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**Groups of countries in special situations: follow-up
to the Fifth United Nations Conference on the Least
Developed Countries****Economic and Social Council
2024 session**

Agenda item 11 (b)

**Implementation of and follow-up to major
United Nations conferences and summits:
review and coordination of the
implementation of the Programme of Action
for the Least Developed Countries for the
Decade 2022–2031**

Follow-up to the Fifth United Nations Conference on the Least Developed Countries

Report of the Secretary-General**

Summary

The present report provides information on the implementation of the Doha Programme of Action for Least Developed Countries for the decade 2022–2031 during its second year and is submitted pursuant to General Assembly resolution [78/233](#) and Economic and Social Council resolution [2023/29](#). It provides an overview of recent developments towards reaching the goals and targets of the Doha Programme of Action, as well as progress made towards its monitoring and recommendations for its full implementation. The underlying data are contained in the annex to the report.

* [A/78/50](#).

** The present report was submitted for processing after the deadline for technical reasons beyond the control of the submitting office.



I. Investing in people in least developed countries: eradicating poverty and building capacity to leave no one behind

1. Least developed countries continue to struggle to fully recover from the effects of the coronavirus disease (COVID-19) pandemic. In 2023, they lost 10 per cent of their gross domestic product (GDP) compared with their estimated pre-pandemic growth trend. Climate change, geopolitical tensions and a cost-of-living crisis all jeopardized the efforts of least developed countries to relaunch their economies.

2. Almost 15 million more people in least developed countries were living in extreme poverty in 2023 than in 2019, bringing the total to more than 380 million.¹ This increase illustrates the vulnerability of populations in least developed countries to global crises, and the critical need for more targeted interventions and international support to address multidimensional poverty. Long-term and inclusive recovery efforts that will prioritize the most vulnerable populations and strengthen resilience to future crises are essential to implement the Doha Programme of Action.

Universal social protection

3. The Doha Programme of Action aims to increase coverage of nationally appropriate comprehensive and universal protection systems for all least developed countries. However, only 14 per cent of the population in least developed countries is covered by at least one social protection benefit compared with 45 per cent and 85 per cent in other developing and developed countries, respectively.

4. Moreover, only 2.08 per cent of GDP in least developed countries is spent on social protection and on health care, which is less than a tenth of expenditure on social protection in advanced countries. To meet the targets of universal social protection systems, least developed countries would have to increase their allocation on social protection by 11.1 per cent of their 2020 GDP.

Investing in young people and education

5. The COVID-19 pandemic exacerbated the limited access to quality inclusive education in least developed countries, reducing the opportunities of young people to earn a decent living and trapping them in a vicious cycle of low income, low educational opportunities, and a lack of decent and productive work.

6. Secondary and tertiary education enrolment remains low (49 per cent and 11 per cent, respectively, in 2022) in the least developed countries. Economic challenges, combined with high dropout rates, are obstacles to meeting learning-related benchmarks.

7. Given the high correlation between quality education and countries' per capita income, investing in education at all levels and reducing gender disparities, such as economic opportunities in least developed countries, would be especially important as the populations in those countries continue to grow at a faster rate than in developed and many developing countries.

8. Investing in youth, particularly through quality higher education, is critical for long-term development. Science, technology, engineering, and mathematics are widely acknowledged as key drivers of socioeconomic development and industrialization. Least developed countries lag in science, technology, engineering and mathematics capabilities, limiting their ability to grow and undergo structural transformation. Thus, improving access to quality science, technology, engineering

¹ *The Least Developed Countries Report 2023: Crisis-Resilient Development Finance* (United Nations publication, 2023).

and mathematics education, including through consideration of an online university for science, technology, engineering and mathematics education as suggested in the Doha Programme of Action, is of utmost priority.²

Equal participation of women and girls in social, political and economic life

9. While progress has been made globally to address gender equality, women and girls in least developed countries continue to face tremendous barriers. In least developed countries, the proportion of women in parliament is lower than the world average. Rwanda and Senegal are exceptions placed in the global top 15 list of countries with the most women in parliament.³ Women running for political positions face numerous challenges, including obtaining support from major political parties, discrimination and combating cultural norms.

10. Progress has been made in the least developed countries to achieve gender equality and address violence and harmful practices against women. In 2022, the proportion of women aged 20 to 24 in least developed countries who were married before the ages of 15 or 18 was 3 percentage points lower than in 2017. This number is still, however, twice as high than the world average. There is still much work to be done to ensure that women and girls have the opportunities to fulfil their potential in society and have their rights protected.

11. Rural women play an important role in food security in least developed countries, contributing to every stage of the food system. They are more likely than men, however, to work in low-wage, low-security and informal jobs, with few opportunities for skill development. Furthermore, they are disproportionately burdened with unpaid care work and are less likely to own property. Due to their critical role in society, the barriers women face must be lowered to achieve gender equality and women's advancement.

Hunger and malnutrition

12. Least developed countries continue to make progress in reducing undernourishment, as observed in 2022. However, climate change, environmental degradation, and extreme weather continue to have a disproportionate impact, increasing their vulnerability.

13. People in least developed countries, especially the poor and the most vulnerable, including women and girls, are among the most affected by hunger. Limited finance, reliance on external food sources, inflation and high food prices have increased the prevalence of food insecurity and intensified the risk of poverty and hunger.

14. Malnutrition among children has also been exacerbated by the continuous food and nutrition crisis, further impacting their growth, development and future prospects. Estimates show that more than 60 million children in 2022 were affected by malnutrition in least developed countries.⁴

15. Efforts to reduce food insecurity are ongoing. The food stockholding mechanism envisaged in the Doha Programme of Action would significantly enhance the resilience of least developed countries to external shocks by providing a safety net for the most vulnerable (see [A/77/291](#)).⁵

² A report of the Secretary-General on the feasibility of an online university for science, technology, engineering and mathematics education will be published in 2024.

³ Inter-Parliamentary Union (IPU), "Monthly ranking of women in national parliaments", IPU Parline database. Available at <https://data.ipu.org/women-ranking?month=12&year=2023>.

⁴ United Nations Children's Fund (UNICEF), "Child malnutrition: May 2023", UNICEF Nutrition database. Available at <https://data.unicef.org/topic/nutrition/malnutrition/>.

⁵ A follow up report with a detailed feasibility study will be published in September 2024.

Promoting health and well-being⁶

16. In comparison to 2015, least developed countries have made efforts to provide health care and reduce maternal mortality. In 2022, 73 per cent of births in the least developed countries were attended by a skilled health professional, up from 61 per cent in 2015.

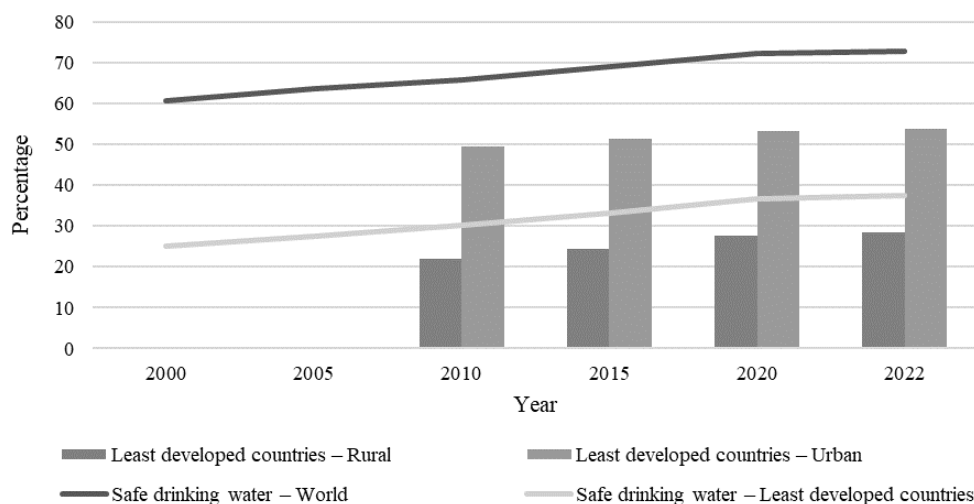
17. Progress in reproductive health in least developed countries continues, though not at the same rate as the global average. Sixty per cent of women of reproductive age were satisfied with modern methods of family planning in 2023, up from 55 per cent in 2015.

18. In 2022, the proportion of children under the age of five whose births were registered by civil authorities in least developed countries was 47 per cent, compared with the global average of 77 per cent. This highlights that least developed countries still have a long way to go in ensuring that everyone has a legal identity, reducing structural injustices, and providing equal opportunities.

Water, sanitation and hygiene

19. In 2022, 63 per cent of the population in least developed countries lacked safely managed water services, compared with 27 per cent globally, highlighting significant disparities between least developed countries and the global average (see figure I).⁷

Figure I
Percentage of population using safely managed drinking water services



Source: Statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

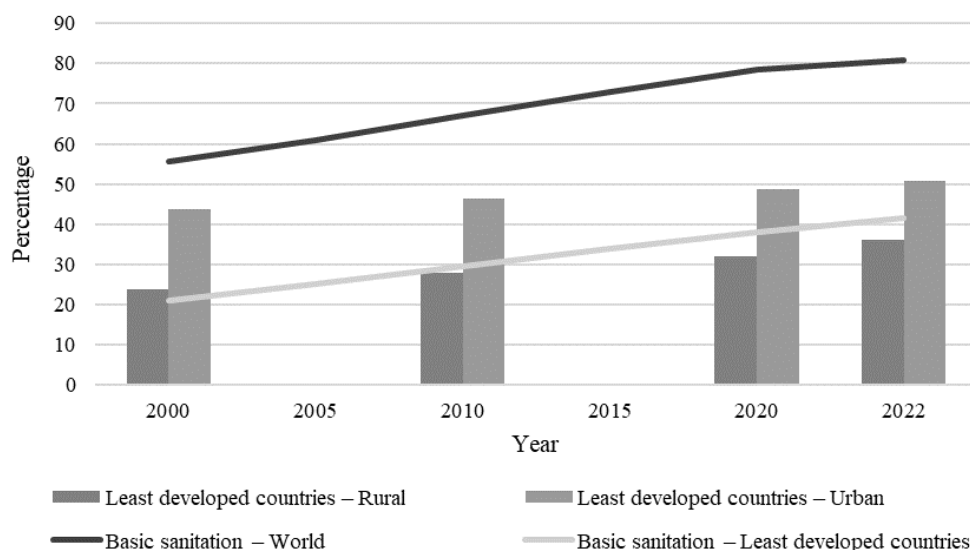
20. Likewise, only 41 per cent of people in least developed countries have access to basic sanitation, with 36 per cent in rural areas and 51 per cent in urban areas (see figure II).⁸

⁶ See the statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

⁷ See UNICEF and World Health Organization (WHO), *Progress on Household Drinking Water, Sanitation and Hygiene 2000–2022: Special Focus on Gender* (New York, 2023).

⁸ Ibid.

Figure II
Percentage of population using basic sanitation services



Source: Statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

21. To ensure sustainable and equitable access to clean water and sanitation for all by 2030, concerted efforts will be required by least developed countries and their development partners, including Governments, international organizations and local communities.

Migration and mobility

22. Although migration patterns vary by country, least developed countries are more likely to be countries of origin than destinations for migrants. Still, Bangladesh, Chad, Ethiopia, the Sudan and Uganda are among the largest refugee-hosting countries in the world.

23. Least developed countries made progress in formulating migration policies. Compared with the global average of 62 per cent in 2021, 58 per cent of least developed countries have migration policies to facilitate orderly, safe, regular and responsible migration and mobility.

24. Furthermore, instability, conflicts, climate change and economic hardship in least developed countries contribute to an increase in migration. In 2022, the least developed countries had 1,007.8 refugees per 100,000 people, compared with the global average of 397.8.⁹

Governance and peacebuilding

25. Long-standing and new conflicts around the world undermine global peace and security, and compound external shocks faced by the least developed countries, through impacts on prices of fuel and other basic commodities. Conflicts in least developed countries have also increased worsening vulnerability, disrupting economic activity, triggering displacement and leading to growing humanitarian needs. Furthermore, conflicts impede efforts to promote sustainable development and even reverse progress of the Sustainable Development Goals, while arresting efforts on infrastructure development, climate adaptation and resilience building.

⁹ See the statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

26. Of the 39 fragile and conflict-affected countries in the world, 24 are categorized as least developed.¹⁰ In 2024, it is estimated that more than 231 million people in least developed countries will need humanitarian assistance and protection compared with 190 million in 2022.¹¹

27. Supporting least developed countries in building democratic, strong and effective institutions to promote the rule of law, human rights and peaceful societies should be a key priority of the international community.

II. Science, technology and innovation for Sustainable Development in least developed countries

28. The lingering effects of the COVID-19 pandemic, continuing climate impacts and geopolitical tensions have put a spotlight on the far reaching potential and crosscutting influence of technological advancements and innovations. There is growing recognition of the positive role of science, technology and innovation in addressing developmental challenges including in sectors such as healthcare, agriculture, education, and governance. This is especially true for artificial intelligence which presents a tremendous potential to bring unprecedented efficiency to transform sectors critical to the prosperity of least developed countries and address society's most pressing challenges.

29. The Doha Programme of Action recognized that least developed countries face significant gaps in science, technology and innovation infrastructure and human and institutional capacity. According to the 2022 Global Innovation Index, of the 32 least developed countries on the list, 21 are in the bottom quartile. This reflects least developed countries continued lagging in innovation, adoption of new technologies and implementation of policies and approaches for the growth and expansion of science, technology and innovation; owing to limited infrastructure, lack of resources (financial and technical), and inadequate investment in education, skills and research and development in science, technology and innovation.

30. While no least developed country has reached 1 per cent of GDP expenditure for research and development, least developed countries have leveraged lower costs and taken frugal approaches to deliver scientific results and valuable knowledge with limited means.¹² This contributed to a significant increase of scientific publications between 2000 and 2020 in least developed countries, faster than the growth of countries in the Organisation for Economic Co-operation and Development over the same period. However, publications in least developed countries are still well below global averages. Solving this challenge requires enhanced cooperation with development partners and the private sector to allow necessary and meaningful dialogue and collaboration in favour of the least developed countries.

31. The 720 million people still offline in least developed countries in 2022 account for 27 per cent of the global offline population, even though the population of least developed countries accounts for only 14 per cent of the world's population. The proportion of Internet users in least developed countries stood at 36 per cent in 2022, with even lower rates for women (30 per cent) and people in rural areas (28 per cent). For broadband access, the contrast is similar, with a rate of 42 per cent for least developed countries for mobile broadband subscriptions – half the global average. This

¹⁰ World Bank, "Classification of fragile and conflict-affected situations", 10 July 2023.

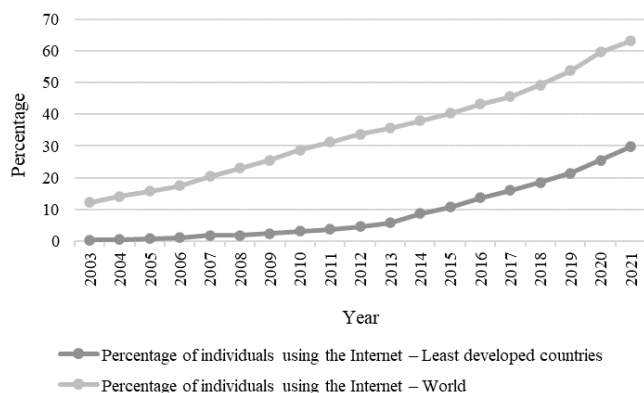
¹¹ United Nations, Office for the Coordination of Humanitarian Affairs, *Global Humanitarian Overview 2024*, abridged version (2023).

¹² See www.un.org/technologybank/.

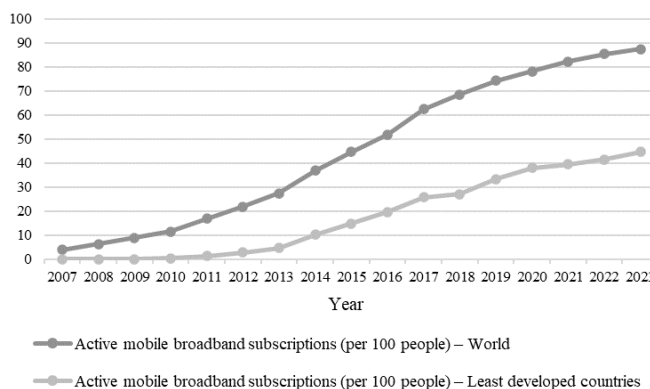
limited progress is due to continued challenges in other development sectors such as electricity (see figure III).¹³

Figure III
Access to Internet and broadband

Percentage of individuals using the Internet



Active mobile broadband subscriptions



Source: Own calculation based on data from the International Telecommunications Union.

32. The rural-urban divide remains large in least developed countries, with 55 per cent versus 26 per cent of the population with Internet access in urban and rural areas, respectively. The global standard set price requires fixed broadband to cost no more than 2 per cent of the average gross national income (GNI) per capita in a country, while in the least developed countries, broadband prices in 2022 ranged from 3.6 to 71.6 per cent of monthly GNI per capita in 90 per cent of least developed countries where data is available.

33. Application of technology in the agriculture sector, for example through digital platforms, can increase productivity and diversification through smart logistics and distribution services. In manufacturing, new technologies can improve product design and supply chain management to lower production costs. Access to resilient and adaptable technology that is environmentally sound is crucial for accelerating structural transformation and enhancing sustainably in least developed countries.

34. Continued data gaps in least developed countries call for strengthened data management capacity to allow better mapping and understanding of the status of science, technology and innovation, requiring investment in statistical capabilities to improve the availability of science, technology and innovation indicators, and enable meaningful application of digitalization, directing investment as appropriate to bridge science, technology and innovation and skills gaps ultimately eliminating the digital divide and accelerating least developed countries structural transformation. Adequate and context specific data can also ensure that science, technology and innovation interventions are context responsive and appropriate.

¹³ International Telecommunication Union (ITU), *Measuring digital Development: Fact and Figures – Focus on Least Developed Countries* (Geneva, 2023).

III. Structural transformation as a driver of prosperity in the least developed countries

35. The Doha Programme of Action commits to promoting inclusive and sustainable structural transformation in least developed countries to reduce their vulnerabilities to current and future shocks – both from internal and external sources.

36. The share of value added of agriculture in GDP in least developed countries has decreased from around 30 per cent in 2000 to 20 per cent in 2018, before increasing again to 21.2 per cent in 2021. The agriculture sector employs more than half of the population in the least developed countries, constituting the primary source of income in rural areas. The success of structural transformation in least developed countries, therefore, depends on the ability to create stronger links with the industrial and service side of agricultural activities. As the world is witnessing growing sophistication of agricultural value chains, there is a considerable need to support the least developed countries to take advantage of the contemporary landscape of agro-industry in the global economy.

37. In this context, it is especially important to harness the full potential of women by investing in their education and skills development, providing access to financing including microfinancing, and removing other barriers such as limited access to inputs, digital technologies and lack of rights to own property and land.¹⁴

38. The least developed countries need to enhance their share of the manufacturing and services sectors. The manufacturing share of GDP in least developed countries has grown from 10.8 per cent in 2000 to a peak of 15 per cent in 2020, which is still much lower than other developing countries.¹⁵

39. There are also disparities between African and Asian least developed countries. In Asian least developed countries, the manufacturing share in GDP has reached 20 per cent in 2021, while in African least developed countries, it remained almost constant at around 10 per cent. The average share of the services sector in least developed countries increased from 46 per cent in the early 2000s to about 49 per cent from 2015 to 2017, before falling back to 47.3 per cent in 2021. In Asian least developed countries, the share stands at 51.3 per cent in 2021, while in African least developed countries, it fell from 48 per cent in 2017 to 43.3 per cent in 2021.

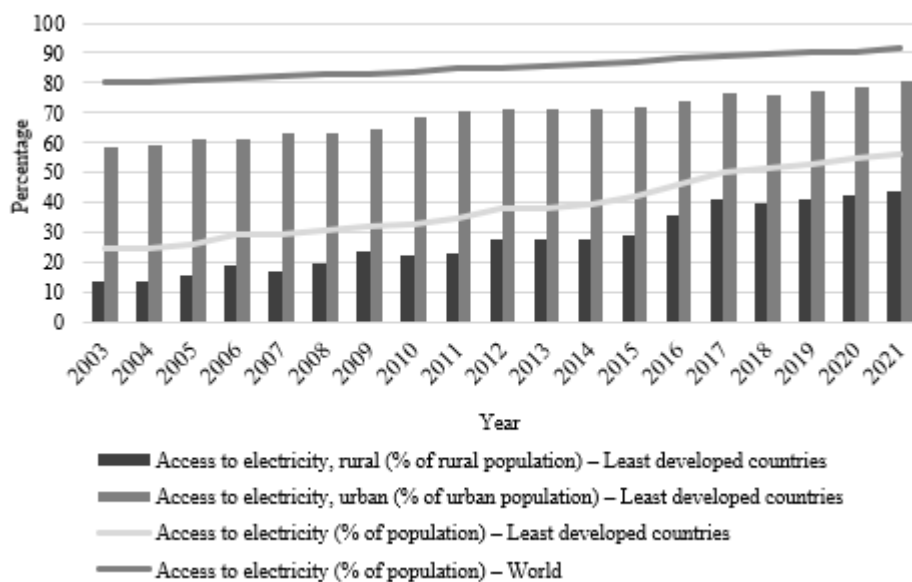
40. In African least developed countries, the bulk of tertiary employment is concentrated in less knowledge-intensive services such as retail trade and hospitality, which are typically low productivity and low value-added activities and often carried out in the informal sector. Many of the Asian least developed countries are undergoing what resembles a more classical process of industrialization characterised by a rising share of manufacturing in output and employment, specialization in manufacturing exports, and the reduction of poverty levels.

41. Transport and energy infrastructure are essential for the efficient operation of existing productive assets in the least developed countries. However, infrastructure in the least developed countries continues to face severe challenges. The share of least developed countries' population with access to electricity stood at 56 per cent in 2021, having increased from 33 per cent in 2010. Rural energy access remains even lower at around 45 per cent in 2021 (see figure IV).

¹⁴ For more details, see Food and Agriculture Organization of the United Nations, *The Status of Women in Agrifood Systems* (Rome, 2023).

¹⁵ In 2021, the manufacturing share of gross domestic product in developing countries was 22 per cent.

Figure IV
Access to electricity



Source: Own calculations based on the statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

42. The percentage of the population with access to clean cooking options in the least developed countries was 25 per cent, roughly a third of the world average of 71 per cent. The share of modern renewables in total final energy consumption is progressing slowly in the least developed countries, with an average share of 12 per cent. Moreover, while the growth rate in renewables capacity per capita was high for the developing world, at a compound annual growth rate of 9.6 per cent from 2016 to 2021, growth was significantly lower for least developed countries (5.5 per cent). This trend is concerning, as it underscores the urgent need for greater support to meet the Doha Programme of Action target to double financing to least developed countries from all sources in support of clean and renewable energy.

43. Partnerships between least developed countries, development partners and the private sector need to ensure that the efforts towards universal access to modern energy and clean energy transitions are cost-efficient, people-centred and inclusive. A comprehensive energy sector subsidy reform plan that phases out fossil fuel subsidies and redirects finances to better targeted social spending can help reduce inefficiencies in the allocation of resources.¹⁶

44. Micro and small enterprises account for 83 per cent of total employment in the least developed countries compared with 63 per cent in other developing countries. Most employment in micro and small enterprises is informal. In the least developed countries, informality is characterized by its concentration in vulnerable employment status and specific sectors (agriculture, wholesale and retail trade, and manufacturing). Continued investment in micro and small enterprises, including building their digital capacity, will be essential to fill the gap of the missing middle

¹⁶ For more information see United Nations, Department of Economic and Social Affairs, “Advancing SDG7 in least developed countries, landlocked developing countries and small island developing states”, 2023.

to enable them grow, innovate and contribute to sustainable economic growth for enhanced regional and global value chain integration.¹⁷

45. To accelerate structural transformation in the least developed countries, a dynamic private sector is critical. Many least developed countries have embarked on numerous reforms of regulatory frameworks to make it easier for private companies to do business. Private sector development in least developed countries, however, has been constrained by, inter alia, deficiencies in information and communications technology and energy infrastructures, access to finance, especially for micro and small enterprises, skills gap and bureaucratic processes.

46. To fulfil Sustainable Development Goal target 9.2 of doubling the share of manufacturing in least developed countries, it is estimated that \$1,051 billion will be required annually.¹⁸ For the least developed countries to bridge this burgeoning financing gap, it is vital to leverage all sources of financing, including North-South, South-South and triangular cooperation. It will also be critically important to ensure strategic investments in sectors which can contribute most to achieving higher productivity, enhancing growth and, ultimately, in creating decent jobs and eradicating poverty. Moreover, creating the right conditions for industry development also requires building the right legal framework and institutional infrastructure.

IV. Trade and regional integration

47. Least developed countries continue to make efforts to integrate into the multilateral trading system to leverage trade as a catalyst for growth and sustainable development. The recent accession of Comoros and Timor-Leste will bring the number of least developed countries members of the World Trade Organization to 37 out of 45.

48. Between 2018 and 2022, least developed countries' exports of goods and services increased at an average annual rate of 7.1 per cent. In 2022, least developed countries' goods exports particularly benefited from high energy prices, leading to an annual growth of 17.4 per cent.¹⁹

49. In 2022, the least developed countries' share in world exports of goods and commercial services increased from 0.95 per cent in 2021 to 1.02 per cent in 2022. Export growth of least developed country was mainly driven by commercial services (27 per cent), while merchandise exports grew by 14.7 per cent in 2022.

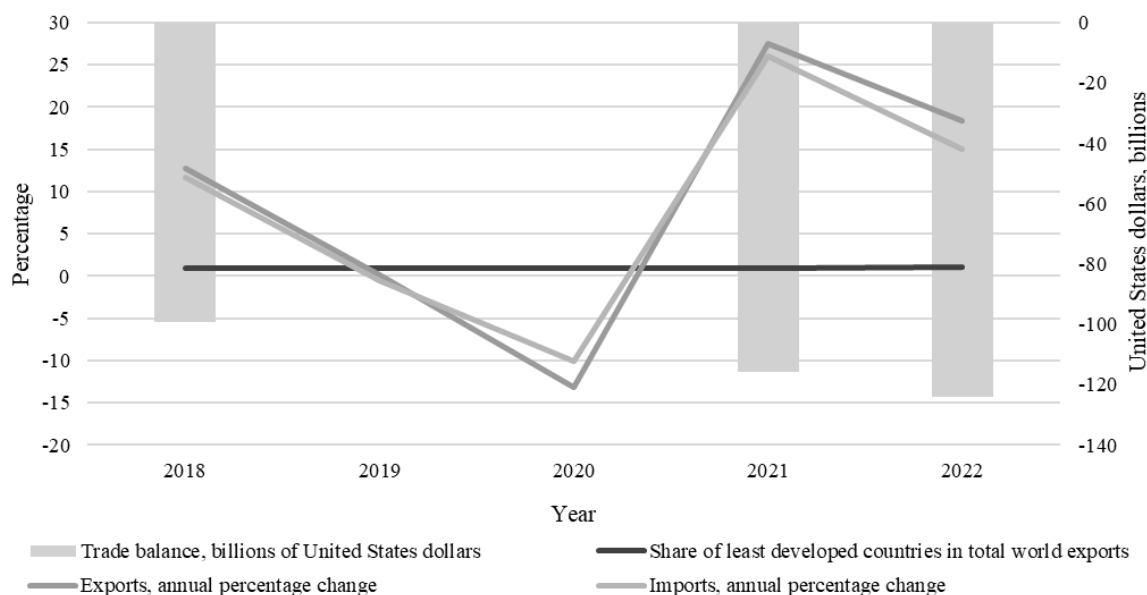
50. With a 1.45 per cent share in global imports in 2022, the overall trade deficit of least developed countries continued to widen, reaching a new high in 2022 at \$124.1 billion, compared with \$115.8 billion in 2021, and \$99.3 billion in 2018 (see figure V).

¹⁷ International Labour Organization, *Present and Future of Work in the Least Developed Countries* (Geneva, 2022).

¹⁸ *The Least Developed Countries Report 2023: Crisis-Resilient Development Finance* (United Nations publication, 2023).

¹⁹ World Trade Organization (WTO), document WT/COMTD/LDC/W/71.

Figure V
Trends in trade of goods and commercial services in least developed countries, 2018–2022



Source: Own calculations based on the statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

51. Volatile commodity prices continue to impact least developed country growth prospects, with 38 of the 45 (84 per cent) least developed countries classified as commodity-dependent in 2023. The necessity for commodity diversification and enhanced structural transformation remains paramount if least developed countries are to leverage the global trading system, while enabling them to adapt, respond and sustain trade amid and post crisis.

52. Least developed countries in Africa consistently exhibit a higher trade deficit than their counterparts in Asia. While least developed countries in Asia have made progress in developing vibrant manufacturing bases, especially in labour-intensive activities benefiting from globalization, many least developed countries in Africa have yet to leverage their industrial potential. Low levels of human and physical capital, integration into low value-added segments of global value chains, historic weaknesses in infrastructure and high reliance on natural resources all act as major constraints to manufacturing growth in the region.

53. The Aid for Trade initiative for Least Developed Countries peaked at 30 per cent in 2018, declined to 15 per cent in 2021 and rose to 27 per cent in 2022, reaching \$15.1 billion in disbursements, still below the levels required to remain on track to doubling Aid for Trade levels from 2018 by 2031. The 2022 increase was primarily driven by support to energy and transport infrastructure projects delivered through loans. Aid for Trade for least developed countries needs to maintain a high level of concessionality to effectively achieve the ambitions of the Doha Programme of Action and support the integration of least developed countries into the global trading system.

54. More digitalization can mean more trade: a 10 per cent increase in digital connectivity between countries raises goods trade by nearly 2 per cent on average and trade in services by over 3 per cent. While Aid for Trade for digitalization increased 32 per cent between 2018 and 2020, this only accounts for approximately 2 per cent of total Aid for Trade commitments. E-commerce remains a frontier that must be tackled

and invested in if least developed countries are to effectively leverage regional and global value chains.²⁰

55. In terms of market access, many members of the World Trade Organization continue to offer full or almost full duty-free market access to least developed countries but more needs to be done to ensure planning security of exporting firms. In June 2023 the United Kingdom of Great Britain and Northern Ireland launched a new Developing Countries Trading Scheme. The rules of origin conditions associated with the new Generalized System of Preferences scheme are designed to facilitate exports from least developed countries including by simplifying product-specific rules of origin. Thailand submitted a revised notification in the Committee on Rules of Origin concerning the preferential rules of origin under its Duty-Free Quota-Free scheme for least developed countries. A total of 7,535 products would be exempt from duties and quotas, which accounted for 65.9 per cent of Thailand's tariff lines.²¹

56. Least developed countries continue to make efforts to enhance regional integration. As at February 2024, 54 member States of the African Union have signed the African Continental Free Trade Area agreement and 12 countries have finalized their legal modalities to enable trade to commence under the new preferences outlined in the agreement. The challenge on how to ensure equitable redistribution of the benefits of free trade between the larger and more advanced economies and economically weaker economies, such as least developed countries, needs to be addressed.²²

V. Addressing climate change, environmental degradation, recovery from the coronavirus disease pandemic and building resilience against future shocks for risk-informed sustainable development

57. The 45 least developed countries include some of the most vulnerable countries and are especially exposed to crises and shocks, including health epidemics, commodity price shocks and other economic crises or instability and natural disasters and extreme weather events, which are exacerbated by climate change. Building resilience against various potential shocks and crises is the first line of defence to protect lives and livelihoods.

Access to vaccines and recovering from the coronavirus disease pandemic

58. In the third round of the Global Pulse Survey of the World Health Organization on the continuity of essential health services during the COVID-19 pandemic, least developed countries reported bottlenecks in COVID-19 diagnostics, therapeutics, vaccination and personal protective equipment, including lack of funding, health workforce challenges, supply and equipment shortages, distribution capacity limitations, and insufficient data and information, among others. The Survey identified the urgent need for targeted international support to address funding gaps, strengthen health workforce capacities, and enhance overall healthcare infrastructure in the least developed countries to build resilience to future health crises.

²⁰ See www.wto.org/english/tratop_e/devel_e/a4t_e/gr22_e/gr22_e.htm.

²¹ WTO document WT/COMTD/LDC/W/71.

²² Jean-François Arvis, Gael Raballand and Jean-François Marteau, *The Cost of Being Landlocked: Logistics Costs and Supply Chain Reliability*, Policy Research Working Paper, No. 4258 (Washington, D.C., World Bank, 2007).

Loss and damage to the adverse effects of climate change

59. The twenty-eighth Conference of the Parties to the United Nations Framework Convention on Climate Change reached an agreement on operationalization of the loss and damage fund, a new fund to assist developing countries that are particularly vulnerable to the adverse effects of climate change. As at February 2024, pledges to the Fund amounted to \$661 million. However, greater amounts are needed and the next steps in the operationalization of the fund should be taken promptly. The Conference of the Parties adopted the governing instrument of the fund, which includes a provision that, of the 26 members of the Board of the Fund, 2 should be from least developed countries. It also specifies that the Board will develop and operate a resource allocation system, which will take into account, inter alia, a minimum percentage allocation floor for the least developed countries and small island developing States.

Climate finance

60. Under the Green Climate Fund, the largest dedicated climate fund, total funding for the least developed countries had reached \$4.1 billion as at February 2024, representing 30 per cent of its global portfolio, up from \$3.0 billion as at July 2022 and \$3.7 billion in September 2023. Pledges to the Green Climate Fund for its second replenishment period reached \$12.8 billion from 31 countries, at the end of December 2023.

61. As at February 2024, the Least Developed Countries Fund of the Global Environment Facility had financed a cumulative 408 projects and programmes with nearly \$2 billion in grants. The new Global Environment Facility-8 Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the period of 1 July 2022 to 30 June 2026 aims to double the allocation of finance to least developed countries to \$20 million per least developed countries, up from \$10 million in the Global Environment Facility-7 period.

62. Between its creation in 2001 and the end of 2023, the Adaptation Fund had approved a cumulative total of \$264.461 million (39 projects) in project funding, \$1.085 million (21 projects) in readiness grants to the least developed countries, and \$144,848.00 (1 project) via a learning grant, totalling \$265,690,848. At the twenty-eighth Conference of the Parties, nearly \$188 million in new pledges were made to the Adaptation Fund.

Climate adaptation

63. Weather-related hazards are the primary cause of economic loss from natural hazards, and the least developed countries consistently rank food, water, ecosystems and infrastructure as the systems most vulnerable to climate change hazards. Adaptation in agriculture and livestock is of primary importance for the least developed countries and has major implications for food security. The most recent Adaptation Gap Report found that global adaptation needs are over 50 per cent higher than previously anticipated with a financing gap of \$194 to \$366 billion a year.

64. The twenty-eighth Conference of the Parties agreed on thematic and dimensional targets for the Global Goal on Adaptation and its framework, under the United Arab Emirates Framework for Global Climate Resilience, and provide important guidance for next steps on adaptation, including urging developed country parties to at least double their collective provision of climate finance for adaptation to developing country parties from 2019 levels by 2025.

65. The process of formulating and implementing national adaptation plans was established in 2010 to enable the least developed countries to formulate and implement national adaptation plans as a means of identifying medium- and long-

term adaptation needs and developing and implementing strategies and programmes to address those needs.

66. As at March 2024, 51 countries, including 23 least developed countries, had submitted national adaptation plans to the United Nations Framework Convention on Climate Change secretariat. Approximately 15 other least developed countries are in various stages of national adaptation plan preparation, but additional interventions are required to ensure completion. Greater support is required for the least developed countries to expedite the process of preparing and implementing national adaptation plans, and to develop related projects, especially the seven least developed countries that have not yet initiated the process to formulate and implement their national adaptation plans.

67. Efforts should also continue on streamlining project approval processes. Analysis from the United Nations Framework Convention on Climate Change Least Developed Countries Expert Group found that, based on past experience, access to Green Climate Fund national adaptation plans readiness support takes approximately five years from proposal stage to project completion, including one and a half years for the approval phase. As at 30 November 2023, 113 countries had submitted 136 proposals (of which 46 are from the least developed countries) for accessing funding from the GCF NAP readiness funding. As at 22 November 2023, 12 projects from 11 of the 22 least developed countries with a national adaptation plans had been approved for Green Climate Fund funding.

68. The Expert Group continued to provide support to the least developed countries by implementing its work programme for 2023–2024, including a dedicated item on integrating the gender perspective into its work.

Disaster risk reduction and multi-hazard early warning systems

69. The least developed countries face growing disaster risks that hinder implementation of the Doha Programme of Action for the least developed countries, the 2030 Agenda for Sustainable Development and other frameworks. Increased support is needed for capacity-building, technology transfer, finance, partnerships, comprehensive risk governance approaches and de-risked investment.

70. In 2022, disasters impacted the economies of least developed countries around 10 times more severely than the economies of the richest countries, as a share of their GDP.

71. The least developed countries disaster-related mortality rate between 2013 and 2022 was 3.10 per 100,000 people, significantly higher than the global average of 1.15 per 100,000 people. For affected populations, the average number of affected people per 100,000 was 2,172 in the least developed countries. The least developed countries accounted for 5.93 per cent of globally reported economic losses between 2015 and 2022, despite having only 1.16 per cent of the total GDP of reporting countries.

72. Only 61 per cent of the least developed countries reported having national disaster risk reduction strategies, while only 46 per cent of the least developed countries have reported having multi-hazard early warning systems.

73. Important progress has also been made in the Early Warnings for All initiative of the Secretary-General, which includes 19 least developed countries from among the first group of 30 countries selected for priority action. Recent progress includes the designation of governmental focal points to act as focal points of global and regional initiatives, the convening of national consultation workshops, the development of tools and guidance including through the Early Warnings for All roll-out toolkit.

74. Funding for the Systematic Observations Financing Facility of the Early Warnings for All initiative, has already been approved for 31 of the 45 least developed

countries, with 26 least developed countries implementing the readiness phase as at November 2023. In the first year of its implementation, a total of \$29 million has already been allocated to least developed countries.

VI. Mobilizing international solidarity, reinvigorated global partnerships and innovative tools and instruments: a march towards sustainable graduation

Financing challenges of least developed countries

75. The ongoing interlinked crises of geopolitical conflicts, climate breakdown and cost of living continue to disproportionately harm fiscal space of least developed countries, preventing sufficient investment needed to achieve the goals and targets of the Doha Programme of Action. The United Nations Conference on Trade and Development calculated that least developed countries face an annual spending gap of 40 per cent of GDP to achieve the Sustainable Development Goals.²³ This implies an urgent need to fulfil the commitments made in the Doha Programme of Action and enhance access to all types of finance from all sources.

76. Average GDP growth for least developed countries is still well below the 7 per cent target in the Doha Programme of Action. It was 4.4 per cent in 2023, up a full percentage point from the year before, and is projected to increase to 5.0 per cent in 2024. In 2023, the cumulative output losses – calculated as the sum of the annual difference between pre-pandemic projections of GDP and actual GDP – amounted to about 30 per cent, three times as high as for developed countries.

Support for domestic resource mobilization and fight against illicit financial flows

77. From 2020 to 2022, only 14 least developed countries (out of 39 for which data is available) reached the Doha Programme of Action target of a tax to GDP ratio of at least 15 per cent at least once. The median tax to GDP ratio fell from 12.1 per cent in 2020 to 11.7 per cent in 2022.

78. While data on illicit financial flows remain scarce, preliminary estimates from 22 developing countries, including nine least developed countries, show that the types of illicit financial flows vary greatly across countries, ranging from tax evasion, illicit financial flows related to extractive industries, and trafficking in persons or drugs.²⁴

International public and external finance to contribute to sustainable development in least developed countries

79. The least developed countries have experienced a stark decline in official development assistance, further exacerbating the financing squeeze. Official development assistance flows to least developed countries fell by more than 7 per cent in 2022 to \$45 billion even though global official development assistance flows reached an all-time high (see figure VI).

80. The average share of GNI provided as official development assistance to the least developed countries from Development Assistance Committee donors declined from 0.1 per cent in the last decade to 0.08 per cent in 2022. Only three Development Assistance Committee donor countries met the target of disbursing 0.15 per cent or above of their GNI as official development assistance to the least developed countries in 2022, down from six in 2021. Development Assistance Committee donors allocated

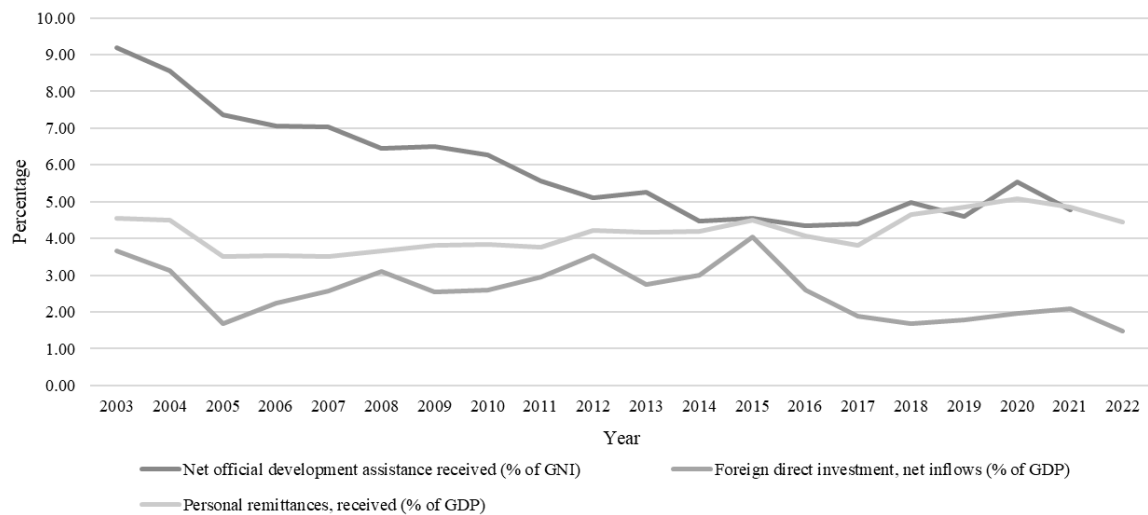
²³ See <https://unctad.org/sdg-costing>.

²⁴ See <https://sdgpulse.unctad.org/illicit-financial-flows/>.

21 per cent of their total official development assistance to least developed countries in 2022 down from 27 per cent in 2021. The top five sectors in 2021 (humanitarian aid, health, government and civil society, commodity aid/general programme assistance, and population policies/programmes and reproductive health) received more than half of official development assistance flows to least developed countries.

81. A further reduction in official development assistance flows to the least developed countries will risk reversing some of the development gains made by these countries in recent decades.

Figure VI
Financial flows to least developed countries



Source: Own calculations based on data from the statistical annex to A/78/80-E/2023/64, available at <https://unstats.un.org/sdgs>.

Foreign direct investment

82. Foreign direct investment flows to least developed countries decreased slightly over the past decade. After a peak in 2015, foreign direct investment fell to between \$20 billion and \$25 billion annually. In 2022, despite the increase in developing countries overall, foreign direct investment in least developed countries fell by 16 per cent to \$22 billion, less than 2 per cent of global foreign direct investment. The decline was more marked in the 33 least developed countries in Africa, while least developed countries in Asia experienced a modest increase of 2 per cent. Flows also remain highly concentrated, with the top five recipients accounting for about 70 per cent of the total (see figure VI).

83. Investment activity in least developed countries across sectors relevant for the attainment of the Sustainable Development Goals remained weak in 2022. The number of all investment projects (both greenfield and international project finance) fell in important Sustainable Development Goals sectors, including infrastructure, renewables and education. They rose in agrifood systems, water, sanitation and hygiene, and health.

84. The establishment of an international investment support centre for the least developed countries would bring unique added value to the field of foreign direct investment cultivation, with the aim of realizing a strategic, comprehensive and

integrated approach to the demand and supply of foreign direct investment-related technical and financial assistance to Governments of least developed countries.²⁵

Debt sustainability and debt cancellation initiative through improved and transparent debt architecture

85. Debt burdens of least developed countries are growing rapidly, partly due to funding needs for disaster recoveries. As at 30 November 2023, 6 least developed countries were in debt distress and 15 least developed countries were classified as facing a high risk of debt distress.²⁶ Government debt as a percentage of GDP in the least developed countries remains elevated, standing at close to 60 per cent for 2023. External debt service of least developed countries has increased from \$46 billion in 2021 to approximately \$60 billion in 2023 (about 4 per cent of GDP for the least developed countries), further squeezing fiscal space and constraining the ability of governments to stimulate recovery and growth.²⁷

86. For least developed countries, commercial debt now represents a quarter of external debt, up from just 10 per cent in 2010, driven mostly by countries accessing international bonds markets for the first time. After almost drying up during 2022–2023, issuance of hard currency bonds by least developed countries has started again with Benin raising \$750 million in January 2024.

87. Between 2019 and 2021, interest payments in 19 least developed countries outweighed public expenditures in the health sector.²⁸ The recent interest rate hikes in international markets contributed to higher debt servicing costs, while rendering access to finance more difficult.

88. Progress with respect to debt relief has been limited in 2023. One exception is Somalia, which reached the Heavily Indebted Poor Countries) Initiative Completion Point at the end of 2023, providing total debt service savings for the country of \$4.5 billion. Somalia's external debt has fallen from 64 per cent of GDP in 2018 to less than 6 per cent of GDP by end 2023. In 2023, Zambia reached a milestone agreement with bilateral creditors, including China, under the G20 Common Framework for debt treatment to restructure \$6.3 billion, paving the way for formal negotiations on restructuring of \$3 billion owed to bondholders.²⁹

89. Several least developed countries, for example Mauritania, are pursuing evidence-based debt optimization and exploring options for debt conversion for financing climate action and Sustainable Development Goals.

Remittances

90. Remittances to least developed countries continued to grow and reached 5 per cent of GDP in 2023. After reaching record numbers in the previous two years, remittances grew at a slower pace in 2023 and the risk of decline in real income for migrants remains a concern in the face of global inflation and low growth prospects (see figure VI).

91. The cost of sending remittances to developing regions remained high in the second quarter of 2023, at 6.2 per cent – more than twice the Sustainable Development

²⁵ A report of the Secretary-General on the feasibility of an international investment support centre will be published in September 2024.

²⁶ International Monetary Fund “List of LIC DSAs for PRGT-eligible countries”, 29 February 2024.

²⁷ *World Economic Situation and Prospects 2024* (United Nations publication, 2024).

²⁸ See <https://unctad.org/publication/world-of-debt/resources>.

²⁹ World Bank, *International Debt Report 2023* (Washington, D.C., 2023).

Goal target of 3 per cent by 2030, with highest costs in sub-Saharan Africa (7.9 per cent).³⁰

Graduation and graduation support

92. Bhutan was the first country to graduate from the least developed countries category after the adoption of the Doha Programme of Action, effective in December 2023 and the General Assembly commended their efforts to do so. Also in December 2023, the General Assembly decided to postpone the graduation of the Solomon Islands to 2027, and to defer Angola's graduation to a later date.

93. At the 2024 Triennial Review, the Committee on Development Policy found that Cambodia, Djibouti and Senegal had met the graduation criteria for a second consecutive time and were recommended for graduation. Rwanda, Uganda and the United Republic of Tanzania were found eligible for the first time and would be up for consideration at the 2027 triennial review. The Committee also found that Timor-Leste and Zambia were no longer eligible for graduation and decided to defer to the 2027 triennial review decisions on Comoros and Myanmar.

94. It is crucial to reiterate that graduation out of the least developed country category is an important milestone. However, it does not equate to having addressed all the multifaceted sustainable development challenges countries confront, or their being able to manage vulnerabilities without international support. It is imperative for development and trading partners and the United Nations system to continue to give strong support to graduating and recently graduated countries through tailored and effective smooth transition measures, and with a view to avoid abrupt reduction in either official development assistance, official development assistance-specific trade preferences, special and differential treatment, Aid for Trade or other technical and financial assistance.

95. Country-specific, partnership-based global support offered through the Sustainable Graduation Support Facility³¹ can be a key steppingstone for graduating and graduated countries to achieve the Sustainable Development Goals and needs to be rapidly and fully operationalized.³² The inter-agency task force, chaired by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, should continue to rally the United Nations system in support of each graduating least developed country and ensure better coordinated provision of joint initiatives to support a smooth transition out of the category.

VII. Monitoring the implementation of the Doha Programme of Action

96. Pursuant to paragraph 302 of the Doha Programme of Action, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States prepared a road map for the accelerated implementation of the Programme of Action, drawing on commitments made at the Fifth United Nations Conference on the Least Developed Countries³³ and in close consultation with the Inter-Agency Consultative Group on the Least Developed Countries.³⁴

³⁰ Dilip Ratha and others, *Leveraging Diaspora Finances for Private Capital Mobilization*, Migration and Development Brief 39 (Washington, D.C., World Bank, 2023).

³¹ For more information, see www.un.org/ldcportal/content/sustainable-graduation-support-facility.

³² The report of the Secretary-General on support for sustainable graduation will be published in September 2024.

³³ See [A/CONF.219/2023/3](https://www.un.org/News/Press/docs/2023/2303/A_CONF.219/2023/3.html).

³⁴ See https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/dpoa_roadmap_2024_draft.pdf.

97. The road map identifies specific actions to be taken by Governments of least developed countries, development partners, the United Nations system, and other stakeholders to achieve the Doha Programme of Action targets that are critical to implement the 2030 Agenda and bring about transformative changes in the lives of more than 1.2 billion people living in least developed countries. It identifies 35 priority targets across the six key action areas of the Programme of Action, specific to least developed countries with milestones for the midterm and the period leading up to 2031 to enable effective monitoring of its implementation and promote shared responsibility across all stakeholders. It will be reviewed and updated on an ongoing basis including at and following the midterm review of the Doha Programme of Action in 2026.

98. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is the custodian of the road map and is undertaking several actions to support and coordinate its implementation, monitoring and review. The Office will continue its work in collaboration with the entire United Nations system and development partners in providing dedicated research and analysis, policy development and technical support to least developed countries, as well as mobilizing resources for these countries.

99. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is continuing efforts to mobilize resources to support the implementation of the Doha Programme of Action, including the establishment of the key deliverables and capacity-building for the mainstreaming and implementation of the Programme of Action.

100. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, in coordination with the United Nations Resident Coordinators Office, will provide technical advice and tools to assist least developed countries for mainstreaming the Programme of Action into their national development plans and strategies, which more than 15 least developed countries have started. The office will implement measures to enhance the capacities of national focal points to perform their functions with respect to the Programme of Action effectively.

101. Importantly, the office will continue to provide guidance and capacity-building to national focal points in least developed countries and lead the preparation of the reports of the Secretary-General and the provision of necessary support for follow-up activities emanating from decisions of the General Assembly.

102. To provide novel research and analysis to address the constraints least developed countries face in achieving sustainable development and identifying and sharing innovative solutions in support of the accelerated implementation of the Doha Programme of Action, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, together with LDC5 Monitor and other selected partners, organizes annual Least Developed Countries Future Forums. The Forums bring together policymakers, researchers, experts and other stakeholders from least developed countries and development partners to discuss priority thematic topics, including digitalization, technology, investment, and climate change. The Second Least Developed Countries Future Forum was held in Helsinki in March 2024 and resulted in concrete policy recommendations to enhance the role of innovation in building productive capacities in least developed countries.³⁵

³⁵ See www.un.org/ohrlls/events/ldc-future-forum-innovation-structural-transformation-least-developed-countries.

VIII. Conclusions

103. Urgent action is required to support least developed countries to recover lost ground in order for them to achieve the Sustainable Development Goals and implementing the Doha Programme of Action. To accelerate poverty reduction and ensure long-term development in least developed countries, it is recommended to ratify and apply extended social protection systems and international social security standards. Additionally, the international community should invest in social partner-led capacity-building to enable rights such as freedom of association, collective bargaining, and other fundamental principles and rights at work. Least developed countries, with support from the international community, should prioritize investing in youth through quality higher education in science, technology, engineering and mathematics, increase investments in health systems, and take coordinated action to address malnutrition and food insecurity by transforming food systems and promoting sustainable agriculture.

104. The least developed countries have the advantage to choose, pick and utilize the technologies and technical know-how that they need to promote sustainable economic development. Technology needs assessments will enable least developed countries to identify key levers for sustainable development – following which partnerships and cooperation with the least developed countries will play a key role.

105. Furthermore, the least developed countries need to adopt a multi-stakeholder approach with support from their development partners to build their productive capacities with focus on enterprise development, skills formation, and the application of new technologies. Potential of least developed countries for industrialization is still very high but will require specific industrial policies to address market failures and coordinate the structural change pattern while stimulating regional and international integration.

106. Enhanced trade integration of least developed countries will rely on addressing internal constraints and resolving disparities of the current multilateral trading system. Least developed countries can also take important steps to lower their transport and logistics costs, which will benefit domestic price levels and their integration into supply chains. Joint efforts by least developed countries and their development and trading partners need to include promoting greater liner shipping connectivity, trade facilitation measures and improved transport infrastructure. Least developed countries should also ensure adequate policies and regulatory frameworks that support efficient development and modernization of transport infrastructure logistics. While preferential market access has further been enhanced in recent years, more needs to be done to ensure access to and reliability of trade preferences, including longer phase-out periods for graduated countries.

107. Climate finance has fallen behind commitments and actual needs – a trend that needs to be reversed. As the costs of climate-related loss and damage are on the rise it is important that the new loss and damage fund, operationalized at the twenty-eighth Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2023, makes available adequate additional funds, primarily in the form of grants, and that transaction costs and lead times are kept at a minimum and disbursements start quickly. The persistent high economic and environmental vulnerability index values for least developed countries in the graduation pipeline, as well as regression of some, highlights the importance of resilience building measures and multi-hazard early warning systems.

108. Addressing financing needs for the Doha Programme of Action requires both immediate action within the current financial system and a fundamental transformation of the international financial architecture to respond to the needs of

the least developed countries – to be fairer and enhance resilience, including through a robust financial safety net.

109. Donor countries should urgently raise their official development assistance to meet internationally agreed targets, which would have generated an extra \$35 billion to \$63 billion in 2021 alone. In addition, Multilateral Development Banks could implement measures, such as increasing their capital bases, incorporating uplift from callable capital into their capital adequacy frameworks, and issuing hybrid capital and portfolio guarantees, to make more concessional finance available. Developed countries should expedite the rechannelling of \$100 billion in Special Drawing Rights in the near future and commit for an additional rechannelling of unused Special Drawing Rights to help least developed countries get back on track to meeting their sustainable development goals. The Sustainable Development Goals stimulus proposed by the Secretary-General must be implemented with least developed countries as priority recipients.

110. To address debt challenges, stepped up action is needed across three priorities: strengthening debt crisis prevention, including through sound debt management and transparency and developing an improved multilateral debt relief initiative that supports debt payment suspensions; debt exchanges; and debt rescheduling, including a clear mechanism to include private creditors.

111. Improved management of natural resources through transparent and accountable governance frameworks and ensuring that extractive industries contribute a fair share to public revenue through taxes, levies and royalties can also help increase domestic revenues. In particular, least developed countries with reserves of critical minerals for the global energy transition need to ensure that extraction of these reserves contributes to sustainable development by promoting domestic value addition and securing a fair share of revenue and profits.

112. Least developed countries need to fully engage in upcoming global conferences, including the Summit of the Future, the Fourth International Conference on Financing for Development and the Second World Summit for Social Development, to make their voices heard and draw attention to their challenges and the solutions provided in the Doha Programme of Action.

113. Taken together, the five key deliverables from the Doha Programme of Action – a sustainable graduation support facility, an online university for science, technology, engineering and mathematics, a food stock holding mechanism, an international investment support centre, and crisis mitigation and resilience building measures – will answer key challenges facing the least developed countries, setting the path for a more prosperous, equitable future. All stakeholders need to work together to make them a reality, including through provision of resources.

114. The analysis of the most recent data described in this report reveals that while significant progress was made, the least developed countries are not on track to meet the targets of the Doha Programme of Action and the Sustainable Development Goals. Data gaps persist for several indicators, which makes reporting on some targets all but impossible. People who are most at risk of being left behind are also most affected by data gaps, since they are more likely to be underrepresented or missed by the data. The lack of some of the data necessary to monitor progress also creates blind spots for policymakers. Thus, international support is urgently needed to significantly increase the availability of high-quality, timely, reliable and disaggregated data to enable meaningful monitoring of the Doha Programme of Action.