



April 2020

**Contributions to the Secretary General's Report on the implementation of the Third United Nations Decade for the Eradication of Poverty (2018-2027)**

UNCTAD provides economic analysis, facilitates consensus-building, and offers technical assistance on trade, investment, finance, and technology issues with a view to enhancing the integration of developing countries into the global economy and promoting inclusive and sustainable development. As a trade and development organization it also focuses on how trade and related issues could be used in support of poverty alleviation efforts of developing countries. To this end, it has carried out several activities geared towards promoting trade and development and alleviating poverty, particularly in Africa, least developed countries, the small island developing states and landlocked countries.

Over the past year, UNCTAD carried out several research and capacity-building activities to accelerate global actions for a world without poverty. The key focus of most of these activities is to develop productive capacities and transform economies with a view to creating decent employment, fostering prosperity, reducing poverty and promoting inclusive development. In this context, the activities carried out by the organization fall mostly under two focus areas of the System-wide Plan of Action for the Third United Nations Decade for the Eradication of Poverty (2018-2027) namely: Structural transformation, productive employment and decent work in the context of a changing global scenario; and Reducing inequalities.

UNCTAD prepared a report on "***Building and Utilizing Productive Capacities in Africa and LDCs***", which provides a comprehensive and operational framework for developing productive capacities in Africa and LDCs. More importantly, it adopts a holistic approach to productive capacity development which underscores the need to build new productive capacities, as well as enhance the utilization rates of existing capacities. It also provides actionable policy recommendations and instruments that African countries and LDCs could adopt to develop productive capacities. In this context, it is a useful and practical guide for governments in the design, implementation and enforcement of productive transformation policies for poverty reduction.

UNCTAD has carried out several activities on *inequalities*, which is one of the key drivers of changes in poverty. It is a member of the High-Level Committee on Programmes Inequality Task Team set up to consider gaps in coordination and coherence of UN work on Inequality, as well as systemic challenges, and to identify solutions and new ways of strengthening UN coordination and impact of UN work on inequalities. UNCTAD participated in the first meeting of the task team in February 2020 and contributed to the virtual workshop held by the team in March 2020. In 2019 UNCTAD also conducted some studies on gender inequality. For example, a policy research paper on *Comparing Global Gender Inequality Indices: Where is Trade? Was published under the UNCTAD Research Paper Series*. Another paper was published on *International trade, transparency and gender equality*, with a focus on the Pacific Agreement on Closer Economic Relations (PACER) Plus.

**Informal cross border trade (ICBT)** is a lifeline for a considerable share of trade in poor countries and a vast majority of these traders are women. The poorer segment of societies is highly dependent on informal trade to pay for food, schooling and shelter. UNCTAD has carried out a project on ICBT in Malawi, Tanzania and Zambia, with a focus on women traders. Two activities proved particularly useful: enhancing traders' knowledge of trade rules and customs procedures to enable them to cross the borders through formal channels; and supporting the development of entrepreneurial skills. Both activities contribute to formalize this micro-business and move it from subsistence to sustainability.

UNCTAD has developed expertise to support its members to design and implement pro-poor and gender inclusive trade-related policies in the **fisheries sector**. The fisheries sector is a critical entry point for poverty alleviation for many developing and especially least-developed countries. Several of the nodes of the fisheries value chain are female-intensive. In fish-exporting countries, the sector provides a source of employment, foreign exchange earnings, while contributing to food and livelihood security, notably for the poor.

Developing countries rely heavily on trade for development. Therefore, policies to enhance and **facilitate trade** are needed to support developing countries efforts to transform their production and export structures. UNCTAD's Train for Trade programme has been useful in providing support to developing countries on trade facilitation issues. UNCTAD's *eTrade Readiness Assessments* (eT Readies) is another tool that has been used to support LDCs to become better prepared for leveraging digital technologies for building productive capacities. They help by scoping the present situation and gaps in relation to e-commerce. They also provide policy guidance on how to bridge these gaps through concrete action.

As part of its support to the Committee for Development Policy (CDP), UNCTAD prepared new ***Vulnerability Profiles*** for three LDCs: Bangladesh, the Lao People's Democratic Republic, and Myanmar. UNCTAD is mandated by the UN General Assembly to prepare these documents for LDCs that have been found eligible for the first time for graduation from LDC status. The profiles are an important input considered by the CDP in decisions on whether to recommend a country for graduation from LDC status. The profiles also enable LDCs to identify areas of vulnerabilities in the economy and possible actions to take to cushion the potentially negative effect of graduation on their economies. In this context, the profiles are also important tools in developing strategies for poverty reduction in LDCs.

UNCTAD and UNESCAP co-organized a workshop entitled ***"Promoting Structural Economic Transformation in Asia-Pacific Landlocked Developing Countries"*** in Bangkok, Thailand, From 4 to 7 November 2019. The workshop brought together representatives of the 12 Asian LLDCs, as well as selected transit countries. UNCTAD presented a methodology it developed to measure Productive Capacities as well as the results of a study on export diversification in Asian LLDCs. At the workshop, participants exchanged views and experiences on policies to support export diversification and structural transformation in LLDCs, including the identification of sectors with export potential.

UNCTAD organized a ***"Statistical capacity-building training on the Productive Capacities Index"*** in Windhoek, Namibia, From 6 to 7 November 2019, and in Gaborone, Botswana, from 11 to 12 November 2019. The training was intended to expose participants from the Statistics Agency, Ministries, and academia to the latest data collection, organization, and aggregation methodologies and techniques used to build productive capacity indices for measuring and monitoring the development of productive capacities in economies.

In collaboration with the Ministry of Foreign Affairs of Lao PDR and the Office of the UN Resident Coordinator, UNCTAD organized a National Policy Workshop in Lao PDR on ***'Fostering Productive Capacities, Export Diversification and Structural Economic Transformation'*** from 12-13 March 2019. The workshop was opened by the Vice-Minister for Foreign Affairs, and brought together more than 50 policymakers, experts, and representatives of development partners, the private sector and academia. The aim of the meeting was to discuss the challenges and opportunities related to graduation from the LDC category, as well as the policies needed to accelerate momentum for graduation and prepare the ground for the post-graduation environment. The meeting also identified critical areas and strategies for Lao PDR to reduce any possible negative impact from graduation from the LDC status and ensure continued inclusive and sustainable growth post-graduation.

***The Economic Development in Africa Report 2019: Made in Africa – Rules of Origin for Enhanced Intra-African Trade***, examines how well intra-African trade can support structural transformation, and how continental preferences and rules of origin can help maximize opportunities for value addition and boost trade in Africa. It argues, among others, that rules of origin are a cornerstone of effective implementation of preferential trade liberalization among members of the African Continental Free Trade Area, but that they are likely to play a positive role in promoting the African development agenda if they are simple, transparent and predictable. It also argues that rules of origin should consider different levels of productive capacities and competitiveness between African countries, to help foster regional production.

***The Least Developed Countries Report 2019: The Present and Future of External Development Finance – Old Dependence, New Challenges*** provides an assessment of how least developed countries (LDCs) could adapt their development strategies and use aid more effectively to support their national development priorities. It stresses that this requires using aid to structurally transform economies, aligning donor support with LDC national development plans, enhancing aid effectiveness, strengthening relevant institutions, and addressing systemic issues of the international financial architecture that affect LDCs' access to development finance.

***The Trade and Development Report 2019: Financing a Global Green New Deal***, suggests that meeting the financing demands of the Agenda 2030 requires rebuilding multilateralism around the idea of a Global Green New Deal, and pursuing a financial future very different from the recent past. It argues that the place to begin building such a future is with a serious discussion of public financing options, as part of a wider process of repairing the social contract on which inclusive and sustainable outcomes can emerge and from which private finance can be engaged on more socially productive terms.

Through its World Investment Report, UNCTAD publishes annual FDI data and trends analysis, which is indispensable for effective policy formulation to attract investment for productive transformation and development. The Report also provides comprehensive analysis of timely investment-related developments, providing countries with the knowledge and information to formulate policies in accordance with their development needs on an array of investment-related issues. For example, the ***World Investment Report 2019: Special Economic Zones***, provides an overview of the global special economic zones landscape and offers advice on how to respond to fundamental challenges for zones posed by the sustainable development imperative, the new industrial revolution and changing patterns of international production. Other relevant activities carried out by UNCTAD to support countries in mobilizing investment for productive transformation

and poverty reduction include the Investment Policy Reviews, the Development of National Entrepreneurship Strategies, and training sessions on the Policy Guide on Entrepreneurship for Migrants and Refugees.