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Development
Policy

Submission by the Committee for Development Policy (CDP) to the 2024 High-Level Political Forum (HLPF)

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I. CDP's input on the 2024 ECOSOC theme ("Reinforcing the 2030 Agenda and eradicating poverty in times of multiple crises: the effective delivery of sustainable, resilient and innovative solutions"):

The Committee for Development Policy (CDP)'s input to the 2024 ECOSOC theme focuses on innovation for development, structural change and equity. The following is an excerpt of the unedited version of the report on the CDP's twenty-sixth session (4-8 March 2024).

The CDP's 2024 report to ECOSOC is currently being edited and will be available at cdp.un.org and <https://undocs.org/E/2024/33> when formally issued.

Innovation ecosystems for development, structural change and equity

In the Political Declaration issued at the 2023 SDG Summit, Member States committed to 'bridging the science, technology and innovation divides and the responsible use of science, technology, and innovation (STI) as drivers of sustainable development and to build the capacities necessary for sustainable transformations' and to 'take action to enhance the ability of developing countries to benefit from STI and address the major structural impediments to accessing new and emerging technologies'. The Committee has analysed the challenges and opportunities of innovation ecosystems for development, structural change and equity. Harnessing the opportunities while overcoming the challenges will be essential for the objectives outlined in the 2024 theme of the Council and the HLPF, "Reinforcing the 2030 Agenda and eradicating poverty in times of multiple crises: the effective delivery of sustainable, resilient and innovative solutions".

The potential of technological innovation for development is under-utilized, which requires a reassessment of domestic and international policy frameworks

Technological innovation can be a powerful driver of sustainable development, yet this potential remains vastly under-realized, particularly in developing countries but also for public interest purposes across the world. At the same time, contemporary global crises, shifts in the global economy and the evolving innovation landscape are reshaping challenges and opportunities for harnessing technology for sustainable development. This requires a reassessment of STI policy frameworks by national governments and global institutions to create an effective national and global innovation system fit for the 21st century.

Technology can increase productivity, advance inclusion, build resilience against crises, and address urgent global priorities such as climate change, infectious diseases, food insecurity, and gender and other social inequities. The importance of technological innovation is recognized throughout the 2030 Agenda for Sustainable Development and in the Political Declaration issued at the 2023 SDG Summit.

However, this potential has not been fully realized, particularly for the structural transformation of developing countries; the transition of LDCs out of systemic vulnerability; and inclusion and equity in all countries.

Critical gaps include the undersupply of technologies for many development priorities; extreme concentration of global STI investments and capacity in a few countries; and weak STI capacity and knowledge assets in most developing countries despite the emergence of China and other Global South countries as poles of innovation. Yet, policy arrangements for transfer of technology have been unfavourable; and the diffusion of technologies to address global climate and pandemic challenges has been inadequate. Existing frameworks and institutions are often inadequate to incentivize innovation in a dynamic setting where the drivers of innovation are continuously evolving, and to ensure access to the products of innovation especially in responding to emergencies. There are severe inequities, including social and gender inequities, in both access to STI opportunities such as STEM education and the outputs of the STI systems.

For developing countries, the longstanding challenges remain acute, but are aggravated in the 21st century knowledge economy driven by knowledge assets, dominated by intellectual property (IP) monopolies. We are at a juncture in which governments are still working to address the longstanding challenges while confronted with a new generation of global shifts and trends. There are ongoing transformations in how and where research and development (R&D) and innovation take place, and in the drivers of productivity growth. These include the shifts in the global economy with the rise of financialization, and the increasing importance of intangibles; the advance of the fourth industrial revolution, ; demographic changes such as the ageing populations in countries at various stages of development and the untapped potential of a youthful population in many developing countries; climate change; new geopolitics tied, among other things, to the distribution of critical minerals for the energy transition; and developments in global agriculture.

These developments have great potential, but present equally great challenges. Depending on how they are harnessed in domestic and global STI policy frameworks and corresponding legislation, they can work for or against public priorities, defining how the benefits of this new economy are distributed.

The current context demands a fundamental discussion about national and global innovation ecosystems, which should lead to a reframing of policy discourse and policy on innovation and innovation ecosystems. The Committee's work in 2023/24 addresses these challenges and focuses on issues related to intellectual property rights (IPRs) as an important part of a well-functioning innovation ecosystem.

IPRs are one of the key policy levers in a functioning innovation ecosystem that can advance development, structural change, and equity, and build resilience to crises

Innovation is not an end in itself but serves multiple ends that extend beyond economic growth, to include structural change, meeting social and environmental goals and building resilience against crises.

IPRs are a public policy tool in innovation ecosystems; their objectives are to both incentivize innovation and ensure the dissemination of its benefits. The myth that the stronger the patent protection, the better, is not grounded in evidence. Strong patent protection can also create obstacles to innovation and limit the diffusion of the benefits of scientific progress.

The current IP system (national, regional and international frameworks) is dysfunctional in many ways for the purposes of equitable and sustainable development. The existing rules and institutions were not formulated with a view to supporting innovation or the dissemination of new technologies for development purposes or for facing planetary-scale shocks. They are biased towards rewarding innovators over users. IP protection often far exceeds what would be necessary to incentivize innovation, leading to high prices, an

under-supply of public goods, and reducing the global dissemination of the benefits of innovation, which contributes to new inequalities.

Existing international agreements leave governments policy space to balance the goals of innovation and access in the form of flexibilities such as compulsory licensing and government procurement, and to formulate and implement IP frameworks and policies fit for their national priorities. Flexibilities are well established in legal frameworks and practice in technologically advanced economies, to meet public objectives. This is exemplified in the use of compulsory licenses for pandemic countermeasures in many countries with well-established IP frameworks and innovation ecosystems. Yet developing countries face obstacles in making use of flexibilities due to gaps in information, trade sanctions and other forms of political pressure, and incompatible national legal frameworks.

Developing countries can make more effective use of the existing policy space to pursue priorities for development, equity and productive capacity

Countries require policy frameworks for innovation tailor made to their specific priorities. Countries at different stages of STI development require different approaches.

All countries have policy space to use a range of IP policy tools and approaches to pursue national development priorities. There are considerable opportunities to make more effective the use of IPRs as an incentive policy for stimulating local innovation in developing countries, such as through copyright in creative industries, utility models for SMEs, and protection of indigenous knowledge in design. Similarly, flexibilities can be utilized more proactively for public priorities for example to reduce the cost of medicines such as part of a pandemic response strategy. The first step would be to review the administrative and legal obstacles to the effective implementation of flexibilities.

The new generation of industrial policies, ushered in by the COVID-19 pandemic and the climate crisis, will need to use IPR tools, and the policy space available in international frameworks, as tools for building local technological and innovative capacities. Ongoing debates on policy space for industrial policy and trade are an opportunity for an integrated approach to these issues.

Digital creative industries are an example of knowledge industries that are growth areas that contribute to structural diversification of economies, creating new opportunities for income generation. They face the challenges of copyright management, negotiations, and the distribution of revenue between platforms and creators.

Energy transition in developing countries, especially LDCs, will require meeting the objectives of both expanding access to clean energy and deploying clean energy infrastructure. This requires considering multiple challenges (limited finance, concentration of clean technology IPRs and supply chains, unilateral environment-related trade measures, etc.). A feasible approach would be technology co-development and co-ownership with mechanisms rooted in equity and transparency, innovative finance for technological development, and using clean technology solutions for livelihoods and resilience of vulnerable communities.

The global system in place to support innovation for development needs to be reassessed to be made fit for purpose to ensure innovation for (global and regional) public goods and for countries to address the challenges of the 21st century

The international IP system was developed in the context of the 80s and 90s and did not address the critical need for openly accessible technology as global public goods for addressing planetary shocks (climate, pandemics) of the 21st century.

Better models of collaborative research and development are needed to address challenges such as climate change and to promote the expansion of R&D in developing countries. One example is the CGIAR model, in which research is patented but access to technology is free. There are multiple other forms of collaboration and financing models for R&D and innovation, each presenting solutions and lessons for different situations.

The potential for South-South and regional frameworks that incentivize innovation in and for developing countries is large and growing but underexploited. The AfCFTA is illustrative of an opportunity to develop a coherent regional IPR policy with specific goals of structural transformation challenges, addressing inclusion and equity issues such as traditional knowledge, traditional expression, genetic resources, and the use of utility models. More investment is needed in policy research and the sharing of experiences on approaches that have worked in developing countries.

Implementation of TRIPS provisions for technology transfer and to support development have not had the desired impact.

The challenges of STI and the role of IP frameworks are a neglected issue in international organizations with a mandate for development. These organizations should provide developing countries with proactive support at the country level for the development of IP architecture and policy frameworks, for the deployment of IP as a development policy tool, and for the implementation of TRIPS flexibilities and other measures to pursue public interest. This includes providing policy analysis on alternative approaches. International organizations should also expand their work on global governance for the ethical use of new technologies.

The importance of innovation and IPRs needs to be elevated in the LDC graduation process, including in graduation impact assessments and in the development of smooth transition strategies and development strategies beyond graduation. These should include a stronger focus on IP's role as both catalyst and obstacle to innovation and access, and as a policy tool for structural transformation and equity including strategic management and use of flexibilities.

II. Special reflections on the SDGs under review:

Goal 13. Take urgent action to combat climate change and its impacts;

- 1) **Innovation.** In its 2024 report to ECOSOC (see the full submission to the HLPF), the CDP maintains that the current global system governing **innovation** has severe limitations in its capacity to deliver innovation for public goods and for countries to address planetary shocks, including climate change. For climate change in particular, policy arrangements for technology transfer have been unfavourable, and the diffusion of technologies has been inadequate. Better models of collaborative research and development (R&D), and financing for R&D, are needed to address climate change.

Energy transition in developing countries, especially LDCs, will require meeting the objectives of both expanding access to clean energy and deploying clean energy infrastructure. This requires considering multiple challenges (limited finance, concentration of clean technology IPRs and supply chains, unilateral environment-related trade measures, etc.). A feasible approach would be technology co-development and co-ownership with mechanisms rooted in equity and transparency, innovative finance for technological development, and using clean technology solutions for livelihoods and resilience of vulnerable communities.

Please refer to the chapter on “Innovation ecosystems for development, structural change and equity” in the CDP’s 2024 report to ECOSOC (unedited version submitted as Part I of the CDP’s input to the HLPF). The report is currently being edited and will be available at [cdp.un.org](https://undocs.org/E/2024/33) and <https://undocs.org/E/2024/33> when formally issued.

- 2) **Just transition.** The CDP has emphasized the importance of the concept of **just transition**, defined as ensuring that no one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies and societies. Ensuring a just transition will enable more ambitious climate action and provide an impetus to attaining the SDGs. Countries need to develop, through inclusive dialogue, approaches to a just transition that reflect the needs, priorities and realities of their societies and their historical responsibilities for climate change and environmental degradation. The concept of just transition, while arising from concerns for justice at the local and national levels, cannot be separated from the broader issues of global climate justice and common but differentiated responsibilities. A globally just transition requires countries to meet their climate commitments and ensure that in doing so, they do not push poorer countries further behind by creating barriers to trade or excluding them from the opportunities associated with the expansion of new product markets. It also requires policy space for developing countries to develop their productive capacities, new intellectual property frameworks for and the co-development of clean technologies, the expansion of systems for the payment of ecosystem services and scaled-up international cooperation to ensure financing for infrastructure and resilience-building.

Please refer to Chapters I and II of the CDP’s 2023 report to ECOSOC: <https://undocs.org/E/2023/33>

- 3) **Climate-proofing the economy and public finances.** Climate-proofing the economy and public finances is necessary to avoid unsustainable debt burdens and increasing climate vulnerability. LDCs, many of which are in Africa, and the Small Island Developing States (SIDS) have suffered disproportionately from climate change, and they have a legitimate claim to carbon credits due to hindered growth and development caused by resource extraction by advanced economies. It is also necessary to efficiently allocate financing sources, including compensation for losses and damages and concessional financing

for adaptation and mitigation projects. Developed countries should also transfer additional resources to compensate for their historical carbon debt owed to developing nations. To address existing debt difficulties and make necessary investments in climate resilience, a comprehensive debt and financing strategy is required, particularly for poor and vulnerable countries. Additionally, a tailored and comprehensive approach is necessary to address challenges faced by countries with high levels of debt, including liquidity problems, debt overhang, and debt-as-insurance in climate-vulnerable countries. This includes expanding access to low-cost liquidity facilities and finance and implementing systematic debt-suspension clauses in loan contracts for natural disasters, as pioneered in the Bridgetown Initiative.

Please refer to Chapters I and II of the CDP's 2023 report to ECOSOC: <https://undocs.org/E/2023/33>.

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

- 1) **Innovation.** In line with SDG 17.6, in its work on “**Innovation ecosystems for development, structural change and equity**”, the CDP has noted that there is a large and growing, but as yet unexploited, potential for South-South and regional frameworks that incentivize innovation in and for developing countries. The AfCFTA is illustrative of an opportunity to develop a coherent regional IPR policy with specific goals of structural transformation challenges, addressing inclusion and equity issues such as traditional knowledge, traditional expression, genetic resources, and the use of utility models. More investment is needed in policy research and the sharing of experiences on approaches that have worked in developing countries. The CDP also noted that implementation of TRIPS provisions for technology transfer and to support development have not had the desired impact, and that the challenges of STI and the role of IP frameworks are a neglected issue in international organizations with a mandate for development. These organizations should provide developing countries with proactive support at the country level for the development of IP architecture and policy frameworks, for the deployment of IP as a development policy tool, and for the implementation of TRIPS flexibilities and other measures to pursue public interest. This includes providing policy analysis on alternative approaches.

The CDP's 2024 report to ECOSOC is currently being edited and will be available at cdp.un.org and <https://undocs.org/E/2024/33> when formally issued. Please see Part I of the CDP's submission to the HLPF for the chapter dedicated to “innovation for development, structural change and equity”.

- 2) **Debt.** In regard to target 17.4, in its 2023 report to ECOSOC, the CDP addressed the “**raw reality of the growing external debt crisis**” and made a call to action, which remains relevant in 2024. Noting the escalating external debt distress and financial constraints faced by many developing countries, particularly in the light of the COVID-19 pandemic, rising interest rates, high food and energy prices and currency depreciation, the CDP called for:
 - a comprehensive financing strategy to address the large scale of investment needs of developing countries;
 - short-term solutions such as multilateral financing and debt renegotiation to tackle the current debt crisis, while simultaneously establishing long-term solutions to prevent future debt crises;
 - improvements in the contractual approach with private creditors, including enhanced collective-action clauses and a more predictable framework for debt restructuring;

- additional special drawing right allocations to support vulnerable economies, contingent on well-defined economic shocks and rechannelled through multilateral development banks;
- efficient allocation of concessional finance for both climate adaptation and mitigation and for developed countries to transfer additional resources to compensate for historical carbon debt to developing nations;
- that developing countries also implement preventive measures to strengthen debt management to avoid future debt crises.

The HLPF Ministerial Declaration should emphasize the need for urgent action in order to halt the mounting debt distress in many LDCs and other developing countries and to establish an international financial architecture conducive to sustainable development.

Please refer to Chapters I and III of the CDP's 2023 report to ECOSOC: <https://undocs.org/E/2023/33>

III. Topics identified by the ECOSOC President:

(a) Impacts of multiple crises on the implementation of SDGs 1, 2, 13, 16 and 17 from the vantage point of your intergovernmental body.

In its report to ECOSOC on its 2024 Plenary session (currently under review and editing), the CDP referred to global crises and a changing global context as follows:

1) LDCs and graduation

In its analysis of countries meeting the graduation criteria and in its monitoring of graduating and recently graduated countries, the CDP noted that challenges stemming from various global crises, geopolitical tensions, and climate change have manifested in the form of significant hurdles for many countries in maintaining macroeconomic stability, with mounting debt, inflationary pressures, and currency devaluation. Recent and current multiple global crises have also underscored the high vulnerability of certain countries in the graduation process to external economic and environmental shocks. The CDP expressed concern over the limited national capacity of these countries to address various challenges, including those stemming from global crises in food, fuel, and finance, geopolitical tensions, volatile commodity prices, high transportation costs, natural disasters, and climate change. It underscored the importance of substantial support from trading and development partners, including entities within the UN system, to facilitate their progress towards sustainable graduation.

The Committee also reviewed how the changing global context is impacting graduation processes and prospects. LDC graduations in the 2020s have to cope with an increase in frequency and severity of global crises such as the COVID-19 pandemic; the spike in food and energy prices prompted by the war in Ukraine; rising global interest rates; steep currency depreciation experienced in several LDCs and other developing countries; an increase in protectionism amidst rising geopolitical and geoeconomic tensions; supply-chain and transportation disruptions; armed conflicts; displaced persons; as well as an intensification of climate change. Moreover, graduations are happening amidst accelerating technological change, including rapid advances in artificial intelligence, and the global low-carbon transition, posing both challenges and opportunities.

There are clear signs that the changes in the global environment are having negative impacts on LDC graduation, often amplified if they interact with domestic shocks. These impacts manifest themselves in

several ways: First, certain graduation processes were interrupted and require extensions of the preparatory period. Second, some countries in various stages of the graduation process saw their move towards graduation derailed as they no longer meet the necessary criteria. Third, the graduation prospects of many LDCs remaining far below the necessary thresholds are becoming even dimmer, increasing the risk for these countries to be left behind in the development process. This holds particularly for countries affected by conflict. Fourth, almost all LDCs, including graduating countries, are facing difficulties as their fiscal space is diminishing, making it more difficult to undertake necessary investments for boosting productivity and innovation capabilities for post-graduation periods while also mitigating cost of living crises caused by price shocks. These difficulties are particularly acute in countries that already faced domestic and international macroeconomic imbalances for longer periods of time.

Despite these difficulties, commitment to graduation among LDCs remains strong. In each of the two last reviews, the Committee recommended three countries for graduation and, during their consultations with the Committee, all welcomed their forthcoming graduations. The Committee considers that the changes in the global environment as well as experiences of countries in the graduation process require reflecting on the concept of graduation, strengthening international support (including through the operationalization of the newly established sustainable graduation support facility iGRAD), and adapting the graduation framework.

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2) Innovation

The current global crises and shifts in the global economy and innovation landscape are reshaping challenges and opportunities for harnessing technology for sustainable development. This requires a reassessment of science, technology and innovation (STI) policy frameworks by national governments and global institutions to create an effective national and global innovation system fit for the 21st century. STI can be instrumental in building resilience against crises, including the climate crisis and pandemics, but this potential is not currently realized to its potential. Existing frameworks and institutions are often inadequate to incentivize innovation and ensure access to the products of innovation especially in responding to emergencies. The current context demands a reframing of policy discourse and policy on innovation and innovation ecosystems. The Committee's work in 2023/24 addresses these challenges and focuses on issues related to intellectual property rights (IPRs) as an important part of a well-functioning innovation ecosystem.

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3) Debt

The CDP's 2023 analysis remains relevant: the COVID-19 pandemic inflicted severe economic damage on the developing world, surpassing the impact of the 2008 global financial crisis. Countries continue to struggle with increasing debt levels and a rising cost of borrowing. This precarious financial state has been exacerbated by a series of critical factors, including the rising global interest rates; high food and energy prices prompted by the war in Ukraine; the lingering effect of the Covid-19 pandemic; and a steep depreciation of many emerging and developing economy currencies against the US dollar. Many low-income and emerging market economies are in or at high risk of debt distress, according to the International Monetary Fund (IMF) and the World Bank.

Please refer to Chapters I and III of the CDP's 2023 report to ECOSOC: <https://undocs.org/E/2023/33>

(c) **Three examples of specific actions, policies and measures that are most urgently needed to effectively deliver sustainable, resilient and innovative solutions to eradicate poverty and reinforce the 2030 Agenda, building on interlinkages and transformative pathways for achieving the SDGs.**

- 1) **Voluntary national reviews:** the CDP considers the follow-up and review system, and in particular the voluntary national reviews (VNRs) to be an important policy tool for building on interlinkages and transformative pathways for achieving the SDGs. However the VNR reports and process can be made more conducive to stimulating national and international discourse and reflections on what actions, policies and measures are required to bring about the transformative change needed to meet the aspirational vision of the 2030 Agenda. As put forth in a communiqué issued on 13 February 2024, the CDP proposes a new approach to the VNRs to strengthen their effectiveness as a tool for learning and exchanging experiences in the implementation of the SDGs. This new approach would:
 - a. Have greater analytical depth, reflecting on the core priorities for the country, lessons of good practices that accelerated progress, the nature of the challenges, alternative policy measures and gaps in knowledge where lessons from other countries would be of help.
 - b. Give greater attention to transformative ambition and the core transformative elements of the 2030 Agenda including the means of implementation.
 - c. Address strategies for an interconnected, unified, integrated and universal agenda, with commitments to inclusion and human rights and respect for planetary limits. Goals and strategies need to be considered in the context of their interconnectedness, including trade-offs between them.
 - d. Ensure lessons are learned from each VNR cycle, feed back into policy, and are systematically considered in subsequent cycles.
 - e. Be developed in the context of a transparent participatory process at the country level that recognizes the role of civil society, creates space for their contributions and incorporates a national learning process with feedback loops to policy and planning mechanisms. Shadow reports from civil society should be incorporated into the HLPF procedures.

Please refer to the Communiqué: **New approach to the voluntary national review process** (<https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-Communique-VNRs-2024.pdf>) and to Chapters I and IV of the CDP's 2023 report to ECOSOC: <https://undocs.org/E/2023/33>.

- 2) **Innovation:** reassess STI policy frameworks by national governments and global institutions to create an effective national and global innovation system fit for the 21st century, including:
 - a. A fundamental discussion about national and global innovation ecosystems, which should lead to a reframing of discourse and policy on innovation and innovation ecosystems. Countries require policy frameworks for innovation tailor-made for their specific priorities; and the global system needs to be made fit for purpose to ensure innovation for public goods and for countries to address the challenges of the 21st century.
 - b. In that context, explore models of collaborative research and development and opportunities for South-South and regional frameworks; create the conditions for countries to fully explore policy

space available in international frameworks in regard to intellectual property rights (IPRs), including in the new generation of industrial policies ushered in by the COVID-19 pandemic and the climate crisis; and

- c. Ensure international organizations provide proactive support at the country level for the development of IP architecture and policy frameworks, for the deployment of IPRs as a development policy tool, and for the implementation of TRIPS flexibilities and other measures to pursue public interest.

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- 3) **Supporting LDC graduation and operationalizing iGRAD:** The increasingly challenging external environment for countries graduating and recently graduated from the LDC category calls for additional support to ensure graduations are smooth and sustainable, in particular the full and timely operationalization of the newly established sustainable graduation support facility iGRAD, one of the main outcomes of the Doha Programme of Action. Development partners should urgently provide adequate financial resources to iGRAD to significantly scale up graduation support.

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- (d) **Follow-up actions and measures being undertaken by your intergovernmental body or forum to support implementation of the Political Declaration of the SDG Summit.**

In line with paragraph 38. (q) of the Political Declaration the CDP has analysed the challenges and opportunities of innovation ecosystems for development, structural change and equity. The CDP's 2024 report to ECOSOC is currently being edited and will be available at <https://cdp.un.org> and <https://undocs.org/E/2024/33> when formally issued. Please see Part I of the CDP's submission to the HLPF for the chapter dedicated to "innovation for development, structural change and equity".

(e) **Recommendations and key messages for inclusion into the Ministerial Declaration of the 2024 HLPF**

- 1) **VNRs:** Building on the experience thus far, VNRs should be further enhanced to serve as effective policy tools in promoting the transformative change needed to meet the aspirational vision of the 2030 Agenda. A “VNR 2.0” approach for the period 2025-2030 would: (i) include greater analytical depth, reflecting on the core priorities for the country, lessons of good practices that accelerated progress, the nature of the challenges, alternative policy measures and gaps in knowledge where lessons from other countries would be of help; (ii) give greater attention to transformative ambition and the core transformative elements of the 2030 Agenda including the means of implementation; (iii) address strategies for an interconnected, unified, integrated and universal agenda, with commitments to inclusion and human rights and respect for planetary limits considering goals and strategies in the context of their interconnectedness, including trade-offs between them; (iv) ensure lessons learned from each VNR cycle, feed back into policy, and are systematically considered in subsequent cycles; and (v) be developed in through a transparent and participatory process at the country level that recognizes the role of civil society, creates space for their contributions and incorporates a national learning process with feedback loops to policy and planning mechanisms. Shadow reports from civil society should be incorporated into the HLPF procedures.
- 2) **Innovation:** Innovation can be a powerful driver of sustainable development, yet this potential remains vastly under-realized, particularly in developing countries but also for public interest purposes across the world. The current global crises and shifts in the global economy and innovation landscape are reshaping challenges and opportunities for harnessing technology for sustainable development. This requires a reassessment of science, technology and innovation (STI) policy frameworks by national governments and global institutions to create an effective national and global innovation system fit for the 21st century. Intellectual property rights (IPRs) are one of the key policy levers in a functioning innovation ecosystem that can advance development, structural change, and equity, and build resilience to crises, including the climate crisis. Developing countries require policy frameworks for innovation tailored to their specific priorities and can make more effective use of the existing policy space to pursue priorities for development, equity and productive capacity. The global system in place to support innovation for development needs to be reassessed to be made fit for purpose to ensure innovation for (global and regional) public goods and for countries to address the challenges of the 21st century.

Energy transition in developing countries, especially LDCs, will require meeting the objectives of both expanding access to clean energy and deploying clean energy infrastructure. This requires considering multiple challenges (limited finance, concentration of clean technology IPRs and supply chains, unilateral environment-related trade measures, etc.). A feasible approach would be technology co-development and co-ownership with mechanisms rooted in equity and transparency, innovative finance for technological development, and using clean technology solutions for livelihoods and resilience of vulnerable communities.

- 3) **Just transition:** In connection with the review of Goal 13, the CDP reiterates recommendations made in 2023 regarding the need to secure a just transition, through strategies that promote climate action, environmental sustainability and resilience-building in a way that reinforces the ambitions to meet all the Sustainable Development Goals. The strategies should be founded on structured and inclusive

processes of social and political dialogue based on transformative and strategic thinking that reflects the specific contexts of each country. With the understanding that historical responsibility is at the heart of a just transition, and in line with the principle of common but differentiated responsibilities.

- 4) **Debt:** In connection with the review of Goal 17, the CDP's 2023 recommendations on debt remain relevant. The CDP called for: a comprehensive financing strategy to address the large scale of investment needs of developing countries; short-term solutions such as multilateral financing and debt renegotiation to tackle the current debt crisis, while simultaneously establishing long-term solutions to prevent future debt crises; improvements in the contractual approach with private creditors, including enhanced collective-action clauses and a more predictable framework for debt restructuring; additional special drawing right allocations to support vulnerable economies, contingent on well-defined economic shocks and rechannelled through multilateral development banks; efficient allocation of concessional finance for both climate adaptation and mitigation and for developed countries to transfer additional resources to compensate for historical carbon debt to developing nations; that developing countries also implement preventive measures to strengthen debt management to avoid future debt crises. The HLPF Ministerial Declaration should emphasize the need for urgent action in order to halt the mounting debt distress in many LDCs and other developing countries and to establish an international financial architecture conducive to sustainable development.
- 5) **LDC graduation in a changing global context:** The changing global context is impacting graduation processes and prospects. Countries approaching graduation and recently graduated are faced with an increase in frequency and severity of global crises, the impacts of which are often amplified by domestic shocks, and accelerating technological change. In this context, there is a clear need to scale up the delivery of graduation support. As immediate action, development partners should urgently provide generous funding to iGRAD and the Secretary-General of the United Nations should ensure that such funding can be rapidly deployed to respond to the increasing demands by countries. Development and trading partners also need to provide significantly more direct support to graduating countries to support the smooth transition of countries concerned. Additionally, the CDP sees the new General Assembly resolution on smooth transition as an opportunity to enhance support for graduating and recently graduated countries by giving specificity to the incentives and support measures for graduation that countries have already committed to in the Istanbul and Doha Programmes of Actions, and by improving graduation procedures.