

STATEMENT BY  
ITC EXECUTIVE DIRECTOR

SESSION 1 - MINISTERIAL DIALOGUE: LESSONS  
LEARNED AND BUILDING BACK BETTER  
AT  
LDC5 AFRICA REGIONAL REVIEW MEETING  
IN PREPARATION FOR THE FIFTH UN  
CONFERENCE ON THE LEAST DEVELOPED  
COUNTRIES  
FROM 22 TO 26 FEBRUARY 2021

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MALAWI, UN-OHRLLS AND ECA

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PAMELA COKE HAMILTON  
EXECUTIVE DIRECTOR

Excellencies,

The Istanbul programme of action, which we all adopted in 2011, was to be our roadmap for the future we wanted. It encapsulated a vision where Least Developed Countries would grow and prosper through trade, productive capacities and partnership.

Today it is time to do a health check as we get closer to LDC V in January 2022. My assessment is that although some progress has been made and we have certainly raised the visibility of the systemic challenges affecting LDCs, we are not where we had hoped to be.

I remain optimistic however, despite the fact that collectively we are facing one of the greatest threats in a century, and with another existential threat- that of climate change- right around the corner.

I don't need to speak with you of the destruction that the pandemic has wrought. It has been a health and an economic crisis that has exposed our vulnerabilities but also energized us to move forward together to ensure that we are prepared to face the upcoming headwinds. The fact that in the depths of the pandemic the African Continental Free Trade Area was formally launched shows the courage of your convictions. At a time when value chains were strained, when many of your economies were on lock down and your health systems under incredible pressures, the message that African LDCs chose to project was one of closer collaboration and integration.

As we move towards LDCV and we formulate a new roadmap adjusted to today's—and tomorrow's challenges- we must take this inspiration from the AfCFTA and chose partnership for impact.

The pandemic has stalled economic progress in the African LDCs and in Haiti. That is an undeniable fact. And the period of recovery will be slow. But even before COVID-19 we as a global community had fallen behind the curve in realizing the aspirations of the Istanbul programme of action. We need to have an honest discussion amongst ourselves on why that has been the case but more importantly how do we adjust and course correct moving forward.

We know the figures. The World Bank estimates that the pandemic is predicted to reduce growth by 3.3% in Sub Saharan Africa. The outlook in Haiti also remains dire where a decline by 3.1% in 2021.

The economic repercussions of the pandemic will disproportionately affect those most vulnerable in your economies, in particular the micro small and medium-enterprises (MSMEs) which are the mainstay of your economic, social and employment ecosystem. ITC's 2020 survey of MSMEs in over 100 countries, including many LDCs, showed that one-fifth of MSMEs were at risk of being bankrupt and 15% of jobs may potentially be lost. I suspect if we were to do that same survey today, the results would be even more devastating.

This is why ITC strongly suggests that the next programme of action to support LDC growth and structural transformation in the post COVID era must include MSMEs at its centre. Policies and programmes to build resilience and competitiveness coupled with Aid for Trade from traditional donors, South-South partners and the private sector must be at the heart of a future programme.

A second element is addressing climate change. This has been the second pandemic that has never gone away. ‘Going green’ cannot be a developed country construct. It must be an approach that LDCs must mainstream into their every economic and development policy.

A third element must be digital empowerment- ensuring access to new technologies to allow MSMEs, women and youth entrepreneurs, and rural farmers to be able to connect to the digital highway. The evidence shows that the businesses that stayed afloat during the pandemic were those that were about to connect to buyers, sellers and markets digitally. If there is one thing we have learnt from the pandemic is that access to digital tools must be a priority moving forward.

And a fourth element must be investing in women’s economic empowerment. ITC research shows that women-owned enterprises have been particularly vulnerable during this period as they are on average smaller in size and tend to have fewer assets and limited cash reserves to cushion the lockdown-induced liquidity shortages.

ITC, through its SheTrades initiative, will continue to work with your women entrepreneurs and partners such as financial institutions, business support organisations and development partners to further develop the competitiveness and capacity of women-led MSMEs to drive future growth.

Africa remains the only region that can truly be the food basket of the world. It is becoming a leader in influencing the global creative industry. It remains the

region with the youngest population, the greatest middle-class purchasing power growth, and with a spirit of innovation that is unrivaled. Haiti, in the Caribbean- in my region- with its culture, innovation and drive also has incredible potential to be reaped if we support the country to truly become part of the Caribbean's regional value chain.

But you cannot do this alone.

The international community, your regional neighbors, the United Nations family; we all have an obligation to continue on this journey with you. And partnership will be key to leveraging our strengths. This is why I am pleased that ITC and the OHRLLS are partnering to undertake joint evidence based export potential analysis in selected LDCs to provide a data driven roadmap on the sectors and products and services you could consider focusing on in your economic recovery. We have also committed to a joint operational study to be launched at LDCV focusing on best practice routes to recovery for LDCs.

In Haiti we are working closely with the UN community based there to contribute to a practical trade development strategy to build the capacity of MSMEs to produce and trade.

For the LDCs in Africa the AfCFTA promises significant gains. There is an opportunity to align what we will discuss and agree to at LDCV with the AfCFTA recognizing that there will be a dedicated focus on e-commerce, competition policy, investment, and women in trade as the negotiations and implementation moves forward. ITC, through its new One Trade Africa programme, will be your partner on this.

We anticipate an LDCV which is focused, action oriented and built on partnerships and I look forward to meeting you all in person in January 2022.

Thank you

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