



**GROUP OF 77 & CHINA
G E N E V A**

**Statement by
His Excellency Mr. Nasir Ahmad Andisha
Ambassador and Permanent Representative of Afghanistan
Chairperson of the Group of 77 and China
at the Sixty-Eighth Session of the Trade and Development Board**

**Item 2 – High-level segment: Extraordinary times call for extraordinary measures:
Preparatory meeting on the road to UNCTAD 15 and LDC5**

(b) LDCs Priorities for the Road to LDC5

President of the Trade and Development Board Ambassador Maimuna Tarishi of Tanzania,
Acting Secretary-General of UNCTAD Madame Isabelle Durant,
Distinguished panelists,
Excellencies,
Ladies and Gentlemen,

1. The Group of 77 and China would like to thank the distinguished panelists for their excellent contributions on this topic. The Deputy Secretary-General of the United Nations has provided important insights as to the preparations for UN-LDC 5 and on the priorities for LDCs. Minister Dos Santos Fernandes of Angola, UN-LDC5 co-Chairs Ambassador Fatima and Ambassador Rae, as well as Dr. Okogu and Mr. Ocampo Gaviria, have all made important contributions to enhance our overview of this matter, for which our Group is very grateful.
2. As the Group of 77 and China, we believe that all developing countries share two main challenges presently: first, to recover from the lingering COVID crisis; and second, to set up and strengthen the bases to achieve sustainable and inclusive development over the medium term. The necessary condition to pursue these priorities is to build, expand and upgrade their productive capacities. This plight is nevertheless much more pressing for the LDCs, given the multitude and gravity of the interrelated challenges they face.
3. Indeed, the LDCs face an even more daunting task, because of the lack of resources — financial, budgetary, institutional— available to them in order to face the multi-faceted challenge of their development prospects. The low level of development of productive capacities of LDCs leaves them with very narrow policy space. Hence, LDCs need support from the international community to develop their productive capacities. Therein lies the crucial role that international support measures (ISMs), which should play in supporting the development efforts of LDCs.
4. The international support measures (ISMs) in place for LDCs, however, have so far had limited effects on the development of productive capacities in these countries. Therefore, their progress towards graduation has also been limited. Donor countries still need to fulfill the commitments reiterated in the 2030 Agenda for Sustainable Development to achieve the target of 0.15 per cent to 0.20 per cent of gross national income for official development assistance (ODA) to LDCs.
5. Moreover, the next plan of action for the LDCs for the decade 2021-2030, to be adopted during the Fifth United Nations Conference on the Least Developed Countries (UN-LDC5), needs to launch a new generation of ISMs in favour of LDCs, and continue the same for a few more years after their

graduation to support their smooth transition, in the fields of trade, finance, technology and capacity-building.

6. The new generation of ISMs should be complemented by means of a coherent programme of strengthening the institutional capacities of LDCs for the design and implementation of policies and strategies of development of productive capacities and of structural economic transformation. This concerns especially institutional capacities to fulfil the developmental role of the State. Such support needs to be based on the principles of country ownership and alignment with national development priorities.

7. Our Group believes one of the main elements of such adequate support would be the development of productive capacities, which should be placed at the centre of the next plan of action for the LDCs for the decade 2022-2031.

8. LDCs need to achieve graduation with momentum, so that it does not entail a setback in their development process, rather marking a point in the process of advancing towards sustainable development. This requires long-run preparation and adequate support.

9. For instance, the international community needs to provide significant additional resources for climate finance, including resources earmarked for LDCs, and strengthen the institutional support to accessing and managing them, in line with the principle of common but differentiated responsibilities. Members of the World Trade Organization need to sustain and strengthen their support in facilitating the accession of LDCs to WTO.

Madame President,

10. The Group of 77 and China believes that UNCTAD should play a major role in the implementation of the new plan of action for LDCs to be adopted during UN-LDC5, given the implication of UNCTAD with the LDCs since the establishment of the category and the high skills it has accumulated on this subject over more than 50 years.

11. To this end, one output we could foresee is for UNCTAD to put in place an institutional mechanism to perform the systematic evaluation, monitoring and diagnosis of the evolution of the level of productive capacities of LDCs. This work should build on UNCTAD's Productive Capacities Index by means of the Productive Capacities Gap Assessment.

12. At the same time, UNCTAD should expand its research on productive capacities and structural transformation, including policy analysis and the formulation of policy guidelines, frameworks and recommendations. This policy element should be the subject of in-depth policy dialogue between the UNCTAD secretariat and policymakers of LDCs, with a view to providing support for the bolstering of institutional skills and capabilities.

13. Finally, UNCTAD should assist LDCs in the formulation of policies and mechanisms that foster the building of technological capabilities, thereby contributing to bridge the digital divide, both through relevant domestic policies, as well as through negotiating with owners of technology in the developed countries.

14. The Group of 77 and China, in its continued spirit of solidarity, is ready to support the LDCs in their development plight, while ensuring that UNCTAD remains committed to provide multi-pronged support to the LDCs. The Group of 77 and China believes it is important that we agree on a concrete message out of this important session, and we will therefore be proposing to adopt agreed conclusions under this agenda item for consideration by the Board.

I thank you, Madame President.