

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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Productive capacities for the new decade



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Building productive capacities for sustainable development in the least developed countries (LDCs)

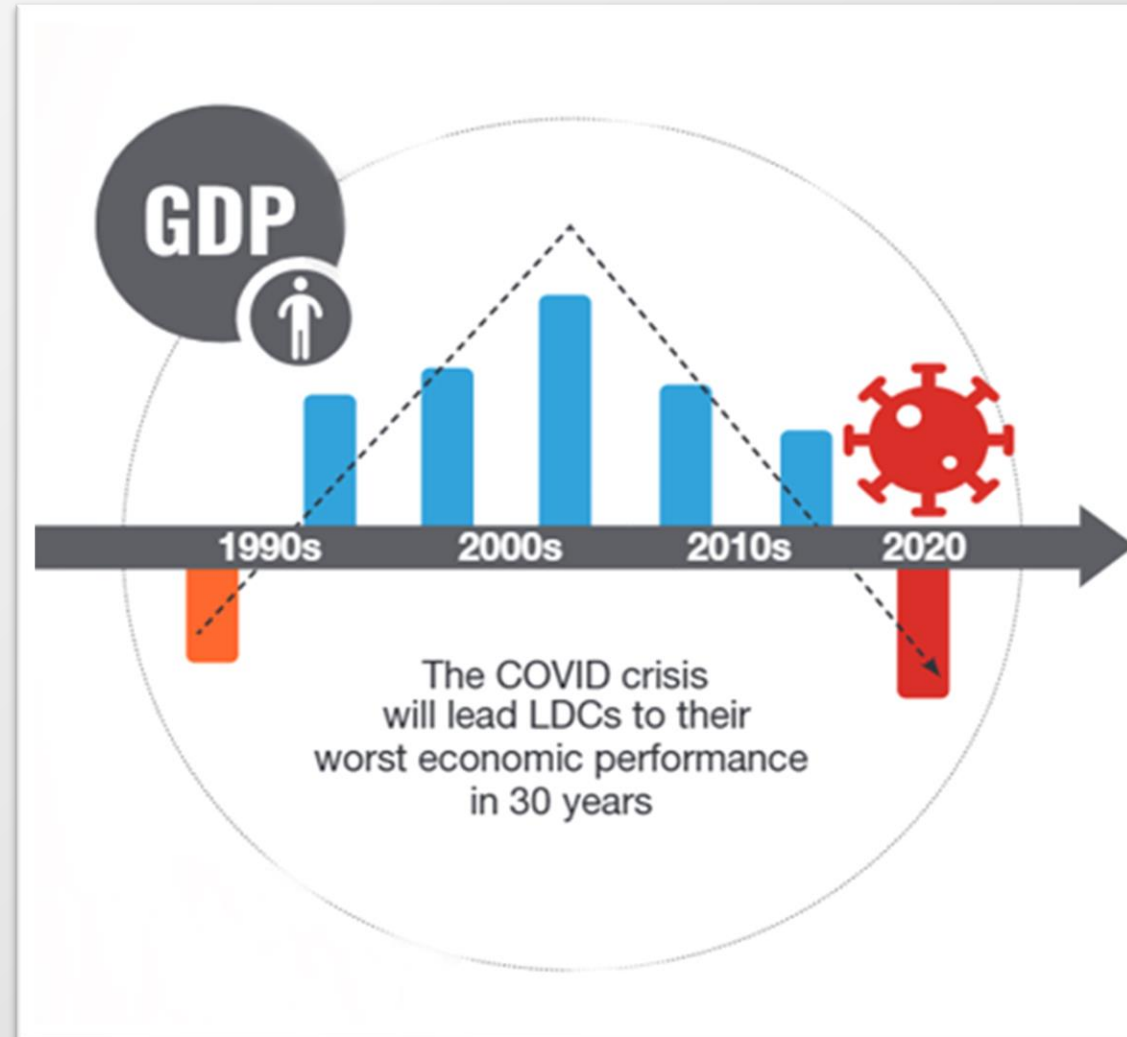
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New York, 16 February 2021

1. The COVID-19 crisis and the long-term divergence of LDCs

Economic impacts of the COVID-19 crisis

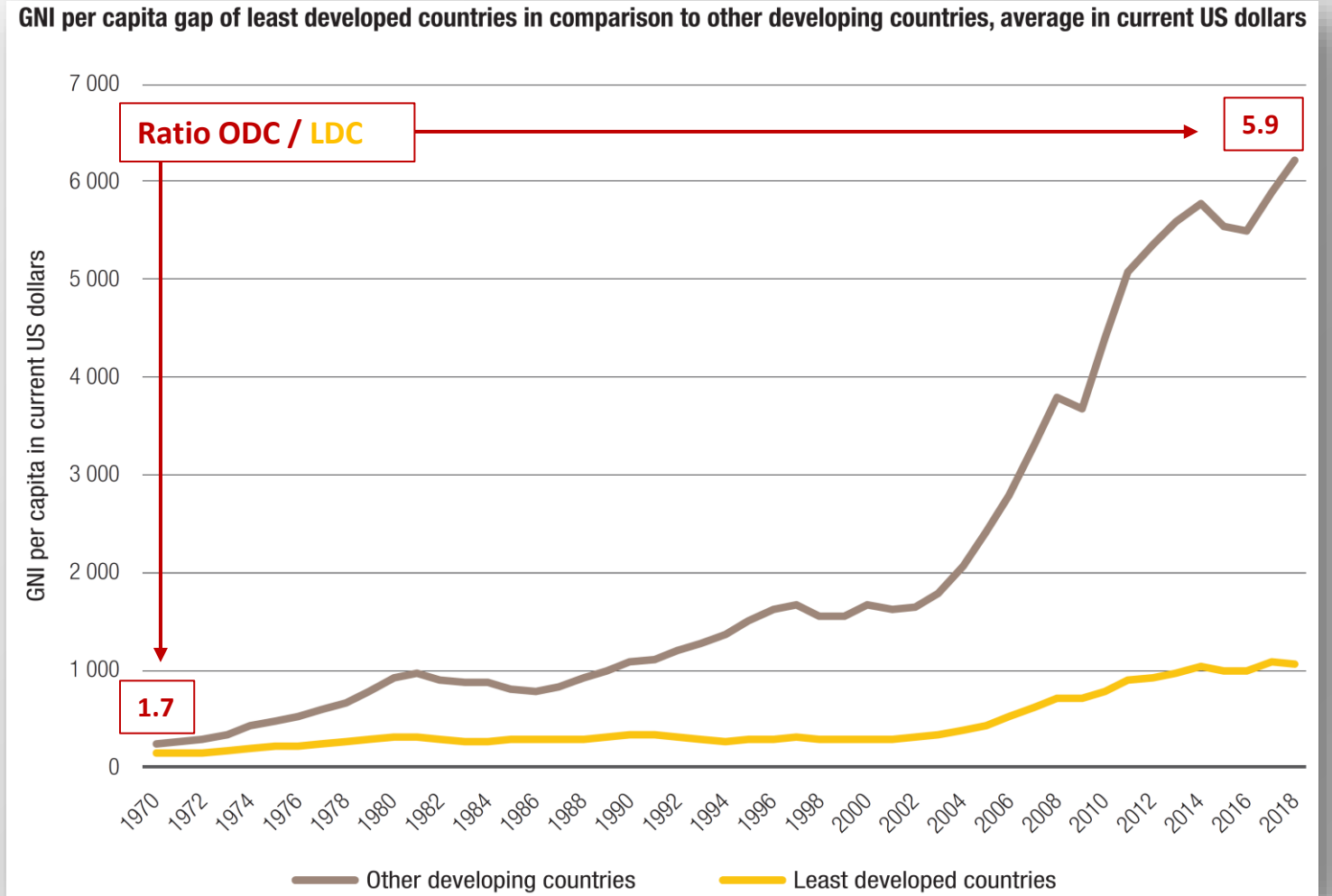


1. The COVID-19 crisis and the long-term divergence of LDCs

Limited structural transformation



LDCs as a group have been **diverging long-term** from other developing countries



2. Policies to develop productive capacities in the new decade

Policy priorities for LDCs

1. **Countercyclical** policies to cushion impact of COVID-19 crisis
2. **Investment** push →
 - ✓ redress long-standing infrastructural gaps
 - ✓ support employment creation
 - ✓ raise external financing → debt cancellation, SDR emission



2. Policies to develop productive capacities in the new decade

Policy priorities for LDCs

3. Forward-looking science, technology and innovation – **STI – policies**
 - ✓ promoting technological capabilities of firms and farms
 - ✓ including education & training

4. Bold **industrial and sectoral policies** →
 - ✓ promote domestic value addition
 - ✓ deepen production linkages



2. Policies to develop productive capacities in the new decade

Industrial policies

⇒ solid manufacturing base
complementary skills

⇒ sustainable industrialization

⇒ meaningful engagement with
advanced technologies



2. Policies to develop productive capacities in the new decade

Crucial role of the **state**
highlighted by COVID-19 crisis



2. Policies to develop productive capacities in the new decade

International support measures (ISMs)

- So far, modest concrete impacts
- LDCs need new & more effective ISMs
→ specially to strengthen technological capabilities of LDC enterprises



Stronger and more innovative ISMs are needed to prevent a further widening of technological divides

2. Policies to develop productive capacities in the new decade

Strengthening the global partnership in support of LDCs

- beyond the moral commitment to “leave no one behind” (SDGs)

⇒ investment in systemic resilience

Crucial occasion to show resolve: UNLDC V (January 2022)



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THE LEAST
DEVELOPED COUNTRIES
REPORT 2020

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Thank you

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