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**UNCTAD contribution to the implementation
of the Doha Programme of Action
for the Least Developed Countries**

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

Note by the UNCTAD secretariat

Summary

This report provides a description of activities carried out by UNCTAD between the second quarter of 2023 and the second quarter of 2024, in support of the implementation of the Doha Programme of Action for the Least Developed Countries for the Decade 2022–2031, in a context of worsening climate impacts, slowing global economic activity, high costs of food and energy and tightening international financing conditions. The report provides a non-exhaustive list of examples of how UNCTAD is delivering results in the least developed countries. The report is structured along the three pillars of the work of UNCTAD, namely, research and policy analysis, intergovernmental consensus-building and technical cooperation. Lessons learned and policy recommendations for the way forward are then presented.



I. Introduction

1. The Doha Programme of Action for the Least Developed Countries, adopted in 2022, represents a new generation of strengthened commitments between the least developed countries and their development partners. The programme has six focus areas for action, aimed at enabling the least developed countries to overcome the pandemic and return to a path towards the achievement of the Sustainable Development Goals, while addressing climate change and making strides towards graduation.

2. This report is prepared pursuant to paragraph 299 of the Doha Programme of Action, which invites the governing bodies of the United Nations funds and programmes and other multilateral organizations to participate fully in reviews of the Doha Programme of Action, and paragraph 308, which calls on UNCTAD to continue to address the challenges faced by the least developed countries.¹ The special attention that UNCTAD allocates to the least developed countries was further reconfirmed by the Bridgetown Covenant, which calls on UNCTAD to “strengthen its special focus on the trade and development needs of the least developed countries across all areas of its mandate”.²

3. In the second year of the implementation of the Doha Programme of Action, the least developed countries continued to be adversely affected by compounding crises, including the lingering effects of the pandemic, the intensifying impact of climate change and growing geopolitical tensions, which resulted in disruptions to trade and supply chains, as well as elevated food and energy prices. The impact was magnified by the effects of higher interest rates, reducing access to finance, and a slowing global economy. In 2024, the 45 least developed countries³ are forecast to achieve an average gross domestic product (GDP) growth of 4.8 per cent, up from an estimated 4.2 per cent in 2023.⁴ This represents an improvement in prospects, yet remains well below the 7 per cent growth target set in the Doha Programme of Action and the Sustainable Development Goals. Foreign direct investment inflows to the least developed countries increased from \$26.6 billion in 2022 to \$31.3 billion in 2023, namely, 2.4 per cent of global flows, despite falling globally.⁵ However, foreign direct investment flows to the least developed countries remain below their peak in 2015. Volatile commodity prices continue to undermine growth prospects, with 34 of the 45 least developed countries classified as commodity dependent.⁶ High levels of external debt, as well as rising costs of debt service, continue to squeeze fiscal space in the least developed countries and hinder the ability of Governments to stimulate recovery and growth. Debt sustainability remains precarious in many of the least developed countries, with five countries in debt distress and another 15 at a high risk of debt distress (as at 29 February 2024).⁷ Average net interest payments by the least developed countries on public debt as a share of government revenues are expected to drop slightly, from an estimated 16 per cent in 2023 to about 15 per cent in 2024, but remain high.⁸ Against this background, the least developed countries require additional support to overcome the effects of the multiple crises and to achieve the targets of the Doha Programme of Action by 2031.

4. This report provides a non-exhaustive overview of the activities carried out by UNCTAD in support of the implementation of the Doha Programme of Action, under the three pillars of the work of UNCTAD, namely, research and analysis (chapter II),

¹ A/RES/76/258, annex.

² TD/541/Add.2, para. 5(a).

³ Bhutan graduated from the category on 13 December 2023.

⁴ United Nations, 2024, *World Economic Situation and Prospects 2024 Mid-Year Update* (United Nations publication, New York).

⁵ UNCTAD, 2024, *World Investment Report 2024: Investment Facilitation and Digital Government* (United Nations publication, sales No. E.24.II.D.11, Geneva).

⁶ UNCTAD, 2023, *The State of Commodity Dependence 2023* (United Nations publication, sales No. 23.II.D.15, Geneva).

⁷ See <https://www.imf.org/en/Publications/DSA>.

⁸ United Nations, 2024.

intergovernmental consensus-building (chapter III) and technical cooperation (chapter IV; aligned with the six focus areas of the Doha Programme of Action). The report concludes with lessons learned (chapter V) and recommendations for consideration by the Trade and Development Board (chapter VI).⁹

II. Research and analysis

5. *The Least Developed Countries Report 2023: Crisis-resilient Development Finance*. UNCTAD, in the report, highlights that multiple global crises have created interlocking challenges that threaten to put achievement of the Sustainable Development Goals out of reach of the least developed countries. Existing mechanisms and sources of finance are inadequate for these countries in financing sustainable development and building resilience in the context of global challenges. The least developed countries lack the fiscal space needed to sustain and expand social safety nets, enable investment in human capital and infrastructure and meet the rising costs of climate change. Therefore, comprehensive reforms in the international financial architecture are necessary, coupled with increased commitments and innovative approaches. UNCTAD, in the report, states that improvements are needed in each of the key dimensions of finance for development in the least developed countries, namely, quantity, quality and access. UNCTAD examines whether and how central banks in the least developed countries might use climate mitigation and adaptation tools, depending on the state of development of financial systems, and highlights the importance of aligning such tools with national targets under industrial and fiscal policy. To communicate the findings in the report to a broader public, UNCTAD published a series of press releases and podcasts and held online dissemination events targeting journalists and stakeholders in Addis Ababa and Dakar. As a follow-up activity, UNCTAD issued a policy brief highlighting that climate change can have physical and economic impacts that affect core areas of central banking, including inflation and financial sector stability, and outlining the ways in which central banks, including those in the least developed countries, can identify policy trade-offs and determine how to best incorporate climate-responsive policy and analytical tools in operational frameworks.¹⁰

6. *Economic Development in Africa Report 2023: The Potential of Africa to Capture Technology-intensive Global Supply Chains*. With 33 of the 45 least developed countries located in Africa, UNCTAD, in the report, addresses issues of relevance to these countries. UNCTAD notes that multiple global crises, including economic uncertainty, geopolitical events and natural disasters, have affected Africa disproportionately compared with other regions, despite the low level of integration of African economies into global supply chains. An analysis is provided of possible opportunities in Africa for engaging in supply chains and thereby creating employment opportunities, inclusive growth and sustainable development, and at the same time providing responses to global supply chain disruptions by contributing to the diversification of supply chains. The report was launched in Dakar and Nairobi in August 2023; the launch in Nairobi was followed by a high-level dialogue with the President of Kenya on how to harness the potential of Kenya to integrate into high-technology intensive supply chains. Based on the report, UNCTAD organized a side event on the margins of the ninth Africa Think Tank Summit, held in Lusaka in November 2023.

7. **Vulnerability profiles**. Further to the mandate provided by the General Assembly, UNCTAD prepared vulnerability profiles for Cambodia, the Comoros, Djibouti, Senegal and Zambia, to be considered by the Committee for Development Policy of the Economic and Social Council and to support policy dialogues with policymakers at national validation workshops. In Senegal, the workshop was held in July 2023, in collaboration with national authorities, and discussions affirmed that graduation from the least developed country category was aligned with the national goal to become an emerging economy by 2035; emphasized the importance of industrial policies and effective coordination between the Government and the private sector, to spur domestic value addition; noted the strategic opportunities arising from implementation of the Africa Continental Free Trade Area

⁹ Mention of any firm or licensed process does not imply the endorsement of the United Nations.

¹⁰ See <https://unctad.org/publication/climate-responsive-central-banking-least-developed-countries>.

Agreement, along with the need to support small and medium-sized enterprises; and underscored lingering challenges, notably with regard to pursuing economic diversification, upgrading the education system and investing in climate change adaptation and environmental resilience-building. In Zambia, the workshop was held in October 2023, in collaboration with national authorities, and discussions were held on a road map to serve as a guide for further technical assistance from UNCTAD.

8. **United Nations Global Crisis Response Group.** As part of the Group, UNCTAD has aimed to shed light on the vulnerabilities of the least developed countries to the impacts of the interlinked crisis involving food, energy and finance. Through the platform and accompanying reports,¹¹ UNCTAD underscored the increasing debt vulnerabilities of the least developed countries, noting with concern the rapid expansion of public debt, further exacerbated by the pandemic; in 2022, one in three of the least developed countries faced a high public debt level, exceeding the conventional threshold of 60 per cent of GDP. The analysis showed a shift in debt composition towards more costly instruments, with an increasing reliance on external debt and on private creditors. These factors exacerbated the vulnerability of the least developed countries to external shocks. In addition, UNCTAD underscored how rising debt burdens crowded out much-needed resources for sustainable development in the least developed countries and emphasized the need to urgently address debt vulnerabilities in a fair and sustainable way, in line with the Goals-related stimulus of the United Nations Secretary-General to deliver 2030 Agenda for Sustainable Development and the reforms of the international financial architecture.¹² UNCTAD also highlighted that, in 2022, global official development assistance had reached a record high (\$276 billion in current prices); however, disbursements to developing regions had declined by 2 per cent year-on-year. UNCTAD expressed concern that the least developed countries had experienced a 4 per cent contraction in official development assistance disbursements, even greater than among other developing countries, and that the share of the least developed countries in total official development assistance had declined to the lowest level in over a decade (22 per cent). UNCTAD observed that official development assistance to developing countries and the least developed countries had become more reliant on debt instruments, at a time when debt vulnerabilities had worsened; since the pandemic, official development assistance loans had accounted for nearly 30 per cent of total official development assistance to the least developed countries, up from 21 per cent a decade earlier. Against this background, UNCTAD stressed the need to meet the aid targets under Goal 17 and to strengthen the effectiveness of official development assistance, to achieve a better balance between responding to crises and investing in sustainable development.

9. **Trade, poverty and inequality.** As part of identifying policies to help address poverty and inequality in the least developed countries, in 2023, UNCTAD issued “Reducing inequality and poverty in Malawi: Policy analyses and options”, a study on the role of economic and social policies in understanding the evolution of poverty and inequality in Malawi over the past three decades, which indicates that most policies implemented in Malawi have contributed to reducing income inequality, yet efficacy could be increased by further enhancing policy coherence and addressing infrastructure gaps.

10. **World Investment Report 2023: Investing in Sustainable Energy for All.** UNCTAD, in the report, provided an analysis of global flows of investment in renewable energy, noting that total investment in renewables had tripled since 2015, yet most funding had been directed to developed countries. As many as 11 of the 46 least developed countries in 2022 had not yet received international investment in renewables. UNCTAD provided several recommendations on improving investment promotion activities for renewable energy in the least developed countries.

¹¹ See <https://www.unctad.org/global-crisis>.

¹² See <https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/02/SDG-Stimulus-to-Deliver-Agenda-2030.pdf> and <https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-international-finance-architecture-en.pdf>.

III. Intergovernmental consensus-building

11. **Committee for Development Policy.** UNCTAD continued to provide substantive inputs to the work of the Committee, which held its triennial review of the list of the least developed countries in March 2023. In addition to preparing the vulnerability profiles of the countries declared pre-eligible for graduation in 2021, UNCTAD contributed to the preparation of graduation assessments for these countries, which provide a synthesis of the national vulnerability profile and the impact assessment prepared by the Department of Economic and Social Affairs. In addition, UNCTAD collaborated with the Committee on the organization of an expert group meeting in January–February 2024, to prepare the next triennial review of the list and hold discussions on each country examined, and prepared a background document titled “Reflections from the work on the vulnerability profiles”. In preparation for the plenary meeting of the Committee, in December 2023, UNCTAD and the Committee secretariat held a briefing for Geneva-based ambassadors of the five countries declared pre-eligible for graduation, to discuss the main findings in the vulnerability profiles and impact assessments and detail processes related to graduation taking place in Geneva, including at the World Trade Organization.

12. **Ministerial Conference of the Least Developed Countries.** In November 2023, UNCTAD co-organized the tenth conference, on the theme “Fair globalization: Innovative solutions for the least developed countries’ industrialization and structural transformation”, held at the United Nations Industrial Development Organization headquarters, and participated in panel sessions and provided inputs to the outcome documents.

13. **Support for the group of the least developed countries in Geneva.** During the reporting period, UNCTAD continued to provide support and policy advice to the group on a range of issues, including on participation in different intergovernmental forums of UNCTAD and the World Trade Organization; the process of graduation; implementation of the Doha Programme of Action; the Bridgetown Covenant; and ongoing and planned UNCTAD activities related to the least developed countries.

14. **Programme to assist the group of the least developed countries at the World Trade Organization in negotiating on and drafting rules of origin.** Rules of origin are critical in the least developed countries since they help ensure that the benefits of preferential trade arrangements are effectively utilized. A properly designed system of rules of origin can help the least developed countries integrate into global value chains, boosting trade and economic development. In this context, UNCTAD and the European University Institute are working together to strengthen capacities among the delegates of the group to negotiate and achieve positive results during meetings of the World Trade Organization Committee on Rules of Origin and ministerial conferences. The report of the Committee on preferential rules of origin, endorsed by the General Council in December 2023, stated that the Committee should continue and intensify its work on identifying and where possible, agreeing on best practices on preferential rules of origin and related administrative requirements.

IV. Technical cooperation

15. In 2023, UNCTAD spent a total of \$23.9 million (provisional) on technical cooperation activities related to the least developed countries. Of this amount, \$13.6 million was spent on national projects and \$10.3 million was spent on the least developed countries as part of multi-country projects. Technical cooperation expenditures in the least developed countries in 2023 represented 41.8 per cent of total technical cooperation expenditures. Both the total amount and the share of expenditures in the least developed countries have fallen relative to in 2022, by \$2.8 million and 7.2 percentage points, respectively. Examples of UNCTAD technical assistance activities in support of the implementation of the Doha Programme of Action, by focus areas of action, are provided in this chapter.

| <i>Expenditure category</i> | 2020 | 2021 | 2022 | 2023 |
|---|--------|--------|--------|--------|
| 1. Country projects in the least developed countries (thousands of dollars) | 8 928 | 9 870 | 14 319 | 13 685 |
| 2. Participation of the least developed countries in regional and interregional projects (thousands of dollars) | 6 727 | 9 240 | 12 390 | 10 263 |
| 3. Total expenditures related to the least developed countries (thousands of dollars) | 15 655 | 19 110 | 26 708 | 23 948 |
| 4. Total UNCTAD technical cooperation expenditures (thousands of dollars) | 35 039 | 46 777 | 54 487 | 57 270 |
| 5. Share of the least developed countries in UNCTAD technical cooperation, that is item 3/item 4 (percentage) | 44.7 | 40.9 | 49.0 | 41.8 |

Source: UNCTAD.

A. Investing in people in the least developed countries: Eradicating poverty and building capacity to leave no one behind

16. **Entrepreneurship.** UNCTAD continued to assist developing countries in designing and implementing national entrepreneurship policies based on the UNCTAD Entrepreneurship Policy Framework. For example, in 2023, UNCTAD prepared a guide for the national entrepreneurship strategy in Angola and organized three entrepreneurship training workshops under the Empretec capacity-building programme, one in Benguela and two in Luanda, benefiting 74 local entrepreneurs (of whom 33 were women). During the reporting period, Empretec workshops were also conducted in Benin and the Gambia.

17. **Trade, poverty and inequality.** As part of work on building capacities to help reduce poverty and inequality in the least developed countries, in January 2024, UNCTAD organized, with the Permanent Mission of Burkina Faso in Geneva, a seminar bringing together representatives from relevant ministries, think tanks and civil society, to discuss policies and measures to reduce poverty and inequality in Burkina Faso. In April 2024, UNCTAD organized, with the Permanent Mission of the United Republic of Tanzania in Geneva, a seminar bringing together representatives from relevant ministries, think tanks and academics on reducing poverty and inequality in the United Republic of Tanzania.

B. Leveraging the power of science, technology and innovation to fight against multidimensional vulnerabilities and to achieve the Goals

18. **Technology assessment project.** UNCTAD is conducting this project in Zambia, to help build national capacity to assess the impact of adopting biogas technology. The project addresses the lack of capabilities to understand the socioeconomic and environmental implications of new and emerging technologies in the energy and agricultural sectors. The assessment process in Zambia was completed in 2024 and the report is being prepared.

19. **Science, technology and innovation park development.** This three-year project (2023–2025) is aimed at augmenting capacities in four developing countries to formulate policies and institutional frameworks conducive to the development of science, technology and innovation parks, through the provision of training and opportunities to learn from other developing countries in the use of parks and similar initiatives. Such parks can support development by bringing dynamism to national and regional innovation systems, promoting economic diversification and nurturing talents and skills, as well as by offering a conducive environment for researchers, entrepreneurs and companies, to collaborate, innovate and bring new technologies to market. As part of this project, UNCTAD is carrying out a study in Mozambique, to be followed by training sessions for policymakers and park managers.

20. **Crop Watch innovative cooperation programme.** This programme, launched in 2021 under the Commission on Science and Technology for Development, is aimed at facilitating agricultural monitoring in 14 developing countries, to progress on achieving Goal 2. Developing countries can access the Crop Watch remote-sensing technology and benefit from training related to the system, as well as customization and localization for particular requirements. Malawi and Zambia are among the participants. Zambia is using

remote-sensing crop monitoring, enabling the Government to generate quarterly monitoring bulletins, and a customized platform that provides climatic and crop-related information, to inform policymaking.

21. **UNCTAD collaboration with Okayama University, Japan.** UNCTAD continued to implement the young women scientists programme and the young scientist PhD programme in partnership with Okayama University, with Ethiopia, the Gambia, Madagascar and the United Republic of Tanzania among the participants.

22. **Training in science, technology and innovation for the Goals.** In 2023, UNCTAD organized a series of training sessions on this topic, as part of the United Nations Inter-agency Task Team on Science, Technology and Innovation for the Goals, held in collaboration with the United Nations Educational, Scientific and Cultural Organization. In February 2023, a workshop was held in Addis Ababa,¹³ to enhance knowledge on science, technology and innovation with regard to the following: policy implementation; policy monitoring and evaluation; technology transfer needs assessment; open science; and gender. Participants found the training helpful in the review, design and implementation of policy and in the conduct of case studies on the topic.

C. Supporting structural transformation as a driver of prosperity

23. **National productive capacity gap assessments.** During the reporting period, UNCTAD completed assessments in four countries,¹⁴ to support the process of graduation from the least developed country category and to ensure that developmental momentum continues in the post-graduation period. The assessments identified gaps in productive capacities in the categories of natural capital, human capital, transport, energy, information and communications technology, the private sector, institutions and structural change; and provided recommendations on how to address gaps through national policies and international support measures. Building domestic productive capacities, as enablers for enhancing structural transformation, is at the centre of policy responses.

24. **Training in the productive capacities index.** During the reporting period, UNCTAD conducted three interlinked capacity-building exercises in Malawi and Mozambique on the following: use of the index in assessing sectoral gaps in productive capacities; application of the index in designing evidence-based, data-driven policy responses; and mainstreaming productive capacities into development policy formulation and institution-building. The first training session targeted statisticians and technical experts; the second and third sessions targeted policymakers at the national and local levels. In total, 143 participants, including 63 women, were trained to use the productive capacities concept and the index, to formulate economy-wide national development policies.

25. **Holistic productive capacities development programme.** During the reporting period, UNCTAD finalized the programme document for Zambia and held a validation workshop, which involved over 60 participants from public institutions, the private sector, academia, civil society and international and regional organizations. A series of bilateral consultations were also held with institutions in Zambia involved in the articulation of the programme. Effective implementation of the programme will be determined by the mobilization of adequate and sustainable financial resources. A programme has been prepared for Ethiopia and the programme for Malawi is being finalized.

26. **European Union–UNCTAD joint programme of support for Angola: Train for Trade II.** In April–December 2023, the following training programmes and technical assistance initiatives were provided to beneficiaries in Angola: training course in English for trade and investment negotiators; advanced-level course on trade in services; technical assistance in support of national quality infrastructure, in particular the national quality policy; workshop on adding value sustainably to fisheries and aquaculture products for export, implemented in Viet Nam; review of the aquaculture teaching curriculum of

¹³ With participants from Ethiopia, the Gambia, Guinea, Lesotho, Mauritania, Togo, the United Republic of Tanzania and Zambia.

¹⁴ Cambodia, Comoros, Djibouti, Senegal.

Universidade José Eduardo dos Santos; sustainable freight transport assessment; training of trainers of the national trade facilitation committee; launch of the trade facilitation road map; technical assistance in the development of a national entrepreneurship strategy; and project on mobilizing institutional investment for sustainable development in Angola.

European Union–UNCTAD joint programme of support for Angola: Train for Trade II, results

In December 2023, UNCTAD completed implementation of this programme, launched in May 2017. Over the course of implementation, capacity-building was provided to over 3,300 Angolans in 940 institutions across 23 ministries and various agencies, private sector entities, civil society organizations and academic institutions. The programme focused on the following seven economic policy areas: commercial diplomacy; trade facilitation; green exports value chain support; entrepreneurship development; investment policy; transport and trade logistics; and cultural and creative industries. A positive diversification trend may be noted; in 2016–2022, non-oil exports grew by 5.7 per cent in absolute numbers. The whole-of-government and whole-of-society approach applied under the programme generated enhanced coordination in policy development and implementation. In 2022, the Programme was selected as a global success story in the achievement of the Sustainable Development Goals, and inspired the Transforming for Trade high impact initiative on accelerating progress towards achieving the Goals.

Source: UNCTAD.

27. **Coherent strategies for productive capacity development in African least developed countries.** Under this United Nations Development Account project, implemented by UNCTAD in three countries, UNCTAD organized two study tours for policymakers on best practices and lessons learned on the regulation, design and operation of special economic zones in countries leveraging industrial parks for productive transformation and economic development, in Morocco in May 2023¹⁵ and in Mauritius in October 2023 (81 per cent of participants of the tour in Mauritius rated the event as “excellent”).¹⁶

28. **Production transformation policy reviews.** Working with the Development Centre of the Organisation for Economic Co-operation and Development and other international organizations, UNCTAD helps developing countries and the least developed countries achieve economic transformation goals by conducting national and regional reviews, which consist of a 15–18-month policy assessment, with the participation of two international peers, and the production of guidance to enable countries to design and implement better production transformation policies. Consensus-building and peer-learning are facilitated through a peer-learning group composed of representatives from Government, business and academia. In September 2023, the production transformation policy review of Bangladesh was issued, noting the need to diversify the export base; leverage digitalization, to address persistent fragilities; develop a strategic network of international partnerships, to foster a more innovation-based and quality-based industrial development model; and consider a new pact based on shared responsibilities between the national Government, the private sector and international partners, to shift to a new development phase and ensure sustainable, smooth and irreversible graduation. In addition, UNCTAD provided inputs to the production transformation policy review of Togo, to be launched in September 2024, including an analysis of the role of trade and regional integration in productive transformation, in the context of the national goal to become a trade and logistics hub, as well as of the challenges and opportunities of innovation and digital technologies.

29. **Leveraging digital technologies and innovative financing for microenterprises and small and medium-sized enterprises.** UNCTAD and the United Nations Capital

¹⁵ For policymakers from Burkina Faso, Côte d’Ivoire, Madagascar, Mali and Morocco.

¹⁶ For policymakers from Botswana, Mauritius, Rwanda, the United Republic of Tanzania and Zimbabwe.

Development Fund are engaging with stakeholders in four countries,¹⁷ to produce a report on how digitalization, innovative sources of finance and technology-enabled processes can be leveraged to facilitate the growth of start-ups, microenterprises and small and medium-sized enterprises in Africa and to support their integration into regional and global value chains. The report and related country studies will feed into the design and implementation of relevant technical assistance programmes targeting microenterprises and small and medium-sized enterprises in the four countries.

D. Enhancing international trade for the least developed countries and regional integration

30. **Training in trade in services.** Under the European Union–UNCTAD joint programme of support for Angola, UNCTAD launched an online course on trade in services for development for officials in Angola, in English and Portuguese, aimed at promoting increased understanding of concepts related to trade in services and their implications in Angola, addressing in particular how Angola can make the best use of article 72 of the European Union–Southern African Development Community Economic Partnership Agreement and the protocol on trade in services under the African Continental Free Trade Area agreement. As part of the course, in December 2023, UNCTAD organized a webinar (in Portuguese) for trade officials on trade in services for development.

31. **UNCTAD and United Nations Industrial Development Organization project in Mozambique.** This project is aimed at improving the capacity of the Ministry of Industry and Commerce to implement trade remedies and safeguarding measures under the trade protocol of the European Union–Southern African Development Community Economic Partnership Agreement. During the reporting period, UNCTAD delivered four workshops to 67 officials from the Ministry, relevant government bodies, including customs and competition authorities, the private sector and civil society on reputable and legitimate sources of data on trade, tariffs and non-tariff measures, including digital instruments.

32. **Supporting national African Continental Free Trade Area implementation strategies.** In collaboration with the Economic Commission for Africa and the German Development Cooperation agency, UNCTAD provides advisory support to Malawi and the Niger on national implementation strategies, including through the provision to Governments of information and tools in order to map domestic and regional value chains; unlock export potential under the African Continental Free Trade Area, with sectoral considerations of the participation of women and youth; identify feasible product space and diversification opportunities; and engage in policy dialogues with the private sector, civil society and other stakeholders on better understanding challenges in and opportunities for export diversification, implementing industrialization policies, mobilizing domestic resources and investments and building productive capacities. During the reporting period, UNCTAD, jointly with the Economic Commission for Africa, provided technical and advisory support on the preparation, review and validation of country studies for the identification of African Continental Free Trade Area market niches for participating country exports through continental trade mapping.

33. **A new trade policy and strategy for Association of Southeast Asian Nations least developed countries on market access and related issues.** In the context of this project, UNCTAD provides support to Cambodia in shaping a new trade policy after graduation. Cambodia met the graduation criteria for the first time in 2021 and may graduate in 2027, and the removal of least developed country trade preferences upon graduation may negatively affect competitiveness and export performance. In this context, UNCTAD provides policy advice on how to manage trade preferences, trade contingency measures and rules of origin. UNCTAD provided policy support to the request by Cambodia for extended cumulation with Viet Nam, granted by the European Union. This sets a precedent for other graduating countries that might request similar facilities from

¹⁷ Ethiopia, Malawi, Uganda, United Republic of Tanzania.

preference-giving countries, which could enhance international trade and regional integration among the least developed countries.

34. **Automated System for Customs Data (ASYCUDA).** At end-June 2024, 39 of the 45 least developed countries (87 per cent)¹⁸ were operating at least one ASYCUDA system for customs automation and trade facilitation. In addition, six countries¹⁹ are currently implementing the ASYCUDA-based single window system for trade. Most operational ASYCUDA projects in the least developed countries are funded by participating Governments.²⁰ In 2023–2024, new ASYCUDA projects or project extensions have been signed for technical cooperation activities in 14 countries.²¹ Most of these projects relate to migrations to newer ASYCUDA systems or to enhancements and upgrades of national ASYCUDA World systems.²² In Afghanistan, UNCTAD and the United Nations Development Programme cooperated under the Special Trust Fund for Afghanistan on the organization and delivery of training to microenterprises and small and medium-sized enterprises and the implementation of the Automated System for Relief Consignments developed under ASYCUDA in consultation with the Office for the Coordination of Humanitarian Affairs. In Cambodia and Togo, a platform was implemented to connect customs and cross-border regulatory authorities with global maritime systems and allow for the exchange of trade data between systems for the pre-arrival processing of consignments and, in Cambodia, includes an interface for exchanging electronic data between ASYCUDA and the Universal Postal Union customs declaration system for the processing of postal consignments before arrival. In Chad, UNCTAD and the customs authority implemented an electronic payment functionality. In Malawi, an interface was developed for the electronic exchange of trade data between ASYCUDA World and the Common Market for Eastern and Southern Africa cargo tracking system. In the Niger and Zambia, UNCTAD, in cooperation with the International Air Transport Association, integrated a tool for airlines, freight forwarders and shippers to exchange electronic air cargo information with customs authorities in advance. In Uganda, an ASYCUDA-based single window enhancement project has been extended, to integrate additional partner government agencies. The ASYCUDA system continues to provide significant benefits to implementing countries; for example, from 2022 to 2023, in the Gambia, customs revenue collection increased by 23 per cent and the values of trade transactions increased in Mali by 19 per cent, in Rwanda by 12 per cent, in Solomon Islands by 22 per cent and in Uganda by 36 per cent. In 2023, in Afghanistan, the ASYCUDA World system facilitated the delivery of over 50,000 trucks of humanitarian supplies to people in need; and in Timor-Leste, the ASYCUDA-based single window reduced the processing time for animal and plant permits by 86 per cent.

35. **Facilitation of transit transport and trade in West Africa for better value chain participation.** In December 2023, UNCTAD concluded the implementation of this subregional project, which provided support for four countries²³ in the implementation of the quadrilateral declaration on the convergence of legal frameworks, intermediation, transit and trade, as well as the road map from May 2023. During the reporting period up to

¹⁸ Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Sao Tome and Principe, Sierra Leone, Solomon Islands, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, Yemen, Zambia.

¹⁹ Burundi, Comoros, Rwanda, Sao Tome and Principe, Timor-Leste, Uganda.

²⁰ Other sources of funding include the following: African Development Bank; Common Market for Eastern and Southern Africa; Economic Community of West African States; European Union; Food and Agriculture Organization of the United Nations; German Development Cooperation agency; Swiss Foundation for Technical Cooperation; Trade Mark Africa; and United Nations Development Programme.

²¹ Afghanistan, Bangladesh, Cambodia, Chad, Democratic Republic of the Congo, Guinea, Guinea-Bissau, Madagascar, Mauritania, Nepal, Sao Tome and Principe, Togo, Uganda, Zambia.

²² Including in Afghanistan, Bangladesh, Cambodia, the Central African Republic, Chad, the Democratic Republic of the Congo, Guinea, Guinea-Bissau, Madagascar, Malawi, Mauritania, Nepal, Sao Tome and Principe and Zambia.

²³ Benin, Burkina Faso, Niger, Togo.

the closure of the project, UNCTAD supported the validation of the draft quadrilateral agreements on transit and transport and a study on the interoperability of single windows. UNCTAD also provided strategic assistance to the national transit and transport working groups and supported a meeting of the technical working groups at the European University Institute in November 2023.

E. Addressing climate change, environmental degradation, recovery from the pandemic and building resilience against future shocks for risk-informed sustainable development

36. **Mobilizing external financial resources beyond [the pandemic] for greener, more equal and sustainable development in selected vulnerable small island developing States in Africa and Latin America and the Caribbean.** UNCTAD is implementing this United Nations Development Account project, aimed at strengthening national capacities in the four participating countries to mobilize affordable external financial resources. For example, a study on financial options and barriers is being prepared for the Comoros.

37. **Attracting finance and investment for the energy transition in Africa.** UNCTAD began to implement this United Nations Development Account project in February 2024, aimed at building capacities among Governments to design credible renewable energy investment strategies and projects; supporting stakeholders in promoting and marketing related opportunities to investors; and building partnerships between States and organizations seeking investment opportunities in renewables. The project is targeted at five countries in Africa, of which three are among the least developed countries.²⁴

38. **Sustainability reporting and accounting.** Building on the experience and expertise of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting in helping member States upgrade national sustainability reporting and accounting infrastructure, UNCTAD has created regional partnerships for the promotion of sustainability and Goals-related reporting, including for the Africa region, to assist developing countries in implementing global standards. For example, regulatory bodies, professional accounting organizations and standard setters from Angola, Burkina Faso, Mali, Uganda and Zambia participated in a workshop on the new ethical benchmark for sustainability reporting and assurance for the regional partnership in Africa.

F. Mobilizing international solidarity, reinvigorated global partnerships and innovative tools and instruments: A march towards sustainable graduation

39. **Measuring and curbing illicit financial flows.** Several interconnected projects are carried by UNCTAD to address illicit financial flows in developing countries. These initiatives, while separate in funding, scope and focus areas, all contribute to the overarching goal of reducing illicit financial flows through enhanced data collection, capacity-building and evidence-based policy development. The United Nations Development Account Project led by UNCTAD focuses on strengthening capacity in developing countries and the least developed countries, to produce standardized estimates of illicit financial flows. It is aimed at improving national-level statistics, to better understand the scale of illicit financial flows and guide policy responses. The project covers developing countries, including Bangladesh, Burkina Faso and Senegal, and focuses on developing and implementing frameworks for measuring illicit financial flows, particularly in key economic sectors. In addition, in 2024, UNCTAD began implementation of a two-year project, funded by the Open Society Foundations, to enhance the statistical measurement of illicit financial flows, with an emphasis on tax and commercial flows. This project is aimed at enabling national authorities to translate such data into targeted policy actions, to curb illicit financial flows and improve domestic resource management. One of

²⁴ Ethiopia, Malawi, United Republic of Tanzania.

the participating countries in Africa is Zambia and, in this context, in May 2024, UNCTAD organized a workshop in Lusaka, for the illicit financial flows technical working group led by the Zambia Statistics Agency and including, among other key stakeholders, the Ministry of Finance and National Planning, the Zambia Revenue Authority and the Zambia Statistics Agency. The project applies methodologies developed by UNCTAD and supports Zambia in strengthening domestic resource management through data-driven policies. Finally, during the reporting period, UNCTAD provided advisory support to the Extractive Industries Transparency Initiative on a national study on illicit financial flows in the extractive sector in Burkina Faso, to be launched in 2024, aimed at strengthening the capacity of national experts in applied research strategies, to measure such flows in the sector.

40. **Investment policy review programme.** UNCTAD conducts diagnostic studies of the strategic, legal and institutional framework for investment, to support countries in efforts to diversify the economy, attract higher levels of foreign direct investment and promote sustainable development. Investment policy reviews provide action-oriented policy advice and concrete recommendations and UNCTAD also provides follow-up support through technical assistance activities, to foster implementation and further build capacity for investment policymaking. During the reporting period, UNCTAD delivered a review of the implementation of the investment policy review of Mauritania, completed an investment policy review for the West African Economic and Monetary Union and began to prepare investment policy reviews for the Gambia and the Economic and Monetary Community of Central Africa. UNCTAD organized sessions with Mauritania and member States of the West African Economic and Monetary Union, to present reforms to promote Goals-related investment in the context of the UNCTAD World Investment Forum in 2023; and provided technical assistance and advisory services on investment policies, promotion strategies, international investment agreements and business facilitation.²⁵

41. **Capacity development programme for investment promotion agencies in the least developed countries.** This three-year project (2021–2023), funded by the Enhanced Integrated Framework and led by UNCTAD, in collaboration with the International Labour Organization, the International Training Centre, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the United Nations Industrial Development Organization and the World Association of Investment Promotion Agencies, aimed to increase capacity and know-how among staff of investment promotion agencies and other government officials in the least developed countries to promote international investment in sustainable development and foster cooperation between agencies in the least developed countries. Under the project, two surveys were conducted of agencies and of domestic and foreign investors with operations in the least developed countries, which fed into a needs assessment of investment promotion in the least developed countries. In addition, a platform was created for the executive investment promotion agency college hosted by the International Labour Organization and the International Training Centre. Four training modules were created and delivered jointly by all agencies. In addition, five pedagogical training videos were created, featuring best practice examples from across the world on topics such as promoting investment in food security, health, digitalization of investment promotion agencies, investor aftercare and policy advocacy. In 2023, 70 investment promotion officials from 20 of the least developed countries benefited from the training programme.

42. **Sustainable stock exchanges initiative.** During the reporting period, under this joint programme between UNCTAD, the Principles for Responsible Investment, the United Nations Environment Programme Finance Initiative and the United Nations Global Compact, UNCTAD conducted six training sessions in Bangladesh, with a total of 628 participants (of whom 19 per cent were women). Local training partners included the Central Bank of Bangladesh and the Dhaka Stock Exchange.

43. **Institutional investors.** Under the European Union–UNCTAD joint programme of support for Angola, UNCTAD implemented a technical assistance project on mobilizing

²⁵ Beneficiaries included Angola, Benin, Burkina Faso, the Gambia, Guinea-Bissau, Haiti, Lesotho, Mali, Mauritania, the Niger, Senegal and Togo.

institutional investment for sustainable development, to support Angola in leveraging sovereign wealth funds to finance the Goals. UNCTAD prepared an advisory report on facilitating institutional investment in infrastructure in Africa and produced, jointly with the United Nations Environment Programme Finance Initiative, a sustainability integration framework for institutional investors, launched in 2023, providing guidance on integrating sustainable development considerations into investment strategy and decision-making.

44. **Assistance to national graduation processes.** UNCTAD contributed to the working groups on the graduation of Bangladesh and Cambodia, as part of inter-agency groups organized by the respective United Nations country teams. The objective is to provide technical assistance to national Governments on the preparation of graduation and in devising a smooth transition strategy.

45. **Reinforcing national statistical capacities.** As a custodian of several indicators under the Goals, UNCTAD continues to support the least developed countries in strengthening national statistical capacity to design programmes and policies for sustainable development and to effectively monitor the implementation of the Doha Programme of Action and the 2030 Agenda. For example, in 2023, UNCTAD, in collaboration with the Economic Commission for Africa, the Economic Commission for Europe and the United Nations Entity for Gender Equality and the Empowerment of Women, completed a project on strengthening capacity in selected developing countries, including Senegal, to develop and use statistics for more gender-responsive trade policy and to analyse the gender-related impacts of the pandemic through trade.

46. **United Nations system-wide collaboration for the implementation of the Doha Programme of Action.** UNCTAD participated in the proceedings of the inter-agency consultative group meeting on the implementation of the Doha Programme of Action, which serves as a forum for information-sharing on implementation, allowing for better coordination and the leveraging of the resources and efforts of individual entities through collaborative efforts. The information exchanged also serves as inputs to the road map for the accelerated implementation of the Doha Programme of Action.

V. Lessons learned

47. The experience of the least developed countries since the adoption of the Doha Programme of Action has demonstrated that these countries remain among the most vulnerable to external shocks, as their economic structure leaves them exposed and they lack the needed capacities to respond. As a result, the combined effects of the pandemic, climate change and rising prices of fuel and energy have reversed years of development gains in the least developed countries. To mitigate the domestic socioeconomic effects of these crises and/or to address increasing import bills, the least developed countries have often taken on additional external debt. The subsequent rise in global interest rates has pushed debt-servicing costs sharply upwards; five countries²⁶ spend more on interest payments than on financing the education sector and in as many as 19 countries,²⁷ interest payments outweigh public expenditures on health; 521 million people, equivalent to more than half of the population of the least developed countries, live in countries that devote more resources to paying interest on public debt than to financing either the health or education sector.²⁸ The reduced fiscal space weakens the capacity of the least developed countries to mitigate the impacts of external shocks and build resilience, and is a key obstacle to achieving the targets of the Doha Programme of Action. Despite increasing needs, official development assistance flows to the least developed countries have decreased for over a decade.

²⁶ Angola, Gambia, Malawi, Uganda, Zambia.

²⁷ Angola, Bangladesh, Benin, Burundi, Chad, Eritrea, Gambia, Guinea-Bissau, Lao People's Democratic Republic, Malawi, Mozambique, Myanmar, Senegal, Sierra Leone, South Sudan, Togo, Uganda, United Republic of Tanzania, Zambia.

²⁸ See <https://unctad.org/publication/world-of-debt/regional-stories>.

48. Against this background, there is an urgent need to address the growing debt burden in the least developed countries and to increase their access to development finance at affordable rates. This requires grants, concessional loans and, ultimately, a multilateral debt workout mechanism that is transparent and responsive to the needs of the least developed countries. In this context, progress on the reform of the international financial architecture will be a key factor in facilitating inclusive growth in the least developed countries and achieving the targets of the Doha Programme of Action. The availability of additional resources to address climate change mitigation also continues to lag behind the levels of need in the least developed countries.

49. To build domestic resilience to shocks and increase fiscal space, it is important to enhance domestic resource mobilization in the least developed countries. Doing so can include actions to strengthen the implementation of progressive tax systems, address illicit financial flows and attract foreign direct investment that brings benefits in terms of tax revenue, employment and skills and technologies.²⁹ Strengthening domestic resource mobilization may require additional technical assistance and capacity-building to support institutions, human capital, legal and regulatory frameworks and relevant infrastructure.

50. In addition, there is a need to pay greater attention to domestic inequality in the least developed countries. Inequality is a key factor in reducing the power of economic growth to achieve poverty reduction. In addition, inequality in access to health care and education has a significant detrimental effect on the capacity of the least developed countries to achieve the Sustainable Development Goals.

51. Despite the many challenges facing the least developed countries as a group, in December 2023, Bhutan became the seventh country to graduate from the least developed country category. This graduation may serve as a sign of hope for the other least developed countries, and demonstrates that progress on poverty reduction and access to health and education is achievable even in difficult global economic contexts. It is important to provide Bhutan and other graduating countries with continued support, to ensure a smooth transition and that graduation serves as a steppingstone, rather than a stumbling block, on the road to the achievement of the Goals.

52. UNCTAD continues to receive requests for technical assistance from the least developed countries, particularly in the areas of graduation, formulation of trade and industrial policy, statistical capacity, regional and international trade integration, building of productive capacities, trade and business facilitation and electronic commerce, among others. These requests reflect increasing demand among the least developed countries for assistance and the recognition of the value added of UNCTAD support in core areas. However, UNCTAD capacity to respond to requests is limited by available extrabudgetary financial resources. In particular, the trust fund for the least developed countries requires replenishment in order to enable UNCTAD to respond positively to more requests from the least developed countries for targeted technical assistance.

VI. Recommendations

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

(a) Highlight the need for a significant increase in the support for the least developed countries, to address the challenges from the recent cascading crises and to achieve progress towards the achievement of the targets of the Doha Programme of Action and the Sustainable Development Goals;

(b) Urge the international community to fulfil all internationally agreed commitments, including the Addis Ababa Action Agenda, the Bridgetown Covenant and the Antigua and Barbuda Agenda for Small Island Developing States, and scale up support to the least developed countries;

²⁹ UNCTAD, 2023, *The Least Developed Countries Report 2023: Crisis-resilient Development Finance* (United Nations publication, sales No. E.23.II.D.27, Geneva).

(c) Urge the donor community and international financial institutions to extend new financing and debt relief mechanisms to the least developed countries, to increase their fiscal space and allow them to better respond to recent crises, to strengthen resilience and to invest in their long-term development priorities;

(d) Emphasize that addressing the impact of climate change in the least developed countries will require them to have access to additional financial resources, relevant technology and capacity-building;

(e) Call for greater technical assistance and capacity-building work, to address poverty and inequality in the least developed countries, the persistence of which hinders progress towards achieving the Sustainable Development Goals;

(f) Appeal for contributions to the UNCTAD trust fund for the least developed countries, which would enable UNCTAD to respond to the increasing level of requests for technical cooperation by the least developed countries.
