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Activities carried out in the implementation of the Istanbul Programme of Action for the Least Developed Countries

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 General Assembly, in its resolution 75/227, requested the continued implementation of the Istanbul Programme of Action, and called upon UNCTAD to focus its analytical work on the least developed countries (LDCs). This report provides a description of activities carried out by UNCTAD between the second quarter of 2020 and the second quarter of 2022, in support of the implementation of the Programme of Action for the Least Developed Countries, taking into consideration the challenges brought about by the coronavirus disease (COVID-19) pandemic. It describes the impact of the work of UNCTAD on trade and development in LDCs. Activities are presented 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. On 17 March 2022, the Fifth United Nations Conference on the Least Developed Countries adopted the Programme of Action for the Least Developed Countries for the Decade 2022–2031, also known as the Doha Programme of Action.¹ The Doha Programme of Action was endorsed by the General Assembly on 1 April 2022.² It calls for “greater action and extraordinary measures by all countries and strengthened international and multilateral cooperation to address challenges affecting least developed countries on the basis of the concept of human security and to ensure that no one is left behind” and states that UNCTAD should “contribute to the implementation of the Doha Programme of Action, including through its technical assistance”.³

2. The Doha Programme of Action has been adopted in the extraordinary context that has followed the period of the Istanbul Programme of Action. Progress on targets was slow throughout this period. The pandemic began in early 2020, unleashing a global health and economic crisis that undercut much of the progress made over the previous decade in reducing poverty, building resilience and improving food security in LDCs. In early 2022, recovery from the pandemic had been initiated and the war in Ukraine began. The Russian Federation is a major energy exporter; both the Russian Federation and Ukraine are major exporters of vegetable oils, oil seeds and wheat and other cereals. The war has led to shortages of these necessities in LDCs that rely on imports from the two countries, particularly in Africa.⁴ More generally, the war has led to a spike in international prices for staple foods and energy. Following the contraction in output during the pandemic, LDCs now face increased prices for the food and energy imports on which they depend, compounding socioeconomic risks, such as poverty, inequality and food insecurity. The Doha Programme of Action underlines the urgent need for action and investment on behalf of LDCs to accelerate progress in programme implementation, to recover from recent shocks and build resilience against future shocks.

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

(a) Since the creation of the list of LDCs in 1971, six countries have graduated, namely, Botswana (December 1994), Cabo Verde (December 2007), Maldives (January 2011), Samoa (January 2014), Equatorial Guinea (June 2017) and Vanuatu (December 2020);

(b) The graduation of Angola had been scheduled for February 2021; the pandemic exacerbated structural vulnerabilities and the General Assembly has scheduled the graduation for February 2024;⁵

(c) The Committee for Development Policy recommended Tuvalu for graduation in 2012 and recommended Kiribati and Myanmar for graduation in 2018. The Economic and Social Council decided to defer the consideration of the recommendation with regard to Myanmar until 2024;⁶

(d) In December 2018, the General Assembly endorsed the recommendation of the Committee for Development Policy on the graduation of Bhutan, Sao Tome and Principe and Solomon Islands, which have been scheduled for 2023 (Bhutan) and 2024 (Sao Tome and Principe and Solomon Islands);⁷

¹ See <https://www.un.org/ldc5/doha-programme-of-action>.

Note: All websites referred to in footnotes were accessed in August 2022.

² A/RES/76/258.

³ Ibid, paragraphs 3 and 308.

⁴ UNCTAD, 2022, The impact on trade and development of the war in Ukraine: UNCTAD rapid assessment, available at <https://unctad.org/webflyer/impact-trade-and-development-war-ukraine>.

⁵ A/RES/75/259.

⁶ E/RES/2021/11.

⁷ E/RES/2022/8.

(e) In November 2021, the General Assembly endorsed the recommendation of the Committee for Development Policy on the graduation of Bangladesh, the Lao People's Democratic Republic and Nepal, which have been scheduled for 2026;⁸

(f) In its review in 2021, the Committee for Development Policy found that five LDCs were eligible for graduation for the first time, namely, Cambodia, the Comoros, Djibouti, Senegal and Zambia;

(g) The Committee for Development Policy, in its reviews in 2015, 2018 and 2021, found that Timor-Leste was eligible for graduation, but deferred its decision on a recommendation until 2024.⁹

4. UNCTAD assists developing countries, including LDCs, in integrating 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 development agendas included in the Istanbul Programme of Action, the Doha 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 2020 and the second quarter of 2022.

II. Research and analysis

5. *The Least Developed Countries Report* is the flagship publication of UNCTAD on LDCs, providing socioeconomic analysis and data on development challenges and policy issues in LDCs. UNCTAD, in *The Least Developed Countries Report 2020: Productive Capacities for the New Decade*, analysed the effects of the pandemic, which threatened to reverse progress towards sustainable development, deepen entrenched inequalities and inflict long-term damage on the economies of LDCs. In LDCs that had achieved sustained progress in recent years, such developments had been based on building productive capacities and shifting resources towards higher-productivity activities. In other LDCs, by contrast, structural transformation had advanced at a slowing pace or even been reversed. In these countries, the uptake of advanced technologies was still hindered by a range of barriers, such as long-standing infrastructure gaps and skills shortages. Bold, concerted policies to strengthen productive capacities in LDCs therefore remained imperative to building resilience to shocks and undertaking sustainable recovery and development strategies, with support from the international community. Priorities should include investments to redress long-standing infrastructure gaps and support broader employment creation; forward-looking science, technology and innovation policy frameworks to upgrade and align the skills base with market requirements; and brave industrial and sectoral policies to promote domestic value addition and deepen productive linkages.

6. UNCTAD, in *The Least Developed Countries Report 2021: The Least Developed Countries in the Post-COVID World – Learning from 50 Years of Experience*, took stock of 50 years of development experience since the establishment of the LDC category and found that, in most LDCs, growth had been erratic and that the income gap with other developing countries had not been closed, due to the fact that domestic and international policies had not been effective in addressing the impediments to structural transformation, namely, a low level of productive capacities, excessive export orientation, limited policy space, weak State capacity, technological limitations, limited entrepreneurial development and insufficient investment in human capital formation. The report proposed that in the coming decade, development policies and strategies should be overhauled in favour of initiatives centred on the development of productive capacities and led by a developmental State with a focus on the achievement of national development goals and priorities.

⁸ A/RES/76/8.

⁹ E/2021/33.

7. To raise public awareness of its research and analysis on development challenges in LDCs, in April 2021–March 2022, UNCTAD published a chart-of-the-month series on LDCs, highlighting issues such as external debt, commodity dependence, growth and trade performance, climate change, food prices, demographic growth, education, energy access and the digital divide.¹⁰ As of mid-2022, UNCTAD will issue the series on a quarterly basis.

8. *Economic Development in Africa Report* is the flagship publication of UNCTAD on the development challenges and policy issues faced by countries in Africa, including 33 LDCs. UNCTAD, in *Economic Development in Africa Report 2020: Tackling Illicit Financial Flows for Sustainable Development in Africa*, noted that, in the aftermath of the pandemic, countries in Africa would need to intensify resource mobilization efforts to achieve the 2030 Agenda for Sustainable Development. The report examined the relationship between illicit financial flows and the economic, social and environmental dimensions of sustainable development in Africa. The inclusive approach integrated a gender lens, as well as the viewpoints of various actors, from civil society to firms doing business in Africa. Building on established methodologies to measure illicit financial flows, the report provided new insights into country estimates of export misinvoicing on the continent, particularly with regard to exports of mineral commodities. In addition, the motivations and root causes of illicit financial flows were examined.

9. In *Economic Development in Africa Report 2021: Reaping the Potential Benefits of the African Continental Free Trade Area for Inclusive Growth*, UNCTAD aimed to equip Governments in Africa and development partners with knowledge of how the African Continental Free Trade Area could be beneficial for inclusive growth and how complementary policies were necessary to make the Free Trade Area inclusive within and across countries in Africa. To realize the export potential of Africa, intra-African tariff barriers and non-tariff measures needed to be reduced and productive capacities needed to be increased to facilitate regional trade. At the regional level, building productive capacities and value chains, for example in the agrifood processing and vehicles industries, were identified as potential drivers of transformative growth. Analysis was provided of how the expected gains from trade, production, investment and growth opportunities under the African Continental Free Trade Area could be inclusive, based on a range of data sources to assess various dimensions of inclusiveness related to income and consumption; and equal economic participation. For the benefits of the Free Trade Area to be fully harnessed and inclusive, informal forms of trade and relevant stakeholders needed to be considered in the design and implementation of the African Continental Free Trade Area Agreement and related national policies.

10. UNCTAD, in *World Investment Report 2020: International Production Beyond the Pandemic*, analysed investment trends and prospects for LDCs in the light of the crisis and proposed a set of transformative actions to facilitate a “big push” in private sector investment in achieving the Sustainable Development Goals. In *World Investment Report 2021: Investing in Sustainable Recovery*, UNCTAD evaluated investment priorities for the post-pandemic recovery phase, including with regard to the gaps that had opened during the pandemic. In LDCs, the development of productive capacities was a helpful guide in setting investment priorities and identifying where international investment could be most effective in addressing these priorities.

11. UNCTAD complemented its analysis of foreign direct investment in LDCs with a study of investment trends and policies since the Fourth United Nations Conference on the Least Developed Countries, highlighting that, since 2011, foreign direct investment flows to LDCs as a group had increased only marginally and that the pandemic had slowed progress towards the goals of the Istanbul Programme of Action.¹¹ However, foreign direct investment remained an important source of external finance, crucial for sustainable development and eventual graduation. Recommended actions were included for LDC Governments, development partners and international investors, to modernize investment promotion and facilitation, foster the development of productive capacities and target

¹⁰ See <https://unctad.org/topic/least-developed-countries/chart-of-the-month>.

¹¹ See <https://unctad.org/webflyer/foreign-direct-investment-ldcs>.

Goals-relevant investment. The proposed actions and recommendations were aligned with the UNCTAD investment policy framework for sustainable development and the action plan for investment in the Goals; and incorporated LDC-relevant recommendations from several editions of *World Investment Report* to provide for guidance under the Doha Programme of Action.

12. In March 2022, UNCTAD issued a dedicated edition of the investment policy monitor on the theme of investment policies in LDCs, which showed that, since 2011, in general, LDCs had actively reformed investment policies related to, for example, opening economies to foreign direct investment; improving investor treatment and protection; and facilitating investment operations.¹² However, despite such efforts, foreign direct investment flows to LDCs had been underwhelming, indicating the need to continue to create a conducive policy environment, build productive capacities and close infrastructure and skills gaps.

13. In February 2021, UNCTAD issued a study on the implications for developing countries and LDCs of the ongoing joint statement initiative negotiations on electronic commerce under the World Trade Organization.¹³ There are over 80 States taking part in the negotiations, including four LDCs,¹⁴ and the study focused on the implications for developing countries, particularly LDCs, of the potential outcomes.

14. In 2022, UNCTAD, as part of contributions to the processes of the Fifth United Nations Conference on the Least Developed Countries, issued a study on electronic commerce and the digital economy in LDCs, analysing barriers to information and communications technology uptake and use, as well as the performance of LDCs in the UNCTAD business-to-consumer electronic commerce index, and highlighting the urgent need to assist LDCs in catching up with regard to digital readiness.¹⁵

15. In June 2021, UNCTAD published a study on trade and gender linkages in LDCs, providing an overview of the socioeconomic outlook and existing gender inequalities.¹⁶ The aim was to help enhance the capacity of policymakers, civil society organizations and academics to examine the gender implications of trade flows and trade policy and to develop gender-sensitive trade policies. The study was launched at a dedicated event in the lead up to the fifteenth session of the United Nations Conference on Trade and Development (UNCTAD XV).

16. Through the UNCTADstat database, UNCTAD makes available a wide, constantly expanding array of globally harmonized statistics, including on international merchandise and services trade, foreign direct investment, commodity prices, the creative economy, maritime transport, population and the information economy, as well as macroeconomic indicators. UNCTAD groups indicators into areas of relevance for LDCs, such as general and thematic country profiles; issues the annual Sustainable Development Goals pulse report on topics such as multilateralism, productive growth and structural transformation; and issues regular bulletins on commodity prices and trade in services.

17. With regard to graduation from the LDC category, UNCTAD prepared vulnerability profiles for Bangladesh and Myanmar in 2021 and for the Lao People's Democratic Republic in 2022. In support of the graduation of Angola, UNCTAD prepared a vulnerability profile and a strategy for graduation with momentum and published a study on the impact of the pandemic. In addition, UNCTAD, along with the World Trade Organization and other entities, produced a study on textiles and clothing in LDCs in Asia, examining the impact of graduation on the industry in five States, including indirect impacts on other countries and actors participating in related global value chains.¹⁷

¹² See <https://unctad.org/webflyer/investment-policy-monitor-special-issue-no-7>.

¹³ See <https://unctad.org/webflyer/what-stake-developing-countries-trade-negotiations-e-commerce>.

¹⁴ Benin, Burkina Faso, Lao People's Democratic Republic, Myanmar.

¹⁵ See <https://unctad.org/webflyer/e-commerce-and-digital-economy-ldcs-breaking-point-covid-19-times>.

¹⁶ See <https://unctad.org/webflyer/trade-and-gender-linkages-analysis-least-developed-countries>.

¹⁷ Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal; see <https://unctad.org/webflyer/textiles-and-clothing-asian-graduating-ldcs-challenges-and-options>.

III. Consensus-building

18. Prior to and during UNCTAD XV, UNCTAD assisted the group of LDCs in Geneva in formulating positions and inputs and analysing the suggestions under negotiation, as well as in preparing for the ministerial meeting of LDCs held in September 2021 prior to UNCTAD XV. The UNCTAD XV programme included several sessions on topics pertinent to LDCs, such as the world leaders summit titled “Global vulnerabilities: Call from a vulnerable place” and the ministerial round tables titled “Scaling up financing for development” and “Supporting productive transformation for greater resilience in a post-pandemic world”.

19. UNCTAD participated in the processes of the Fifth United Nations Conference on the Least Developed Countries, organizing high-level panels and side events on topics such as productive capacities, structural transformation, science, technology and innovation, industrial policy, graduation and financing for development; and provided LDC delegates with technical assistance throughout the negotiations.¹⁸

20. During the reporting period, UNCTAD participated in and contributed to deliberations under several relevant intergovernmental bodies, including the Committee for Development Policy and the Inter-Agency Task Force on LDC Graduation Support. In 2021, UNCTAD contributed to a brainstorming webinar for ambassadors and experts of the group of LDCs on stocktaking LDC priorities in World Trade Organization work and at the twelfth Ministerial Conference. UNCTAD participated in meetings of the Group of 20 Development Working Group on support for pandemic-related response and recovery in developing countries, including in Africa, as well as LDCs and small island developing States. In parallel, UNCTAD became an informal member of Think 20, a group of research institutes providing substantive assistance to the Group of 20, collaborating in particular with the Africa committee, and organizing webinars and preparing a publication.¹⁹

21. The seventh World Investment Forum, held in October 2021, included a ministerial and business executive round table for LDCs on the role of foreign direct investment in economic recovery, including 17 high-level government representatives from LDCs, with 11 ministers and vice-ministers.

22. 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 in LDCs.

IV. Technical cooperation

23. As shown in the table, in 1 January 2020–31 March 2022, approximately \$93.5 million was spent on technical cooperation projects, an estimated 46.2 per cent of which benefited LDCs through either direct country projects or multi-country projects that included LDCs.

¹⁸ See <https://unctad.org/topic/least-developed-countries/ldc5>.

¹⁹ See <https://unctad.org/webflyer/bringing-voice-least-developed-countries-g20-policy-agenda>.

UNCTAD technical cooperation expenditures: Estimated share benefiting the least developed countries

(Thousands of dollars)

	2020	2021	First quarter, 2022	Total: 2020–first quarter, 2022
National projects in LDCs	8 928	9 870	3 209	22 007
Estimated share of multi-country projects benefiting LDCs*	6 727	10 491	3 998	21 216
Total expenditures benefiting LDCs	15 655	20 361	7 207	43 223
Total UNCTAD technical cooperation expenditures	35 039	46 777	11 728	93 544
Share of UNCTAD technical cooperation expenditures benefiting LDCs (percentage)	44.7	43.5	61.5	46.2

Source: UNCTAD.

Note: Figures for 2022 are provisional.

* Estimated total of interregional projects (30 per cent), projects in Africa (60 per cent), projects in Asia and the Pacific (20 per cent), projects in the Arab region (5 per cent) and projects elsewhere (0).

24. UNCTAD technical cooperation activities benefiting LDCs during the reporting period are summarized in the following sections, grouped into five thematic areas, namely, productive capacities and structural transformation, trade and trade facilitation, investment and enterprise development, debt sustainability and reinforcing national statistical and analytical capacities.

25. At the national level, UNCTAD supported the process of formulating smooth transition and graduation with momentum strategies in Angola, Bangladesh, Bhutan and the Lao People's Democratic Republic through national workshops and policy dialogue with national stakeholders. In early 2022, UNCTAD issued a study to support the formulation of the strategy of the Government of Bhutan.²⁰

A. Productive capacities and structural transformation

1. National productive capacities gap assessments

26. To operationalize the concept of productive capacities in the context of development policies, UNCTAD developed the productive capacities index, comprising eight categories with 46 indicators that measure different elements of productive capacities. National productive capacities gap assessments are designed to assist LDCs in applying the index at the national level in formulating policies and strategies to build productive capacities and foster structural economic transformation. During the reporting period, UNCTAD conducted a national productive capacities gap assessment for Zambia, to support sustainable graduation and help Zambia achieve the aim of becoming a middle-income country by 2030. In March 2022, the process for conducting a national productive capacities gap assessment for Ethiopia was launched at a national policy-level workshop on fostering productive capacities.

2. Economic diversification and structural transformation

27. During the reporting period, UNCTAD continued to implement a Development Account project on coherent strategies for developing productive capacities in Africa, which assists beneficiary countries in formulating holistic strategies to build productive capacities in order to drive structural transformation, poverty reduction and inclusive economic growth. In 2020–2022, UNCTAD held an online seminar and three national workshops in the beneficiary countries.²¹ The project contributed to the 2021 and 2022 editions of the Economic Policy Research Network Conference in Rwanda. UNCTAD also supported the beneficiary countries through the preparation and publication of national

²⁰ See <https://unctad.org/webflyer/towards-smooth-transition-strategy-bhutan>.

²¹ Burkina Faso, Rwanda, United Republic of Tanzania.

strategies for enhancing productive capacities in Rwanda and the United Republic of Tanzania. The national strategy for Burkina Faso will be issued later in 2022.

28. Under a Development Account project on development policies for sustainable economic growth in Southern Africa, UNCTAD helped build the capacity of policymakers in beneficiary countries, including three LDCs,²² to formulate policies for the progressive diversification of the production and export structure of the economy. During the reporting period, UNCTAD issued several studies on topics such as opportunities in regional agroprocessing value chains; regional integration for electricity sustainability; regional value chains, mining capital equipment and upgrading opportunities; and the internationalization of supermarkets in Southern Africa.

29. Under a project titled “South–South integration and the Goals: Enhancing structural transformation in key partner countries of the Belt and Road initiative”, funded by the 2030 Agenda for Sustainable Development Subfund, UNCTAD assisted beneficiary countries,²³ in identifying policy lessons from the structural transformation in China and adapting them to domestic contexts. In 2021–2022, UNCTAD published several studies under the project and held eight webinars and one conference in Geneva on related topics.

3. Harnessing the nutraceuticals sector

30. During the reporting period, UNCTAD finalized a study titled “Harnessing the potential of nutraceutical products for export diversification and development in landlocked developing countries: Assessment of comparative advantages and binding constraints”, including case studies of four LDCs.²⁴ Key findings and conclusions were presented at a panel discussion in November 2021, coordinated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, focused on leveraging the potential of the private sector for the integration of landlocked developing countries into global and regional value chains.

B. Trade and trade facilitation

1. World Trade Organization, rules of origin and market access

31. During the reporting period, UNCTAD continued to support the group of LDCs in negotiations of the Committee on Rules of Origin under the World Trade Organization. Through a joint programme with the European University Institute, one of the UNCTAD Centres of Excellence, UNCTAD provided ad hoc training sessions, organized workshops and published an instructional video series on rules of origin. UNCTAD also drafted text for the group of LDCs, resulting in, among other achievements, a decision of the Committee on Rules of Origin, as contained in the outcome of the twelfth Ministerial Conference.²⁵

32. UNCTAD provides advisory services, workshops and training sessions for Governments and LDCs on how to comply with rules of origin and other requirements, to capitalize on trade preferences under available duty-free and quota-free arrangements and regional trade agreements. For example, during the reporting period, UNCTAD published *Handbook on Duty-Free Quota-Free Market Access and Rules of Origin for Least Developed Countries*, which was disseminated through a series of webinars, co-organized with the Enhanced Integrated Framework, attended by 200 participants from 20 countries.

2. African Continental Free Trade Area

33. UNCTAD assisted LDCs in Africa in the context of negotiations under the African Continental Free Trade Area in three areas, namely conceptualizing and developing different options in negotiating modalities for trade in goods and services; assessing the

²² Mozambique, United Republic of Tanzania, Zambia.

²³ Ethiopia (LDC); Indonesia, Sri Lanka (non-LDC).

²⁴ Burkina Faso, Bhutan, Ethiopia, Nepal.

²⁵ World Trade Organization, 2022, Outcome document, WT/MIN(22)/24, Geneva, 22 June.

economic implications of different options to identify the best possible choices, such as in identifying priority sectors or sensitive products; and finalizing the drafting of related legal texts. LDCs in Africa also benefited from capacity-building support through participation by UNCTAD in the Negotiating Forum, the Continental Task Force and related working groups, as well as through assistance to regional economic communities in regional consultations and training activities on trade in both goods and services.

34. UNCTAD led the technical development of the information technology infrastructure for the mechanism for reporting, monitoring and eliminating non-tariff barriers through an online platform. However, Internet access poses a challenge for many small and informal traders at remote border crossings. Member States of the Free Trade Area have therefore requested support from UNCTAD in the development of offline solutions. The UNCTAD concept for a short message system-based offline reporting feature was proposed at a meeting on this issue in December 2020 and a pilot implementation project was requested by 21 States Parties to the African Continental Free Trade Area Agreement. UNCTAD finalized development of the feature in 2021 and will launch pilot projects in 2022.

35. During the reporting period, UNCTAD worked with 23 countries, including 16 LDCs, on training government officials in non-tariff measures, their impacts and how to increase transparency. Following these capacity-building efforts, trade-related regulations were collected with and/or by the Governments. UNCTAD analyses the regulations and classifies non-tariff measures and affected products. Over 800 regulations have been collected and classified in the beneficiary countries. As at mid-2022, eight LDCs had completed the exercise; another eight are scheduled to complete the exercise in 2022. The data are publicly available through the UNCTAD Trade Analysis and Information System database and the Global Trade Help Desk portal of the International Trade Centre, UNCTAD and the World Trade Organization.

36. UNCTAD is developing an online database on tariff schedule offers and trade statistics under the African Continental Free Trade Area, which may be accessed in real time through a user-friendly interface. UNCTAD held two demonstrations of the database in 2021, in partnership with the Enhanced Integrated Framework and European University Institute.

3. Strengthening trade-related policymaking capacity

37. UNCTAD, under a joint initiative with the International Trade Centre and the World Trade Organization to develop cotton by-products in LDCs in Africa, implemented an Enhanced Integrated Framework-funded project on the development of cotton by-products in Malawi and Togo. Feasibility studies were finalized in both countries by end-2021 and were validated at national workshops in early 2022. The study findings will inform a potential second phase of capacity-building activities under the initiative. The final activity of the project, to be carried out in 2022, involves additional data collection and the provision of advice on the implementation of the recommendations in the studies.

38. UNCTAD is implementing a capacity-building project on integrating landlocked commodity-dependent developing countries into regional and global value chains in four countries, two of which are LDCs. The project assists beneficiaries in designing and implementing policies and strategies to promote better integration into value chains with regard to key agricultural commodities, namely, roasted coffee in Ethiopia and maize in the Lao People's Democratic Republic.²⁶ During the reporting period, UNCTAD completed surveys in the beneficiary countries, which informed seven publications, including two multi-country studies. Survey reports were validated at national workshops and the findings informed capacity-building activities designed to equip traders and exporters to connect with potential buyers. A final workshop for the beneficiary countries was held in November 2021 to discuss project findings and policy implications and to share experiences.

39. UNCTAD services policy reviews are designed to take stock of economic outcomes, policies, regulations and institutions in the services sector, identify bottlenecks and suggest

²⁶ Non-LDC beneficiaries (and commodities) were Mongolia (meat) and Uzbekistan (dried fruits).

tailored, practical solutions based on a state-of-art methodology. During the reporting period, reviews were completed for five countries.²⁷ At the request of the Economic Community of West African States secretariat, UNCTAD provided technical assistance to conduct a regional services policy review, to support the deepening of the regional integration of services in West Africa and the participation of the region in services-related negotiations under the African Continental Free Trade Area.

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

40. Through the joint programme with the European Union, UNCTAD has supported Angola since 2018 in building institutional and human resources capacities in commercial diplomacy, the creative economy, trade facilitation and transport and logistics, as well as through Empretec entrepreneurship training and entrepreneurship policy development, a national green export review and an investment policy review,

41. During the reporting period, UNCTAD organized train-the-trainer activities in apiculture development and the quality control of honey in the Huambo province of Angola. Preparations were made for a pilot project on extension services with two local honey producer communities. UNCTAD supported discussions on facilitating the development of a honey policy and residue monitoring plan, with a view to enabling Angola to initiate the export of honey and related products.

42. A study was carried out on binding constraints and potential constraints to the fisheries and aquaculture sectors in Angola and a comparative report titled *Harnessing Fishery Resources for Socioeconomic Development: Lessons for Angola and Haiti* was published. The UNCTAD training manual on building the capacities of LDCs to upgrade and diversify fish exports was translated into Portuguese for use in subsequent training sessions on meeting international standards for fisheries.

43. UNCTAD completed the delivery of a series of 14 Empretec entrepreneurship training sessions for a total of 354 entrepreneurs. UNCTAD also certified four national Empretec trainers and two master trainers, able to train more national entrepreneurs and trainers. A memorandum of understanding was concluded with the host institution in Angola and management training provided for the institution to begin delivering Empretec training activities nationally in provinces, with continued technical assistance from UNCTAD.

44. In the framework of continuous support to the Angola trade negotiations team on goods, services and regional trade policies, UNCTAD provided training on rules of origin to stakeholders. In addition, UNCTAD developed an impact assessment of the accession of Angola to the Economic Partnership Agreement of the European Union and the Southern African Development Community and facilitated broad stakeholder discussions in this regard, with a view to assisting Angola in formulating informed negotiating positions.

45. With regard to the creative economy, UNCTAD conducted analytical work with a view to producing a full mapping of the cultural and creative industries of Angola. Public and private sector actors in these industries were trained through four 1-month online training sessions focused on the following aspects of the development of these industries: governance; entrepreneurship and exports; cultural diplomacy and branding; and cultural tourism.

46. To date, 1,925 Angolans have benefited from training and policy-oriented activities. Of the participants, 49 per cent were from the public sector; 41 per cent, the private sector, and 10 per cent, academia and civil society. To date, the programme has trained 60 trainers to deliver future national courses.

47. The Department of Economic and Social Affairs, in recognition of the impacts of work under the European Union–UNCTAD joint programme of support for Angola,

²⁷ Bangladesh, Lesotho, Nepal, Rwanda, Uganda.

selected the programme as a Sustainable Development Goals success story, among 25 such stories globally, including four in Africa.²⁸

5. Voluntary sustainability standards

48. In April 2022, the African Organization for Standardization launched the continental platform on voluntary sustainability standards with the support of UNCTAD and the secretariat of the United Nations Forum on Sustainability Standards. The platform is designed to promote the development and implementation of such standards and assist small and medium-sized enterprises in implementation. The African Organization for Standardization will facilitate cooperation between national Governments under the African Union in launching national platforms on sustainability standards.

6. Trade and gender

49. In 2021, UNCTAD, in cooperation with the secretariat of the Enhanced Integrated Framework, held an iteration of its standard online course on trade and gender, with a new module devoted to trade and gender linkages in LDCs. The course benefited 163 stakeholders from over 60 countries, including 93 stakeholders from 25 LDCs. UNCTAD also held a capacity-building workshop in the United Republic of Tanzania to help strengthen the resilience of microenterprises and small and medium-sized enterprises and small-scale traders, particularly women, in mitigating the impacts of the pandemic.

50. In early 2022, UNCTAD launched a report on mainstreaming gender into national policies, which addressed the following issues in case study countries:²⁹ ensuring a greater share of women in high-paying industrial jobs; why structural transformation in developing countries needed women's participation; and how developing countries could ensure that women workers had the same opportunities as men.

51. Under a project on coherent strategies for productive capacity development in LDCs in Africa, UNCTAD issued a study on harnessing gender potential for productive capacities development in Rwanda and the United Republic of Tanzania that noted the concentration of women employed in agriculture and low-productivity activities in the informal sector, as well as their low level of participation in manufacturing, science and technology-intensive activities, and examined how Governments could overcome structural impediments and build women's productive capacities.³⁰

52. In 2021, UNCTAD launched a new workstream to develop the measurement of gender in trade and provide recommendations to Governments on how to measure the gender-related effects of trade policy and trade agreements. The related methodology was developed through a joint project with the Directorate General for Trade of the European Commission. Suggested measurement approaches were piloted in Georgia in 2021 with the Economic Commission for Europe, to calculate gender-in-trade indicators; and four pilot projects were jointly launched with the Economic Commission for Africa.³¹

53. In 2021, the UNCTAD conceptual framework for measuring gender equality in trade was taken up by the Inter-Agency and Expert Group on Gender Statistics as an example and as a priority issue in mainstreaming gender across statistical domains. UNCTAD became a member of the Statistical Commission advisory group on mainstreaming a gender perspective and is co-leading a group on trade, gender, well-being and inclusiveness as part of the revision of the United Nations trade statistics manuals.

7. Science, technology and innovation

54. In 2020, as part of the culmination of activities begun in 2019, UNCTAD issued the science, technology and innovation policy review for Uganda, providing recommendations on policy priorities, institutional strengthening, consensus-building, implementation and

²⁸ See <https://sdgs.un.org/publications/sdg-good-practices-2nd-edition-2022>.

²⁹ Ethiopia (LDC); Indonesia, Sri Lanka (non-LDC).

³⁰ See <https://unctad.org/webflyer/harnessing-gender-potential-productive-capacities-development>.

³¹ Senegal (LDC); Cameroon, Kenya, Zimbabwe (non-LDC).

monitoring. In April 2022, UNCTAD issued the science, technology and innovation policy review for Zambia; the Government of Zambia used recommendations from the review to update its science, technology and innovation policy as part of a plan to foster economic recovery while promoting inclusive and environmentally sustainable development.

8. Rapid eTrade readiness assessments

55. UNCTAD rapid eTrade readiness assessments provide detailed diagnostics and policy advice, to help foster an enabling environment and build sound electronic commerce ecosystems in developing countries, particularly LDCs. Of the 29 assessments conducted to date, 24 have been for LDCs. During the reporting period, assessments were conducted for four countries.³²

56. To date, support in the implementation of the recommendations made in assessments has been provided through an implementation support mechanism, under which two reviews have been conducted to take stock of experiences and feedback shared during a series of stakeholder engagement events. In the first review in 2020, a total of 13 countries, of which 12 were LDCs, participated; in the second, in 2021, 14 countries, of which 13 were LDCs, participated. Follow-up actions include awareness campaigns, experience-sharing and the mapping of interventions among LDCs and with development partners.

57. Since the launch of the eTrade for Women initiative in 2019, 34 women digital entrepreneurs from 11 LDCs across Africa and South-East Asia have participated in one of the eight eTrade for Women masterclasses held to date. Masterclasses are organized in collaboration with the eTrade for Women advocate in each region, including one advocate from Rwanda. They have led to the building of eTrade for Women regional communities of women digital entrepreneurs. The first community was launched in 2020 in West Africa and the initiative has expanded to four other regions. By early 2022, more than 120 women digital entrepreneurs from 34 countries, including 13 LDCs, had joined the communities.

9. Electronic commerce

58. UNCTAD provides support in the development of national electronic commerce strategies in LDCs. In 2021, the strategy of Rwanda was finalized and, in 2022, the development of strategies is ongoing in Benin and Solomon Islands.

59. In early 2022, UNCTAD released an update of the global cyberlaw tracker, which provides an overview of the state of electronic commerce legislation in four areas, namely, transactions, consumer protection, privacy and data protection and cybercrime.³³ The tracker shows that, despite an increase in the worldwide adoption of legislation in all four areas, LDCs continue to lag behind, particularly in the areas of consumer protection and data protection, in which less than half of LDCs have adopted legislation.

10. Trade facilitation

60. UNCTAD provides technical assistance and capacity-building in LDCs with regard to trade facilitation reforms, including implementation of the Agreement on Trade Facilitation of the World Trade Organization. During the reporting period, UNCTAD provided trade facilitation assistance in 15 LDCs including, in particular, assistance in preparing national needs assessments regarding implementation of the Agreement, advisory services on the categorization and notification of obligations, assistance in ratification of the Agreement, assistance in the establishment and operation of national trade facilitation committees and assistance in the development of project proposals for donor support.³⁴

³² Benin, Malawi, Niger, United Republic of Tanzania.

³³ See <https://unctad.org/topic/ecommerce-and-digital-economy/ecommerce-law-reform/summary-adoption-e-commerce-legislation-worldwide>.

³⁴ Angola, Benin, Burundi, Djibouti, Ethiopia, Liberia, Myanmar, Mali, Rwanda, Sao Tome and Principe, Senegal, Sudan, Uganda, United Republic of Tanzania, Zambia.

61. UNCTAD provided trade facilitation assistance to regional organizations with LDC members.³⁵ UNCTAD also worked with regional training institutions such as the Trade Policy Training Centre in Africa on providing capacity-building to LDCs.

62. Since 2020, UNCTAD, in collaboration with the United Nations regional commissions, has been implementing a joint project on transport and trade connectivity in the age of pandemics, to help developing countries address trade and transport challenges arising due to the pandemic. As the first output, UNCTAD issued a report on the impact of and responses to the pandemic.³⁶ Other activities included webinars and capacity-building in developing countries, including LDCs, in the field of maritime supply chain resilience, with dedicated tools and guidance scheduled for dissemination in 2022.

11. Automated System for Customs Data

63. The UNCTAD Automated System for Customs Data (ASYCUDA) is an integrated customs management system for international trade and transport operations. By end-2021, 39 of 46 LDCs were implementing at least one ASYCUDA system and set of tools for trade facilitation, with seven implementing the ASYCUDA-based customs-centric single window for trade. Mozambique was the first LDC to implement the ASYCUDA system developed in cooperation with the Convention on International Trade in Endangered Species of Wild Fauna and Flora for the granting of permits for such trade. Most projects are funded by beneficiary Governments.³⁷ LDCs also benefited from ad hoc assistance to address the economic crisis due to the pandemic. In Afghanistan, the Government abolished customs duty for five hygienic commodities and national ASYCUDA experts accordingly configured the new taxation rules in the system. In the Democratic Republic of the Congo, certain measures were easily implemented through the use of ASYCUDA World, such as tax exemptions for imported medical supplies, penalty suspensions for delays and the tailoring of the risk management mechanism to help expedite shipments and reduce inspections.

C. Investment and enterprise development

1. Investment policies and capacity-building

64. At the request of the Government of Togo, an investment policy review will be conducted as part of a three-component project launched in 2021, with financial support from the United Nations Development Programme. The review is expected to be completed by December 2022. To date, 16 LDCs have undergone investment policy reviews.³⁸

65. In December 2021, UNCTAD provided international investment agreement reviews for some member States of the Common Market for Eastern and Southern Africa.³⁹

66. Support was provided to the African Union and other stakeholders with regard to the investment protocol under the African Continental Free Trade Area Agreement.

2. Business facilitation

67. In Burkina Faso, UNCTAD held an online dialogue to discuss policy and institutional best practices to strengthen investment promotion and facilitation in the context of the pandemic. In Togo, UNCTAD supported investment facilitation with upgrades to the investment information portal, to enhance transparency. In Uganda, a dedicated area on the pandemic was added to the trade portal, to inform traders in real time

³⁵ African Union, East African Community, Economic Community of West African States, Southern African Customs Union.

³⁶ See <https://tft.unctad.org/documents/cpvid-19-and-maritime-transport-impact-and-responses/>.

³⁷ Other sources include the African Development Bank, the Common Market for Eastern and Southern Africa, the Economic Community of West African States, the European Union and Trade Mark East Africa.

³⁸ See <https://unctad.org/topic/investment/investment-policy-reviews>.

³⁹ Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Rwanda, Somalia, Sudan, Uganda, Zambia.

of trade-related emergency and simplification measures. Similar additions were also made to the trade portals in Rwanda and the United Republic of Tanzania.

D. Debt sustainability

68. The UNCTAD Debt Management and Financial Analysis System (DMFAS) continued to support 21 LDCs 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, 81 per cent of DMFAS user countries that were LDCs reported having a comprehensive government and government guaranteed external debt database and 69 per cent, complete domestic debt records. These results are slightly lower than in the previous reporting period, attributable to disruptions related to the pandemic. In addition, 90 per cent were reporting to the debtor reporting system of the World Bank.

E. Reinforcing national statistical and analytical capacities

69. 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. 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.

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. As at early 2022, UNCTAD was finalizing the development of an information technology system in this regard, scheduled for installation in each country in the second half of 2022.

V. Lessons learned

71. The Istanbul Programme of Action reached the end of its term amid the pandemic. The targets were already unlikely to be met prior to the pandemic and the effects of the pandemic only exacerbated development challenges in LDCs, thereby widening the achievement gap. Many of the targets were aspirational and might have been difficult to achieve under favourable circumstances, yet the achievement gap represents a worsening situation in the world's most vulnerable countries, complicating the achievement of the Sustainable Development Goals by 2030 and the underlying principle of leaving no one behind. In this context, the Doha Programme of Action has a broader ambition, inheriting the need to accelerate progress towards agreed targets and addressing the need to recover from recent shocks and build resilience to future shocks.

72. During the reporting period, the impact of the pandemic on LDCs served to highlight structural vulnerabilities and the need for LDCs to build resilience, based on domestic initiatives and with concrete and active backing from the international community. Against this background, efforts are urgently required by both LDCs and development partners to strengthen implementation of the Doha Programme of Action.

73. UNCTAD continues to receive requests for technical assistance from LDCs, including in the areas of graduation, the formulation of trade and industrial policy, statistical capacity, integration with regional and international trade, the building of productive capacities, trade and business facilitation and electronic commerce, among other areas. The number of requests demonstrates the growing need in LDCs for assistance following the shock of the pandemic, coupled with the recognition of the concrete value of

UNCTAD support in core areas. However, UNCTAD capacity to respond to requests is limited by available financial resources. In particular, the trust fund for LDCs requires replenishment in order to be able to respond positively to more requests from LDCs for targeted technical assistance.

74. Mobility restrictions implemented during the pandemic complicated the delivery of UNCTAD technical assistance activities. However, UNCTAD, along with beneficiary countries and development partners, adapted to remote and hybrid delivery platforms, to sustain the best possible progress in activities and results. They may not entirely replace the need for in-person activities but, as shown by experiences during the pandemic, online platforms offer a time- and cost-effective delivery method for some types of technical assistance activities. As restrictions ease in the post-pandemic period, UNCTAD will complement in-person activities with online delivery methods, to improve the efficiency, reach, inclusiveness and impact of technical assistance programmes delivered in LDCs.

75. A broader lesson is with regard to the essential role of a well-resourced State in responding to shocks. Faced with a shock of the magnitude of the pandemic, people looked to States to lead responses. In countries where Governments had the will and resources to respond, their efforts helped mitigate the worst effects of the pandemic on vulnerable populations and the economy. In future, States should ensure that they have the capacity and resources to respond to systemic shocks. With regard to such an enhanced role, LDCs face disproportionate gaps in human capital, finance, policy, infrastructure and institutions, underlining the need for increased resources and technical assistance from the international community, including UNCTAD, to close such gaps.

VI. Policy recommendations

76. The Trade and Development Board may wish to consider the following actions:

(a) To express deep concern about the additional development challenges and the worsening socioeconomic situations in many LDCs as a result of the pandemic;

(b) To urge the international community to extend new financing and debt relief mechanisms to LDCs, allowing for increased fiscal space to undertake a sustainable recovery from the pandemic; build resilience to future shocks, including adapting to climate change; and invest in long-term development priorities;

(c) To emphasize in international forums the importance of progressing on the targets in the Doha Programme of Action if the international community is to have a chance of achieving the Sustainable Development Goals by 2030;

(d) To call for the improved implementation of commitments in support of the Doha Programme of Action by all stakeholders;

(e) To appeal for contributions to the UNCTAD trust fund for LDCs, which would enable UNCTAD to respond to the increasing level of requests for technical cooperation by LDCs.