of capital for education and health in addition to innovative financing for health through the Bhutan Health Trust Fund; and (iii) emphasising both access and quality, namely through an extensive network of education and health facilities, the non-formal education programme, and higher salaries for teaching and health professionals than other civil servants. It also mentioned targeted poverty reduction programmes and the extension of paid maternity leave.
Sierra Leone reported progress in education achieved by: (i) introducing the Free Quality School Education (FQE) programme and a school bus system; (ii) establishing a trust fund for the FQE; (iii) allocating more resources to education; (iv) establishing a Teaching Service Commission; (v) involving civil society in monitoring; (vi) providing incentives for teachers in remote areas; (vii) introducing teacher training programmes as well as a science, technology, engineering and mathematics project; (viii) revamping technical and vocational education and training; (ix) establishing a gender unit in the Ministry of Education; (x) including concepts of gender-based violence, life skills and reproductive health in the curricula; and (xi) providing special incentives for girls. It reported having improved health outcomes through: (i) free treatment for pregnant and lactating mothers and under-fives; (ii) free family planning products; (iii) the introduction of family life education in schools; (iv) the integration of family planning into the National Development Plan; (v) the provision of antiretroviral drugs; (vi) the Prevention of Mother to Child Transmission project; (vii) education on stigma and discrimination; (viii) training for healthcare workers; (ix) the distribution of bed nets; (x) free malaria curative and preventive drugs. It also reported progress on youth development by: (i) setting up the Youth Commission and the Youth Employment Scheme, in addition to promoting youth engagement in agriculture and car wash; (ii) providing skills training for the youth and internship programmes; and (iii) introducing the National Youth Service and supporting youth entrepreneurship. In the area of shelter, it reported little impact of its National Housing Policy and of the 40 houses built for slum dwellers and flood victims, due to financial constraints and ill management. It however reported progress on water and sanitation thanks to three town water supply projects, upgraded transmission and distribution networks, rehabilitated reservoirs and water facilities and a monthly cleaning exercise, as well as the Water, Sanitation and Hygiene programme. It then noted progress in gender equality and the empowerment of women after: (i) enacting gender laws; (ii) promoting advocacy groups for women’s empowerment, providing incentives for girls’ education and mainstreaming gender equality and women’s empowerment in national development plans; and (iii) introducing a Family Support Unit. It finally reported some advances in social protection through: (i) the establishment of the National Commission for People with Disability; (ii) an inclusive education programme; (iii) grants for special needs institutions; (iv) advocacy groups for people with disabilities; (v) cash transfer schemes for the poor and vulnerable; (vi) the mainstreaming of social protection in the National Development Plan; and (vii) cash for work.

Interactive Discussion

Participants shed light on implementation of national policies to promote human and social development.

Sierra Leone shared its experience with the school bus system, currently in a pilot phase covering major towns and cities. It explained that the system is run on a cost-recovery basis and is provided by the government for students at all levels.

Senegal noted similar improvements in access to education, with reduced but still significant gender disparities, especially in higher education due to early marriage. It also saw comparable improvements in health, in particular in women’s health and nutrition. It further mentioned cash transfers for families in need, health coverage for every household and improved coverage for people with disabilities. It nonetheless recognised that more work needs to be done to achieve universal health coverage, reduce malnutrition and address climate change impacts on food security. It also highlighted implications of data challenges in LDCs on the human development index. It suggested that UNDP’s human development index
be harmonised with the World Bank’s human capital index to provide more clarity to LDCs and enable them to better direct their development efforts.

On measures to expand productive capacity, Bhutan added that although some level of structural transformation has been achieved, agriculture still represents a large share of total employment. Contribution of agriculture to GDP has shrunk and export products and markets remain highly concentrated. To address vulnerabilities, Bhutan needs to increase resilience of its infrastructure and stabilise its economy as it prepares for graduation.

On women empowerment, Sierra Leone mentioned that, while increasing number of women representatives were elected in the Parliament, gender parity has not been achieved.

In response, Mr. Assa from UNDP pointed out that lack of statistical capacity was a major challenge for LDCs. He noted parallels between the World Bank and UNDP’s indices, namely in health and education. He explained that UNDP, as part of the Statistical Commission, provides support to LDCs and other countries to develop their statistical capacity. He explained that HDRO does not produce statistics itself but rather collects the data from international agencies. He stressed that indices need to be supported by good and timely data. It was noted that countries sometimes submit their data late or do not submit data to international agencies.

Session VII: Mobilising financial resources for development and capacity building

Ms. Susanna Wolf, Deputy Chief and Senior Programme Management Officer, UN-OHRLLS, moderated the session and highlighted the following trends: (i) low but stable tax revenue as a share of GDP; (ii) declining gross domestic savings as a share of GDP; (iii) large but falling bilateral ODA to LDCs (and far from the 0.15 to 0.2 per cent of GNI target); (iv) increasing, then falling FDI, followed by a slight recovery; and (v) increasing debt after some improvement with changing debt composition. She also introduced UN-OHRLLS’ publication State of the LDCs 2017: Financing the SDGs and IPoA for LDCs.

Presentations

Burkina Faso reported improvements in domestic resource mobilisation, especially through tax revenue, thanks to its Strategy for Accelerated Growth and Sustainable Development 2011-2015 and National Plan for Economic and Social Development 2016-2020, which included: (i) fighting against tax fraud and evasion; (ii) restructuring tax and customs administration; (iii) operationalising standard invoices; (iv) implementing tele-procedures for online tax returns and payments; (v) operationalising the Virtual System for Importing and Exporting Operations; and (vi) geolocating goods in transit. He also noted some progress in ODA, made possible by: (i) fighting against tax fraud and evasion; (ii) preparing annual reports on cooperation and development; (iii) streamlining tax and customs exemptions; and (iv) improving the management of outstanding balances. He then reported an increasing but controlled level of debt to GDP thanks to: (i) the Multilateral Debt Relief Initiative; (ii) bilateral donors’ actions; (iii) an institutional arrangement for debt; (iv) debt instruments controlled by national institutions; and (v) a national debt policy adopted in 2008. It further reported improvements in FDI thanks to numerous reforms, namely judicial and financial, and the establishment of a steering committee for monitoring Ease of Business
indicators. He finally reported a slight increase in remittances after the implementation of the regulatory and institutional framework for diaspora management as well as incentive measures.

**Guinea** reported lower tax revenue than the regional average, although it has seen an increase in recent years. It noted having partnered with the IMF and World Bank to strengthen capacity for tax collection, but highlighted remaining challenges in improving traceability and fighting against corruption. It also reported that Guinea has considerably reduced its dependence on external aid, while prioritising domestic resources for financing development and strengthening partnerships for enhanced administration of external funds. It then reported some progress on debt, as the country had avoided accumulating debt since most of its debt was cancelled. It also said that the Government of Guinea is making efforts to lower transfer costs, increase transfer speed and guarantee safe transfers.

**Mauritania** noted that tax reforms since 2015 have broadened the tax base and strengthened tax administration, thus increasing tax revenue from 2015 to 2018 to more than 10%. It also identified strengthened PPPs and G5 Sahel investments as potential sources of additional financing for development. It emphasized that South-South cooperation model established within the G5 Sahel is an innovative approach that could be replicated in other areas to build synergies and promote complementarity in different parts of the country. In 2016, the Government also introduced the Strategy for Accelerated Growth and Shared Prosperity (SCAPP) 2016-2030 to promote inclusion and empowerment of people through pursuit of inclusive growth and targeted programmes.

**Interactive Discussion**

Participants shared national experience in domestic resource mobilisation and engaged in substantive discussion on the implementation of the Addis Ababa Action Agenda (AAAA), the role of ODA and the private sector in development financing.

They shared the view that domestic resource mobilisation in LDCs should be guided by the AAAA. While highlighting the importance for LDCs to mobilise domestic resources for sustainable development, they stressed that ODA should not be an excuse for failure on the IPoA and 2030 Agenda. They added that LDCs are being confronted with challenges and weak capacities, and require more resources to develop. Participants realized the role of the private sector, but called for caution with regards to PPPs, to ensure that investments are productive and profitable, especially for public goods and services. They also called attention on how to facilitate private investment and best allocate private funds to implement the IPoA and the 2030 Agenda. They underlined the need for LDCs to integrate development goals with public financing and pointed out that the scarcity of resources also calls for a focus on efficient use of available funds.

**The representative of Burkina Faso** explained how his country rolled out standardised invoices and improved management of outstanding balances. He explained that standardised invoicing is a system through which a sticker is applied to every invoice as it is issued, thereby preventing falsified or fraudulent invoicing. He then explained that the Virtual System for Importing and Exporting Operations allows operators to complete all transactions online, thus allowing for convenience and traceability. He also reported that the country is looking to involve the private sector in improving the recovery of funds and preventing blank cheques.
Ethiopia noted that, despite fast growth, Ethiopia’s economy is still not generating sufficient revenue (with a tax to GDP ratio significantly below the regional average). It reported that his country has taken several measures to address this problem, including a modernisation of the tax system and incentives to attract FDI.

Nepal shared its experience with Needs Assessment, Costing and Financing Strategy, which evaluates the annual cost of implementing the SDGs at NPR 2,025 billion. To achieve its goal of double-digit growth, Nepal needs additional resources, despite a high tax to GDP ratio, especially as the country requires high capital and recurrent expenditures for its transition to a federal system. It suggested that the UN system conducts more LDC related sector- and country-specific studies.

Togo shared that, as ODA has declined, it has relied more on PPPs for domestic resource mobilisation, with a 65 per cent contribution of the public sector.

Mali noted that two documents were drafted, namely the National Policy for Cooperation and Development and the National Policy for Aid Management to increase efficient use of development finance.

Democratic Republic of the Congo reported that it has started a number of reforms to increase domestic resources but still needs ODA as it continues to face considerable challenges and constraints.

Mauritania emphasised that governments should focus on public projects, while the private sector finances productive projects. It noted that the private sector is still reticent to invest in LDCs, despite talks at the United Nations about guarantees for private investments in LDCs. He thus called for renewed focus on this initiative.

Senegal noted the importance of private sector financing, especially in the context of prudent debt management.

Ms. Wolf of UN-OHRLLS noted a dichotomy between the need for countries to mobilise domestic resources for their national development and the importance for development partners to respect their ODA commitments.

She further highlighted synergies between the IPoA and AAAA, which is an important tool for resource mobilisation, particularly with respect to investment promotion in LDCs. She noted that, while progress towards mobilisation of resources has been slow, UNLDC-V provides an opportunity to gain momentum for more support in this respect. She emphasised the importance of ownership and leadership, focusing on domestic resources and complementing them with ODA and other sources. She finally noted the need to also consider quality not only quantity of aid, highlighting a recent OECD-UNDP report on aid effectiveness.

Session VIII: Good governance at all levels

Ms. Yuxin Ai, Senior Programme Management Officer of UN-OHRLLS moderated the session. She recalled progress made by many LDCs in good governance, the rule of law, the protection and promotion of human rights and democratic participation, and stressed that good governance and the rule of law are
essential for achieving sustainable, equitable and inclusive socioeconomic development and the eradication of poverty and hunger in LDCs.

**Presentations**

**Benin** reported that the main target in implementing the IPoA was the reinforcement of measures that ensured transparency in the national budget. It pointed out challenges in implementing the rule of law during recent elections. It stated that it held a national dialogue last October, which led to the adoption of a new constitution. It also noted that it has reinforced and modernised its legal system, giving the example of civil servants who now receive their salary digitally, and of ministers who go to meetings without papers as all information is online. It stated that there has been a real improvement in security and safety due to policies, which increased the coordination between the police and fire department with government ministries.

**Mali** reported that the government has implemented institutional reforms in the context of the IPoA framework. In reference to the current political crisis, the government has attempted to reach a peace agreement with armed groups following the Algiers Agreement. It highlighted various measures it has taken to address the political crisis, including: (i) granting greater autonomy to a number of regions; (ii) creating a program for the rehabilitation and reintegration of former fighters, in addition to the DDR program; (iii) implementing a the Truth, Justice and Reconciliation Commission to identify violations of human rights; and (iv) improving good governance in the Northern regions. It stated that, to improve transparency and reduce corruption, the government has revised the national policy for transparency and created a commission to oversee this process. It has also introduced a new law that requires public servants to report their personal assets upon entering and leaving their position. It noted that multiple reforms have been undertaken to increase the representation of women in government, and that a gender equality program has been deployed in all public administrations.

**Central African Republic** reflected on its history of governance, which led to the marginalisation of public goods, high levels of inequality, impunity, and absence of a long-term vision of a national identity. It reported having created a national forum to overcome these challenges, with a mandate to promote transparency in the management of political, economic and financial affairs of the state. It also reported progress in the development of the High Authority for Good Governance (HABG). It noted that 2018 was a good year for the HABG, although some sensitive issues were left unaddressed. It finally noted that administrative governance remains weak, as three quarters of the country are occupied by rebellious groups.

**Sudan** reported achievements in attaining targets of the IPoA such as improvement in infrastructure, increased power generation capacity, and progress in human and social development. However, it pointed out several drawbacks particularly large investment gap in infrastructure, undersupply of electricity, lack of access to public services, and regional and gender disparities. It mentioned that protests by the Sudanese people in April 2019 toppled the previous government that had ruled the country for 30 years. It stated that a civil transitional government - recognised by the international community - was created to rule for a three-year transitional period after which fair democratic elections will take place. It shared its development perspectives, which aim to eradicate poverty and achieve sustainable development. It was mentioned that priority will be given to infrastructure development to promote transport connectivity and renewable energy.

**Interactive Discussion**
Participants shared various reform measures to improve governance and the rule of law, while reflecting on holistic approaches to tackle the issue. They spotlighted the importance of democratic participation in decision-making process and measures to strengthen institutional building.

The representative of Ethiopia stated that the country was currently undergoing massive reforms and has learned that building strong institutions is a prerequisite to achieve good governance. He stated that it was important to incorporate measures for building strong institutions in the agenda for UNLDC-V.

The representative of Senegal noted that citizen participation or citizens governance is an important aspect of good governance. He stated that citizens must be more informed before the National Assembly’s vote on budget, that these budgets should be published publicly, and that more ways should be made available for citizens to give their feedback on the IPoA or any kind of development plan.

The representative of Sierra Leone reflected upon the extensive amount of reforms undertaken by many African LDCs to improve governance, highlighting Sierra Leone’s anti-corruption measures and transparency budget systems. She however stated that challenges remain with regards to good governance. She suggested that other methods may need to be considered in addition to governance reforms.

The representative of Mali added that its regions were not given full autonomy, but were still able to take many decisions at the regional level. He informed that certain categories of civil servants must declare their assets and submit their declarations to the Supreme Court, which has the authority to verify the information with the banks.

Session IX: Addressing emerging challenges

Mr. Abdul Alim, Senior Economic Affairs Officer, UN-OHRLLS, moderated the session. He alluded to several mega-trends and emerging challenges that will have major impacts on LDCs’ sustainable development, namely the devasting impacts of climate change, frontier technologies, demographic changes, uncertainty in the global trading system, rapid urbanization, conflicts and protracted crises. He noted that LDCs are lagging behind on major indicators of the 2030 Agenda. He highlighted that climate change is exacerbating inequality and that malnourishment is rising in many LDCs.

Presentations

Mr. Hamid Rashid, Chief, Development Research Branch, DESA stated that the challenges faced by LDCs are interrelated and mutually reinforcing, and include inequality, conflicts, climate change, economic growth, and technological change. He stated that economic growth and inequality are mostly slowing down SDG implementation in LDCs. He reported that global growth is projected to reach at most 3 per cent during the SDG period, meaning that LDCs cannot rely on economic growth alone to deliver on the SDGs. He argued that it is better to address poverty by tackling inequality, as reducing inequality by 75 per cent led to quasi-poverty eradication in LDCs. He noted that economists have largely pursued relentless economic growth as both a means and an end objective, leading to rising inequality and climate change. He also noted that slowing economic growth can be a blessing in disguise, as the world may need to adjust to a different economic growth rate. He stressed that inequality matters because it erodes trust amongst society, restricts social mobility, and depresses productivity growth and investment in human
capital. He further stated that inequality breeds economic insecurity and, in turn, discontent, thus creating a vicious cycle. He added that another vicious cycle of inequality occurs due to the high costs of climate and technological change being disproportionately borne by the poor. He stated that increasing levels of inequality cause more people to move abroad or domestically, thus leading to hardened national borders. He also noted that another vicious cycle of inequality resulting from attempts to forge bold migration and climate change policies that do not address inequality, instead leading to a rise in populism and nationalism. He noted that fiscal policy and migration are among the many tools to reduce inequality, and that technology can address both inequality and insecurity. He stated that governments must make informed choices regarding the technologies they adopt, and that building a national innovation system is important for acquiring and diffusing the right technology. He explained that technological choice can be misleading when left entirely to market purposes, possibly leading to short-term growth without addressing inequality.

Mr. Shahid Yusuf, Chief Economist of the Growth Dialogue, School of Business of the George Washington University, stated that the standard model of development based on investment and export-led growth from manufacturing will not be upended by digital technology. He noted that export composition has changed very little in OECD countries, despite a minor increase in service exports, particularly in intellectually property. He added that various manufacturing jobs have been eliminated due to automation, although this should not cause unemployment to rise, as displacement occurs in pockets. He noted that digital technologies can increase growth and exports, by increasing productivity and diversifying service exports, but that may take two to three decades. He further stated that he did not expect LDCs to undergo wholesale changes in production technologies because of their low wage costs and elastic labor supply. He then noted that only very large firms will have the capital resources to introduce new technologies, while SMEs and informal sector firms will not be able to accommodate to these technologies. He recommended the following short-term measures for LDCs: (i) increase the utility of new technology to improve quality of management; (ii) take advantage of the presence of large export-oriented firms; (iii) increase efforts on exportable services. He then listed long-term measures for LDCs to take, namely improving the quality of human capital and developing an innovation system to develop the research and development infrastructure as well as the human capital necessary to support digital technology.

Interactive Discussion

Discussions focused on how to address inequality and harness opportunities and emerging technologies to advance sustainable development in LDCs.

The representative of Nepal noted that another vicious circle of inequality is due to LDCs’ capacity gap, preventing them from enjoying the benefits of new technologies, especially given that investment in technology and research and development is not a priority for most LDCs at present.

The representative of Zambia stated that the issue of inequality could be addressed by encouraging income diversification for the most vulnerable people, who are mainly employed in agriculture.

Mr. Hamid Rashid, DESA, argued that there is no empirical evidence supporting the view that progressive taxation kills growth. He noted that progressive taxation is very important for domestic resource mobilisation as well as for reducing inequality. He suggested that tax revenue be invested to build human capital as a way to reduce inequality. He also stated that the labour share of income is important in addressing inequality, as it is often not commensurate with increases in labor wages.
Mr. Hamid Rashid, DESA, mentioned that a trade-off between economic growth and inequality is a false dichotomy, as high levels of growth without inequality is possible with the right fiscal policy, tax structures, and capital that stays in the country. In order to keep capital in the country, he suggested that governments allow firms to reinvest in their country, so as to lower their corporate tax.

Mr. Shahid Yusuf, George Washington University, acknowledged LDCs’ capacity gap in technology and human capabilities, and stressed that the issue needs to be addressed immediately if LDCs are to benefit from digital technologies in the future. He stressed the importance for LDCs to attract FDI in order to move out of garment production, citing Bangladesh as a good case in this regard. He also cited Vietnam as a successful example of moving up the production chain thanks to investments in the development of university-level capabilities and science, technology, engineering and math skills, as well as the strengthening of its research and development capabilities.

Mr. Shahid Yusuf, George Washington University, stated that the agriculture industry will continue to have high demand due to climate change and population growth, and will remain an epicenter for technological change with great potential for value-added, but that this will require large amounts of capital and human skill investment. He stressed that productivity gains are much easier to achieve in the manufacturing and agricultural sectors. He then commented on innovative financing and its impact, noting that fintech has had no effect on total factor productivity or growth, citing China as a case in point. He cited China being the best example. He finally suggested domestic resource mobilisation and skill development to counter huge current account deficits.

The representative of Eritrea recalled progress in the implementation of the IPoA, and called for better ways of promoting the interests of LDCs in the next decade. She emphasised that many African LDCs had experienced downward trajectories of economic and social development since the LDC group was created, citing internal structural problems as the cause. She then highlighted the detrimental effects of global trade, the financial environment and restrictive conditions imposed on African LDCs by international financial institutions. She stressed that, in the preparatory process leading up to the UNLDC-V, priority should be given to measures that the international community is willing to take to enable LDCs to reach the SDGs. She concluded by noting the urgency of moving beyond a “business as usual” approach.

Closing

Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under Secretary-General and the High Representative for LDCs, LLDCs and SIDS, congratulated LDCs for their preparation of national reports which will provide invaluable inputs to regional reviews and contribute to the outcome document of UNLDC-V. She stated that the next programme of action for LDCs will expand on successes recorded in relation to the IPoA as well as introduce new priority areas for action to address emerging challenges and opportunities. She stated that this will require evidenced-based policy recommendations, noting that UN-OHRLLS will introduce an academic track in the preparatory process for UNLDC-V. She further noted that UN-OHRLLS is mobilising engagement of the UN system and pulling strength from various stakeholders to contribute to a successful UNLDC-V.