



**United Nations Office of the High Representative for the Least
Developed Countries, Landlocked Developing Countries and
Small Island Developing States (UN-OHRLLS)**

**Remarks by Ms. Rabab Fatima
Under-Secretary-General and High Representative
at the Opening Session
of the 2nd LDC Future Forum**

**Tuesday, 5 March 2024
Kulttuurikasarmi, Narinkka 2
Helsinki, Finland**

H.E. Ms. Elina Valtonen, Foreign Minister of Finland

H.E. Mr. Lok Bahadur Thapa, Permanent Representative of Nepal, and Chair of the global coordination bureau of the LDC group

Hon'ble Ministers,

Excellencies,

Distinguished Colleagues,

I am honoured and pleased to join Foreign Minister Elina Valtonen in welcoming you all to the second LDC Future Forum, here in this beautiful, historic city of Helsinki.

At the outset, I express my deep appreciation to the Government and the people of Finland, for their warm welcome and generous hospitality, and for the excellent arrangements made for this important event.

[Minister Valtonen], we commend Finland's unwavering commitment to the LDCs, and your leadership in creating this important platform, which brings together the researchers, practitioners, and policy makers to address the pressing challenges and priorities of the LDCs.

The theme of this year's Forum: "Innovation for Structural Transformation in LDCs", highlights the close interlinkages between two important focus areas of the Doha Programme of Action - STI and Structural Transformation.

We wish to dedicate the next two days to discuss the challenges and identify practical and innovative solutions to help the LDCs overcome their structural impediments and achieve the SDGs.

Excellencies,

Distinguished Colleagues,

The 45 LDCs in the world are far behind in leveraging the benefits of science, technology, and innovation:

- **[For instance] Only 54.75% people in LDCs have access to electricity.**

- **The proportion of youth in LDCs using the internet is only 54% compared to the world average of 79%.**
- **The share of employment in agriculture in LDCs is as high as 50.60% - more than half the population - which speaks of the lack of structural transformation in these countries.**
- **[And] The LDCs contribution to published scientific and technical journal articles is only 11 per 1 million people, while in OECD countries the number is as high as 1000 per million.**

And making the situation worse is the lingering impacts of the COVID-19 pandemic and other overlapping crises, which are disproportionately impacting the LDCs.

There are, however, some bright spots. The working-age population in the LDCs is expected to double by 2050, rising to 1.2 billion.

If the LDCs can harness the full potentials of this burgeoning youth and reap the benefits of this demographic dividend, they can bring about rapid and transformative structural changes.

STI can be a powerful catalyst for driving this change. This can reshape societies, industries, and institutions for ensuring high productivity and increased job opportunities.

Robust global partnership will be critical in this regard. Equally important for the LDCs will be to ensure an enabling environment to support research and development, nurture entrepreneurship, and facilitate the adoption of new technologies.

Allow me to share a few specific thoughts in this regard.

First: changes must come from within.

For structural economic transformation to gain required momentum in the LDCs, it is imperative to adopt necessary reforms to encourage innovation and boost productivity.

There must be clear and consistent national policies to incentivize research, knowledge generation, and creativity to foster STI in agricultural, manufacturing, and services sectors.

The STI actors also need to be supported to innovate and participate effectively in global value chains.

Our own analysis shows that LDCs that have adopted such innovative policies and reforms over the past decades have gained rich dividends. They have been able to substantially increase their share of manufacturing and services sectors vis-à-vis agriculture in their GDPs.

These reform measures, however, need to be strongly supported by the development partners, the UN, and other stakeholders to ensure technology transfer, and share good practices.

Second: the LDCs must reap the full potentials of their human capital.

They would need to invest heavily in education and skills development to tap into the opportunities of the evolving global STI landscape.

The Doha Programme of Action has envisaged establishment of an Online University for LDCs to bring about transformative changes in graduate and post-graduate education in STEM - science, technology, engineering, and mathematics - in LDCs.

My Office has undertaken a feasibility study on this deliverable in partnership and collaboration with all the relevant UN agencies and other stakeholders.

There should be enhanced focus on harnessing the opportunities of new and emerging technologies such as artificial intelligence, machine learning, and nanotechnology. This will pave the way for creating a workforce, which will not only act as agents of changes in the LDCs, but will be an asset for the global innovation industry.

Equally important will be to ensure meaningful participation of women in all spectra of economic activities; and enhance their

access to financing, and technologies. We need to remove all barriers to their economic empowerment, by ensuring their equal participation in the workforce and in leadership positions.

Third: the LDCs can be both beneficiaries and contributors to the new and evolving green technologies.

With necessary financial and technological support, they can build their growth momentum by utilizing green technology and reducing greenhouse gas emissions. And there are already some good examples of such home-grown innovations in the LDCs – which needs to be further scaled up.

The development partners need to provide adequate support to the LDCs in this regard.

While the international financial flows to other developing countries in clean and renewable energy have doubled since 2010, the LDCs received only 12 per cent of that share.

There should be a more targeted and comprehensive approach to support the LDCs to achieve this transition.

The private sector can play a critical role in this regard.

Fourth: the LDCs must overcome their dependence on limited commodities and lack of market diversification.

Given the fact that MSMEs make up the bulk of their entrepreneurial sector, there must be more investment to spur further innovation in this sector.

LDCs would however, need to carefully navigate through the potential impacts of automation on job markets.

As the garments and footwear industries, for example, start utilizing industrial robots for assembly line work, many low-skilled workers are likely to lose their jobs. We would need to find innovative solutions to these challenges.

LDCs also need to have enhanced focus on more complex manufacturers and digitally enabled services.

For such transitions, they need targeted investments in both soft and hard infrastructure, including on transportation, energy,

broadband connectivity, as well as on e-governance and e-commerce ecosystems. [And we have with us entrepreneurs and policymakers here dealing with this transition, and I look forward to hearing from them.]

Finally: access and utilization of dedicated ISMs such as preferential market access and development finance are fundamental to address structural vulnerabilities and productive capacity issues of the LDCs.

The DPOA has put focused attention to this area, especially in the context of LDCs on graduation track and recently graduated LDCs.

Our own analysis revealed that most of the LDCs, including those on graduation track, have not been able to harness the full benefits of the ISMs.

Also, many of the 15 LDCs, which are now on graduation track run a risk of sliding back if the ISMs are withdrawn immediately after their graduation.

Against this backdrop, it is imperative to find new and innovative ways to support the LDCs to be able to better utilize the ISMs, especially for LDCs on graduation track. It is also important to harness other partnerships, including South-South and Triangular cooperation to drive innovation and structural economic transformation.

Excellencies, Distinguished Colleagues,

Exactly one year before, UN Member States and other development partners reiterated their strong commitment to ensure the full and effective implementation of the DPOA at the LDC5 Conference in Doha.

The DPOA's strong focus on STI and structural transformation have paved the way for our focused deliberations on the interlinkages and interplay between these two issues in this Forum.

In 3 months from now, we are going to hold the 3rd UN Conference on LLDCs - LLDC3, in Rwanda; and the 4th International Conference on SIDS –SIDS4, in Antigua and Barbuda.

15 of the 32 LLDCs, and 8 of the 39 SIDs are also LDCs.

As the Secretary General of the LLDC3 and Special Adviser of the SIDS4, my Office is making every effort to ensure the success of these two Conferences. These conferences offer opportunities to highlight the unique situation, challenges, and priorities of the LDCs, and integrate that in the new programmes of action of the LLDCs and SIDS.

Given the overlapping priorities between the LDCs and these two groups, our discussions here are expected to have important bearing on the outcome of these Conferences.

We are grateful for the kind presence of Ministers from the LDCs, and of the PRs from New York, who are joining an excellent panel of experts to delve into different aspects of STI and structural transformation to bring about real changes in the lives of the 1.2 billion people in the 45 LDCs. I am looking forward to a very productive discussion over the next 2 days.

Let me rest it here. I thank you for your kind attention.