



**Statement**

**By**

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**ITU's Global event on Emerging Technology for Connectivity:  
Accelerating Digital Transformation in LDCs, LLDCs and SIDS**

Monday, 5 July 2021  
8AM – 9AM (EST)

**Keynote Speech: 8 minutes**

**Excellencies,**

**Colleagues from ITU,**

**Distinguished Participants,**

**Ladies & Gentlemen,**

It is a distinct pleasure to be with you today, particularly as it is the first event I am attending in my capacity as Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

I commend the ITU for placing a spotlight on the three most vulnerable groups within the United Nations family – the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. My Office is honoured to serve these three groups, which comprise 91 countries, with a total population of slightly over a billion people.

The theme of this event, “*Emerging Technology for Connectivity: Accelerating Digital Transformation in LDCs, LLDCs and SIDS*”, provides us with an important and timely opportunity - an opportunity to not only consider the challenges but to identify concrete solutions-based approaches that can enable LDCs, LLDCs and SIDS to access and utilise emerging technologies.

The COVID-19 pandemic underscores how poorly prepared many of these countries are in areas such as tele-medicine, remote learning and e-governance.

The latest data for 2019 from the ITU show that the odds are stacked against vulnerable countries, especially LDCs. The proportion of people using the Internet in the Least Developed Countries is at 19.5%. In the Landlocked Developing Countries, only about 27% of the population use the Internet. In

Small Island Developing States, the proportion, at around 52%, is similar to the global average. However, this was much further away from the average in developed countries where almost 90 percent of individuals were using the Internet. This is naturally of great concern, as the Internet is the critical driver of technological innovation.

I think we all accept that affordability, inadequate skills and lack of local content are among the factors leading to low Internet usage, especially in the LDCs. Given the important role of innovation and technology in economic activity, the LDCs will be left further behind if current trends persist.

Distinguished Ladies and Gentlemen,

The impact that technology has on development simply cannot be overemphasized. When conceptualizing this event, the organisers identified several SDGs where emerging technologies play a key role. This shows the centrality of technology as an important accelerator for achieving our development objectives.

New advances in technology, include the availability of high-speed broadband -- which is being boosted by 5G in many advanced economies -- the Internet of Things and big data, is spurring productivity growth and increasing innovation and competitiveness. Big data is, in particular, is facilitating the increasing use of Artificial Intelligence and machine learning. All these have a significant impact on our daily lives and growth prospects, by enhancing the ability for countries to participate and compete in new, dynamic and more adaptable work environments. Indeed, countries reaping the benefit of a digitally supported technological dividend have made rapid advances in automating key sectors of their economy, including agriculture, manufacturing and services.

I will give a few concrete examples of how emerging technologies can enhance development prospects in LDCs, LLDCs and SIDS.

In the agriculture sector, precision agriculture can enable farmers and extension workers to use digital services to observe, measure, and analyse the needs of individual fields and crops. Not only can this increase their productivity but also help them to conserve scarce resources.

Digital services can also enhance energy efficiency through, for example, the utilization of smart metering in homes and businesses.

In the healthcare sector, the opportunities are endless. For example, having an electronic utility that can obtain real-time information to digitally measure and control the physical environment, such as temperature and sound, would be useful in the era of COVID-19, where nurses and doctors are operating in sub-standard facilities and national health systems in most vulnerable countries are under strain.

I am hopeful that emerging technologies will not only generate higher productivity within the LDCs, LLDCs and SIDS, but spur the creation of new and efficient services, particularly those with higher value addition. This could stimulate new jobs demanded by the evolving labour market, for instance, in customer service, data engineering, cybersecurity and behavioral health services. Depending on its scale, the growth potential in such areas could avert a net loss of jobs associated with technological disruption.

There are, however, several concerns that I would like to highlight.

As I mentioned earlier, few people use the Internet in LDCs, where only two in every ten people are online.

As was highlighted in the latest *State of LDCs* report prepared by our office, while it is possible for LDCs to leapfrog to frontier technologies, there is need

to deal with severe constraints, including the ability to enable broadband Internet connectivity and universal access to electricity.

Additionally, attainment of a minimum level of education is required to ensure meaningful use of the Internet. A 2018 report by ITU and our office found that secondary school enrolment has by far the highest explanatory power for Internet usage. However, gross enrollment for secondary education in LDCs is less than 50%.

A general concern regarding emerging technologies is its impact on employment, especially for low-skilled workers. Increased scarcity in job opportunities could result in heightened levels of inequality. This would embody a gendered dimension, as the expectation is that women will be more affected than men.

There are also fears that the slow pace of adopting these technologies will erode the competitiveness of LDCs, LLDCs and SIDS, given that digitization is a key determinant of productivity, making it even more difficult for them to attract investment.

A 2018 report by UN DESA warned that the new wave of automation will extend to many non-routine tasks, putting persons with low and medium skills more at risk than those that possess higher skills. Indeed, middle-skill jobs have been particularly affected by automation and AI, with wide-ranging distributional effects.

Some other concerns relate to the spread of emerging technologies to include everything we use on a daily basis; the so-called *Internet of Things*, where there are valid and understandable issues related to privacy and security. There is also a major challenge related to the perceived need to embed a certain level of social equity within AI-based technologies, especially as it relates to the algorithm bias in the health care system.

As we all know, technology evolves very fast and so our policy responses have to be both nimble and versatile. As we deliberate this week, the overarching question for us is how can we ensure that vulnerable countries are not left even further behind?

I will mention a few possible approaches.

In order for LDCs to catch-up, they will need to embrace the on-going socio-economic transformation processes driven by technology, while ensuring that the net effect on the labor market and productivity is positive. This is easier said than done.

Given that emerging technologies may negatively impact lower-skilled workers, it will be important to ensure that a greater proportion of people in vulnerable countries attain at least a secondary level education, the quality of which should be of a high standard. This would increase in the numbers of higher-skill workers, especially those engaged in abstract thinking, or with creative and problem-solving abilities.

Extending digital technologies to remote areas, which can connect rural-urban supply chains for example, can be cost-effective and can redress pockets of informality and poverty in rural areas.

There is also a need to invest in digital education and skills development to close the digital divide and increase human capacity, so that LDCs in particular will be able to reap the benefits of digital transformation.

However, given their fiscal constraints, vulnerable economies need help. Unlike advanced economies, they cannot mount strong fiscal responses on their own. As a result, demand for financial assistance from donors and other entities such as development finance institutions is needed. To this end, increasing ODA towards skills development will be key.

I am encouraged by the recently designed *International Finance Facility for Education*<sup>1</sup>, which has the objective of providing new and additional education finance, including in digital solutions. While many vulnerable countries stand to benefit from this facility and will be able to borrow at affordable terms, it is important that the additional borrowing does not contribute to existing risks of debt distress. Therefore, the borrowing terms should be fully consistent with each country's debt sustainability framework.

In addition, public and private stakeholders need to work together to build a more equitable and inclusive digital economy. Governments can do their part, including through tax exemptions applied to operators who engage in specific projects. One example could be the lowering of spectrum licensing fees. This could be done in exchange for a commitment to deploy and provide service in less profitable areas.

I am looking forward to your innovative ideas about advancing emerging technologies in LDCs, LLDCs and SIDS.

The implementation of the next Programme of Action for LDCs coincides with the SDG Decade of Action. It is not an overstatement to say that this is the most critical time of our generation. It is time to realize our collective ambitions of building back better from COVID-19 and leaving no one behind. Various stakeholders including Member States, the private sector, International Organisations, Civil Society and academia will play a prominent role in the lead up to and during the LDC5 conference.

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<sup>1</sup> The International Finance Facility for Education (IFFEd) was first proposed in a report by the Education Commission (chaired by the UN Special Envoy for Global Education and supported by 26 high-level commissioners) in 2016. The aim of the facility is to “offer lower-middle-income countries (LMICs) the opportunity to secure additional, affordable financing”. According to the Education Commission website, steps are underway to make it fully operational. IFFEd will be ready to open its office in London soon. The OECD's Development Co-operation Directorate has confirmed recognition of IFFEd as a fully-ODA eligible organization, and the Netherlands, U.K., and European Commission have pledged initial contributions. More information is available at <https://educationcommission.org/international-finance-facility-education/> and, <https://www.brookings.edu/blog/future-development/2020/07/09/the-international-finance-facility-for-education-a-vital-instrument-to-mitigate-the-impact-of-the-pandemic/>

I would therefore like to see the concrete outcomes of this event feed into the outcome of next January's Doha conference on LDCs.

I thank you!