

**Asia Pacific Group
G E N E V A**

**Statement of the Asia Pacific Group
at the 75th Executive Session of the Trade and Development Board
12-14 February 2024 | Geneva, Switzerland**

***Agenda Item 3 – The Least Developed Countries Report 2023: Crisis-
resilient Development Finance (UNCTAD/LDC/2023 and
Overview)***

**President of the Trade and Development Board,
Secretary-General of UNCTAD, Madame Rebeca Grynspan,
Excellencies, Distinguished delegates,
Ladies and gentlemen,**

1. I have the honour to deliver this statement on behalf of the Asia Pacific Group.
2. At the outset, the Asia-Pacific Group wishes to align itself with the statement made by Cambodia on behalf of the Group of 77 and China. The Group would like to commend the UNCTAD Secretariat for the choice of topic and in-depth analysis.

Mr. President,

3. The LDCs have been battered by the succession of crises: the spiralling impacts of COVID-19 pandemic, the slowdown of the world economy, the worldwide effects of ongoing conflicts, and the ensuing explosion of the prices of food and energy, the sharp rise in interest rates of developed countries, and the rising level and cost of external debt. Independently of how the decade continues onwards, it has started with LDC countries experiencing years of backtracking on development, be it in terms of its previous achievements on poverty, health, education or wellbeing of the populations.
4. The outlook for the remainder of the 2020s and for the realization of the Sustainable Development Goals do not look promising, in particular for

LDCs. The gap in financing for the Sustainable Development Goals alone in all developing countries, including LDCs, is now about \$4 trillion per year– up from \$2.5 trillion in 2015 when the Goals were adopted.

5. We take note of the Report’s observation that the LDCs face challenges in terms of decisions that shape international financial flows, resulting in external financial flows that are not always aligned with LDCs’ national development goals and objectives. The report indicated a deepening debt crisis.
6. In addition to challenges highlighted above, LDCs are in the front line of the climate crisis. By their classification, LDCs are the most environmentally vulnerable, with instability in agriculture and falling victim to natural disasters. LDCs account for less than 4% of global greenhouse gas emissions, and yet they are on the most affected. In addition, the LDCs are the least equipped to deal with the adverse consequences of climate change or to bounce back when economies and societies are hit by external environmental shocks.

Mr. President,

7. For a timely achievement of SDGs, financing is one of the most critical factors. Unfortunately, the international financial infrastructure is barely aligned with the SDGs, nor can it respond to the financial needs of developing countries including LDCs especially during crises. LDC’s fiscal space is rather limited for them to work on SDGs. Today, we urgently need an international financial architecture that will help LDC countries receive concessional, low-cost, low-interest-rate funds, with minimum conditionalities.
8. Furthermore, the LDCs need to be provided with adequate assistance to overcome both national challenges and mitigate external threats inter-alia the effective implementation of the international climate finance of USD 100 Billion USD per year, green technology transfers and absorptive capacity, green structural transformation, and smooth transition towards a low-carbon economy. Granting LDCs priority for IDA soft loan, greater adaptation related climate finance etc. have long been argued. Ideas covered in the LDC Report 2023 such as rechanneling of Special Drawing Rights(SDR)s from developed

countries so as to be leveraged by MDBs to fund LDCs as well as new and additional Loss and damage Fund open for LDCs in the form of grants are worth implementing. In sum, LDCs need new, green, and additional funds, preferably as grants and concessional loans.

9. For graduating LDCs, there should be some incentives for their performance. They should enjoy the international support measures for LDCs for an extended period of time for smooth and sustainable transition. There can be some innovative and transition financing mechanisms for them to adjust to the concessional funding gaps.

Mr. President,

10. Our world must do better with LDCs. The international community must realise their commitment to the LDCs expeditiously. We cannot fail the 880 million people of in LDCs.

11. I thank you, **Mr. President.**

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