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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 2022 and the first quarter of 2023, in support of the implementation of the Doha Programme of Action for the Least Developed Countries and taking into consideration the polycrisis affecting the least developed countries, including worsening climate impacts, slowing global economic activity, rising 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 UNCTAD work, 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. In March 2023, the second part of the Fifth United Nations Conference on the Least Developed Countries took place in Doha. The Heads of State and Government and representatives of member States adopted the Doha Political Declaration, strongly committing themselves to the implementation of the Doha Programme of Action for the decade 2022–2031. This report is prepared pursuant to paragraph 308 of the Doha Programme of Action for the Least Developed Countries (A/RES/76/258, annex), which calls on UNCTAD to continue to address the challenges faced by the least developed countries (LDCs), and paragraph 299, 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. The special attention that UNCTAD allocates to LDCs 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” (TD/541/Add.2, para. 5(a)).

2. The LDC category itself is an acknowledgement by the international community that special support measures are needed to assist the least developed and most vulnerable among the developing countries. The LDC category was established by the United Nations General Assembly in 1971. Since then, the United Nations has held five conferences on LDCs in order to generate international attention and action and to reverse the continuing deterioration of the socioeconomic condition of these most vulnerable countries and support their graduation from the LDC category. The Doha Programme of Action set an ambitious target of 15 additional LDCs meeting the graduation criteria by 2031. Among the 46 countries classified as LDCs in 2022, 16 LDCs are at various stages of the graduation process. So far, only six countries have graduated from the LDC category: Botswana, Cabo Verde, Equatorial Guinea, Maldives, Samoa and Vanuatu.¹

3. Implementation of the Doha Programme of Action started in an extraordinary global context. The post-pandemic recovery has been impeded by the war in Ukraine and the global economic slowdown. Among the economic consequences of the war in Ukraine are shortages and higher prices for energy and food, particularly felt in the African LDCs that are net food and energy importers.² Global economic slowdown and inflationary pressure led to a tightening financial market, affecting the ability of LDCs to borrow and putting pressure on their currencies. These simultaneous, multiple challenges can be summed up as a polycrisis. The impact of the current polycrisis on LDCs is stronger than in other countries due to the limited ability of LDCs to cope, the continuing health crisis and a higher impact of climate change.

4. The polycrisis affects the fiscal space of LDCs. In 2022, the overall outlook for external debt sustainability in LDCs remained of serious concern.³ The stronger reliance on public borrowing to meet coronavirus disease (COVID-19) public spending-related demands was accompanied by rising levels of public debt, increasing debt repayment burdens and a higher risk of debt distress. Climate stress further compounds the fiscal pressure in vulnerable countries that need to deal with disasters and invest in their long-term development. In this context, LDCs urgently need action and investment to accelerate progress in implementing the Doha Programme of Action, recover from recent shocks and build resilience against future shocks.

5. UNCTAD assists LDCs in integrating beneficially into the global economy in support of inclusive and sustainable growth and development. UNCTAD addresses

¹ See <https://www.un.org/development/desa/dpad/least-developed-country-category/lcds-at-a-glance.html> (accessed 7 September 2023).

² 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>.

³ UNCTAD, 2022, *The Least Developed Countries Report 2022: The Low-carbon Transition and its Daunting Implications for Structural Transformation* (United Nations publication, Sales No. E.22.II.D.40, Geneva).

development 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, among others, 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. Against this background, this report provides a non-exhaustive overview of the activities carried out by UNCTAD between the second quarter of 2022 and the first quarter of 2023 in support of LDCs.

6. The activities and their impact are presented under the three pillars of UNCTAD's work, including research and analysis (chapter II), consensus-building (chapter III) and technical cooperation (chapter IV). The report concludes with lessons learned (chapter V) and policy recommendations (chapter VI).

II. Research and analysis

7. *The Least Developed Countries Report 2022: The Low-carbon Transition and its Daunting Implications for Structural Transformation* focused on climate change, a topic of existential importance for the world and an area where LDCs face particular challenges and require international support. In the report, it is argued that, although LDCs have barely contributed to climate change, they are on the front lines of the climate crisis. The report contributes to unpacking the multifaceted linkages between climate change adaptation and sustainable development, highlighting potential mutually beneficial opportunities as well as potential trade-offs for which international support to LDCs is indispensable. The importance of the topic and the launch of the report ahead of the twenty-seventh session of the Conference of the Parties, the climate change conference in Sharm el-Sheikh, Egypt, drew attention to its findings and recommendations, which reached 18 million people on social media, including 2,700 interactions and 14,180 video views and over 7,200 page views in the first month after the launch. Page views increased by 72 per cent compared to 2021. The interactive multimedia content in seven languages, including a dedicated minisite, videos and podcasts helped spread the findings of the report and raise awareness of the devastating impact of climate change on LDCs and what action the LDCs and the international community could take.

8. As a follow-up activity to *The Least Developed Countries Report 2022*, in January 2023 UNCTAD published a policy brief entitled "Trade policies for the low-carbon transition need to take into account least developed country structural features".⁴ The argument made is that uncoordinated policies may impose disproportionate trade costs on LDC exports, and that systemically important traders should consider the structural features and challenges of LDCs when enacting trade policies aimed at environmental or climate objectives.

9. Based on substantive research and policy analysis and to bring findings to a broader public, UNCTAD continued to produce charts⁵ and podcasts dedicated to LDCs, such as, for example, the podcast "Greener growth: Why LDCs must act fast to achieve sustainable development"⁶ and a podcast by the United Nations Office at Geneva⁷ that takes stock of the situation of LDCs and the challenges they face in their development, in particular due to the consequences of the COVID-19 pandemic and climate change.

10. Of 46 LDCs, 33 are located in Africa, making the UNCTAD flagship publication, *Economic Development in Africa Report*, of particular relevance. The *Economic Development in Africa Report 2022: Rethinking the Foundations of Export Diversification*

⁴ UNCTAD, 2023, [Policy Brief No. 107](#).

⁵ See <https://unctad.org/topic/least-developed-countries/chart-of-the-month>.

⁶ See <https://unctad.org/podcast/greener-growth-why-least-developed-countries-must-act-fast-achieve-sustainable-development>.

⁷ <https://onuinfoeneve.podbean.com/e/rolf-traeger-chef-de-la-section-des-pays-les-moins-avances-de-la-cnuccd/>.

*in Africa – The Catalytic Role of Business and Financial Services*⁸ shows that effectively addressing barriers to services trade under the African Continental Free Trade Area will be key to unleashing the transformative role of services in enhancing the diversity and complexity of African economies. UNCTAD recommends putting in place policies that enhance inclusive access to innovative financing technologies, including for microenterprises and small and medium-sized enterprises. In the first months after its launch, the report was downloaded 2,400 times (a 14 per cent increase compared to 2021). UNCTAD shared a press kit with 6,265 journalists, leading to 149 media stories in six languages, by Deutsche Welle, Voice of America, The National (United Arab Emirates) and AllAfrica, among other outlets, and representing a 1.5-fold increase in comparison with the 2021 edition.

11. *The World Investment Report 2022: International Tax Reforms and Sustainable Investment* warns that the planned tax reform will have major implications for national investment policymakers and investment promotion institutions, and for their standard policy toolkits, in particular fiscal incentives that are widely used for investment promotion. Regarding policy to promote foreign direct investment, the report notes that only 35 per cent of all tax incentives introduced in Africa – where most LDCs are located – over the last decade were timebound, the lowest share among all regions.

12. In January 2023, UNCTAD published a working paper entitled “Understanding the drivers of income inequality within and across countries: Some new evidence”.⁹ The paper examines the determinants of inequality in LDCs and other vulnerable groups of countries, including landlocked developing countries and African countries, and compared the results to global averages. Multiple factors are identified that contribute to income inequality within and across countries and shows that many of these factors are related to policies. Attention is drawn to the significant differences in the key drivers globally and in Africa, LDCs and landlocked developing countries, underscoring the need for policymakers to account for country heterogeneity in the design of policies to combat inequality.

13. UNCTAD analytical work and the design of technical cooperation projects are built upon a wide and constantly expanding array of globally harmonized statistics in the areas of 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, that are compiled and disseminated through the UNCTADstat database. Two noteworthy developments are linkages between trade and gender statistics and work on measuring illicit financial flows. Activities were undertaken in close collaboration with national institutions and accompanied by capacity building. For example, during the reporting period, UNCTAD supported Senegal and Zambia in assessing data availability to compile indicators of gender equality¹⁰ and carried out training workshops on measuring illicit financial flows in the extractive sector in Burkina Faso.¹¹ Furthermore, UNCTAD developed a public database to provide detailed data on product-specific utilization rates under the Generalized System of Preferences.¹²

14. During the reporting period, UNCTAD worked on the vulnerability profiles of the countries pre-qualified during the 2021 triennial review of the list of the LDCs for graduation out of the LDC category, namely Cambodia, Comoros, Djibouti, Senegal and Zambia. UNCTAD undertook inception missions to each country, in order to discuss with relevant stakeholders (government, private sector, civil society and development partners) the state of the national economy, future outlook, lingering vulnerabilities and graduation process. UNCTAD prepared the vulnerability profile for each country and shared it with

⁸ UNCTAD, 2022, *Economic Development in Africa Report 2022: Rethinking the Foundations of Export Diversification in Africa – The Catalytic Role of Business and Financial Services* (United Nations publication, Sales No. E.22.II.D.31, Geneva).

⁹ UNCTAD, 2023, [Working Paper No. 2](#).

¹⁰ See <https://unctad.org/project/data-and-statistics-more-gender-responsive-trade-policies-africa-caucasus-and-central-asia>.

¹¹ See <https://unctad.org/meeting/workshop-illicit-financial-flows-risk-extractive-sector-burkina-faso>.

¹² See <https://gsp.unctad.org/home>.

national governments. A discussion of preliminary results with national stakeholders of Senegal was held in December 2022.

III. Consensus-building

15. UNCTAD participated in the processes of the Fifth United Nations Conference on the Least Developed Countries, held in March 2023 in Doha, organizing high-level panels and side events on topics such as a new generation of industrial policies, critical minerals for energy transition, LDC trade priorities for the next decade, productive capacities and impact investing, investment promotion, electronic commerce (e-commerce), impact and prospects of the LDC category and holistic and multisectoral interventions to address systemic and structural vulnerabilities in LDCs.¹³

16. UNCTAD actively participated in the work of the Committee for Development Policy, the interagency consultative group of the United Nations system on the implementation of the Programme of Action, and the interagency task force on LDC graduation. In 2022, UNCTAD collaborated with the secretariat of the Committee for Development Policy in the preparation of the graduation assessment of five countries.¹⁴ In January 2023, UNCTAD produced the vulnerability profile for Angola. UNCTAD actively participated at the 2023 plenary session of the Committee for Development Policy, which discussed, inter alia, refinements of LDC criteria for the 2024 review of the LDC category and the request for deferral of the graduation of Solomon Islands.

17. UNCTAD actively contributes to the work of the Global Crisis Response Group on Food, Energy and Finance, established by the United Nations Secretary-General to respond to the unprecedented mix of crises in the world. A notable achievement in July 2022 of the Global Crisis Response Group was the signing of the Black Sea Initiative, which allowed the resumption of vital exports of grain and other foodstuff from Ukrainian ports in the Black Sea. The impact of the Black Sea Initiative has been particularly important for net-food importing countries, which include several LDCs. Furthermore, UNCTAD provided LDC-specific inputs to the analytical outputs of the Global Crisis Response Group, thus raising awareness on the disproportionate impact of the current polycrisis on LDCs, for example with respect to food security¹⁵ and the double burden LDCs face in light of higher international food prices and currency devaluations.¹⁶

18. UNCTAD continued to support policy dialogue and provide technical assistance to representatives of LDCs in Geneva. For example, UNCTAD delivered a course for Geneva-based delegates on LDC development challenges and policies in the 2020s and took part in an internal retreat for LDC ambassadors to discuss LDC goals for the World Trade Organization on the road to the Thirteenth Ministerial Conference, which was held in January 2023 in Montreux, Switzerland. The current state of World Trade Organization negotiations in which LDCs are involved was discussed, particularly agriculture, graduation, subsidies and reform of the World Trade Organization.

19. UNCTAD provided capacity-building and analytical work to support the effective participation of LDC delegates in the work of the World Trade Organization. In this context, a major milestone achieved in 2022 was the inclusion of text on preferential rules of origin for LDCs in the outcome document of the Twelfth Ministerial Conference of the World Trade Organization.¹⁷ The text was conceived and discussed during an executive workshop on rules of origin for the least developed countries, co-organized by UNCTAD.¹⁸ Furthermore, UNCTAD contributed to the work programme on food security established by members of the Committee on Agriculture of the World Trade Organization.

¹³ See <https://unctad.org/topic/least-developed-countries/ldc5>.

¹⁴ Cambodia, Comoros, Djibouti, Senegal and Zambia.

¹⁵ United Nations, 2022, [Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crisis in a generation](#), Brief No. 2.

¹⁶ See <https://unctad.org/a-double-burden>.

¹⁷ See https://www.wto.org/english/thewto_e/minist_e/mc12_e/documents_e.htm.

¹⁸ See <https://unctad.org/meeting/executive-workshop-rules-origin-least-developed-countries-ldcs>.

The UNCTAD contribution shed light on the vulnerabilities and structural challenges faced by LDCs and net food-importing developing countries.

20. During the reporting period, UNCTAD continued its collaboration with relevant initiatives in the area of climate change, including the Marrakech Partnership for Global Climate Action and the Group of Experts on assessment of climate change impacts and adaptation for inland transport of the Economic Commission for Europe, and actively participated in related events at the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change,¹⁹ advocating for stronger multilateral cooperation to boost investment in climate mitigation and adaptation and to support developing countries, and LDCs in particular, in the global low-carbon transition.

21. UNCTAD is actively involved in the work of the Enhanced Integrated Framework (EIF), a multi-agency and multi-donor programme for the coordinated delivery of trade-related technical assistance and institutional capacity-building in LDCs. During the reporting period, UNCTAD continued to serve as a member of the EIF Board and Steering Committee, contributing to, among other activities, the discussion on possible options for future trade-related technical assistance to LDCs and carrying out a series of meetings and engagements with EIF donors, LDC representatives and partner agencies. UNCTAD is also an implementing agency for several EIF-funded projects, particularly in the areas of market access, trade facilitation, investment promotion and gender-responsive trade policy.

IV. Technical cooperation

22. As shown in the table, in 2022, UNCTAD spent a total of approximately \$13.8 million on national projects in LDCs and a further \$9.1 million were spent on LDCs as part of multi-country projects. The total amount, \$22.9 million, represents 45.8 per cent of the total UNCTAD technical cooperation expenditure. Compared to the previous year, the total expenditure benefiting LDCs rose by \$2.5 million and the share of expenditures for LDCs increased by 2.3 percentage points. According to the preliminary figures for the first quarter of 2023, the expenditure on national projects in LDCs amounted to \$2.7 million and a further \$2.6 million benefited LDCs in the framework of multi-country projects, with the total amount exceeding \$5.3 million.

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

(Thousands of dollars)

	2021	2022	Q1 2023
National projects in LDCs	9 870	13 830	2 716
Estimated value of multi-country projects benefiting LDCs*	10 491	9 054	2 623
Total expenditures benefiting LDCs	20 361	22 885	5 340
Total UNCTAD technical cooperation expenditures	46 777	49 963	13 029
Share of UNCTAD technical cooperation expenditures benefiting LDCs (percentage)	43.5	45.8	41.0

Source: UNCTAD.

Note: Figures for the first quarter (Q1) of 2023 are provisional.

* The share of expenditures in interregional projects benefiting LDCs is estimated to be at 30 per cent; in African regional projects, 60 per cent; in Asia and the Pacific and Oceania regional projects, 20 per cent; and in projects in the Arab States region and in Latin America and Caribbean, 5 per cent.

¹⁹ See <https://unctad.org/programme/unctad-cop27>.

23. The following subsections provide a non-exhaustive summary of technical cooperation activities carried out by UNCTAD in support of LDCs throughout the reporting period, from April 2022 to March 2023. The activities are grouped into five thematic areas, namely: (a) productive capacities and structural transformation; (b) trade and trade facilitation; (c) investment and enterprise development; (d) debt sustainability; and (e) reinforcing national statistical and analytical capacities.

A. Productive capacities and structural transformation

24. UNCTAD continued its work on supporting structural transformation as a driver of prosperity, one of the six key focus areas of the Doha Programme of Action. During the reporting period, UNCTAD completed the national productive capacities gap assessments for Ethiopia and Zambia. The respective assessments revealed the binding constraints to the structural transformation, economic diversification and productive capacities building of Ethiopia and Zambia and provided sectoral policy recommendations, which were accepted by the respective Governments during the presentations in Lusaka in October 2022 and Addis Ababa in December 2022. The analytical work and policy advice were accompanied by capacity-building for statisticians and policymakers. Statisticians from both countries were trained in how to use the UNCTAD productive capacities index in measuring sectoral gaps and in data-driven policy design, while policymakers and technical experts focused on learning how to use the index in their development policy formulation and implementation. Participants evaluated the different workshops delivered as useful (at least 98 per cent of responses were positive in all workshops).

25. During the reporting period, UNCTAD continued to implement a United Nations Development Account Project titled “Coherent strategies for productive capacity development in African least developed countries” in Burkina Faso, Rwanda and the United Republic of Tanzania.²⁰ The project assists beneficiary countries in formulating holistic strategies to build productive capacities, to drive structural transformation, poverty reduction and inclusive economic growth. During the reporting period, UNCTAD organized a national workshop in Burkina Faso (Ouagadougou) and a regional workshop in the United Republic of Tanzania (Dar Es Salaam). In each workshop, more than 70 per cent of participants rated the event as very useful. Based on the outcomes of these activities, UNCTAD assisted Burkina Faso in drafting a national strategy to enhance productive capacities.²¹

26. Under a United Nations Development Account project entitled “Strengthening services trade policymaking for Africa’s integration into regional value chains in support of the 2030 Agenda”, UNCTAD and the Economic Commission for Africa supported services trade policymaking in African countries, including LDCs.²² The project aims at strengthening the capacities of national and regional policymakers and stakeholders to measure and analyse value chains and design services policies aimed at enabling higher integration into global and regional value chains. LDC-related project outputs include the tourism policy action plans for the Gambia and Mali, policy action plan for transport services in Ethiopia, documents analysing the value chains in the transport sector in Ethiopia, the value chain of tourism services in Mali and the Gambia, and the impact of the COVID-19 on the transport services in Ethiopia and on tourism enterprises in Mali.²³

27. Over the last two years, UNCTAD has collaborated with the Development Centre of the Organisation for Economic Co-operation and Development, Committee for Development Policy, Office of the High Representative for the Least Developed Countries,

²⁰ See <https://unctad.org/project/coherent-strategies-productive-capacity-development-african-least-developed-countries>.

²¹ See <https://unctad.org/publication/enhancing-productive-capacities-burkina-faso-coherent-and-operational-strategy>.

²² Ethiopia, Mali, the Gambia and Togo (LDCs) and Kenya and Nigeria (non-LDCs), together with their respective regional economic communities.

²³ See <https://unctad.org/project/strengthening-services-trade-policy-making-africas-integration-regional-value-chains>.

Landlocked Developing Countries and Small Island Developing States, Department of Economic and Social Affairs and United Nations Industrial Development Organization to carry out a productive transformation policy review of Bangladesh that will be launched in the second half of 2023. UNCTAD contributed a study on a strategic trade policy framework as one of the main drivers to mobilize foreign direct investment FDI. The study also highlighted the untapped potential of regional integration for Bangladesh.

28. As part of a multi-agency effort, UNCTAD is contributing to the implementation of two United Nations joint programmes for Haiti, namely “Global crisis emergency support for Haiti: sustainable trade and value chain development for diversification of the economy, improved working conditions, rural employment creation and food security” and “Haiti in Crisis: A national consultation on reform priorities and financing options for accelerated Sustainable Development Goal achievement”. The UNCTAD contribution, focusing on exploring and stimulating the potential of the private sector in generating funds for achieving the Sustainable Development Goals, included studies on the fisheries and aquaculture sectors, revenue-generating potential of exports, innovative financing sources and a national productive capacities gap assessment of Haiti. The upcoming project document will be used to mobilize finance for the development of fisheries and aquaculture sectors in Haiti.

B. Trade and trade facilitation

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

29. UNCTAD continued to provide advisory services and capacity-building for Governments and other stakeholders in LDCs on how to comply with rules of origin and other requirements. The objective is to capitalize on trade preferences under available duty-free and quota-free arrangements and regional trade agreements. For Cambodia and the Lao People’s Democratic Republic, UNCTAD prepared road maps covering important areas, such as extended cumulation with the European Union, the Generalized System of Preferences of Japan and bilateral trade relations between Japan and the Association of Southeast Asian Nations, sanitary and phytosanitary measures for accessing China and neighbouring markets and e-commerce negotiations within the World Trade Organization. A notable achievement of the project, funded by the EIF, is Cambodia signing a memorandum of understanding with Viet Nam, offering the Cambodian bicycle industry an opportunity to cumulate intermediate inputs from Vietnam under the provision of extended cumulation within the Generalized System of Preferences framework of the European Union.

30. UNCTAD carried out multiple activities aimed at enhancing the management of the joint border post of Malanville (Benin/Niger) and Cinkassé (Togo/Burkina Faso) among Benin, Burkina Faso, the Niger and Togo, and supporting customs connectivity through the interconnected system for the management of transit goods (SIGMAT) along the Ouagadougou–Lomé and Niamey–Cotonou corridors. In 2022, the project delivered several outputs, including an analysis of the legal frameworks for transport and transit and implementation of the Agreement on Trade Facilitation of the World Trade Organization in Benin, Burkina Faso and the Niger; an initial analysis of the functioning of the Inter-State Road Transit convention, including examination of an additional protocol that established the new transit guarantee system of the Economic Community of West African States; and a study on the convergence of the subregional transport legislative frameworks.²⁴

2. African Continental Free Trade Area

31. In October 2022, UNCTAD and the secretariat of the African Continental Free Trade Area signed a memorandum of understanding aimed at scaling up partnerships to maximize the trade, investment and development opportunities of African countries. Furthermore, UNCTAD engaged with the German Agency for International

²⁴ See <https://unctad.org/project/facilitation-transit-transport-and-trade-west-africa-better-value-chain-participation>.

Cooperation and the Economic Commission for Africa to explore funding opportunities and cooperation in supporting selected African countries in their implementation of the AfCFTA Agreement Establishing the African Continental Free Trade Area and initiated discussions with these countries to develop country-specific project documents. Funding has already been secured for two LDCs.²⁵

32. UNCTAD provided support to the African Union on the Protocol on Investment to the Agreement Establishing the African Continental Free Trade Area adopted at the Assembly of Heads of State and Government of the African Union in February 2023. The negotiating principles for the Protocol on Investment recognize the role and support of UNCTAD to the African Continental Free Trade Area and refer to the UNCTAD investment policy framework for sustainable development and UNCTAD international investment agreement reform accelerator.

33. UNCTAD continued supporting the implementation of the non-tariff barriers reporting, monitoring and eliminating mechanism, which is based on and established by the Protocol on Trade in Goods, annex 5, to the Agreement Establishing the African Continental Free Trade Area. Addressing non-tariff barriers across Africa can bring gains of \$20 billion each year to member States of the African Continental Free Trade Area, which is three to four times more than the gains from eliminating intra-African tariffs.²⁶ In this context, UNCTAD worked with the African Union to develop and implement the continent's non-tariff barriers online reporting, monitoring and eliminating mechanism, which is based on annex 5 of the Protocol on Trade in Goods to the Agreement. The uptake of the non-tariff barriers online mechanism increased steadily, reaching 19,000 visits to the tradebarriers.africa website in 2022, up from 15,000 visits in 2021. Furthermore, UNCTAD collaborated with regional economic communities to harmonize and integrate various non-tariff barrier online reporting mechanisms to ensure compatibility and synergy between platforms.

34. UNCTAD helped reduce the costs caused by non-tariff measures in member States of the African Continental Free Trade Area through comprehensive data collection and dissemination. These efforts also contribute to increasing compliance with the transparency provisions of the Agreement's annexes on sanitary and phytosanitary measures, technical barriers to trade, trade facilitation, customs cooperation and mutual administrative assistance. In 2020–2023, UNCTAD trained government officials and assisted in the collection of 800 trade-related regulations in 15 LDCs.²⁷ The public provision of these data through the Trade Analysis and Information System database of UNCTAD²⁸ and the Global Trade Helpdesk, led by the International Trade Centre, UNCTAD and the World Trade Organization,²⁹ helped to understand market access conditions, promote exports and strengthen policy coherence and regulatory cooperation.

35. UNCTAD provided comprehensive technical assistance during the negotiation and drafting of the African Continental Free Trade Area rules of origin. Furthermore, in 2022 UNCTAD released a new database and online tool that contains detailed information on import trends, tariff offers made by member States of the African Continental Free Trade Area and related rules of origin.³⁰

3. European Union–UNCTAD Joint Programme for Angola: Train for Trade II, 2017–2023

36. Through the joint programme with the European Union, UNCTAD has supported Angola since 2017 in building institutional and human resources capacities in a broad range of areas, including commercial diplomacy, the creative economy, trade and investment

²⁵ Malawi and Niger.

²⁶ See https://unctad.org/system/files/official-document/ser-rp-2017d14_en.pdf.

²⁷ Data collection has been completed in the following LDCs: Chad, Comoros, Gambia, Guinea, Mozambique, Niger, Rwanda, Senegal, Togo, Uganda, United Republic of Tanzania and Zambia. Activities are ongoing in Burundi, the Democratic Republic of the Congo and Lesotho.

²⁸ See <https://trainsonline.unctad.org/>.

²⁹ See <https://globaltradehelpdesk.org/>.

³⁰ See <https://afcfta.unctad.org>.

facilitation, transport and logistics, entrepreneurship training and policy development, a national green export review and development of a green value chain. To date, the programme has built the capacities of 2,658 persons, of which 1,079 were trained during the reporting period through a total of 28 activities, exceeding programme targets.

37. During the reporting period, UNCTAD supported Angola in developing national strategies and legal frameworks, including cultural and creative industries strategy, national entrepreneurship strategy and a legal framework for trade remedies and safeguard measures. Furthermore, UNCTAD organized a workshop to discuss the elements of a smooth transition strategy for Angola. In preparation for the workshop, UNCTAD produced the following documents: (a) vulnerability profile, mandated by UNGA, analysing the most important vulnerabilities of the country, (b) strategy for graduation with momentum, suggesting priorities for policy action and interventions and serving as an input to the country's preparation of the national Smooth Transition Strategy; and (c) a document titled "Economic and social impact of COVID-19 in Angola 2021" analysing the macroeconomic and sectoral impacts of the pandemic and policy measures.

38. To facilitate the monitoring of the implementation of the recommendations of the investment policy review of Angola and strengthen national capacities, a meeting was organized to improve the statistics on foreign direct investment and activities of multinational enterprises as well as on mobilizing institutional investment in infrastructure in Angola. Hands-on support is being provided to the Agency for Private Investment and Promotion of Exports of Angola to target agriculture subsectors with a view to profiling and approaching suitable investors in green national products, mostly targeting citrus fruits and fertilizers.

39. The Angola programme and its successful results underline the need for holistic interventions to address the socioeconomic challenges facing LDCs. Adequate and predictable financing is critically important for the long-term sustainability and impact of such programmes. Looking forward, the European Union–UNCTAD Joint Programme for Angola aims to deepen its activities in the area of trade integration and promotion of sustainable investments in the country and to expand to cover new areas such as supporting policies required for graduation with momentum from the LDC category and new promising green value chains for diversification of the economy and exports, as well as the enhancement of e-commerce and e-governance procedures, tools and platforms.

4. Trade and gender

40. During the reporting period, UNCTAD, in collaboration with the EIF, carried out four iterations of an online course devoted to trade and gender in LDCs and delivered in English and French. The course was attended by 230 participants from LDCs and received positive feedback both from participants and through an independent external evaluation. The external evaluation stated that the:

UNCTAD course on trade and gender was fully relevant. The intervention was a training programme designed to address the trade and gender nexus in developing countries, with a focus on LDCs. The programme's training materials were customized for LDCs, and trainees were selected based on their professional backgrounds and functions, including policymakers, trade advisers, business actors, academics and gender equality advocates. The intervention included various stakeholders likely to influence policymaking, such as government officials, civil society organizations and academia, with a multi-stakeholder approach. End-of-training surveys revealed that the content of the course was adapted to the needs of the participants.

The external evaluation was reinforced by participants' feedback attesting that they had acquired new skills and demonstrated behavioural changes. For example, a customs officer from Uganda, wrote "after attending the course, I decided to start sensitizing men on women's economic empowerment and encouraging them to overcome gender stereotypes that are quite common among customs officers".

41. In 2022, women digital entrepreneurs from seven LDCs participated in one of the two eTrade for Women masterclasses organized by UNCTAD in Africa in collaboration with eTrade for Women Advocates, paving the way for building eTrade for Women regional communities. By the end of the first quarter of 2023, more than 200 women digital entrepreneurs from 51 countries, including 16 LDCs, had joined the communities. The programme underscored a need for a holistic approach to fostering women entrepreneurship in the digital economy: from enhanced and affordable connectivity and better digital skills and access to funding, to more favourable regulations and balanced gender norms, as well as more visible female role models in the digital space.

42. In June 2022, UNCTAD organized a policy dialogue to share experiences and lessons learned from the training workshops at the border and to present the main findings of the related publication *Cross-border Trade in the Pre- and Post-Pandemic Environment: Evidence from Malawi, the United Republic of Tanzania and Zambia*.³¹ It aimed at advancing evidence-based policymaking informed by the challenges, priority needs and expectations of the small-scale and informal traders, the majority of whom are women. Mozambique has requested similar interventions, attesting to the relevance of UNCTAD work on informal cross-border trade.

5. Automated System for Customs Data of UNCTAD

43. Currently, 39 of 46 LDCs³² were using or implementing at least one of the Automated System for Customs Data (ASYCUDA) tools for trade facilitation and seven LDCs³³ are currently running or implementing the ASYCUDA-based customs-centric single window system for trade. The following are selected examples of the impact created by ASYCUDA technical assistance in LDCs. In Bangladesh, customs revenue increased by 11 per cent and in Cambodia by 17 per cent in 2021–2022. In Chad, following the successful launch of ASYCUDA World at the International Airport of N'Djamena, customs revenue doubled. Tuvalu reported a 20 per cent increase in revenue collection due to improved transparency, compliance and efficient clearance, after launching ASYCUDA World in December 2021. In Timor-Leste, implementation of the single window allowed for the reduction of 95 per cent of physical trips and printed paper. After the launch of ASYCUDA World, 80 per cent of payments collected by the Gambia Revenue Authority were handled electronically through ASYCUDA. In Burkina Faso, within the context of the implementation of the ASYCUDA–SIGMAT solution, the number of transit documents generated by customs increased from 67,967 in 2021 to 73,700 in 2022.

44. During the reporting period, ASYCUDA-related activities have been ongoing in a large number of LDCs. ASYCUDA World was successfully launched at the International Airport of N'Djamena, Chad. In the Gambia, the Niger and Rwanda, ASYCUDA World was upgraded to its latest version. In Bangladesh, the International Air Transport Association Cargo-XML messaging solution in ASYCUDA World was launched to help airlines, express operators, freight forwarders and shippers easily provide customs authorities with information that is technically correct and in line with the standards of international bodies such as the World Customs Organization and the United Nations. Within the context of an ASYCUDA–SIGMAT project for the automation of transit in the Economic Community of West African States, the regional solution was successfully launched between Benin and Togo. In Burundi, a single window module for the automated management of tax exemptions by the country's agency for development was successfully deployed. In Cambodia, the Asyhub “maritime” platform was continuously enhanced and installed at customs premises. In Haiti, the ASYCUDA World infrastructure was updated in 2022, including the procurement and installation of

³¹ See <https://unctad.org/publication/cross-border-trade-pre-and-post-pandemic-environment-evidence-malawi-united-republic>.

³² 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 and Zambia.

³³ Burundi, Comoros, Rwanda, Timor-Leste, Uganda, Vanuatu and Zimbabwe.

production and backup servers. In Mali, customs with the support of ASYCUDA implemented the valuation control module of ASYCUDA World and a new module for the management of litigation for declarations and other customs transactions. Mozambique launched a system for the management of permits for the international trade of endangered species, developed in cooperation with the Convention on International Trade in Endangered Species of Wild Fauna and Flora, known as eCITES. In Afghanistan, 876 microenterprises and small and medium-sized enterprises, of which 37 per cent are led by women, participated in training covering business management, trade and transit management and marketing.

45. UNCTAD continued the development and expansion of single windows in a number of LDCs. In the Niger, an interface was developed for the exchange of standardized declaration data with the single window. In Timor-Leste, a public institution within the Ministry of Health responsible for the procurement, storage and distribution of drugs and medical supplies and the National Directorate of Land Transport were onboarded onto the ASYCUDA-based single window. In Uganda, the single window implementation project assisted with the automation of other trade facilitation initiatives such as advance ruling, free zones and authorized economic operators. A total of 20 government agencies are now involved in the Uganda electronic single window. In Zimbabwe, the single window for trade based on ASYCUDA technology was launched in 2022; it included border offices visit, national workshops and a study tour in Jamaica to learn from their implementation of the ASYCUDA-based single window. Togo installed the Automatic Data Notification Tool of ASYCUDA, a software module that facilitates the compilation of trade statistics.

6. Other trade-related assistance

46. To reach more people in LDCs, the UNCTAD programme for training and capacity-building, Train for Trade, has made efforts in advertising and course accessibility, resulting in a 40 per cent increase in LDC participants compared to the previous reporting period reaching 619 participants from 41 LDCs.³⁴ By taking the Sustainable Development Goals and the Doha Programme of Action as guidelines, UNCTAD developed courses that meet LDC demand for capacity-building. Consequently, the satisfaction rate of participants from LDCs increased by 5 percentage points during the last period, reaching almost 92 per cent in early 2023. The participant success rate approaches 80 per cent. Through face-to-face “coaching workshops”, 31 participants from three LDCs were trained to become trainers themselves, multiplying the impact of Train for Trade and ensuring ownership. In total, participants completed 3,702 days, or 19,322 hours of training, and 349 certificates attesting to the acquisition of new skills and knowledge were delivered.

47. To date, UNCTAD conducted eTrade readiness assessments, detailed diagnostics and policy advice to foster an enabling environment and build inclusive e-commerce ecosystems, in 34 developing countries, including 25 LDCs. A notable achievement of eTrade readiness assessments is that participating countries take ownership of the analytical results and use them for strategies and policy frameworks, both at the national and regional levels. For example, building on eTrade readiness assessments, Solomon Islands developed its first national e-commerce strategy, while Malawi started the development of an action plan. In the Economic Community of West African States, home to 11 LDCs,³⁵ the regional eTrade readiness assessment contributed to the development of a regional e-commerce strategy for 2023–2027, which was approved and recommended for adoption at the third Joint Meeting of the Community’s Ministers of Trade and Industry in Abidjan in April 2023. The Minister of Commerce, Industry, Labour and Immigration of Solomon Islands said: “We see immense potential for e-commerce to support the growth of micro[enterprises and] small and medium-sized enterprises. It reduces business transaction

³⁴ Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, United Republic of Tanzania and Zambia.

³⁵ Benin, Burkina Faso, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone and Togo.

costs and makes it easier to start and operate a new business. It encourages financial inclusion and strengthens the competitiveness of our exports.” Furthermore, UNCTAD supports countries in the implementation of the recommendations of eTrade readiness assessments. For example, in October 2022, UNCTAD carried out capacity-building activities for government officials, including from 13 LDCs.³⁶

48. UNCTAD, in collaboration with the Islamic Development Bank, continued the implementation of the project on the Trans-Saharan Road Corridor in Africa, which spans six countries, including three LDCs.³⁷ The project’s objective is to support the commercialization of the corridor to enhance its performance and promote development. In 2022, UNCTAD completed a study that puts forward recommendations on establishing a Trans-Saharan Road Corridor management mechanism.

49. UNCTAD, in collaboration with the United Nations Industrial Development Organization, assisted Mozambique in the drafting of an enabling legislation to establish national trade remedies and safeguards frameworks. During the reporting period, UNCTAD, in collaboration with the Trade Law Centre for Southern Africa, a non-profit think tank based in South Africa, conducted a series of training seminars for Mozambican officials and produced background documents, including a case study showcasing the use of safeguards by LDCs as part of their trade policy tools to protect infant industries while respecting World Trade Organization and Economic Partnership Agreement obligations.

C. Investment and enterprise development

1. Investment promotion and facilitation

50. The investment policy review of Togo, delivered in cooperation with the United Nations country team and the United Nations Development Programme in Togo, analyses the country’s strategic, legal and institutional framework for investment, and the potential and competitiveness of the country, and provides recommendations with a view to attracting more foreign investment, strengthening the local private sector and increasing the competitiveness of Togo. The report was discussed in January 2023 during a workshop attended by more than 140 stakeholders, including the Minister of Investment Promotion and other high-level officials, representing more than 50 entities of the Government of Togo. At the regional level, preparation for an investment policy review for the West African Economic and Monetary Union, which includes seven LDCs,³⁸ is ongoing. Furthermore, in 2022, UNCTAD provided international investment agreement reviews for countries of the Economic Community of West African States, which include 11 LDCs.

51. The UNCTAD-led EIF-funded capacity development programme for investment promotion agencies of LDCs started in 2022 and is praised as an excellent example of cooperation among international institutions. The International Training Centre of the International Labour Organization, UNCTAD, United Nations Industrial Development Organization, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and World Association of Investment Promotion Agencies joined efforts to establish a targeted programme aimed at actively assisting investment promotion agencies in all LDCs by providing tailored capacity-building activities that consider the diverse needs of LDCs with respect to foreign direct investment and the impact of the COVID-19 crisis. Current outputs and examples of cooperation include a report on investment promotion in LDCs, three pedagogical videos on the promotion and facilitation of investment, a session during the World Investment Conference 2022 of the World Association of Investment Promotion Agencies and an online workshop for 70 LDC officials.

³⁶ Bhutan, Burkina Faso, Cambodia, Madagascar, Malawi, Mauritania, Niger, Rwanda, Senegal, Togo, Tuvalu, Uganda and Zambia.

³⁷ Algeria, Chad, Mali, Niger, Nigeria and Tunisia.

³⁸ Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal and Togo.

2. Business Facilitation

52. The e-regulations/trade portal systems and the simplification of trade and investment-related procedures expanded in several countries.³⁹ Such simplification not only facilitates business but also supports inclusion. For example, in Benin, company registrations increased two and a half times between 2020 and 2022; one third of business owners were women, one half were by young people (under 30 years old) and more than 70 per cent were based outside the capital, reflecting greater ease for vulnerable populations to access online systems. In Bhutan, by the end of 2022, 52 per cent of those applying to register their cottage industries through the online single window launched earlier in the year were women. Bhutan is also the fastest place in the world now to register a sole proprietorship online. In Mali, the electronic single window based on e-registrations has boosted the number of businesses created by women (97 per cent increase) and young entrepreneurs (35 per cent increase) and, in Togo, the investment information portal now documents 55 procedures, increasing transparency.

D. Debt sustainability

53. External debt is one of the major concerns raised under section VI, titled “Mobilizing international solidarity, reinvigorated global partnerships and innovative tools: a march towards sustainable graduation”, of the Doha Programme of Action, in the context of the continued financial resource constraints and increasing debt burdens faced by LDCs in striving to achieve sustainable development. UNCTAD continued to support 22 LDCs⁴⁰ through its Debt Management and Financial Analysis (DMFAS) Programme. Concrete 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 with LDC status reported having a comprehensive government and government-guaranteed external debt database, and 65 per cent had complete domestic debt records in the DMFAS software. Concerning debt reporting and analysis, countries’ performance improved over previous years: 15 of the LDCs concerned were regularly publishing a debt statistics bulletin, including one new country that started to publish in 2022, and 10 were preparing a review of their debt portfolio. This improved reporting capacity contributed to improving the quality of preparation for debt suspension and debt reorganization exercises. In addition, 86 per cent reported in 2022 to the Debtor Reporting System of the World Bank, which is a critical reporting requirement.

E. Reinforcing national statistical and analytical capacities

54. As a custodian of several Sustainable Development Goal indicators, UNCTAD supports LDCs in strengthening their national statistical capacities to design programmes and policies for sustainable development and effectively monitor the implementation of the Doha Programme of Action and the 2030 Agenda for Sustainable Development. For example, in 2022, UNCTAD, the United Nations Office on Drugs and Crime and the Economic Commission for Africa concluded a joint project on measuring illicit financial flows (indicator 16.4.1 of the Goals) in 11 African countries, including six LDCs,⁴¹ demonstrating that illicit flows can be estimated.

³⁹ Rwanda, Uganda and United Republic of Tanzania.

⁴⁰ Angola, Bangladesh, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Lao People’s Democratic Republic, Madagascar, Mauritania, Rwanda, Sudan, Togo, Uganda, Yemen and Zambia.

⁴¹ Angola, Benin, Burkina Faso, Mozambique, Senegal and Zambia.

55. In 2022, UNCTAD finalized the development of a trade in services statistics information system with the West African Economic and Monetary Union to set up statistics to help the eight member countries, seven of which are LDCs,⁴² in the formation of trade-in-services policies tailored to their social and economic development goals. This information system is now being used by the eight member States, and it has generated interest among other LDCs to fill the data gap and leap forward to using modern, online data collection from businesses.

V. Lessons learned

56. The year 2022 marked the start of the implementation of the Doha Programme of Action for the Least Developed Countries. The period under review is characterised by multiple, simultaneous crises or polycrisis. LDCs have higher vulnerability and lower resilience to external shocks; they are hit by polycrisis more often than other developing countries and need more time to recover from shocks, many of which are outside of their control. For the international community to get on track with the Sustainable Development Goals and achieve the aim of leaving no one behind, the vulnerabilities and structural weaknesses of LDCs need to be addressed as a matter of utmost priority.

57. Polycrisis has further increased the financing needs of LDCs, which require funding to deal with the current crises and build resilience to future ones through investment in long-term development objectives. LDCs remain much more dependent on official development assistance than other developing countries, which comes at a cost. Since the global financial crisis of 2008–2009, the rising share of debt-creating instruments led to a rapid accumulation of external debt, resulting in substantial debt servicing and further shrinking of the fiscal space of many LDCs. In these conditions, a very significant increase in financing for development, particularly using instruments that do not create further debt burden, is indispensable for achieving the objectives set out by the Doha Programme of Action.

58. Concerning climate finance, the recognition of the special needs and climate-related vulnerabilities of LDCs has not translated into an adequate inflow of climate finance to LDCs. The global climate finance architecture is fragmented and costly, and many LDCs may not have sufficient human and institutional capacity to benefit from climate finance. Improved access to finance and technology to address climate change is critical. Concrete ways forward include setting LDC-specific climate finance targets, in particular for adaptation; scaling up climate finance grants and innovative financing mechanisms; including contingency financing and integration of disaster and pandemic clauses into debt instruments; and operationalizing the loss and damage fund in a way that facilitates its use by LDCs and does not reduce the traditional forms of development finance.⁴³

59. Notwithstanding external financing, domestic resource mobilization, for example by combating illicit financial flows and, in general, increased State capacity, are paramount for driving structural transformation and building LDC resilience to shocks. LDCs need Governments that have the capacity and resources to respond to systemic shocks. With regard to such an enhanced role of the State, LDCs require human capital, finance, policy, infrastructure and institutions, underlining the need for increased resources and technical assistance from the international community.

60. UNCTAD continuously receives requests from LDCs for technical assistance, particularly in the areas of graduation, the formulation of trade and industrial policy, statistical capacity, regional and international trade integration, the building of productive capacities, trade and business facilitation and e-commerce. These requests demonstrate the value and demand for UNCTAD interventions and highlight a need for further resources to enable UNCTAD to respond positively to more requests from LDCs.

⁴² Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal and Togo.

⁴³ Ibid.

VI. Policy recommendations

61. The Trade and Development Board may wish to consider the following actions:
- (a) To underscore the need to strengthen efforts to assist LDCs in addressing current and emerging challenges arising from polycrisis;
 - (b) To urge the international community to fulfil all internationally agreed commitments and scale up support to LDCs;
 - (c) To call for the donor community and international financial institutions to extend new financing and debt relief mechanisms to LDCs to increase the fiscal space and capacity of LDCs to address their development challenges and foster inclusive and sustainable development;
 - (d) To call for improved access to climate-related financing, technology and capacity-building to make possible a just, balanced and sustainable low-carbon transition in LDCs;
 - (e) To 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 LDCs;
 - (f) To encourage LDCs to undertake national productive capacities gap assessments.
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