Input by UNCTAD to the report of the Secretary-General, A/78/239, on Implementation of the Third United Nations Decade for the Eradication of Poverty (2018–2027).

Between May 2023 and the second quarter of 2024, UNCTAD carried out several activities in support of the implementation of the Third United Nations Decade for the Eradication of Poverty. These policy-research and technical cooperation activities were mainly in the following areas of policy focus of the UN System-wide Plan of Action for the Third United Nations Decade for the Eradication of Poverty, namely reducing inequalities, fostering structural transformation, and addressing climate change.

**Reducing inequalities**

UNCTAD published a policy-research report on “reducing inequality and poverty in Malawi: policy analyses and options.” The report examines the role of economic and social policies in understanding the evolution of inequality and poverty in the country over the past three decades. It underscores the central role of income redistribution in ensuring that economic growth has the desired impact on poverty in the economy. It also indicates that economic and social policies adopted by the government over the past decades were useful but that their efficacy was limited by, among others, policy incoherence, weak coordination between ministries, and infrastructure gaps.

A research paper entitled “global megatrends and the quest for poverty reduction” was completed and published in 2024. The paper examines the impact of global phenomena such as inequality, technological progress, climate change, urbanization, and demographic shifts on poverty. It finds that these global megatrends have a direct impact on poverty but also an indirect impact through interlinkages. In this regard, there is the need for a holistic approach to addressing these global megatrends rather than attempting to tackle each in isolation.

A webinar on combating inequality and poverty in Burkina Faso was organized on 25 January 2024 in collaboration with the government of Burkina Faso to examine trends in poverty and inequality.
in the country and identify effective policy measures to address them. A similar webinar was organized for Tanzania on 30 April 2024, in collaboration with the government, the Tanzania think tank REPOA, and the University of Warwick, United Kingdom. A key message emanating from these capacity-building activities is that the most effective and sustained way to reduce poverty in the long run is to create decent jobs through, among others, the development of productive capacities and the transformation of the production and export structures of economies.

**Fostering structural transformation**

As part of activities planned under a 12th Tranche Development Account project, UNCTAD organized a study tour and seminar on special economic zones in Meknes, Morocco, from 24-25 May 2023. The event was in recognition of the potential role of special economic zones in productive transformation, employment creation, and poverty reduction. The main aim of the study tour was to enable the delegations of selected franco-phone African countries (Burkina Faso, Mali, Côte d’Ivoire, and Madagascar) to better understand how to establish, operate, and regulate special economic zones and make them work for poverty reduction and development. Following the event in Morocco, a second study tour was organized to Mauritius, for selected Anglo-phone African countries, from 10-12 October 2023. The participating countries were Botswana, Mauritius, Rwanda, Tanzania, and Zimbabwe. Based on evaluations received, the study tours were very much appreciated by participants as they enhanced their understanding of how to use special economic zones and industrial parks to foster productive transformation.

UNCTAD also prepared National Productive Capacities Gap Assessments (NPCGA) for Cambodia, Comoros, Djibouti, Malawi, Nigeria, and Senegal. These reports examine the socio-economic challenges, opportunities, and overall sustainable development prospects of countries using data from the Productive Capacities Index (PCI). The reports also identify key binding constraints to development and offer recommendations on how to foster productive capacities, achieve structural transformation and economic diversification. As a part of the seventieth session of the Trade and Development Board, a dedicated session was organized on “Productive Capacities Index (PCI) for Evidence-Based Policymaking”. Member States adopted highly favourable agreed conclusions on the Index and its applications.

UNCTAD also organized a high-impact initiative event titled “Transforming4Trade, - Paradigm shift to boost economic development”, on 17 September 2023 at the United Nations Headquarters in
New York. UNCTAD’s High Impact Initiative’s key objective was to re-orient development policies and global partnerships towards new generation policies centred on the fostering of productive capacities to kickstart structural economic transformation, as the surest way to build socioeconomic resilience to internal and external shocks.

A side-event, “Measuring productive capacities with the PCI: Background, achievements, and the way forward” was organized on 28 February 2024 as part of the 55th UN Statistical Commission in New York. Heads of National Statistical Offices (NSOs) and other participants of the 55th session of the United Nations Statistical Commission (UNSC) were provided with insights into the Productive Capacities Index (PCI), as well as details of its statistical and methodological rigor and policy relevance for economic and social development. In addition, capacity building workshops were organized on productive capacities and the productive capacities index in Malawi, Mozambique, and Zimbabwe.

**Tackling climate change**

UNCTAD also supported efforts to promote sustainability, an important aspect of poverty reduction, through activities geared towards addressing climate change. UNCTAD’s Least Developed Countries Report 2023 entitled “Crisis-resilient development finance” urged the global community to urgently address the critical financial challenges faced by LDCs. It indicates that the climate emergency, along with other crises such as growing debt burdens, dependence on commodities and declining foreign investments into LDCs have strained their finances, jeopardizing their progress towards the Sustainable Development Goals (SDGs), including a low-carbon transition. The report was presented to member States at the 75th Executive Session of the Trade and Development Board, held from 12-16 February 2024, and was very well received.

Other published policy-reports by UNCTAD that contributed to dialogues on climate change include: “Taking responsibility: Towards a fit-for-purpose Loss and Damage Fund”; “Mapping Trade-related Measures in the Nationally Determined Contributions”; and “Energy transition of fishing fleets: Opportunities and challenges for developing countries.” In addition to these publications, UNCTAD organized a special panel discussion on: Harnessing the GSTP (Global System of Trade Preferences) to forge a development-led sustainable transition among member countries. The event was held in Geneva on 19 September 2023 to examine how the GSTP can be harnessed to ensure its member states reap commercial and development benefits from the energy transition.