



“PROPELLING LDCS IN THE DIGITAL AGE: A Fourth Industrial Revolution Perspective for Inclusive and Sustainable Development”

LDC5 side-event
7th of March 2023, 17:15 - 18:45 (Room 106)

CONCEPT NOTE

1. ORGANIZERS

- United National Industrial Development Organization
- United Nations Technology Bank for the Least Developed Countries

2. BACKGROUND

Global megatrends are accelerating the need for solutions amidst a rapidly changing backdrop for industrial development, as well as the impending deadline for implementation of the 2030 Agenda. The imperative of addressing development challenges as a result of the Fourth Industrial Revolution, climate change and the COVID-19 pandemic demand urgent and bespoke solutions. It necessitates interventions to significantly increase capacities. This is critical in view of the growing digitalization process that has also drawn attention to a growing digital divide. Connectivity and bridging the digital divide between developed, developing and least developed countries plays a critical role in enabling the LDCs to access, adopt and adapt technologies that respond to their local needs.

The LDCs are the least connected to the internet at about 20% of the population. Although some least developed countries (LDCs) are on a positive developmental path towards meeting the threshold for graduation, many more remain extremely fragile. LDCs are especially vulnerable to being left behind, given their dependence on labour-intensive manufacturing. Collaborative approaches are a necessity as we seek to make progress in this area. LDCs can speed their transition to industrialized countries by skipping through traditional development phases with the support of digital transformation of their communities and economic sectors. Strategically implementing frontier technologies can result in a potent combination of resources and capabilities that can produce growth that is higher-quality, more inclusive, sustainable, and resilient. However, the majority of LDCs are still distant from utilizing these cutting-edge technologies. LDCs must develop and put into practice effective policies that can change country-specific conditions and improve the investment climate, firm capabilities, national innovation systems, ICT infrastructure, direct financing opportunities, and participation in global value chains in order to fully realize the potential of innovation and digital transformation.

The Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031 has acknowledged the critical importance that science, technology and innovation, including ICT, can have in the pursuit of achieving the Sustainable Development Goals. Development partners have committed to strengthen support to facilitate LDCs' access to modern technologies for sustainable development and building human capital, infrastructure and institutions to reap the benefits of the fourth industrial revolution (4IR). The event will present the most important priorities that the LDCs and their development partners need to take into consideration to harness the power of the 4IR and discuss the existing impediments and challenges in the LDCs and presents the possible routes for addressing them.

3. OBJECTIVES

New technologies are being used in creative ways to drive structural transformation; as such, we have to break the idea of sequential industrial transformation.

Drones, big data, and artificial intelligence technologies can help LDC businesses become more productive and competitive as they climb the value chain in manufacturing, services, and agriculture. Similar to this, the sale of digital goods and services increases the likelihood that small and medium-sized businesses (SMEs) will engage in international trade and improve their financial inclusion. Technology has altered the game's rules. In order to leave no one behind, we must close the digital



divide, make technology accessible to LDCs, and reduce inequality while also exploring the prospects. Industrialization can help the economy recover after the COVID-19 epidemic, and technology is the fuel for the process. Frontier technologies (including AI, blockchain, 3D printing, IoT, and virtual and augmented reality) that are better, more affordable, quicker, more scalable, and simpler to use than ever before are driving the 4IR. Through digital platforms, these technologies converge and reconverge to speed up change in several industries. Inspiring implementations of these cutting-edge technology led to real advancements in achieving the SDGs in nations all around the world.

The introduction of the 4IR can aid LDCs in accelerating their development beyond conventional stages and into developed nations. The most effective and strategic use of these technologies can result in a resource and infrastructure combination that produces growth that is higher quality and more sustainable. To take advantage of the incredible prospects offered by the 4IR, LDCs will need the ideal combination of policies and tools, though.

The event will:

- Support LDC Member States in **identifying concrete pathways to harness the benefits of frontier technologies**, overcome the digital divide, and other technological inequalities that persist in the current international economic system.
- **Enhance knowledge and awareness** of and promoting the potential of cutting-edge technologies such as Additive Manufacturing, Big Data, Artificial Intelligence, Internet of Things, and Blockchain (DLT), by addressing the needs and priorities of LDCs to access these technologies
- **Highlight main challenges in implementation of the digital transformation** and adoption of frontier technologies in the LDCs
- Discuss and exchange best practices, including ways to accelerate **access to finance** to support technological upgrading
- Discuss priorities and upcoming initiatives to support the **implementation of the DPoA** and provide insights on potential challenges and creative solutions;
- Boost opportunities for **collaboration and coordination between relevant players in the public and corporate sectors** as well as the global community and serve as a platform for promoting policies that encourage investment in order to close the gap in digital infrastructure

4. EXPECTED OUTCOMES

- **Increased knowledge, awareness and understanding** of Digitalization and Artificial Intelligence tools for Productive Transformation in LDCs, but also on the needs, the context and the main challenges the LDCs are facing in adopting and implementing frontier technologies, including AI;
- **Interactive discussion of practical recommendations** for LDCs to spur efforts to mainstream frontier technologies, including through regional collaboration among SMEs; development of human capital and skills; Standards and regulations related to innovation, entrepreneurship; development of long-term strategies for the adoption of frontier technologies; and strategic international alliances.
- **Best practices and concrete examples** of successful Digital Transformation at national and regional level in LDC shared among participants;
- Increased **opportunities for developing collaborative programmes** to raise awareness and increase readiness of private sector in LDCs and to aim at Digital transformation technology transfer and adaptability;
- Identify the synergies and opportunities for **enhanced collaboration between the public and private sector and the international community** in the LDCs in order to contribute to the achievement of an inclusive, gender-responsive, sustainable digital transformation in LDCs within the context of the Doha Programme of Action and SDG 2030 Agenda.
- Raised awareness on UNIDO's tools and Methodologies aiming at supporting digital transformation and AI technologies, and UNTBLDC's support on technology transfer to the LDCs.



5. FORMAT

- The side-event will be held in English and in a hybrid format.

6. AGENDA

KEY ISSUES TO BE ADDRESSED

- Digital and general ICT infrastructure
- Capacity building and Skill development
- Access to technology
- Access to finance

SESSION STRUCTURE, 1.5 hours

<p align="center">“Propelling LDCs in the Digital Age: A Fourth Industrial Revolution Perspective for Inclusive and Sustainable Development” 7 March 2023, 17:15 - 18:45 (Room 106)</p>	
17:15-17:25	<p>Welcome and introduction Marco KAMIYA, Chief of Division of Digital Transformation and AI, UNIDO</p>
17:25-17:45	<p>Keynote address Ratnakar ADHIKARI, Executive Director, Enhanced Integrated Framework</p> <p>Q&A session with moderator and panelists</p> <p>PART 1: Highlighting bottlenecks or obstacles of LDCs adopting frontier technologies, outlining the challenges, identifying priority areas on the macro, meso- and micro-levels.</p> <p>Torbjörn FREDRIKSSON, Head E-commerce and Digital Economy Branch, UNCTAD</p>
17:45-18:25	<p>Q&A session with moderator and panelists</p> <p>PART 2: Approaches for LDCs to tackle the challenges raised in PART 1</p> <p><i>Panelists:</i> <i>Theme: Success stories in technology adoption in LDCs</i> Lacina KONÉ, Director General and Chief Executive Officer, Smart Africa Anir CHOWDURY, Policy Advisor of the a2i Program, ICT Division and Cabinet Division of the Government of Bangladesh</p> <p><i>Theme: Innovation ecosystem of the region; SMEs/Private sector skills and innovation</i> Dr Rasigan MAHARAJH, Director of the Institute for Economic Research on Innovation (IERI) in the Faculty of Economics and Finance at Tshwane University of Technology</p> <p><i>Theme: Finance</i> Moncef SOUDANI, Manager of Reverse Linkage Division, Cooperation and Capacity Development Department, Islamic Development Bank</p>
18:25-18:40	Q&A with the audience
18:40-18:45	Concluding remarks



7. BACKGROUND AND CONTEXT

UNIDO

UNIDO is devoted to assisting LDCs in undergoing structural change that is possible by technology and industrialization. In order to enhance fair access and enable the Fourth Industrial revolution among the LDCs, UNIDO is keen to use its knowledge and networks to provide policy advice and establish the partnerships and capacities needed.

According to UNIDO, the efforts should aim for attainable and significant results in terms of structural socioeconomic transformation, particularly by fostering the development of digital and innovation skills for both men and women, particularly in start-ups and Micro, Small, and Medium Enterprises (MSMEs). The potential of new collaboration models for resource mobilization from different streams, such as creative financing, cost-sharing contributions, and national and international development finance institutions, must also be taken into consideration (DFIs).

UNIDO will keep promoting the need for multilateralism to support structural transformation in LDCs as well as the need to foster hospitable and conducive environments through policy and infrastructure, innovative ecosystems, private sector development, competencies and digital skills, and strong partnerships.

UNITED NATIONS TECHNOLOGY BANK FOR THE LDCs

The United Nations Technology Bank for Least Developed Countries is a global organization dedicated to enhancing the contribution of science, technology and innovation for sustainable development in the world's 46 least developed countries.

The UN Technology Bank helps least developed countries build the science, technology and innovation capacity that they need to promote the structural transformation of their economies, eradicate poverty and foster sustainable development.