



Productive Capacities for the New Decade.

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H.E. Perks Clemency Ligoya, Ambassador of Malawi to the UN in New York and Chair of the LDC Group

Ms. Isabelle Durant, Acting Secretary-General of UNCTAD

Mr. Ratnakar Adhikari, Executive Director of the Enhanced Integrated Framework Executive Secretariat

Mr. Taffere Tesfachew, Principal Advisor, Ethiopian Investment Commission and leader of the Committee for Development Policy Sub-Group on LDCs.

Moderator Prof Ocampo,

It is a pleasure for me to make contributions to this side-event on Productive Capacities for the New Decade on behalf of the Technology Bank for Least Developed Countries.

The LDCs are at the critical point not only to respond to COVID19 but towards graduation and achieving SDGs. My intervention will focus on linking science, technology and innovation which form a component of building productive capacities.

Science, Technology and Innovation are enablers for achieving the Sustainable Development Goals. Yesterday on the thematic session on **Leveraging the power of science, technology and innovation to fight multidimensional vulnerabilities and achieve the Sustainable Development Goals** various speakers outlined the tremendous opportunities presented by the internet and digital technologies towards alleviating the LDCs from poverty as these technologies stimulate investment, innovation, promote private sector engagement and empower youth and women. All these outcomes align with building of productive capacities.

STI is a driver and enabler to a sustainable and resilient recovery for the LDCs to not only build back better but achieve the SDGs and graduate from the LDCs status. STI plays a critical role in building productive capacities of LDCs as it requires a holistic approach to development. The Technology Bank as the focal point on STI for the LDCs supports LDCs to build their science, technology and innovation capacity needed to promote the structural transformation of their economies, eradicate poverty and foster sustainable development.

What opportunities are there for LDCs to build back better from COVID-19 in strengthening productive capacity? How can the latter be financed?

The COVID-19 pandemic highlighted a number of deficiencies in the global order including highlighting the glaring levels of inequality especially in the LDCs. But it also highlighted the importance of prioritizing STI from policy formulation, allocation of resources to international



cooperation and partnerships. Reflecting on the contribution of STI during this pandemic, it is clear that there is need for LDCs to strategically increase investment in research and development.

Building productive capacities and using the Productive Capacities Index allows for statistical analyses, benchmarks, and assessment of existing gaps within and across countries and regions based on eight key components of productive capacities, including, human capital, ICT, institutions, and private sector. The Productive Capacities Gap Assessment will particularly assist LDCs and their development partners to identify strengths and weaknesses of past policies and strategies. The Bank also conducts Technology Needs Assessments and building capacity LDCs to access and use science, technology and innovation for the socioeconomic transformation and sustainable development. The TNA programme for 2021 envisions undertaking TNAs in 17 countries: Afghanistan, **Bangladesh, Benin, Cambodia, Djibouti, Haïti, Kiribati, Lesotho, Liberia, Malawi, Mozambique, Nepal, Rwanda, Sierra Leone, Sudan, Tonga, and Zambia.** The Commonwealth Secretariat has partnered with the Technology Bank on the TNA of Bangladesh. TNA identify technological gaps and priority needs, as a first step towards developing coherent and integrated strategies that are tailored to the specific situation of the country under review. The TNAs and the Productive Capacities Gap Assessment can complement each other.

To outline the opportunities I have identified the following points for the LDCs:

Technology Transfer

Firstly, facilitating technology transfer to LDCs to stimulate adaptation and diffusion of technologies that will enable LDCs to leapfrog previous technological paradigms and transform their economies in the new decade. As technologies are in the hands of private sector, strong engagement with the private sector is critical for the success of the technology transfer. In 2020 the Bank undertook a demonstration project towards scaling up of medical technologies and diagnostics through technology transfer on voluntary basis and has seen production of filter masks produced in Costa Rica using technology from Turkey for the local and regional market. A South-South collaboration in response to COVID-19. It is therefore important for the LDCs to create an enabling environment that promotes foreign investors to contribute to building local technological capabilities. The promotion of technology acquisition, adaptation, diffusion and use needs to be prioritized if the LDCs are to make significant progress in achieving diversification and industrial development objectives. The Technology Bank is in the process of establishing a digital technology transfer platform to assist LDCs in technology scouting, identification and implementation of technologies.

Moderator, noting the current discussion in the WTO on the TRIPS Waiver to ensure secure and rapid access to vaccines and other medical products needed to combat COVID-19 it is important to note that would be a step forward. However, the plight of many LDCs will not be addressed as

they have limited capacities to utilize those provisions, thus a solution to address their immediate needs still has to be realized noting they generally have weak health infrastructure. Building their productive capacities is solution respond to other challenges and to accelerate the realization a more inclusive and sustainable 2030 Agenda.

Bridging the digital divide

Secondly, closing the digital divide and promoting connectivity in LDCs are essential contributors in building resilient for LDCs to join other countries in advancing their economies and benefiting from rapid expansions that digital technology offers. Therefore, access to affordable broadband Internet complimented by enhance digital skills will ignite innovation and generate entrepreneurs and startup to create needed jobs, improve growth prospects and contribute to economic resilience. The Technology Bank has joined the Alliance for Affordable Internet (A4AI), an initiative of the World Wide Web Foundation, a global coalition working to drive down the cost of internet access in low- and middle-income countries through policy and regulatory reform. Moreover, the Bank supports the implementation of the 8 key areas for action in the Secretary General's Roadmap to Digital Cooperation

Capacity development

Thirdly, building digital capacities to make up for skill gaps in industry and research facilities is critical. For example the Bank is supporting exchange visits of up to six months at the International Centre for Genetic Engineering and Biotechnology laboratories in [Trieste](#) (Italy), [New Delhi](#) (India) and [Cape Town](#) (South Africa) in the fields of biomedicine, biotechnology and agriculture. Moreover, the programme will provide training in biotechnology policy and regulatory science. The Technology Bank is also strengthening the capacity of Academies of Science in to act as advisors to the government and industry on science, technology and innovation to assist in directing science and technology policies to be integrated into national development plans.

Financing

There exists a large and persistent gap between support needed and support provided in terms of finance, technology and capacity building. Urgent need is required for LDCs to mobilize domestic resources as well as for development partners to provide concessional start-up finance for LDCs businesses, which invest in new technologies. Institutions like UNCDF can be a vehicle for supporting LDCs in acquiring finance towards building productive capacities. A call for LDCs to access special drawing rights from the IMF and some other international organizations has been mentioned a number of times before and during this prepcomm. Governments can also provide an enabling environment for example reducing import duties on STI infrastructure and devices to lower the cost for the citizens to acquire internet enabled devices.



How can LDCs, with the support of development partners, place fostering of productive capacities at the center of their domestic policies and strategies?

STI is cross cutting and there is need to promote coordination, coherence, and cooperation across the different ministries, departments and sectors through integration of STI into national development plans to enhance synergy and efficiency. In cooperating the role of academies of sciences can also provide scientific and evidence based advise to governments that can integrate productive capacities into national development plans.

How can the LDC5 conference contribute to expanding productive capacities of LDCs for sustainable development as a key part of the new programme of action?

The conference should have an ambitious outcome that will make up for the lost gains due to COVID19 and Build Back Better towards the achievement of SDGs. Integrating productive capacities in the programme of action will provide a coordinated, synergized and integrated approach to the development of LDCs. LDCs cannot use the past methods nor approaches to development, they have to structurally transform their economies by building productive capacities, leveraging science, technology and innovation and importantly developing digital skills and enhancing institutional capacities for policy formulation and regulation.

Graduation with momentum is the ultimate goal for many LDCs.

I thank you for your attention and will await questions during the interactive discussion.