



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

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**Statement by His Excellency Mr. Chad Blackman
Ambassador and Permanent Representative of Barbados on behalf of the
Group of 77 and China at the 71st Executive Session of the Trade and Development Board**

*Agenda item 4 – The Least Developed Countries Report 2021: The Least Developed Countries in
the Post-COVID World: Learning From 50 Years of Experience*

10 February 2022

President of the Trade and Development Board Ambassador Maimuna Tarishi of Tanzania,
Secretary-General of UNCTAD, Ms. Rebeca Grynspan,
Director Paul Akiwumi of the Division for Africa, LDCs and special programmes,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

1. The Group of 77 and China would like to start by expressing its appreciation for the Least Countries (LDC) Report 2021. The timely choice of the topic, “*The least developed countries in the post-COVID world: Learning from 50 years of experience*” and depth of analysis reflected in the report are welcome by our Group. The report confirms the critical importance of UNCTAD’s longstanding work on LDC issues and its commitment to producing research and analysis that is policy-relevant for LDCs, and the development community at large.
2. Looking back at 50 years of development experience as a classified Grouping can assist in devising more effective development policies and strategies for the future. The past performance of LDC economies has been tumultuous. Half of the countries within this grouping have fallen behind the pace of economic growth in the rest of the world. This this dismal growth and development performance, has meant that only six countries have graduated from LDC status over the last five decades, and even though the pace of graduation is expected to pick up somewhat in the future. Moreover, the adverse impacts of the COVID-19 pandemic have caused LDCs to back track on several fronts of their development, especially in terms of poverty, hunger and education.
3. LDCs are at a critical juncture. Their present circumstances require them to undertake several monumental and transformative tasks at the same time. Firstly, recovery from the current COVID-19 induced slump is a matter of urgency. Secondly, we are less than a decade away from the deadline of the 2030 Agenda for Sustainable Development, and the pandemic has driven LDCs farther away from reaching the multiple SDG targets. Thirdly, LDCs will need to start implementing the Doha Programme of Action, which will soon be adopted.
4. In order to face these contemporaneous and overlapping development challenges, it is envisioned that UNCTAD’s research and policy analysis work will provide invaluable assistance.

5. To overcome the current economic slump, most LDCs still need to undertake the massive rollout of the COVID-19 vaccine. Only thereby will they overcome the present vaccine divide that separates most LDCs from the rest of the world. To avoid this situation repeating itself when future crises arise, the LDCs and their development partners need to devise a way to develop local production of vaccines in LDCs. This requires not only the cooperation of development partners, but also new initiatives of international policy measures in the fields of industrial policy, investment, intellectual policy rights, capacity-building and financing for development.

6. The example of vaccines is just one among many. LDC generally have a dire need to develop their productive capacities and add more value to the commodities and products they produce and export. It is only then that they can they reach their major development goals. As the report rightly shows, the achievement of structural transformation in LDC economies requires a substantial investment drive, which cannot be financed from domestic sources alone. Therefore, the international community needs to mobilize resources in volumes and conditions which are quite different from those that presently prevail. New and bold alternatives need to be conceptualised. While there is much excitement around blended financing, this certainly cannot be the central solution for LDCs' gaps in financing for development.

7. As a first step, the growing external debt burden of LDCs needs to be addressed. The rising foreign debt trend was developing already before the pandemic and was accelerated by this global phenomenon. In a context in which international interest rates are slowly rising, the problem of debt distress in LDCs is likely to be aggravated in the near future. Avoiding more serious consequences requires a systematic debt restructuring mechanism and the participation of private sector creditors in debt cancellation initiatives.

8. In the field of development finance, the Group of 77 and China expects bolder initiatives to be taken in relation to the reallocation of the new emission of the Special Drawing Rights of the International Monetary Fund (IMF). LDCs should receive a share of the total value which is well above its IMF quotas.

Madame President.

9. The Group of 77 and China would like to draw the attention of this session of the Trade and Development Board to a few of the issues that are highlighted in the soon to be adopted Programme of Action for LDCs.

10. Since it will be implemented over the next decade, new mechanisms will need to be put in place to assist LDCs reach their development objectives in the face of a changing international environment. Post-COVID recovery, the rolling out of the digital revolution and the acceleration of the climate crisis are just some of the new issues which that are being confronted by LDCs. The international support mechanisms (ISMs) in place are not fit for purpose in view of these new realities. Therefore, the idea of a new generation of ISMs needs to be actively pursued and implemented.

11. New ISMs are especially needed in the areas of financing for development and transfer of technology, which have been the weakest points of development partner assistance to LDCs. LDCs need additional and effective assistance in order to build their productive capacities, strengthen their domestic enterprise sector, acquire superior technological capabilities and thereby achieve broader development goals.

Madame President,

12. The Group of 77 and China calls on UNCTAD to assist LDCs in the implementation of their new programme of action, especially by means of its work on research and analysis, and technical cooperation programmes. UNCTAD should continue ongoing activities in favour of LDCs and initiate new ones that emerge from the new Programme of Action and the Bridgetown Covenant, including LDC-specific work by UNCTAD – such as vulnerability profiles, smooth transition strategies, graduation with momentum – and the traditional areas of technical assistance of UNCTAD, namely trade policy, industrial policy, investment policy and development strategies. Among the areas of work emerging from the Doha Programme of Action, the Group of 77 and China anticipates UNCTAD to be actively involved with capacity-building activities, for example, the proposed Investment Centre for LDCs and Productive Capacities Gap Assessments.

13. We would like to conclude by reaffirming the support of the Group of 77 and China to the continued work of UNCTAD on LDCs.

I thank you.