

**STATEMENT BY AMBASSADOR SHEIKH MOHAMMED BELAL, MANAGING DIRECTOR OF
COMMON FUND FOR COMMODITIES DURING ANNUAL MINISTERIAL MEETING OF
FOREIGN MINISTERS OF LANDLOCKED DEVELOPING COUNTRIES**

**CHAIR: DEPUTY PRIME MINISTER AND FOREIGN MINISTER OF KAZAKHSTAN
H.E.MR. MUKHTAR TILEUBERDI**

***THEME: LEAVING NO ONE BEHIND: SUSTAINABLE RECOVERY FROM COVID-19 IN LLDCS
AND ACCELERATED IMPLEMENTATION OF THE VIENNA PROGRAMME OF ACTION AND THE
SPECIAL ROADMAP***

VIRTUAL MEETING, 23 SEPTEMBER 2021, UNGA, NEW YORK

Distinguished Chair,
Honourable Ministers,
Excellencies,
Dear Colleagues,
Ladies and Gentlemen,

Allow me to thank the government of Kazakhstan, in general, and H.E. Mr. Mukhtar Tileuberdi, DPM and Foreign Minister of Kazakhstan and Global Chair of the Group of LLDCs, in particular, for their exemplary leadership. We would also like to acknowledge the proactive role of your able PR in New York, His Excellency Maghzan.

Allow me to congratulate and welcome our newly elected Chair Honourable Dr. Lemogaang Kwape, Minister of International Affairs and Cooperation of Boswana and other newly elected members of the bureau.

Our thanks also go to the UN-OHRLSS for their hard work to arrange this Ministerial. The theme of today's meeting "Leaving no one behind: Sustainable Recovery from COVID-19" is very timely.

As the economies of most LLDCs remain driven by primary commodities, if we wish to make our pipe dream of Leaving no one behind a reality we will have to answer why poverty is so much wrapped around commodities?

If we go little deeper, we will see that 24 of the 32 LLDCs are commodity dependent for their exports; Their commodity dependency ranges from 28 per cent in Nepal to 98 per cent in Chad. Median LLDC is dependent on commodities for 84.5 per cent of its exports (2018-2019). Recent UNCTAD's State of Commodity Dependence 2021 report, which was released on 8 September 2021, shows the commodity dependency in increasing globally.

This is worrisome. Commodity dependence makes countries more vulnerable to negative economic shocks. UNCTAD is absolutely right to warn that most of the countries are likely to remain trapped for the foreseeable future unless they go through "a process of technology-enabled structural transformation".

Hon'ble Ministers:

In order NOT to leave any one behind, we need to go back to the trails that will lead you to those people whom we left behind with hugely truncated and middlemen infested value chains of commodities with little or no value additions. How some countries like Costa Rica, Chile have been able to make use of their commodities to bring themselves to a state where people under poverty is only few and far between. On the contrary why countries like DRC, Zambia, Chad etc are fighting to make a resilient value chain of their commodities.

Hon'ble Ministers:

If you allow us, on behalf of the poverty-stricken people in the LLDCs, I would like to propose the followings:

- Please provide innovative means to meet the huge gap of finance for SMEs and smallholders as a matter of utmost priority. UNCTAD's appeal for a USD 2.5 trillion rescue plan for developing countries is perhaps the best place to start with.
- Since 2014 to the end of 2021 CFC expects to have approved 22 projects operating in LLDCs. The total value of these projects will exceed USD 100 million with private sector financing. The CFC's investment in will reach about USD 19.3 million. This is almost three million more than we promised.
- For the next five years, according to CFC's operational plan for 2021-2025, we expect to commit USD 60 million for projects, of which approximately USD 19 million that we already committed to development of innovative enterprise in commodity sector in LLDCs.
- Hon'ble Ministers: We need to roll out projects where commodity dependency will be addressed by technological transformation using impact and other type of blended finance, from both public and private funds to foster industrialization, value addition & diversification.
- Our goal should be to make use of innovation to build productive capacities and accelerate structural economic transformation so that farmers/smallholders, who are at the beginning of the value chain, gets what is due for them.
- We need to put in place policies and initiatives for digitalisation that can enable early-mover advantage in e-commerce. By one recent estimate, this has the potential to reduce trade costs associated with distance by as much as 65%.
- We need global governance support to develop and connect regional and global value chains. With resilient RVC and GVC we will be able to use of untapped potential of deepened regional integration, which contributes to improved economic growth and resilience.
- Developing countries in their haste to build forex reserve, remain more focused on export-led growth policy, where value chains take the singular shape of forward linkages, without paying little or no attention to backward part of the value chain.

Honble Ministers, I think this preoccupation with only the forward-looking value chain kept us away from developing a resilient value chain that could withstand the storms like COVID and other such exo- and endogenous shocks. If we could make the value chain traceable and transparent, we would know who is getting what. Brands will also be better informed to keep their consumers well informed.

We seek your attention for both policy and financial support to develop regional and global value chain as seamlessly as possible.

Honble Ministers, This leads to a world of data driven value chain which is , in the first look, may seem like a problem. But if we look deeper and could prepare our developing countries well, this data driven world offers us the best opportunity for a traceable value chain free from impurities like child labor, climate and biodiversity disrupting practices. More importantly, it will surely help us connecting consumers to our producers, farmers and smallholders. We know it is easier talk than done. But it is also our last best shot at equality and a world without abject poverty.

To address poverty front and square, in our next program of action for LLDCs, we urge you to consider a separate program of action for those LLDCs which are also LDCs so that we can put those on fast track development path using innovations, creative and the force of impact funds, both private and public.

Hon'ble Ministers:

Before I conclude, I would like to echo the Secretary General Antonio Guterres who in this same venue said recently that "We face a moment of truth" unquote. He urged us to restore their trust if we are serious about not leaving behind.

Let us work together to make the life and livings of those at the margin, the grassroots, the left behinds, the furthest ones as meaningful as it is for you and I. Let's make both our work and passion as a mission of leaving no one behind.

I thank you.