



Input to the preparations for the next programme of action for the least developed countries *

The Committee recommends that the new programme of action for the least developed countries for the decade 2021–2030 be fully aligned with the 2030 Agenda for Sustainable Development. It proposes that the new programme of action use expansion of the productive capacity for sustainable development as the organizing framework for achieving the goals and the underlying participatory processes. Moreover, the programme of action should strengthen the means to increase resilience to economic and environmental vulnerabilities. The programme of action should take

into account the implications of significant changes in the composition of the least developed country category over the next decade, in particular the geographical concentration of least developed countries in sub-Saharan Africa and the prevalence of conflict and post-conflict situations, and incorporate additional measures that enable the remaining least developed countries to benefit more effectively from the specific support provided. It should also emphasize support to graduating countries. Chapter VIII of the present report contains more detailed observations in this regard.

The Committee stresses the importance of the programme of action for the least developed countries for the decade 2021–2030 in ensuring that least developed countries are not left behind. The programme of action must reflect recent key trends related to the least developed country category, including the evolution of the composition of the category owing to upcoming graduations and the emergence of the 2030

Agenda for Sustainable Development as the overarching global development framework. These trends are compounded by uncertain global economic prospects, the tendency towards protectionism and the growing opposition to multilateralism as a framework within which to address global challenges, which further threaten to undermine the development progress of least developed countries.

Integrating the Sustainable Development Goals

In the view of the Committee, the new programme of action should be aligned with the Sustainable Development Goals, which are universal goals. The current Programme of Action for the Least Developed Countries for the Decade 2011–2020 and the 2030 Agenda share many principles, objectives and targets. Hence, progress towards graduation from the least developed country category and progress towards achieving the Sustainable Development Goals are

mutually reinforcing. The principle of leaving no one behind, which is central to the 2030 Agenda, should be integrated in the new programme of action. This, in effect, means that the priority areas, targets and action plans associated with the new programme of action must take into account gender, age, race, ethnicity, disability, geographical location and other relevant contextual factors potentially contributing to marginalization within a country.

* Excerpt from Committee for Development Policy, Report on the twenty-first session, See Official Records of the Economic and Social Council, 2019, Supplement No. 13 (E/2019/33)

The new programme of action requires a strong monitoring and review mechanism, but should avoid duplication and excessive reporting burdens for countries. There is therefore a need to leverage existing Sustainable Development Goal review mechanisms, including the voluntary national reviews. The availability of data remains a critical issue in this regard. Accordingly,

Organizing the programme of action around expansion of productive capacity for sustainable development

The lack of sufficient development progress in many least developed countries is rooted in their limited productive capacity, inhibiting them from undergoing a dynamic structural transformation of their economies. The expansion of productive capacity enables countries to produce an increasing range of higher value-added goods and services, thereby creating decent and productive jobs and allowing countries to upgrade their skills base and improve their technological capabilities. Whereas the current Programme of Action lists productive capacity as the first of eight priority areas, the list approach of the Programme of Action fails to harness the intrinsic linkages between policies and the different priority areas. The Committee's work on expanding productive capacity for sustainable development provides an integrated framework with a sound conceptual basis (see E/2016/33 and E/2017/33).

This framework uses a broad definition of productive capacity comprising productive resources, entrepreneurial and institutional capabilities and production linkages.¹ It focuses on the process of expanding productive capacity and highlights its key role in the broader progress towards sustainable development. It identifies four main elements at the domestic level: (a) building development governance capabilities; (b) creating positive synergies between social outcomes and productive capacities; (c) estab-

Reflecting and supporting graduation

The Committee observed that the overarching objective of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 of enabling half of the least developed countries to meet the eligibility criteria for graduation by 2020 would not be met; as of the latest triennial review, in 2018, only 12 least developed countries had met the graduation criteria at least once and 2 had graduated since 2011. Nevertheless, the objective helped to bring the question of graduation

the new programme of action should include a focus on capacity-building for the collection, processing and analysis of disaggregated data. It should strengthen mutual and domestic accountability, including through provisions for effectively integrating civil society and other non-State actors.

lishing conducive and macroeconomic and financial frameworks; and (d) developing industrial and sectoral policies that promote technological upgrading and structural transformation (with digitization and decarbonization providing new opportunities and the agricultural sector requiring special attention in many least developed countries). The framework highlights the need for international support as a fifth key element. This includes not only measures to support the integration of least developed countries in the global economy by providing preferential market access and easing supply-side constraints through aid for trade, but also measures to facilitate the transfer and access to technology and knowledge, both embodied and disembodied, to build resilience, and to support social sectors.

Such a framework would ensure coherence between macro and sectoral policies, as well as between policies and the goals and targets to be achieved, while also fostering integration of the programme of action with the 2030 Agenda. It would facilitate the identification of gaps and the tailoring of domestic policies and international support accordingly. The Committee will continue its work on this issue by further exploring how a new programme of action could be organized around the expansion of productive capacity for sustainable development.

to the forefront of the international policy debate. A realistic but ambitious graduation objective for the next decade could be ensuring that an additional third of the remaining least developed countries become eligible for the first time. As progress over the current decade was concentrated in Asia and the Pacific, meeting the new graduation objective requires targeted additional efforts, including a focus on African countries.

¹ See United Nations Conference on Trade and Development, The least developed countries report 2006 (United Nations publication, Sales No. E.06.II.D.9).

The Committee noted that while some least developed countries are actively embracing graduation, others are concerned about it, often out of uncertainty about its impacts and a fear of losing international support. In the view of the Committee, graduations should be seen as achieving a milestone in development progress, rather than as a threat. Changing the graduation narrative requires not only actions at both the national and the international levels, but also a strengthened graduation process and a smooth transition through cautious phasing out of existing schemes and dedicated graduation support measures. In this regard, the Committee highlights its detailed proposals in chapter VII of the present report.

Addressing vulnerabilities

The Committee reiterated its concern that most least developed countries, including those approaching graduation, remained highly vulnerable to economic and environmental shocks, including those associated with climate change. The Committee therefore urges the international community to develop an adequate support framework for building resilience to address vulnerabilities. Discussions of this issue should reflect not only the increasing threats posed by climate change and other shocks, but also the fact that many non-least developed countries, including former least developed countries and many small island developing States, are also highly vulnerable.

Whereas smooth transition and graduation support are important in all areas, preferential market access requires special attention, as the provision of duty-free, quota-free access for least developed countries has been a key factor in supporting the development progress of a number of countries already meeting the graduation criteria. Based on available data, \$30 billion of the \$36 billion of goods imported by development partners under duty-free, quota-free schemes specific to least developed countries originate in countries expected to graduate in the upcoming decade. The low utilization of preferential market access by the remaining least developed countries underscores the need for these countries to build productive capacity and to better integrate into the global economy.

The Committee highlighted the importance of ensuring effective access of least developed countries to environmental and climate financing to address country-specific vulnerabilities. The limited institutional capacity of many least developed countries makes it difficult for many of them to access finance, which implies a need for simplified procedures. The Committee also reiterated its proposal to use the economic vulnerability index and/or other appropriate criteria to allocate development cooperation flows addressing vulnerabilities. This proposal, which is in line with General Assembly resolution 67/221, would ensure that graduation from the least developed country category would not lead to abrupt changes in international support.