



United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS)

**Pre-recorded Video Statement by
Ms. Fekitamoeloa Katoa ‘Utoikamanu
High Representative and Under-Secretary-General
Least Developed Countries, Landlocked Developing Countries and Small
Island Developing States**

Webinar

**Building Productive Capacities for Sustainable Development in the LDCs
Preparatory meeting on the road to UNCTAD 15 and LDC5**

**11 May 2021, 9:30 – 11:30 am
Virtual Zoom Meeting**

Your Excellency Federico Villegas, President of the Trade and Development Board and Ambassador and Permanent Representative of Argentina to the United Nations in Geneva

Esteemed colleague Isabelle Durant, Acting Secretary-General of UNCTAD

Excellencies,

Distinguished Speakers,
Colleagues,
ladies, and gentlemen.

It is my pleasure to join you at today's webinar.

Our focus is on building productive capacities for sustainable development in the LDCs and I thank you for organizing this preparatory meeting on the road to UNCTAD15 and to the Fifth UN Conference on Least Developed Countries.

More than a year has elapsed since the world was turned upside down and ever since we all live with the deep and far reaching disrupter the COVID-19 pandemic is.

In some places, vaccinations are progressing quickly.

Yet, we must be alarmed by new waves of the pandemic and a continued spread in the form of virus mutations observed in so many countries around the world.

The pandemic has once more reminded us of the complexities of modern existence and how life is not a series of neat sectoral issues to address but a complex whole.

Health, food, water, climate, trade, technology, infrastructure development and the economic, social and political outcomes they generate must be looked at holistically.

Fact is that the number of direct health-related casualties in the LDCs is not among the highest in the world. Some of it may be related to the relative youth of people in these countries.

Fact is also that the LDCs are severely and disproportionately affected.

Trade, tourism, and foreign direct investment flows have plummeted.

Supply chains are disrupted.

The immediate result is a steep rise in unemployment with the shutdown of many MSMEs.

The management of any crisis demands rapid deployment of resources. At this time of rapidly rising resource needs in a situation where resources were already scarce, LDC earnings from exports and domestic earnings dwindled to unsustainable levels.

We all knew that structural vulnerabilities had to be addressed if LDCs were to fully participate in the gains to be made from achieving the SDGs.

In the short time span of now 14 months, the pandemic has exacerbated existing structural vulnerabilities in LDCs, and poverty keeps increasing.

During the past decade, LDCs were by and large lagging behind in overcoming their economic and social vulnerabilities.

We did not see a substantial increase in productive capacities, and the desired structural transformation of their economies to build resilience against internal and external shocks and crises was at best slow.

Take the case of their continued dependency on commodities.

A majority of LDC is largely commodity dependent. This makes them very vulnerable to external shocks be it from commodity price or exchange rate volatility.

As I have said on many occasions, COVID 19 has not put climate change on a holiday. Climate change continue to have an ever-greater impact on LDCs.

Yes, all of us have lived and continue to live through disruption without quite knowing how deep, how long and how transformational this will be in the medium- term to long- run.

But we know that we must do all we can to ensure that LDCs achieve inclusive and sustainable structural transformations.

Transformations including LDCs and not leaving them behind in what will shape the future such as technological developments, sustainable and climate responsive economies and productive employment opportunities for their young women and men, girls and boys.

The question, the challenge before all of us is how to engage in, how to design that process of structural transformation of their economies?

Allow me to share a few entry points with you.

Building and maintaining a critical mass of infrastructure is key. This must include access to sustainable energy and resilient multimode transport systems along with access to broadband and the skills needed to make effective use of it.

Were it not for incredibly innovative technological advances made also possible through digital technology, we would not have COVID vaccines by now.

So, for LDCs we cannot leave technology and innovation behind. Technology and innovation are today's and the future's passport to development.

We all know how digital tools make agricultural activities more productive and support services to be more connected.

Functioning infrastructure is an important precondition for creating an enabling environment for the private sector that encourages entrepreneurship and enables innovation, investment, and trade.

There is indeed great unexplored potential for increasing diversification and adding value to products and services, increasing e-commerce, and opportunities for LDCs so they better integrate into regional and global value chains.

The African Free Trade Agreement, for example, can be an important mechanism for the African LDCs.

In short, we ourselves must find innovative and future oriented action solutions.

One such opportunity is just around the corner.

As you know, we are in the middle of the preparatory process towards the Fifth UN Conference on Least Developed Countries, which will take place in January 2022 in Doha, Qatar.

During the Africa Regional Review Meeting, which took place in February 2021, the need for productive capacity building and sustainable structural transformation was highlighted.

In the session on “rethinking structural transformation” participants discussed the important role of technological advancement and innovation as enablers for structural transformation to build back better after the pandemic and to achieve the Sustainable Development Goals.

It was highlighted how technology can be a passport to development, if it can be fully integrated in relevant sectors and create quality employment opportunities, especially for young people.

To achieve this, LDCs need to build investment in digital education and skills, especially in local environments to provide knowledge and adaptation possibilities for entrepreneurs.

The ministerial declaration by the African LDCs recognizes the importance of building productive capacity as a critical enabler for the development and graduation of the LDCs. The declaration recognizes the need to reduce export dependency on a few and primarily raw commodities.

This will take partnering, innovation, and mobilization of financial resources.

We know that already prior to the pandemic we had serious lags on the road to achieving the goals of Agenda 2030.

Now we have less than a decade left, and action and international cooperation must step up.

The Doha Conference offers a great opportunity to focus international attention on stepping up support to the LDCs, attract the resources needed and ensure that the LDCs are at the core of any effort and are not left behind.

The new 10-year Programme of Action for the LDCs, which will be adopted by Member States in Doha, comes at a critical time.

The new programme of action needs to be ambitious and it will need to ensure that sustainable structural transformation can be achieved.

No efforts must be spared to leverage the Conference to reach a comprehensive action agreement.

We must act together and at all levels. We are running against time and we must do all we can to regain the lost momentum and lost opportunities the pandemic has brought about.

We cannot afford to leave the LDCs behind.

In closing, I once again thank UNCTAD as our partner, for contributing to this effort and for organizing today's event.

Thank you.