

**Interventions by the Kingdom of Lesotho During the Third Prepcom Session of the 4th International Conference on Financing for Development**

10-14 February, 2025

**II. C. INTERNATIONAL DEVELOPMENT COOPERATION**

**Financing for Climate, Biodiversity and Ecosystem**

In alignment with comments delivered by G77 and China, African Group and the LDCs group, we would like to make the following comments on national capacity.

**On Paragraph 39;**

It will be recalled that during the previous Prepcom, we emphasized the need for prioritization of climate finance to vulnerable countries in the Outcome Document. In addition to that we would like to highlight that as developing countries, we always push for grant-based funding for climate action and encourage that those funds should be channelled through the UNFCCC Financial Mechanisms such as Green Climate Fund, LDCF and GEF. We therefore recommend that in 39 (d) we qualify the climate finance to read grant-based climate finance.

We support the commitment to ensure that developing countries that are particularly vulnerable to the adverse impacts of climate change receive sufficient climate finance in order to respond to their needs and priorities, including mountain economies.

Additionally, noting that there are sometimes barriers for Least Developed Countries to access climate funds due to high access requirements. We would encourage this section of the draft to emphasise the simplification of access requirements for climate funding for LDCs.

lastly, we are against the use of insurance for climate action because we see it as a strategy to shift the responsibility of developed countries to provide financial resources to developing countries.

**II.D. INTERNATIONAL TRADE AS AN ENGINE FOR DEVELOPMENT**

While we agree with the proposed set of innovative inputs in this section of the outcome document, we would like to make the following proposals:

**Multilateral trading system**

**On Paragraph 43, t**he third sentence which reads “Bilateral and regional trade agreement (RTAs) has added complexity and incoherence to the system,” is not clear as RTAs do not add “complexity and incoherence to the system”. Most of the RTAs are in line with the WTO rules and they assist countries to develop, thereby complimenting the WTO rules. So, the statement should not be ambiguous or unclear. For example, the African Continental Free Trade Area does not bring incoherence to the WTO system.

Again, in paragraph 43(e) we wish to express our concern on mandate given to WTO Director General. We believe that the focus should be on institutional collaboration instead of individuals to ensure sustainability.

**II. G. SCIENCE, TECHNOLOGY, INNOVATION AND CAPACITY BUILDING**

Upon reviewing this section, we are pleased that the draft document acknowledges the importance of governance. However, it lacks emphasis on dedicated national research and innovation agencies. We would therefore like to highlight the need for the establishment and support of national Research & Innovation agencies, to coordinate research efforts, mobilize resources, and promote innovation.

We have observed that the outcome document emphasizes human resource development for developing countries, but lacks specific focus on STEM education and technical skills. We therefore, advocate for structured capacity-building programs that prioritize **STEM**, **technical and vocational training**, and **academia-industry partnerships** to address the skills mismatch.

We would also like to see references to international partnerships for **technology transfer** and **innovation financing**. To this end, we would like to stress the importance of establishing **technology transfer offices**, **incubator programs**, and **innovation hubs** to support startups and facilitate the commercialization of research outputs in developing countries, particularly LDCs.

Again, the current draft does not address the protection and promotion of indigenous knowledge systems. To this end, we would like to see references to actions to;

* Incorporate provisions for **Indigenous Knowledge Systems preservation** and integration into innovation ecosystems.
* Promote Indigenous Knowledge Systems-based innovations, particularly in sectors like **agriculture** and **healthcare**.

We also note that Digital transformation is underemphasized in the Draft outcome document. We would like to see more emphasis on the need for **ICT infrastructure development** and **digital skills training** to support innovation and improve national competitiveness.

Although the section attempts to address the issue of closing digital divides especially on paragraph 60, we strongly feel that it needs to be strengthened to emphasize the need to overcome the digital divides, both between and within countries and including the rural-urban, youth-older persons and gender digital divides as this will help those living in vulnerable countries to leverage economic opportunities in a world that is increasingly online/virtual.

We would like to see references to Strengthening **regional STI cooperation**.

**I thank you!**