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**Contribution of UNCTAD to the implementation of the
Programme of Action for the Least Developed Countries
for the Decade 2011–2020**

Activities carried out in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020

Note by the UNCTAD secretariat

Summary

This report is prepared pursuant to paragraphs 153 and 156 of the Programme of Action for the Least Developed Countries for the Decade 2011–2020, also known as the Istanbul Programme of Action. The report provides a description of activities carried out by UNCTAD in April 2019–June 2020, taking into consideration the challenges brought about by the global coronavirus disease (COVID-19) pandemic. It describes the impact of the work of UNCTAD on trade and development in the least developed countries (LDCs). Results have been achieved across the three pillars of the work of UNCTAD, namely, research and policy analysis, intergovernmental consensus-building and technical cooperation. The report provides a non-exhaustive list of examples of how UNCTAD is delivering results in LDCs, as well as lessons learned and policy recommendations for the way forward.



I. Introduction

1. Since its adoption in May 2011 by the Fourth United Nations Conference on the Least Developed Countries, the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (also known as the Istanbul Programme of Action) has focused global attention on, and called on the international community to take action to address, the many socioeconomic development challenges faced by the world's 47 most vulnerable countries.¹

2. At the midterm review of the Programme held in Antalya, Turkey, in May 2016, Heads of State and Government and High Representatives adopted a political declaration recommitting to the goals of the Programme and calling for its accelerated implementation. Despite these concerted efforts, LDCs as a group continue to perform poorly against the goals and targets of the Programme, and it is unlikely that the final year will bring a significant shift in progress, in particular given the setbacks in development processes brought about by the COVID-19 crisis.

3. The overall landscape of countries' graduation from the category is as follows:

(a) Since the creation of the list of LDCs in 1971, five countries have graduated, namely, Botswana (December 1994), Cabo Verde (December 2007), Maldives (January 2011), Samoa (January 2014) and Equatorial Guinea (June 2017);

(b) The graduation of Vanuatu from the list of LDCs was endorsed by the General Assembly in December 2015 following the recommendation of the Committee for Development Policy in 2012 and is scheduled for December 2020, following the setbacks faced in the wake of Tropical Cyclone Pam in March 2015, which delayed graduation;

(c) The graduation of Angola was endorsed by the General Assembly in February 2016, following the recommendation of the Committee in 2015, and is scheduled for February 2021;

(d) In a resolution in 2018, the Economic and Social Council recalled the Committee's recommendation for the graduation of Tuvalu and decided to defer the consideration of that recommendation to no later than 2021;²

(e) In the same resolution, the Council also decided to defer its consideration of the graduation of Kiribati to no later than 2021, after the Committee had recommended its graduation in its review in March 2018.

(f) In the same review, the committee had recommended the graduation of Bhutan, Sao Tome and Principe and Solomon Islands, and the General Assembly endorsed this recommendation in December 2018;³

(g) Also in the same review, the Committee had found that Nepal and Timor-Leste were technically eligible for graduation for the second time, but did not recommend reclassification;⁴

(h) Also in the same review, the Committee had found that there were three countries in Asia eligible for graduation, namely, Bangladesh, the Lao People's Democratic Republic and Myanmar. Notably, Bangladesh and Myanmar are the first examples of pre-qualification following exceeded performance thresholds under all three graduation criteria (per capita income, human assets and economic vulnerability).

4. UNCTAD is responsible for helping developing countries, including LDCs, to integrate beneficially into the global economy in support of inclusive and sustainable growth and development. UNCTAD contributes to effective responses to the related challenges through its integrated treatment of trade, finance, investment, technology and sustainable development to support the accomplishment of the internationally agreed

¹ A/CONF.219/7.

² E/RES/2018/27.

³ A/RES/73/133.

⁴ E/2018/33.

development agendas included in the Istanbul Programme of Action, the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, among others. Against this background, this report provides an overview of the activities carried out by UNCTAD between the second quarter of 2019 and the second quarter of 2020.

5. The outbreak of the COVID-19 pandemic will likely have significant impacts on LDCs. The interplay between the COVID-19 outbreak, the contraction in demand, globally and even more so in some of the major trading markets of LDCs, and the decline of international commodity prices will likely reverse the limited progress that has been made in poverty reduction, among other development indicators. While all countries have been adversely affected by the health and economic crises, the countries affected the most are those most vulnerable to exogenous shocks (whether economic or health-related) and which have the least resilience in terms of resources (economic, financial and/or institutional) to withstand such shocks and/or to rebound after impact. Furthermore, it is possible that some countries whose graduation had been foreseen for the 2020–2024 period will request the postponement of their graduation date.

II. Research and analysis

6. *The Least Developed Countries Report 2019: The Present and Future of External Development Finance – Old Dependence, New Challenges* discusses the impact of the evolving development finance landscape on the world's poorest countries. It argues that while the new aid architecture presents a wider array of external finance sources for LDCs, this has not translated into meaningful increases in development finance. Instead, the landscape is characterized by an increased number of actors and instruments and more complexity and opacity. In order to best manage and eventually remove aid dependence, LDCs need to play a more proactive role to ensure that external finance from all sources is directed to national development priorities.

7. *Economic Development in Africa Report 2019: Made in Africa – Rules of Origin for Enhanced Intra-African Trade* argues that rules of origin are a cornerstone of the effective implementation of preferential trade liberalization among members of the African Continental Free Trade Area, without which gains cannot accrue towards Africa. It further suggests that rules of origin should consider different levels of productive capacities and competitiveness between countries, to help foster regional production. The report highlights complementary policies such as business, competition and trade facilitation measures, which are critical to ensuring trade creation rather than trade diversion. It also sheds light on practices that impact the ability of firms to specialize and participate in regional and global value chains.

8. *Building and Utilizing Productive Capacities in Africa and the Least Developed Countries: A Holistic and Practical Guide* provides a comprehensive and operational framework for developing productive capacities in LDCs. It adopts a holistic approach to productive capacity development, which underscores the need to build new productive capacities, as well as enhance the utilization rates of existing capacities. It also provides actionable policy recommendations and instruments that countries in Africa and LDCs could adopt to help develop productive capacities.

9. *World Investment Report 2019: Special Economic Zones* provides a comprehensive analysis of foreign direct investment trends in LDCs. Although foreign direct investment flows to LDCs recovered in 2018, up 15.1 per cent from 2017, reaching \$23.8 billion and representing 1.8 per cent of global inflows, inflows to LDCs declined by 6 per cent to \$21 billion in 2019, down to 1.4 per cent of global inflows. Foreign direct investment in the 33 LDCs in Africa rose by 17 per cent to a three-year high of \$12.4 billion, while foreign direct investment in the nine LDCs in Asia fell for the first time in eight years, to \$8.6 billion, a decline of 27 per cent.

10. In 2019, UNCTAD published an investment trends monitor providing an overview of trends and issues in foreign direct investment in LDCs, and an analysis and updates on investment trends, opportunities and challenges in LDCs. The monitor is prepared annually

as part of a set of activities for the United Nations system Chief Executives Board for Coordination, to help increase the coverage, scope and effectiveness of the United Nations system's support for investment promotion in LDCs.⁵

11. *World Investment Report 2020: International Production Beyond the Pandemic* states that the outlook for foreign direct investment in the 47 LDCs is extremely weak. Necessary health measures to control the spread of COVID-19 hinder the implementation of ongoing and announced investment projects. LDCs are highly dependent on investment in natural resources, which is negatively affected in particular by oil and commodity price shocks. Tourism-dependent LDCs will also see a fall in foreign direct investment in this industry. The value of announced greenfield foreign direct investment projects was already down in 2019 and contracted further, by 19 per cent, during the first quarter of 2020. Moreover, lower levels of corporate earnings of multinational enterprises will affect reinvested earnings, which constitute an important part of foreign direct investment in some LDCs. The decline in foreign direct investment will add to the economic problems in LDCs. Although the decline in the gross domestic product forecast for LDCs as a group is less than that forecast for the rest of the world, the pandemic could still undo much of the modest progress made during the decade of the Istanbul Programme of Action.

12. *UNCTAD Creative Economy Outlook: Trends in International Trade in Creative Industries 2002–2015 and Country Profiles 2005–2014* was the second publication in this series. It demonstrates that not only has there been significant growth in the creative economy in developing countries and LDCs, but that the sector can also make a valuable contribution to the achievement of the Sustainable Development Goals. The publication contains country profiles of 12 LDCs.⁶

13. In accordance with General Assembly resolution 59/209, UNCTAD, in 2019–2020, prepared a vulnerability profile for three countries that the Committee for Development Policy had found pre-eligible for graduation from the list of LDCs, namely Bangladesh, the Lao People's Democratic Republic and Myanmar. UNCTAD aimed to highlight the main external shocks facing the relevant economies. From March 2020, special attention was paid to the impact of the COVID-19 pandemic. UNCTAD and the Ministry of Planning and Investment of the Lao People's Democratic Republic held a validation workshop in October 2019.

14. In 2019, UNCTAD launched the Sustainable Development Goals Pulse to provide in-depth information on indicators under the Sustainable Development Goals. The thematic "in focus" section in 2019 provided a statistical analysis of inequality and in 2020, an analysis of the COVID-19 pandemic from a statistical perspective.⁷

III. Consensus-building

15. The General Assembly, in its resolution 74/232, called upon UNCTAD to focus its analytical work on LDCs, "with an emphasis on productive capacities, and their measurement, on structural transformation and on their trade and development linkages, as a contribution to the understanding of the fundamental mechanisms leading LDCs to overcome their structural handicaps and reach their development goals" and also recalled the work of UNCTAD, jointly with other agencies, to set up a capacity-development programme for the investment promotion agencies of LDCs. In addition, the General Assembly requested the undertaking of sectoral appraisals on the implementation of the Istanbul Programme of Action as inputs to the preparation for the Fifth United Nations Conference on the Least Developed Countries and that appropriate inter-agency meetings should be convened in order to ensure the full mobilization and coordination of the entire United Nations system.

⁵ CEB/2017/HLCP33/INF.1.

⁶ Afghanistan, Burkina Faso, Burundi, Cambodia, Gambia, Guinea, Madagascar, Malawi, Mozambique, Niger, Senegal, Togo.

⁷ See <https://sdgpulse.unctad.org/in-focus-inequality/> and <https://sdgpulse.unctad.org/covid-19>.
Note: All websites referred to in footnotes were accessed in July 2020

16. UNCTAD participates in the deliberations of the Committee for Development Policy, including in the annual plenary sessions of the Committee organized in New York. At the meeting in February 2020, UNCTAD shared analysis on LDCs based on the results of its productive capacities index and emphasized the need for productive capacities to feature as the central element in the next programme of action for LDCs. This was recommended by the Committee for Development Policy to the United Nations Economic and Social Council.⁸

17. The annual ministerial meeting of LDCs held in September 2019 in New York adopted a ministerial declaration, which noted with appreciation the capacity development programme for the investment promotion agencies of LDCs developed by UNCTAD jointly with other agencies.⁹ In 2019, at the sixty-sixth session of the Trade and Development Board, delegates had addressed the lack of political visibility of the work of UNCTAD and noted that better integration of the UNCTAD New York Office in the United Nations system was needed.¹⁰ The Economic and Financial Committee held a thematic debate on agenda item 21 of the seventy-fourth session of the General Assembly, on groups in special situations, at which UNCTAD highlighted some of its work in LDCs.

18. UNCTAD organized an ambassadorial-level retreat for the LDC Group in February 2020 in Geneva, to assist members of the Group in the ongoing preparation for the Fifth United Nations Conference on the Least Developed Countries. The meeting was attended by 15 ambassadors and 30 other representatives from 29 permanent missions in Geneva.¹¹ Based on the discussions, UNCTAD prepared an outcome document that was widely distributed among relevant stakeholders to assist in the preparation for the Fifth United Nations Conference on the Least Developed Countries.

19. UNCTAD supported negotiations at the World Customs Organization on the International Convention on the Simplification and Harmonization of Customs Procedures (as amended). In this regard, UNCTAD provided advisory services on the development of a proposal to update annex K on rules of origin and participated in working group meetings and the management committee meeting, held in April, June and November 2019.

20. UNCTAD actively participates as a member of the board of the Enhanced Integrated Framework, a multi-agency and multi-donor programme for the coordinated delivery of trade-related technical assistance and institutional capacity-building for LDCs.

IV. Technical cooperation

A. Graduation

21. A study on the strategy of Bhutan for a smooth transition to post-LDC status was undertaken in 2019, to substantively support the formulation of the Government's strategy.

22. A national workshop in the Lao People's Democratic Republic was held in September 2019, with a focus on the primacy of productive capacity-building in the country's efforts to gain economic resilience.

23. A workshop on the implications for Myanmar of its pre-eligibility for graduation from the list of LDCs was held in June 2019. The workshop offered an opportunity to review the progress made by Myanmar towards the graduation thresholds and to examine the broad implications of the expected change of status, notably the potential benefits of graduation and the possible adverse consequences. Some 60 representatives from the Government and the private sector took part and 51 per cent of participants were women.

⁸ E/2020/33, paragraph 91.

⁹ A/74/475.

¹⁰ TD/B/66/7.

¹¹ Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Chad, Djibouti, Ethiopia, Gambia, Haiti, Lao People's Democratic Republic, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Senegal, Solomon Islands, Somalia, Sudan, Togo, Uganda, Yemen, Zambia.

24. A national workshop on the strategy of Vanuatu for a smooth transition was jointly organized by UNCTAD and the United Nations Department of Economic and Social Affairs in Geneva in August 2019. The workshop enabled officials to elaborate a national strategy within two months.

B. Productive capacities

1. Benchmarking productive capacities

25. Building productive capacities, which is a crucial condition for economic diversification and sustainable economic growth, is a key objective of the Istanbul Programme of Action. As part of a Development Account project, UNCTAD assisted several LDCs by training government officials to develop productive capacities indices and use them to support evidence-based policymaking.¹² A regional capacity-building training session for Africa was held in Namibia in April 2019. Nearly 65 statistical experts, senior policy advisers and practitioners from 12 countries in Africa, including 6 LDCs,¹³ attended the workshop.

26. UNCTAD is working with the Ministry of Trade, Industry and Handicrafts in Burkina Faso to prepare an operational document and background paper on developing productive capacities in the country. The paper will form the basis of a workshop scheduled to be held in the last quarter of 2020.

27. In October 2019, UNCTAD supported national statistical offices and academics in the Lao People's Democratic Republic in developing the capacity to collect relevant data and compute their national productive capacities index, thereby strengthening the basis for evidence-based policymaking and improving the efficiency of development policies.

28. In December 2019, in Nigeria, UNCTAD organized a policy-oriented workshop on "Fostering productive capacities, structural economic transformation and export diversification in landlocked developing countries and other structurally weak West African economies", in collaboration with the Centre for the Study of the Economies of Africa (one of the Regional Centres of Excellence established by UNCTAD to enhance collaboration in undertaking joint activities, including the dissemination of its research and policy analysis work to inform policies and strategies in Africa). More than 55 participants took part, including from 12 LDCs. The event introduced the productive capacities index and assessed the performance of economies in West Africa using this new tool.

29. UNCTAD assisted the Ministry of Trade and Industry of Rwanda in the context of a Development Account project on coherent strategies for developing productive capacities in Africa.

2. Export diversification in niche commodities

30. UNCTAD continued to implement a project funded by the Common Fund for Commodities on finding opportunities for niche commodities from developing countries in health-food markets. The project aims to build the capacities of selected landlocked developing countries, including four LDCs,¹⁴ to foster productive capacities and diversify exports by identifying and harnessing the export potential of health-food commodities and nutraceuticals. The project aims to identify the principal obstacles to the development and expansion of exports in these sectors and propose policies and measures to address them.

¹² The productive capacities index is a composite index for measuring the state of productive capacities in economies on the basis of a set of subindices, covering areas such as human capital, energy, structural transformation, transport, information and communications technology, innovation and technology and private sector development.

¹³ Burundi, Ethiopia, Rwanda, South Sudan, Togo, Zambia.

¹⁴ Bhutan, Burkina Faso, Ethiopia, Nepal.

3. Harnessing the potential of the fisheries sector

31. UNCTAD implemented a Development Account project on building the capacities of selected LDCs to upgrade and diversify their fish exports. In May 2019, following the memorandum of understanding signed with the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping of Mauritius, UNCTAD delivered the second regional training course in Mauritius, held in collaboration with the Ministry, in the newly established UNCTAD Centre of Excellence. Participants benefited from hands-on training and site visits. More than 50 participants, including 17 participants from eight LDCs,¹⁵ benefited from the training, as well as the sharing of knowledge, national experiences and good practices.

C. Trade and trade facilitation

1. World Trade Organization

32. UNCTAD continued to provide technical support to LDC delegations on issues related to the World Trade Organization, including accession and rules of origin. UNCTAD assisted the LDC Group in their preparation for the meeting of the Committee on Rules of Origin held in May 2019, including the preparation of negotiating documents.¹⁶ In October 2019, UNCTAD organized a thematic retreat on rules of origin in Lausanne, Switzerland. The retreat was held as part of a series of preparatory activities for the meeting of the Committee on Rules of Origin held in October 2019. In this regard, UNCTAD organized an executive training session and supported the preparation of two LDC Group papers that were submitted to the World Trade Organization.¹⁷ Two bilateral training sessions were also held with the LDC Group. Drawing on the long-standing cooperation between UNCTAD and the European University Institute in Florence, Italy, an executive workshop was organized by the Institute in April 2019 on trade negotiations in an era of uncertainty. On the basis of this partnership, LDC Governments enhanced their understanding of market access rules and capacity to negotiate on rules of origin at the World Trade Organization. A memorandum of understanding was signed with the Institute to establish an UNCTAD Centre of Excellence.

2. African Continental Free Trade Area negotiations

33. LDCs in Africa benefited from frequent capacity-building support through UNCTAD participation in the African Continental Free Trade Area Negotiating Forum, Continental Task Force and related working groups, as well as assistance to regional economic communities in regional consultations and training activities on trade in goods and services. UNCTAD attended the fifteenth meeting of the Negotiating Forum in May 2019 to finalize work on rules of origin and presented a technical note on the treatment of origin in special economic zones. Support was also extended to individual countries. For example, Zambia was assisted in the preparation of a study to assess the impact of the African Continental Free Trade Area on its economy and trade, which was presented to national stakeholders in December 2019. UNCTAD delivered capacity-building training and commented on aspects of the draft investment protocol of the African Continental Free Trade Area Agreement.

3. Strengthening trade policymaking capacity

34. UNCTAD began to implement a Development Account project on “Strengthening services trade policymaking for Africa’s integration into regional value chains in support of the 2030 Agenda”. UNCTAD delivered seminars in three of the project beneficiary

¹⁵ Bangladesh, Burundi, Comoros, Haiti, Madagascar, Sudan, Gambia, Uganda.

¹⁶ World Trade Organization, 2019, Further evidence from utilization rates, G/RO/W/186, Geneva, 8 May; World Trade Organization, 2019, Rules of origin based on a tariff classification, G/RO/W/184, Geneva, 7 May.

¹⁷ World Trade Organization, 2019, Direct consignment rules and low utilization of trade preferences, G/RO/W/191, Geneva, 9 October; World Trade Organization, Further evidence from utilization rates: utilization by LDCs of China’s preference, G/RO/W/192, Geneva, 9 October.

countries, namely, the Gambia, Ethiopia and Mali, in May, June and July 2019, respectively. The target value chains were assessed qualitatively and quantitatively. In the context of inter-agency collaboration, the seminar was co-organized with the Economic Commission for Africa, the partner agency of the project.¹⁸

35. UNCTAD, with the United Nations Development Programme Regional Bureau for Arab States and the General Secretariat of the League of Arab States, conducted an advanced trade policy training programme for trade officials from LDCs in the region and members of the Greater Arab Free Trade Area, namely the Sudan and Yemen. The training was designed to address specific economic and trade-related challenges and constraints and how to foster their regional and global integration efforts to maximize development gains. Assistance was provided on mitigating the effects of ongoing conflicts and building long-term trade-related technical knowledge and skills in areas of trade policy, including data analysis and tools and accession to the World Trade Organization and post-accession support, as well as trade negotiations, including in the context of regional trade agreements. UNCTAD organized a regional workshop on trade in services for Arab States in October 2019 in collaboration with the United Nations Development Programme, under the project on trade support to Arab States of the United Nations Development Programme and the International Development Cooperation Agency of Sweden.

36. UNCTAD assists in the preparation and implementation of national trade policy frameworks. For example, on request from the permanent mission of Lesotho in Geneva, UNCTAD updated the consolidated national trade policy to reflect the most recent economic and trade performance of the country, the forthcoming expiration of the African Growth and Opportunity Act of the United States of America, the African Continental Free Trade Area, electronic commerce (e-commerce) and the digital economy and duty-free, quota free market access granted by the European Union and by developing countries such as China and India. Policy options in these areas were recommended. At the request of the secretariat of the Economic Community of West African States, UNCTAD assisted in conducting a regional services policy review to support the regional integration of services in West Africa and the region's participation in services negotiations under the African Continental Free Trade Area.

37. UNCTAD continues to promote enhanced awareness among LDCs on ways and means to better utilize the trade preferences available under various duty-free, quota-free market access conditions under the Generalized System of Preferences and other preferential schemes. In 2020, the *Generalized System of Preferences Handbook on the Scheme of Norway* and the *Handbook of the Preferential Tariff Scheme of the Republic of Korea in Favour of Least Developed Countries* were published, which provide reader-friendly information on the respective preferential schemes, including rules of origin.

38. The project "Integrating landlocked commodity dependent developing countries into regional and global value chains" aims to enhance the capacities of beneficiary economies, including two LDCs,¹⁹ to design and implement development policies and strategies to promote better integration into the regional and global value chains of key agricultural commodities, including roasted coffee in Ethiopia and maize in the Lao People's Democratic Republic.

39. In 2019, UNCTAD drafted a chapter on trade policy and regional integration for the Cambodia Trade Integration Strategy 2019–2023, launched in Geneva in July 2019 in the context of the Global Review of Aid for Trade in 2019. UNCTAD also drafted a trade policy document titled "Towards a new trade policy on market access for Myanmar: Identifying a positive agenda among challenges and opportunities".²⁰ In June 2019, UNCTAD held a validation workshop in Myanmar on emerging trade challenges, including the erosion and loss of preferential market access, rules of origin and regional trade under the Association of Southeast Asian Nations.

¹⁸ See <https://unctad.org/en/Pages/ALDC/Africa/UNDA-Project-1819I.aspx>.

¹⁹ Ethiopia, Lao People's Democratic Republic.

²⁰ See <https://unctad.org/en/pages/MeetingDetails.aspx?meetingid=2219>.

40. UNCTAD, as lead agency, in collaboration with the secretariat of the Enhanced Integrated Framework, concluded the update of the diagnostic trade integration study of the Democratic Republic of the Congo. A validation workshop was held in November 2019 in Kinshasa and some recommendations of the study will be integrated into the national development plan.

4. European Union–UNCTAD joint programme of support for Angola: Train for Trade II, 2017–2021

41. Angola has a relatively high per capita income compared with other LDCs, yet dependence on extractive sectors makes the economy vulnerable to negative external shocks. UNCTAD has been supporting Angola with Empretec entrepreneurship training and entrepreneurship policy development; a national green export review; and an investment policy review, as well as in building human resources and institutional capacities in commercial diplomacy, the creative economy, trade facilitation, transport and logistics.²¹ To date, 1,150 Angolans have benefited from training and policy-oriented activities, with about 20 per cent having participated in multiple capacity-building activities. Of the participants, about 48 per cent were from the public sector; 40 per cent, the private sector; and 12 per cent, academia and civil society. To date, the programme has trained 30 trainers to deliver future national courses, helped to identify eight new green product categories with potential for export and mapped value chains and supported the development of action plans for seven products. The investment policy review was published in 2019, with policy recommendations aimed at improving the investment climate and attracting more foreign investment. Over 250 small and medium-sized enterprises have been trained in the Empretec methodology. Six Empretec training workshops have been held, resulting in 160 Empretec graduates. A train-the-trainers workshop paved the way for the certification of the first two national Empretec trainers and a future national host institution has been identified. Assistance in the development of a national creative economy strategy has begun. The programme also helped Angola to implement the Agreement on Trade Facilitation of the World Trade Organization, supported the drafting of public–private partnerships and infrastructure financing regulations. The forthcoming trade logistics review is being planned.

5. Rapid eTrade readiness assessments

42. UNCTAD rapid eTrade readiness assessments help countries take stock of their e-commerce development and provide policy recommendations. The analysis is carried out in the following seven key policy areas: e-commerce strategy formulation; information and communications technology infrastructure and services; payment solutions; trade logistics and trade facilitation; legal and regulatory frameworks; e-commerce skills development; and access to financing for e-commerce. In 2019, UNCTAD prepared assessments for 10 LDCs.²² A workshop with more than 60 participants, mostly from LDCs, was organized during eCommerce Week 2019 to take stock of lessons learned.

43. In 2019, UNCTAD developed a monitoring mechanism to more effectively follow up on the implementation of actions and policy recommendations resulting from rapid eTrade readiness assessments. UNCTAD is monitoring and evaluating the impact of COVID-19 on the e-commerce and digital economy ecosystems in LDCs. To date, evidence has been collected from Cambodia, Kiribati, Myanmar, Senegal, Togo and Uganda on how public–private dialogue has been instrumental in tapping into the potential of e-commerce and digital solutions to respond to immediate challenges and lay the foundation for a more resilient recovery. A survey will be launched to assess impacts on e-commerce supply and demand and business and policy responses, to better understand the magnitude of the changes brought about by the crisis across e-commerce businesses and electronic marketplaces in LDCs.

²¹ See <https://unctad.org/en/Pages/ALDC/Technical%20Assistance/TFBK-Angola-Train-for-Trade-II.aspx>.

²² Afghanistan, Bangladesh, Benin, Kiribati, Lesotho, Malawi, Mali, Niger, Tuvalu, United Republic of Tanzania.

44. During the reporting period, UNCTAD provided technical assistance to Myanmar and Rwanda to develop national e-commerce strategies. Several fact-finding missions were organized and resulted in two draft strategy documents, which are expected to be finalized in 2020. Requests for preparing national e-commerce strategies have been received from Benin and Togo.

45. In 2019, under its eTrade for Women initiative, UNCTAD organized a series of master classes on advancing the empowerment of women through the use of information and communications technology. The initiative has identified seven leading digital entrepreneurs who are women to share their experiences with other women entrepreneurs in their countries and regions.

6. Automated System for Customs Data

46. At present, 39 LDCs worldwide are using or implementing the Automated System for Customs Data (ASYCUDA) for customs administrations, to help reduce customs clearance costs and time, deal with corruption and improve security. The ASYCUDA programme is currently implementing two regional projects involving LDCs, one for the implementation of regional transit in the Economic Community of West African States and one for the establishment of a joint ASYCUDA and Common Market for Eastern and Southern Africa support centre for the region. As required, countries receive remote technical and functional assistance from the UNCTAD central team. In 2020, most ASYCUDA user countries, including LDCs, have been focusing on implementing a paperless environment and adapting their customs procedures and risk management strategies to the COVID-19 crisis.

7. Trade facilitation

47. During the reporting period, UNCTAD provided technical assistance and capacity-building to 19 LDCs with regard to trade facilitation reforms, including implementation of the Agreement on Trade Facilitation.²³ Section II of the Agreement contains special and differential treatment provisions for LDCs, including self-assessment of implementation readiness, timing of implementation and needs assessment for assistance, and provides for the mandatory establishment of a national trade facilitation committee. UNCTAD has provided support for increased regulatory transparency through the implementation of trade information portals.

8. Empowerment programme for national trade facilitation committees

48. UNCTAD develops medium-term trade facilitation reform programme documents that serve as national trade facilitation road maps, to guide the implementation of national trade facilitation initiatives, aimed at boosting regional trade facilitation cooperation and integration. UNCTAD also provides in-country and remote technical advice on the categorization of Agreement on Trade Facilitation measures, notifications to the Trade Facilitation Committee under the Agreement and transparency measures. UNCTAD, with the support of the Economic Commission for Europe and the International Trade Centre, maintains a repository containing case studies from countries that have set up national trade facilitation committees.²⁴ Based on the data collected, an in-depth analysis of the operation of national trade facilitation committees and how they interpret and apply article 23.2 of the Agreement was published in April 2020.

9. Towards sustainable transport

49. UNCTAD research and analysis in the field of transport and trade logistics supports the formulation of informed policies and decisions affecting national transportation systems. The *Review of Maritime Transport*, published annually since 1968, disseminates

²³ Angola, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Guinea, Kiribati, Lesotho, Madagascar, Malawi, Rwanda, Sao Tome and Principe, Solomon Islands, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Zambia.

²⁴ See <http://unctad.org/en/DTL/TLB/Pages/TF/Committees/default.aspx>.

relevant insights, data and policy guidance to help countries, including LDCs, ensure that their maritime transportation systems are effectively enabling their growth and sustainable development. UNCTAD publishes regularly updated online maritime country profiles, including a selection of key economic and maritime statistics and information by country.²⁵

10. Trade and gender

50. The sixth iteration of the UNCTAD standard online course on trade and gender (part of a capacity-building project funded by the Government of Finland) was held from March to May 2020 and was attended by 65 stakeholders from 23 LDCs, 34 of which participated in the course in French and 31, in English. Overall, 54 per cent of participants rated the course as exceeding expectations and 44 per cent stated that it had fully met expectations.

51. In December 2019, UNCTAD organized a regional workshop on informal cross-border trade for the empowerment of women, economic development and regional integration in Eastern and Southern Africa, held in the United Republic of Tanzania. All participants confirmed improvement in their understanding of the role of women in cross-border trade, of the supply-side and border-related obstacles they face and of the simplified trade regimes of the Common Market for Eastern and Southern Africa and the East African Community and the trade protocol of the Southern African Development Community. Furthermore, all respondents found the policy recommendations useful and pertinent to their work. National workshops on cross-border trade rules and an entrepreneurship training programme for women informal cross-border traders were held in November and December 2019 in Malawi, the United Republic of Tanzania and Zambia. UNCTAD also developed three booklets targeting cross-border traders in Malawi, the United Republic of Tanzania and Zambia, to present key information on existing trade procedures and simplified trade schemes, documentation requirements, rules of origin, taxes and tariffs, mainly targeting informal and small-scale traders.

52. *International Trade, Transparency, and Gender Equality: The Case of the Pacific Agreement on Closer Economic Relations Plus* examines the potential implications of the transparency provisions in the Pacific Agreement on Closer Economic Relations Plus for gender outcomes in the region. The study and a related national workshop held in Kiribati in October 2019 raised interest in the issue in the country.

D. Investment and enterprise development

1. Investment policies and capacity-building

53. UNCTAD published investment policy reviews of Angola and Chad. A report on the implementation of the investment policy review of Nepal was completed. In most cases, following the reviews of their investment policies by UNCTAD, beneficiary countries recorded significant increases in foreign direct investment inflows. The value delivered through investment policy reviews and follow-up activities has prompted several additional requests for reviews.

54. In cooperation with the Islamic Development Bank and the Developing-8 Organization for Economic Cooperation, UNCTAD organized a workshop on international investment agreement reform for sustainable development. The workshop provided participants, including for example from Bangladesh, with up-to-date knowledge on policy options for sustainable development-oriented reform of bilateral investment treaties and facilitated discussions on key international investment agreement reform issues. In January 2020, members of the Developing-8 Organization for Economic Cooperation agreed on a set of guiding principles for investment policymaking.

55. UNCTAD provided a review of 21 international investment agreements for Mali, identifying areas for reform and opportunities for strengthening the development dimension of the agreements.

²⁵ See <https://unctadstat.unctad.org/CountryProfile/en-GB/index.html> and <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>.

2. Investment promotion

56. In April 2019, UNCTAD held a regional seminar in the United Republic of Tanzania on facilitating investment in the Sustainable Development Goals. The seminar, co-organized with the secretariat of the East African Community, gathered 40 participants from a number of LDCs, including Burundi, Rwanda, South Sudan, Uganda and the United Republic of Tanzania. The seminar covered investment promotion strategies, facilitation practices and the financing of Goals-related projects through public-private partnerships.

57. During the Investment for Africa Forum, UNCTAD organized a workshop for investment promotion agencies in Africa on “Investment promotion policies and foreign direct investment trends”, with 93 government officials, including 40 women, from 40 countries in Africa, of which 24 were LDCs.

58. The UNCTAD online investment guides seek to raise awareness in the international investment community of investment opportunities and conditions in beneficiary countries. The guides include information on typical personnel, rent, utility and factor costs faced by investors, so that investors can carry out preliminary business planning, as well as access to key contacts in the Government and feedback and tips from investors already in the country. To date, investment guides have been prepared for 20 LDCs.²⁶

3. Business facilitation

59. The eRegulations Programme of UNCTAD helps countries to simplify and automate rules and procedures related to investment and entrepreneurship. Its eRegulations system is already operational in 16 LDCs.²⁷ The system contributes to increased transparency and greater institutional capacity, thereby facilitating business and making LDCs more attractive to foreign investors. UNCTAD developed the trade portal as a product extension of eRegulations. During the reporting period, new electronic registrations systems were configured for the online registration of businesses in Bhutan, Lesotho and Mali. A new eRegulations and trade portal system was installed in Burkina Faso. New procedures on import, export and transit operations were documented in Rwanda, Uganda and the United Republic of Tanzania. Civil servants in Burkina Faso, Rwanda, Uganda and the United Republic of Tanzania were trained in the use of the eRegulations and trade portal system and in the UNCTAD methodology for the simplification of procedures. The scope of the eRegulations portal of Bhutan was extended to cover all 20 districts of the country. The Government has requested UNCTAD to fully automate all business licencing procedures.

60. In response to the COVID-19 pandemic, Benin has made business registration processes fully digital, setting up a new, efficient online single window that houses all regulatory processes needed to open a business. The Government has asked UNCTAD to develop additional services such as business closure and the modification of registration. Governments in Bhutan, Lesotho and Mali have also used electronic registrations to provide essential support for businesses, integrating services such as social security during their lockdowns.

4. Strengthening business linkages

61. In 2019, in the implementation of a project by the State Secretariat for Economic Affairs of Switzerland and the United Nations Inter-Agency Cluster on Trade and Productive Capacity in Myanmar, research was conducted aimed at identifying potential local partners to assist UNCTAD in the implementation of field activities for the development of backward linkages between horticulture producers and the sustainable tourism industry in the Shan state. The study provided useful insights on associations that support women farmers in the three value chains of focus under the project, namely, tea,

²⁶ Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Comoros, Djibouti, Ethiopia, Lao People’s Democratic Republic, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Rwanda, Uganda, United Republic of Tanzania, Zambia.

²⁷ Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Comoros, Ethiopia, Guinea-Bissau, Lesotho, Mali, Niger, Rwanda, Senegal, Togo, Uganda, United Republic of Tanzania.

ginger and avocado, with a view to involving them in capacity-building activities to develop farmers' entrepreneurial skills, to be held in 2020.

62. UNCTAD, in collaboration with the Kilimanjaro Women Information Exchange and Community Organization and the vanilla farmers' cooperative in Kilimanjaro, organized two entrepreneurship training workshops and six farming-as-a-business workshops in the United Republic of Tanzania. A preliminary assessment of groups of vanilla farmers who had received training demonstrated improved planning and monitoring of their businesses.

E. Enterprise development, migration and the Empretec programme

63. The UNCTAD Entrepreneurship Policy Framework continued to be leveraged for the development of targeted national entrepreneurship strategies. UNCTAD, in partnership with the United Nations Industrial Development Organization, helped Ethiopia develop a national entrepreneurship strategy. Work is under way to help develop a national entrepreneurship strategy in Angola.

64. Based on the Entrepreneurship Policy Framework for migrants, UNCTAD and the United Nations Human Settlement Programme, in collaboration with the International Organization for Migration, organized an East African Regional Dialogue on migration and development in refugee hosting cities, held in Uganda. Representatives, including six LDCs,²⁸ exchanged views and developed concrete action points for harnessing economic and entrepreneurship opportunities arising from new or increased migrant populations.

65. Continued entrepreneurship training was offered to LDCs under the Empretec programme, including Angola, the Gambia and the United Republic of Tanzania. Empretec in the Gambia organized 10 Empretec workshops and one master class, training 250 people. In addition, 232 entrepreneurs received assistance from business development services advisers from Empretec in the Gambia. The centre in the Gambia conducted a number of other training activities in collaboration with international donors, organizations and development partners. In the United Republic of Tanzania, four Empretec workshops were held, which trained 93 people (52 women).

F. Debt sustainability

66. External debt is a major concern of the Istanbul Programme of Action (section G, mobilization of financial resources for development and capacity-building) and is analysed in depth in *The Least Developed Countries Report 2019*. In the context of the COVID-19 pandemic, LDCs face significant challenges in fiscal management, including increased risk of debt distress.

67. The UNCTAD Debt Management and Financial Analysis System (DMFAS) programme continued to support 21 LDCs²⁹ in applying the DMFAS software and in building capacity to effectively manage central government and government guaranteed debt, with the aim of achieving sustainable debt levels. Results include the availability of timely and reliable debt records, which are essential for prudent risk analysis and the elaboration of strategies for ensuring sustainable debt levels. During the reporting period, 12 LDCs had improved debt reporting and debt analysis capabilities and were publishing a debt statistics bulletin on a regular basis. Moreover, 90 per cent were reporting to the debtor reporting system of the World Bank. In addition, of DMFAS user countries that were LDCs and had subscribed to participate in the quarterly external debt statistics database of the International Monetary Fund and the World Bank, 60 per cent reported in a timely fashion.

²⁸ Central African Republic, Ethiopia, South Sudan, Uganda, United Republic of Tanzania, Zambia.

²⁹ Angola, Bangladesh, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Guinea-Bissau, Haiti, Lao People's Democratic Republic, Madagascar, Mauritania, Rwanda, Sudan, Togo, Uganda, Zambia.

G. Reinforcing national statistical and analytical capacities

68. UNCTAD is custodian, among others, of indicator 17.11.1, to significantly increase the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020. The availability of nowcasts has enhanced the possibility of determining the growth in LDC exports required to achieve target 17.11.³⁰ UNCTAD supports LDCs in strengthening their national statistical capacities to design programmes and policies for sustainable development and effectively monitor the implementation of the Istanbul Programme of Action, in line with paragraph 130.2.b.

69. The Sustainable Development Goals trade monitoring facility is a website developed in collaboration between UNCTAD, the International Trade Centre and the World Trade Organization. Its objective is to allow users to browse and query data closely related to the official indicators on trade and provide additional context information and further levels of disaggregation, to enable tailored analysis of trends and patterns in individual countries or subgroups of LDCs. The website is expected to be launched in 2020.

70. Since 2013, UNCTAD has been collaborating with the statistics department of the West African Economic and Monetary Union to set up statistical tools for measurement and analysis of international trade in services to help the eight member countries, seven of which are LDCs, in the formation of trade-in-services policies tailored to their social and economic development goals. A harmonized questionnaire for data collection has been developed and implemented for all 11 sectors. UNCTAD is developing the final part of the project, the information technology system, expected to be finalized as planned in 2020.³¹

V. Lessons learned

71. The year 2020 marks the last year of the Istanbul Programme of Action and it has become clear that many of its goals and targets will remain unmet. The extraordinary challenges and shocks to the global system brought about by the COVID-19 pandemic have in many ways exacerbated the development challenges facing LDCs. The present crisis has reversed many years of hard-earned development progress by LDCs, for example in poverty reduction. Failure to achieve significant progress towards the goals of the Istanbul Programme of Action in the remainder of 2020 will bring into sharp focus the challenges that LDCs and the international community face in achieving the Sustainable Development Goals by 2030. This threatens to undermine the credibility of the global pledge that no one will be left behind.

72. Many of the goals and targets of the Istanbul Programme of Action were chosen to be ambitious and may have been difficult to achieve in the best of circumstances, yet LDCs currently face worse development prospects than when the Istanbul Programme of Action was adopted. The significant impact of the pandemic on LDCs has highlighted their structural vulnerabilities and the need to build resilience, based on domestic initiatives and with the concrete and active backing of the international community. Against this background, urgent efforts are required by both LDCs and development partners to strengthen implementation of the Istanbul Programme of Action and begin preparations for the programme to be adopted at the Fifth United Nations Conference on the Least Developed Countries.

73. UNCTAD is receiving an increasing number of demands for technical assistance from LDCs, including in the areas of graduation, diagnostic trade integration studies, trade policymaking, investment policy reviews and statistical capacities. The growing demand is testimony to the quality and value added of UNCTAD support. However, capacity to meet demand is extremely limited by available financial resources. The UNCTAD trust fund for the least developed countries is in need of replenishment. Through the trust fund, UNCTAD will be able to positively respond to LDC demands for targeted technical assistance.

³⁰ See <https://unctad.org/en/Pages/Publications/Statistics-on-Global-Merchandise-Trade-Nowcast.aspx>.

³¹ See <https://unctad.org/en/pages/Statistics/ueMOATradeInServicesProjectRAFOTBCR.aspx>.

74. To ensure optimal project outcomes and impact, capacity development and involvement of local expertise and knowledge is needed for good cooperation and sustainable impact. Close collaboration with partner organizations in countries is crucial, to ensure efficient output, particularly in coordinating various programme activities and to guarantee a close match between participants of workshops and seminars and the content delivered. It is useful to engage staff from ministries, central banks, agencies and other stakeholders who are expected to support project activities, to have a more complete overview, but also to include all actors that will be involved in the activities.

VI. Policy recommendations

75. The Trade and Development Board may wish to consider the following action:

(a) To express its concern about the development trajectory in LDCs in recent years, in particular that they are lagging behind other developing countries with regard to several targets and indicators under the Istanbul Programme of Action and the 2030 Agenda;

(b) To express its deep concern about the additional challenges that LDCs face in response to the social and economic shocks brought about by the COVID-19 pandemic, in particular the setback to some of the development progress achieved prior to its outbreak;

(c) To request a review of the contributions to the UNCTAD trust fund for the least developed countries and appeal to all donors and other countries in a position to do so to enable UNCTAD to respond to the increasing demand for technical cooperation by LDCs;

(d) To urge the improved implementation of commitments in support of the Istanbul Programme of Action by all stakeholders;

(e) To urge the international community to strengthen its support to LDCs in the context of the COVID-19 crisis and of preparation for the Fifth United Nations Conference on the Least Developed Countries, at which the international community is expected to strengthen and renew its support to LDCs.
