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**Contribution of UNCTAD to the implementation of the  
Programme of Action for the Least Developed Countries  
for the Decade 2011–2020**

## **Activities carried out in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020**

**Note by the UNCTAD secretariat**

### *Executive summary*

This report is prepared pursuant to paragraphs 153 and 156 of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (A/CONF.219/7), also known as the Istanbul Programme of Action. The report provides a description of activities carried out by the United Nations Conference on Trade and Development (UNCTAD), by pillar of work, between the second quarter of 2018 and the first quarter of 2019, as well as lessons learned and policy recommendations for the way forward.



## I. Introduction

1. Since its adoption in May 2011 by the Fourth United Nations Conference on the Least Developed Countries (LDCs), the Programme of Action for the Least Developed Countries for the Decade 2011–2020 has focused attention on the many socioeconomic development challenges facing those countries.

2. At the midterm review of the Programme held in Antalya, Turkey, in May 2016, Heads of State and Government and High Representatives adopted a political declaration recommitting to the goals of the Programme and calling for its accelerated implementation. Despite these concerted efforts, LDCs as a group continue to perform poorly against the goals and targets of the Programme, and it is unlikely that the last two years will bring a significant shift in progress.

3. Following the 2018 triennial review of the LDC category and decisions by the Economic and Social Council in June 2018, the overall landscape of countries' graduation from the category is as follows:<sup>1</sup>

(a) Five cases of upcoming graduation: Angola, Bhutan, Sao Tome and Principe, Solomon Islands and Vanuatu, two of which have a known graduation date: Vanuatu (December 2020) and Angola (February 2021);

(b) Two hypothetical graduation cases, subject to a decision by Member States: Kiribati and Tuvalu;

(c) Two cases in which the Committee for Development Policy has deferred consideration of the question of graduation: Nepal and Timor-Leste;

(d) Three cases of pre-eligibility for graduation and likely full eligibility in 2021: Bangladesh, the Lao People's Democratic Republic and Myanmar.

4. UNCTAD is responsible for helping developing countries, including LDCs, to integrate beneficially into the global economy in support of inclusive and sustainable growth and development. As many development challenges facing developing countries are closely interconnected, UNCTAD contributes to effective responses to these challenges through its integrated treatment of trade, finance, investment, technology and sustainable development to support the accomplishment of the internationally agreed development agendas included in the Istanbul Programme of Action, the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. Against this background, this report provides an overview of the activities of UNCTAD in support of the Programme between April 2018 and March 2019.

## II. Research and analysis

5. UNCTAD has continued to assist LDCs in tackling their unique development challenges through evidence-based research that has contributed to shaping policies and strategies on emerging and key issues of interest related to economic, social and sustainable development in these countries. The studies, which are peer-reviewed internally and externally, provide recommendations to policymakers and decision-makers and highlight the challenges of LDCs, opportunities and lessons for the way forward.

6. *The Least Developed Countries Report 2018* states that for LDCs to make progress towards achieving the Sustainable Development Goals, they need to transform the structure of their economy. This in turn requires dynamic entrepreneurship that introduces innovations in spheres such as production, consumption, transport and administration. The

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<sup>1</sup> UNCTAD, 2018, *The Least Developed Countries Report 2018: Entrepreneurship for Structural Transformation – Beyond Business as Usual* (United Nations publication, Sales No. E.18.II.D.6, New York and Geneva).

report calls this type of entrepreneurship “transformational entrepreneurship”, which is characterized mainly by the presence of high-impact, high-growth firms. Such entrepreneurship typically requires varied and proactive policy support that targets different stages in a firm’s life cycle. In addition, entrepreneurship policies need to be consistent with industrial and trade policies, and foster entrepreneurial actions by public institutions.

7. UNCTAD actively monitors key developments in LDCs towards internationally agreed development agendas, including the 2030 Agenda for Sustainable Development. In spring 2019, UNCTAD released the latest issue of the series *Selected Sustainable Development Trends in the Least Developed Countries*. The report highlights the persistently slow development of productive capacities and resource mobilization constraints that have an impact on the capacity of LDCs to boost the investment needed for structural transformation and, ultimately, to reach the Sustainable Development Goals. Moreover, the ongoing weakening of the global economy, together with lingering geopolitical tensions, are likely to slow down LDCs further in their efforts to achieve their development goals.

8. The *Economic Development in Africa Report 2018: Migration for Structural Transformation* shows that migration benefits both origin and destination countries across Africa. In particular, African migration can play a key role in the structural transformation of the continent’s economies and the achievement of the Sustainable Development Goals. Further, intra-African migration is an essential ingredient for deeper regional and continental integration. The Report examines how migrants contribute to structural transformation and identifies opportunities for the absorption of extra labour in different sectors across Africa.

9. The *World Investment Report 2018: Investment and New Industrial Policies* provides a comprehensive analysis of foreign direct investment (FDI) trends in LDCs. With a sharp drop in cross-border investment in developed and transition economies, and near zero growth in developing economies as a backdrop, the Report flags areas of concern for policymakers worldwide, especially for LDCs, where international investment is indispensable for sustainable industrial development and structural transformation. The Report articulates the link between industrial policy models – based on an inventory of industrial policies adopted by more than 100 countries over the last decade – and the role of investment policies within each model.

10. The UNCTAD publication *Statistical Tables on the Least Developed Countries: 2018* presents statistics and indicators relevant to the analysis of development in those countries. The tables give policymakers, researchers, academics, officials from national Governments or international organizations, journalists, executive managers and members of non-governmental organizations access to unique cross-comparable data sets. The main areas covered are economic growth, macroeconomic indicators, international flows (trade, capital, finance), employment and education. The tables are available online in document and spreadsheet formats.

11. In 2008, UNCTAD published *Achieving the Sustainable Development Goals in the Least Developed Countries: A Compendium of Policy Options*. It is an action-oriented, user-friendly and visually enhanced tool for the use of policymakers in LDCs and their development partners. It identifies possible types of instruments in various policy areas that will foster development progress, enhance growth and support poverty eradication and structural transformation, which are necessary if these countries are to make progress towards the Goals of the 2030 Agenda. The Compendium addresses the overall framework for development policies in LDCs, development-friendly macroeconomic policies, as well as measures to support the development and/or strengthening of productive capacities and to take advantage of the opportunities arising from trade and finance. It also offers suggestions to strengthen international support measures for LDCs within the global economic system.

12. UNCTAD conducted research on non-tariff measures and Africa. The results were included in three publications. The first, *Regional Integration and Non-tariff Measures in*

*the Economic Community of West African States (ECOWAS)*,<sup>2</sup> was prepared by UNCTAD and the African Development Bank. It provides an institutional overview of non-tariff measures and an assessment of its impacts on regional integration in West Africa. The second, *Key Statistics and Trends in Economic Integration: ACP [African, Caribbean and Pacific] Region*, was published in May 2018. The study maps the group's trade and trade policy structure and discusses the challenges and opportunities of deep economic integration. The ACP group includes 38 LDCs. The third is a policy brief entitled "*The African Continental Free Trade Area: The day after the Kigali Summit*". The publication examines the expectations concerning the African Continental Free Trade Area and outlines issues that require prompt action by African nations for the Agreement Establishing the African Continental Free Trade Area to deliver on its expectations. All African LDCs participated in the negotiations to establish the Continental Free Trade Area.

### III. Consensus-building

13. UNCTAD held the World Investment Forum 2018 in Geneva, Switzerland. Participants included Heads of State and Government from four LDCs – Bangladesh, the Central African Republic, Cambodia and Lesotho, and a significant number of government ministers. UNCTAD and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States organized a dialogue between ministers and business executives to identify tangible means to strengthen the implementation of the Istanbul Programme of Action and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024. The ministerial round table on investment served as a platform to link potential investors with government ministers of target countries. Further, the investment village at the Forum provided an opportunity for countries to showcase their investment opportunities and establish contacts with prospective investors. The following LDCs made use of this platform: Afghanistan, Burkina Faso, Burundi, the Democratic Republic of the Congo, Djibouti, Guinea, Madagascar, Malawi, Rwanda, Sierra Leone, the Sudan, the United Republic of Tanzania and Zambia.

14. UNCTAD acts as the secretariat of the United Nations Commission on Science and Technology for Development, which is a system-wide forum for consensus-building on the scientific and technological aspects of building productive capacities for structural transformation. Its deliberations pay special attention to the needs of LDCs, given that these countries in particular face challenges in this field. The following LDCs are members of the Commission: Burkina Faso, the Democratic Republic of the Congo, Ethiopia, Liberia and Nepal.

15. In December 2018, UNCTAD, the East African Community and Trade Mark East Africa organized a ministerial meeting on trade facilitation in Nairobi for the five members of the Community, including four LDCs: Burundi, Rwanda, the United Republic of Tanzania and Uganda. The meeting adopted a ministerial declaration supporting and committing to the implementation of trade facilitation reforms at the national and regional levels, stressing the important role played by national trade facilitation committees. The meeting welcomed the launch of the Community's trade facilitation index, based on the implementation of national trade facilitation portals with the support of UNCTAD.

16. UNCTAD provides a broad information base for monitoring progress in the implementation of the Istanbul Programme of Action. At the heart of that information base is UNCTADstat, a data portal that makes available a vast array of globally harmonized statistics, available for all LDCs. The indicators in UNCTADstat include international merchandise and services trade, FDI, commodity prices, the creative economy, maritime transport, population, the information economy, balance of payments and external finance and macroeconomic environment. The data can be downloaded in user-specified formats to

<sup>2</sup> This regional economic community includes 11 LDCs.

inform quantitative analyses. Another major product of the statistical work of UNCTAD that benefits LDCs is the *Handbook of Statistics 2018*.

17. UNCTAD also provides summary statistics in a variety of visualizations. These include infographics published on the web and social media, accompanying most data updates in UNCTADstat and country profiles that condense information from UNCTADstat into a country-level presentation of key figures and selected graphs (<http://unctadstat.unctad.org/CountryProfile/en-GB/index.html>; accessed 2 April 2019). Other reports with updated information of relevance to LDC economies are the monthly Commodity Price Bulletin and the Trade-in-Services Quarterly Bulletin (<https://unctad.org/en/Pages/Publications/Commodity-Price-Bulletin.aspx>; <https://unctad.org/en/Pages/Publications/Statistics-on-Trade-in-Services.aspx>; accessed 2 April 2019).

## IV. Technical cooperation

### A. Productive capacities

18. The Istanbul Programme of Action puts productive capacities at the top of its priority areas for action. Productive capacities are considered essential for the economic diversification and sustainable development of LDCs, and development of such capacities is necessary for these countries to reach their development goals, including those contained in the Programme and the Sustainable Development Goals. The Programme vision is consistent with the recommendations of UNCTAD set out in *The Least Developed Countries Report 2006: Developing Productive Capacities*, which launched this vision of sustainable development based on the productive capacities of LDCs.

19. The pace of diversification of LDC economies is slow, and export concentration remains a concern for most LDCs, as shown in the UNCTAD publication *Selected Sustainable Development Trends in the Least Developed Countries: 2019*. Hence, more efforts are needed to improve productive capacities across all sectors, including by means of UNCTAD technical assistance in this field.

#### Sustainable economic growth

20. UNCTAD carried out several activities that contribute to the implementation of the Istanbul Programme of Action through the project “Development Policies for Sustainable Economic Growth in Southern Africa”. In collaboration with national Governments and partner organizations, UNCTAD held workshops in Maputo (May 2018) and Lusaka (October 2018) to strengthen industrial policy capacity and facilitate the dialogue between the public sector, the private sector and civil society. Participants learned about key policies that could accelerate the gradual transformation of the economic structure. High-level policymakers from all the target developing countries, including LDCs, officially endorsed the policy options proposed during the two regional meetings by adopting an official outcome document.

#### Benchmarking productive capacities

21. The ongoing UNCTAD project “Indices for Benchmarking Productive Capacities for Evidence-based Policymaking in Landlocked Developing Countries” helps define the conceptual, methodological and statistical framework for identifying, selecting and validating indicators used in the construction of the productive capacities index. The direct beneficiaries of this work include 16 LDCs. The pilot countries of the project include two LDCs: the Lao People’s Democratic Republic and Rwanda. In 2018, national case studies were completed for both countries, followed by national capacity-building workshops on building productive capacities at the expert level in Rwanda in July 2018, and in the Lao People’s Democratic Republic in August 2018.

22. In Africa, a regional workshop on productive capacities, export diversification and structural transformation was held in Botswana in November 2018. LDC participants

included experts from Burkina Faso, Burundi, Ethiopia, Rwanda and Zambia. In Asia, UNCTAD presented its work on the productive capacities index at a regional expert meeting on progress in the implementation of the Vienna Programme of Action held in Almaty in September 2018. LDC participants in the meeting included Afghanistan, Bhutan, the Lao People's Democratic Republic and Nepal. The secretariat also held a briefing on the index and its relevance during the midterm review of the implementation of the Vienna Programme of Action at a brainstorming of United Nations ambassadors of landlocked developing countries that was held in New York in December 2018. Several LDCs took part in the two brainstorming meetings.

### **Harnessing the potential of the fisheries sector**

23. In a project on building the capacities of selected LDCs in Asia and Africa to harness the potential of the fisheries sector, UNCTAD support is aimed at strengthening the capacity of private and public stakeholders in selected LDCs to upgrade and diversify their fish exports, including by improving sanitary and phytosanitary standards. Direct beneficiaries of this work are fishery institutions, processors, exporters and men and women who are directly involved in the fisheries sector. Countries covered are Cambodia, Comoros, Mozambique, Myanmar and Uganda.

24. In 2018, UNCTAD established strategic partnerships and memorandums of understanding with Nha Trang University, Viet Nam, as well as with the Ministry of Ocean Economy, Marine Resources, Fisheries and Shipping of Mauritius. The two countries host the regional centres of excellence based on their success in developing their fisheries sector and the level of expertise and technology related to fisheries and aquaculture they have available for sharing with LDCs in their respective regions.

25. UNCTAD developed a training course on fisheries in partnership with the International Organization for Standardization, the Marine Stewardship Council, the Royal Tropical Institute of the Netherlands and the academic partners of Nha Trang University. In 2018, UNCTAD held a regional training course at the Asian Regional Centre of Excellence on harnessing the potential of the fisheries sector for economic development in LDCs. Some 55 experts from 14 countries, including 11 LDCs,<sup>3</sup> attended, bringing the total number of policymakers trained by the project to over 500. A second training session, to be held at the African Regional Centre of Excellence in Mauritius in early 2019, will follow. UNCTAD is seeking partnerships to ensure that the two regional centres of excellence can continue delivering the course autonomously, thus ensuring that the training activities are sustainable.

26. As a follow-up to the Common Fund for Commodities, UNCTAD, in cooperation with the Fund and the International Maritime Organization, organized a brainstorming meeting in London in November 2018 on impact financing in the fisheries and aquaculture sector in structurally weak and vulnerable economies. The meeting brought together representatives of development finance institutions, impact investors and environmental labelling organizations. The meeting highlighted the investment potential of the fisheries sector in LDCs and generated broad interest in further activities to support impact investment in this sector.

## **B. Trade and trade facilitation**

27. UNCTAD assists LDCs in identifying their needs and priorities in the area of trade and trade facilitation and helps them programme the implementation of specific measures accordingly.

### **World Trade Organization**

28. With regard to duty-free and quota-free market access and rules of origin, UNCTAD continues to support LDCs in their negotiations at the World Trade Organization (WTO). In

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<sup>3</sup> Bhutan, Burundi, Ethiopia, Cambodia, Comoros, Gambia, Madagascar, Mozambique, Samoa (recently graduated), Togo and Uganda.

advance of these negotiations, a series of executive workshops were held during the reporting period to prepare Geneva- and capital-based delegates for the sessions of the WTO Committee on Rules of Origin. At the request of the secretariat of the African Union Commission, UNCTAD supported the negotiation and drafting of appendix IV of the rules of the origin of the African Continental Free Trade Area and provided support during meetings of the Technical Working Group on Rules of Origin. UNCTAD set up training workshops for African Union delegates and provided technical support during negotiations, sharing best practices and providing technical inputs on the possible methods for drafting rules of origin. UNCTAD experts also contributed criteria and analysis on the meaning and implications of selected product-specific rules of origin in given sectors. In addition, UNCTAD provided advisory services on technical matters pertaining to rules of origin.

29. UNCTAD provided capacity-building on WTO accession in Comoros, the Sudan and Yemen. The assistance addressed different phases of accession, including before, during and after the process. UNCTAD is a strong advocate of the full implementation of the WTO General Council decision of 10 December 2002 on the facilitation and acceleration of LDC accession, with a view to ensuring that the process is not excessively costly for LDCs and that the terms of accession reflect their levels of development and ability to meet membership obligations.

30. UNCTAD supported LDCs in their participation in the negotiations, including with regard to special and differential treatment, which is currently under discussion in WTO. UNCTAD provided support to LDCs at a retreat of ambassadors of LDCs in Montreux, Switzerland, in March 2019 in preparation for the twelfth WTO Ministerial Conference, to be held in Kazakhstan in June 2019, by providing an overview of the main negotiating issues.

#### **African Continental Free Trade Area negotiations**

31. UNCTAD assisted African LDCs in negotiations on the African Continental Free Trade Area with regard to the following points: conceptualizing and developing different options in negotiating modalities for trade in goods and services; assessing the economic implications of different options to identify the best ones, such as in identifying priority sectors or sensitive products; and finalizing the drafting of legal texts of the African Continental Free Trade Area, including a framework agreement, draft protocols on trade in goods and services, and related annexes. UNCTAD continued to support LDCs in the second phase of African Continental Free Trade Area negotiations with technical presentations on key issues in the protocols on competition, intellectual property rights and investment.

32. UNCTAD provided support to regional economic communities in regional consultations and training activities, including on trade in services, and to some individual countries in their consideration of draft modalities on trade in goods. UNCTAD is finalizing its first region-wide services policy review for ECOWAS, benefitting its 11 LDC members. The review is part of broader UNCTAD support to regional integration and efforts to ensure coherence in ECOWAS member States' negotiating positions across various trade forums.

#### **Strengthening trade policymaking capacity**

33. In view of target 17.11 of the Sustainable Development Goals – to double LDCs' share of global exports by 2020 – UNCTAD completed country case studies for Cambodia, Nepal, Senegal and Zambia on the use of the WTO LDC waiver to promote their services exports through preferential treatment granted by developed members and developing members in a position to do so.

34. UNCTAD provided advisory services to the Government of Zambia on the elaboration and implementation of its trade policy following the trade policy framework that UNCTAD prepared for the country in 2016. The assistance helped strengthen autonomous and sustainable national institutional capacities on trade policy and negotiation skills to participate effectively in and benefit from the multilateral trading system and regional trade agreements.

35. In collaboration with the Economic Commission for Africa, UNCTAD began implementing a Development Account project on services trade in Africa. The project aims to enhance the capacity of beneficiary countries to measure the contribution of services to regional value chains and to design services policies that enable a higher degree of integration into such value chains. Beneficiary countries include the following LDCs: Ethiopia, the Gambia, Mali and Togo. UNCTAD and the Commission developed a methodology to assess the contribution of services to regional value chains. A capacity-building seminar for national consultants and project focal points was held in January 2019. The quantitative and qualitative instruments provided will enable partner countries to assess a specific regional value chain and distil recommendations for services policy throughout 2019. A knowledge-sharing platform was developed to facilitate the exchange of experiences and lessons learned, as well as to expand the access to tools.

### **European Union–UNCTAD Joint Programme for Angola: Train for Trade II**

36. The European Union–UNCTAD Joint Programme for Angola (Train for Trade II) focuses on the training of national experts and trainers of various public and private stakeholders in trade policy and negotiations, trade finance and logistics, the development of small and medium-sized enterprises, trade facilitation and scoping of non-oil trade opportunities. The project, launched in Luanda in April 2018, cuts across several UNCTAD work programmes and addresses a number of Sustainable Development Goals directly or indirectly, including Goals 1, 8, 9, 12 and 17. Under this programme, UNCTAD conducted 15 activities in 2018, and by 31 December, had trained more than 304 stakeholders. Further, key export items outside the oil sector were identified, including timber, honey, fisheries and coffee, together with a mapping of potential export markets. Project activities included a training workshop on public–private partnerships for infrastructure projects with a focus on transport infrastructure and services.

37. In October and November 2018, UNCTAD held a workshop for 60 Angolan stakeholders in Luanda, focusing on the trade integration of Angola into the African Continental Free Trade Area, Southern African Development Community and Tripartite Free Trade Area. In March 2019, UNCTAD and WTO organized a follow-up training workshop for Angolan officials and other stakeholders.

### **Rapid e-Trade readiness assessments**

38. UNCTAD rapid eTrade readiness assessments help countries take stock of their e-commerce development along seven key policy areas: e-commerce strategy formulation, information and communications infrastructure and services, payment solutions, trade logistics and trade facilitation, legal and regulatory frameworks, e-commerce skills development and access to financing for e-commerce. In 2018, UNCTAD released assessments of the following LDCs: Burkina Faso, the Lao People's Democratic Republic, Liberia, Madagascar, Myanmar, Senegal, Solomon Islands, Togo, Uganda, Vanuatu and Zambia. The assessments of Afghanistan and Bangladesh were launched during UNCTAD E-commerce Week in April 2019. The project raised awareness of opportunities and challenges related to leveraging e-commerce at the local and regional levels, and the preparation phase of the assessments provided an opportunity to kick-start dialogue between relevant stakeholders from the private and public sectors. The leading government ministries involved in the initiatives are committed to following up on the proposed activities in the final action matrix.

39. UNCTAD provided technical assistance to Rwanda to develop a national e-commerce strategy, with the aim of supporting the country's strategic goals in trade and information and communication technology for development and with regard to the Smart Rwanda Master Plan 2015–2020. Several fact-finding missions and a vision workshop with a variety of national stakeholders resulted in a draft strategy document that is expected to be finalized during the first half of 2019. The national e-commerce strategy proposes measures that will help the country leverage e-commerce for development.

40. UNCTAD, the African Union and the European Union held the first Africa E-commerce Week, hosted by the Government of Kenya, in Nairobi in December 2018. Of the 78 countries participating, 43 per cent were LDCs.



### **Empowerment programme for national trade facilitation committees**

41. In 2018, UNCTAD supported 16 LDCs in relation to trade facilitation.<sup>4</sup> For the African countries supported by UNCTAD, this was done mainly through the roll-out of the UNCTAD Empowerment Programme for National Trade Facilitation Committees, including developing road maps for the implementation of trade facilitation reforms. For the countries in the Pacific supported by UNCTAD, this has mainly focused on establishing transparency provisions for regional and internal trade. The focus is on helping countries implement the WTO Agreement on Trade Facilitation and in particular, supporting ratification and notification of obligations according to the Agreement, as well as providing technical assistance and capacity-building for its implementation.

42. UNCTAD and partners organized the First Africa Forum for National Trade Facilitation Committees in Addis Ababa, in November 2018. More than 300 participants from 54 African countries, including 22 LDCs, participated. The Forum called for constant improvements in simplifying processes and procedures for African countries, including LDCs, to better integrate into the international trading system and achieve relevant targets under the 2030 Agenda.

### **Towards sustainable freight transport**

43. Under the programme “Building Capacities of Developing Countries to Shift towards Sustainable Freight Transport”, UNCTAD has been collaborating with the authorities of the Northern and Central Corridors in East Africa to assist them in their efforts to design, develop and implement sustainable freight transport strategies. UNCTAD assistance and tools were deployed and resulted in tangible outcomes, including capacity-building activities in Kenya and the United Republic of Tanzania for the members and stakeholders of the Northern and Central Corridors (Burundi, the Democratic Republic of the Congo, Kenya, the United Republic of Tanzania, Rwanda, South Sudan and Uganda). Objectives of the Northern Corridor Green Freight Transport Programme are to improve fuel efficiency of road transportation and cut by 10 per cent emissions of particulate matter and black carbon, grams of oxides of nitrogen per ton kilometre and carbon dioxide intensity per ton kilometre of transportation by 2021. Other results include the development of the Central Corridor Sustainable Freight Transport Strategy (2018–2023) to achieve economically efficient, socially viable and environmentally friendly transportation and logistics services.

44. UNCTAD provided tailored training to meet the needs identified by Port Sudan, Sudan throughout the reporting period. The training package focused on port performance indicators; private sector involvement in port management, public–private partnerships and port concessions; and port community systems and the single window. The training programme emphasized the role of improved and efficient port operations for economic sustainability in the Sudan and highlighted the underlying co-benefits of environmental sustainability and social inclusiveness gains that could be derived by integrating the three dimensions and transport sustainability.

### **Trade and gender**

45. UNCTAD provides support to nine Pacific Island Countries to strengthen transparency in trade regulation and facilitation in connection with the Pacific Agreement on Closer Economic Relations Plus. Four of the nine developing country parties to the Agreement are LDCs: Kiribati, Solomon Islands, Tuvalu and Vanuatu. The support programme recognizes that women in the Pacific Island Countries face significant gender inequalities in many areas, including weak political representation, exposure to gender-based violence, scant awareness of rights and obligations, and culturally enforced discrimination. Gender gaps are also apparent in employment and overall access to economic opportunities. Through its gender component, the programme identifies ways in

<sup>4</sup> Angola, Benin, Burundi, Kiribati, Malawi, Mali, Mozambique, Rwanda, Solomon Islands, Sao Tome and Principe, Sudan, United Republic of Tanzania, Tuvalu, Uganda, Vanuatu and Zambia.

which the transparency provisions of the Agreement could ease the difficulties that women face as producers and traders.

46. UNCTAD and other members of the United Nations Inter-Agency Cluster on Trade and Productive Capacity lend support to the Government of Myanmar on upgrading the horticulture and sustainable tourism industries, as well as building business linkages between the two. Through its gender component, the project identifies constraints and opportunities faced by women in the horticultural and tourism sectors of the Inle Lake area. By strengthening the capacity of stakeholders and policymakers to formulate policies that promote gender equality and women's empowerment, the project aims to foster the growth of gender-inclusive and sustainable business linkages between agriculture and tourism.

#### **Non-tariff measures and barriers**

47. UNCTAD leads a global initiative to categorize, compile and disseminate information on non-tariff measures. The Trade Analysis and Information System database of UNCTAD, also known as TRAINS, covers over 100 countries and 90 per cent of world trade. Based on the data and information contained in the database, UNCTAD conducts cutting-edge research and advises policymakers on issues relating to non-tariff measures.

48. In 2018, UNCTAD assisted the regional economic communities of the Tripartite<sup>5</sup> to streamline non-tariff measures in Eastern and Southern African by enhancing transparency and availability of information on such measures. Data have already been collected and validated in 12 countries of the region. The data are fed into a Tripartite database on non-tariff measures, and capacity-building is provided by UNCTAD to Government officials to sustain the updating of the database. In further support, UNCTAD conducted online training on data collection from May to July 2018. Forty-five persons attended, including participants from six LDCs: Malawi, Mozambique, Rwanda, the United Republic of Tanzania, Uganda and Zambia.

49. UNCTAD partnered with COMESA during the fifth Annual COMESA Research Forum, held in Nairobi in August 2018, to discuss non-tariff measures for international trade and to exploit growth strategies. Findings from recent UNCTAD research are embodied in the publication *Non-tariff Measures: Economic Assessment and Policy Options for Development*, which informed policymakers and improved the technical capacity of participants to address the implications of such measures so as to improve export performance and enhance the integration of their economies into the global economy.

50. UNCTAD participated in the seventh meeting of African Union ministers of trade in Cairo in December 2018. During the ministerial dialogue on the African Continental Free Trade Area, UNCTAD emphasized the importance of the implementation of trade agreements to realize expected benefits.

51. UNCTAD provides support to the African Union Commission, African regional economic communities and African countries in developing and implementing a framework to report, eliminate and monitor non-tariff barriers and increase regulatory transparency among African countries under the African Continental Free Trade Area. In February 2019, the Commission and UNCTAD held a meeting in Nairobi with African regional economic communities to discuss the details of a possible continental non-tariff barriers mechanism to deal with non-tariff barriers faced by traders in intra-African trade transactions under the African Continental Free Trade Area. Participants included independent experts and representatives of the African Organization for Standardization, African regional economic communities, Economic Commission for Africa and National Metrology Institute of Germany.

<sup>5</sup> The Tripartite is composed of the Common Market for Eastern and Southern Africa (COMESA), the East African Community and the Southern African Development Community.

## C. Investment and enterprise development

52. UNCTAD advocacy of the implementation of the Istanbul Programme of Action includes support in the area of investment and enterprise. During the reporting period, the majority of LDCs (41) benefited from UNCTAD assistance in this area. The activities carried out were in accordance with the principles of the Programme, especially with respect to the promotion of good governance, transparency and the rule of law, which helped build the competitiveness of LDCs and enhance their attractiveness as destinations for foreign investment and the establishment of businesses.

### Investment policies and capacity-building

53. UNCTAD investment policy reviews provide an objective evaluation of a country's legal, regulatory and institutional framework for FDI to attract more FDI and maximize the benefits from it. The reviews include FDI entry and establishment, treatment and protection of investment, taxation, the business environment and sectoral regulations. To date, 42 such reviews have been completed, 18 of which were prepared for LDCs. During the reporting period, work progressed on the reviews of Angola and Chad. Implementation reports have increased interest by foreign investors and have enhanced capacity to market investment opportunities. The value delivered through investment policy reviews and follow-up activities have prompted a number of additional requests for such reviews, including from Bhutan, the Central African Republic, the Democratic Republic of the Congo, Guinea-Bissau, Haiti, Malawi and Mali.

54. At the request of the African Union Commission, UNCTAD in December 2018 prepared a technical paper on the treatment of goods originating in special economic zones in the African Continental Free Trade Area as guidance on the drafting of the investment protocol of the African Continental Free Trade Area. Further, UNCTAD provided support to the Tripartite Committee of Senior Officials with a presentation on investment-related considerations for the second phase of negotiations on the Tripartite Free Trade Area. In response to requests from member States, UNCTAD also provided reviews of the international investment agreement networks of Bangladesh and Chad.

55. UNCTAD is making substantive contributions to a forthcoming publication to be issued in cooperation with the Economic Commission for Africa entitled "*Assessing Regional Integration in Africa IX: Next Steps for the African Continental Free Trade Area*". In this joint publication, UNCTAD discusses competition policy, investment, intellectual property rights, and digital trade and e-commerce.

### Investment promotion

56. UNCTAD supports investment promotion activities in many LDCs, notably through capacity-building activities and sharing best practice and experience from around the world to assist policymakers in developing investment promotion strategies that foster and facilitate more FDI where needs are greatest. In 2018, UNCTAD held regional seminars on the promotion of bankable Sustainable Development Goal projects in Africa and Asia that benefited LDC investment promotion agencies in LDCs, providing technical assistance to design and market bankable Sustainable Development Goals projects by leveraging peer-to-peer learning and expert guidance.

57. Many LDCs participated in the Investment Promotion Conference, which was held in connection with the World Investment Forum of UNCTAD in October 2018. The theme of the meeting was "Promoting investment in the Sustainable Development Goals: Connecting the actors and building sustainable cities". UNCTAD also hosted the annual Investment Promotion Awards to recognize excellence by investment promotion agencies in their efforts to promote investment in the Goals and to serve as inspiration for practitioners from other countries to implement such best practice. Lesotho was one of the LDCs honoured during the event.

58. UNCTAD online investment guides seek to raise awareness among the international investment community of investment opportunities and conditions in beneficiary countries. The development of the guides is carried out by beneficiary Governments under the

guidance of UNCTAD. During the reporting period, online investment guides were developed for Ethiopia, Madagascar, Malawi, Mauritania and Zambia.

### **Business facilitation**

59. Through the UNCTAD Business Facilitation eRegulations Programme, countries make rules and procedures fully transparent to facilitate business, trade and investment. The eRegulations system is operational in 13 LDCs.<sup>6</sup> The UNCTAD Trade Portal – a new facilitation tool focusing on trade procedures – was deployed as a product extension of eRegulations. On average, electronic portals reduce the number of required administrative procedures, forms and documents by 80 per cent. In 2018, a new eRegulations system was configured and installed for Lesotho, and new trade portal systems were configured and installed in Afghanistan, Kiribati, Solomon Islands, Tuvalu and Vanuatu. In Bhutan, the scope of the system was extended to cover 14 new regions. In Benin, Mali, Rwanda, the United Republic of Tanzania and Uganda, an average of 10 new import, export, transit and clearance procedures were documented in the country trade portal systems. In December 2018, a regional trade information portal for the East African Community was launched during a ministerial retreat on trade facilitation of the Community. The portal is linked with country trade portals in Kenya, Rwanda, Uganda and the United Republic of Tanzania.

### **Strengthening business linkages**

60. UNCTAD continues to play an intermediary role in a uniquely comprehensive approach to the promotion of sustainable business linkages and to provide a combination of policy-oriented advisory services and action-oriented technical assistance in FDI and enterprise development. During the reporting period, the business linkages programme trained 177 entrepreneurs, 110 of which were women, in the United Republic of Tanzania, and 48 entrepreneurs, including 21 women, in Zambia.

### **Intellectual property**

61. UNCTAD lends support to LDCs upon request by formulating intellectual property policies and providing capacity-building. In April 2018, UNCTAD delivered a presentation at the East African Vaccine Symposium (“Vaccine production in Africa for Africa”) in Arusha, United Republic of Tanzania, on ways to ensure technology transfer for vaccines to developing countries in the East African Community.

### **Enterprise development and Empretec**

62. The Entrepreneurship Policy Framework continued to be leveraged for the development of targeted national entrepreneurship strategies, in particular those of Angola, Ethiopia and the United Republic of Tanzania. In partnership with the United Nations Industrial Development Organization, UNCTAD helped Ethiopia develop such a strategy and held several workshops in support of its development and introduction. Further, the Framework served as a basis for the recently launched inclusive national entrepreneurship strategy and action plan of the United Republic of Tanzania.

63. Installation and consolidation activities of the Empretec programme took place in the Gambia, the United Republic of Tanzania and Zambia. The Empretec centre in Angola resumed operations, and impact assessment workshops were conducted there. Further, a pilot workshop was held in Myanmar to explore the establishment of an Empretec centre in that country. UNCTAD is following up on official requests from 11 LDCs concerning Empretec installations and is exploring ways to revive the Empretec training centre in Senegal. In addition, UNCTAD launched a new technical assistance project for entrepreneurship and migration, which will benefit Rwanda. During the period under review, the Empretec Women in Business Awards ceremony was held in connection with

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<sup>6</sup> Bangladesh, Benin, Burkina Faso, Comoros, Ethiopia, Guinea-Bissau, Mali, Niger, Rwanda, Senegal, Togo, United Republic of Tanzania and Uganda.

the World Investment Forum; the grand winner was from Mozambique, and a woman entrepreneur from Uganda was awarded third prize.

64. In 2018, eight LDCs – Benin, Cambodia, Djibouti, Madagascar, the Niger, the Sudan, Togo and Zambia – benefited from UNCTAD support in accounting and reporting with regard to financial and non-financial information and participated in the thirty-fifth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

#### **D. Debt sustainability**

65. External debt is a major concern of the Istanbul Programme of Action (section G, mobilization of financial resources for development and capacity-building). UNCTAD contributes to enhanced understanding by LDCs of the interplay between successful domestic and international resource mobilization for development, debt sustainability and policy choices for a durable solution to the challenges of financing for development and debt problems.

66. The Debt Management and Financial Analysis (DMFAS) Programme of UNCTAD continued to lend support to the 21 LDCs<sup>7</sup> that are using DMFAS software to strengthen their capacity to effectively manage central-government and government-guaranteed debt and to achieve sustainable debt levels. The Programme has improved the availability of timely, reliable debt records, which are essential for prudent risk analysis and the elaboration of strategies aimed at ensuring debt sustainability. By early 2019, 95 per cent of the supported countries had a comprehensive government and government-guaranteed external debt database, and nearly 67 per cent had complete domestic debt records in the software. This includes 12 LDCs that publish a debt statistics bulletin on a regular basis and report to the World Bank Debtor Reporting System. In addition, 70 per cent of DMFAS software users in LDCs that had signed up to participate in the quarterly external debt statistics database of the International Monetary Fund and the World Bank reported on time. In terms of improved analysis, seven countries publish a debt portfolio analysis report on a regular basis.

67. The second session of the Intergovernmental Group of Experts on Financing for Development, held in Geneva in November 2018, considered debt vulnerabilities and related systemic issues in developing countries. In this context, a special panel was devoted to the particular challenges faced by LDCs and included a discussion on debt transparency issues promoted by the international community. While rising debt and financial vulnerabilities are generic to all developing economies, LDCs are particularly hard hit, not only since their resilience levels are generally lower, but also because their shallow domestic financial systems are the least well equipped to withstand exogenous financial shocks. Since the composition of debt is shifting towards private debt, the features of private sector debt – shorter maturities and higher relative interest rates – as well as the design of new financing instruments for development and the availability of data with which to conduct debt sustainability assessments, becomes increasingly important to understand and manage.

68. UNCTAD has continued to develop tools for financial analysis. These include financial conditions indicators to evaluate the effects of financial stress on the economy and a toolkit to assess the impact of Sustainable Development Goal-related investment requirements on debt sustainability, as well as to analyse alternative financing scenarios to alleviate pressures on long-term debt sustainability. Country-specific financial conditions indicators exist for six LDCs: Angola, Bangladesh, Ethiopia, Mozambique, the United Republic of Tanzania and Yemen. Pilot studies, using the newly developed Sustainable Development Goals-debt sustainability toolkit, were carried out for Ethiopia and the United Republic of Tanzania, and other country-level studies are under way.

<sup>7</sup> Angola, Bangladesh, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Guinea-Bissau, Haiti, Lao People's Democratic Republic, Madagascar, Mauritania, Rwanda, Sudan, Togo, Uganda and Zambia.

## E. Science, technology and innovation

69. Science, technology and innovation are the cornerstones of a knowledge economy. UNCTAD continues to support LDCs in improving their scientific and innovative capacity that is needed to achieve structural transformation.

70. UNCTAD conducts science, technology and innovation policy reviews upon request from member States to support the development of their national capacities in formulating and implementing science, technology and innovation policy. The policy review framework is being revised to strengthen the focus on science, technology and innovation for the Sustainable Development Goals. In 2018, UNCTAD continued working on the preparation of policy reviews in Ethiopia and Uganda, where missions were carried out to assess innovation policy challenges and potential contributions to the sustainable development of these countries and the national goals identified in their relevant national policy documents.

71. UNCTAD, as secretariat of the United Nations Commission on Science and Technology for Development, and the Government of China held two capacity-building workshops in September 2018, one on science, technology and innovation policy and management for sustainable development (Guangzhou, China), the other on a high-technology park and incubator development programme (Wuhan, China). Over 30 experts and policymakers from developing country members of the Commission attended, including from the following LDCs: Angola, Burkina Faso, the Democratic Republic of the Congo, Ethiopia, Liberia, Mauritania, Nepal and Uganda. The workshops included a mix of practical lectures and field visits in Guangzhou and Wuhan Optics Valley. The collaboration will continue throughout 2019.

## F. Building and strengthening human capacities

72. UNCTAD support activities helped LDC policymakers and trade negotiators to better understand the national policies and strategies needed to achieve inclusive and sustainable development, and developmental provisions and flexibilities that are particularly important in creating an enabling environment under the international trading system. The support contributes to building human capacities and therefore increases the scope for social development through various channels, including strong institutions and policies.

### Strengthening public institutions

73. During the reporting period, UNCTAD conducted two regional courses on key issues on the international economic agenda for government officials, including representatives of LDCs. The courses, held in Cairo in November and December 2018 and Nairobi in March and April 2019, contributed to strengthening human capital in Africa and the Middle East and to building stronger public institutions and policymaking capacities in the beneficiary countries. Through these activities, UNCTAD trained 49 policymakers from 29 countries, 17 of which are LDCs.<sup>8</sup> The programme focused in particular on enhancing the knowledge of government officials on macroeconomic issues; development strategies; trade; investment; and science, technology and innovation. The curriculum includes the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.

74. UNCTAD delivered six short courses for delegates from permanent missions based in Geneva, including representatives of LDCs. These courses provided the latest findings of UNCTAD research on all cross-divisional trade and development issues, ranging from leveraging trade for the Sustainable Development Goals, trade and inequality to designing an inclusive gender-responsive trade policy.

75. In collaboration with the Islamic Development Bank and Moroccan authorities, each year, UNCTAD holds a workshop for members of the Bank. The aim of the workshops is to

<sup>8</sup> Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Congo, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Sudan, Togo, Uganda and Zambia.

deepen understanding of international investment agreements, to identify and explore key issues, problems and interests related to the sustainable development dimension of such agreements, and to examine negotiating techniques and strategies. In 2018, participants from 29 countries, 15 of which were LDCs, benefited from the training activity.

76. UNCTAD delivered an advanced trade policy training programme for members of the Pan-Arab Free Trade Area in Cairo, in November 2018. Fifteen policymakers and customs officials, including nine women and participants from the Sudan and Yemen, attended and improved their technical capabilities in trade negotiations skills and trade policy formulation, particularly with regard to the Pan-Arab Free Trade Area.

77. UNCTAD and the Economic Commission for Africa are working together to implement a United Nations Development Account project on measuring illicit financial flows. The project is aimed at strengthening analytical capacity and supporting national efforts in Africa – including in African LDCs – to substantially reduce illicit financial flows in line with target 16.4 of the Sustainable Development Goals. Conceptual analysis and preparations for country-level pilot studies went forward in 2018, including in the following LDCs: Senegal, the United Republic of Tanzania and Zambia.

### **Reinforcing national statistical and analytical capacities**

78. UNCTAD supports the development and harmonization of statistics on international trade in services, analytical tools and methodologies, and the provision of statistical information. UNCTAD regularly compiles statistics on the indicators for target 17.11 of the Sustainable Development Goals and delivers the related data, with a narrative, to the United Nations Statistics Division, as input for the *Sustainable Development Report*. UNCTAD thereby contributes to monitoring progress in the implementation of the Istanbul Programme of Action, as the indicator is a key target in the domain of international trade, as specified in paragraph 65 (a). UNCTAD nowcasting has enhanced the possibility to determine the growth in LDCs exports that would be required to achieve target 17.11.

79. Since 2013, UNCTAD has been working with the West African Economic and Monetary Union to set up statistical tools for the measurement and analysis of international trade in services that helps the eight member countries of the Union – seven of which are LDCs – to formulate trade-in-services policies tailored to their social and economic development goals. A harmonized questionnaire, which covered all services categories except travel, was tested during the first full surveys conducted by countries during the last quarter of 2018. In March 2019, the results of the first full surveys were presented and discussed in a workshop. A draft survey questionnaire for travel service was submitted to countries for testing during the second full surveys in 2019.

80. UNCTAD, the United Nations Statistics Division and WTO developed an online training course to assist compilers of statistics on international trade in services in ensuring they adhere to the international standards laid down in the *Manual on Statistics of International Trade in Services 2010*. In the third quarter of 2018, the distance-learning course was delivered to 29 participants from 26 countries, including the following LDCs: Burkina Faso, Cambodia, Comoros, Djibouti, Madagascar, Malawi, Mozambique, Senegal, the Sudan, the United Republic of Tanzania, Uganda and Zambia. In addition, a face-to-face module with an emphasis on African countries, co-organized with the African Union Commission, was presented in Geneva in December 2018, with 19 participants from several countries, including the following LDCs: Cambodia, Djibouti, Madagascar, the Sudan, Uganda and Zambia.

## **V. Lessons learned**

81. While LDCs have made significant progress on multiple fronts, it is likely that many goals and targets of the Istanbul Programme of Action will not be achieved by 2020 as planned. There is a need to refocus the attention of the international community on the special circumstances of LDCs.

82. UNCTAD makes a positive contribution to the capacity of experts from member States to formulate policies and strategies, including institutional framework design relevant to the development challenges of their countries. Close collaboration with the United Nations and other partner organizations in the countries concerned is important to ensure synergy with UNCTAD support to member States.

83. The surge in demand from LDCs for tailored technical assistance on various thematic work streams of the secretariat is a strong endorsement of the quality and value that member States place on UNCTAD support. However, its capacity to meet the growing demands is limited by available resources. Developed country partners are invited to consider increasing voluntary contributions to the UNCTAD Trust Fund for the Least Developed Countries.

## **VI. Policy recommendations**

84. The Trade and Development Board may wish to consider the following action:

(a) To express concern at the lack of progress in achieving the overarching goals of the Istanbul Programme of Action to meet the structural challenges faced by LDCs in eradicating poverty, achieving internationally agreed development goals and enabling graduation from the LDC category;

(b) To urge UNCTAD to strengthen its work in assisting LDCs in the pursuit of the goals and targets of the Programme, as well as other internationally agreed development goals, including those set out in the 2030 Agenda for Sustainable Development;

(c) To reiterate and further appeal to all donors and other countries in a position to do so to contribute to the Trust Fund for the Least Developed Countries to enable UNCTAD to respond to the strong increase in demand for technical assistance by LDCs;

(d) To request UNCTAD to actively support LDCs in the preparatory process leading to the Fifth United Nations Conference on the Least Developed Countries and in the discussions and deliberations related thereto.

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