

## **Statement by Paul Akiwumi**

### **Sub-regional Workshop on Fostering Structural Transformation and Export Diversification in Selected Asian Landlocked Developing Countries**

Ulaanbaatar, Mongolia, 16-17 October 2018

#### **Session V: Policy Conclusions and the Way forward**

#### **Remarks on UNCTAD's contribution to the Mid-term Review of the Vienna Programme of Action**

Dear Participants, Colleagues, Ladies and Gentlemen,

Our discussions in the session will dwell on the forthcoming mid-term Review of the VPoA. The primary objective of the Vienna Programme of Action is to address specific challenges faced by landlocked countries. It aims to contribute to the eradication of poverty stemming from their lack of access to the sea, through the implementation of specific actions in six priority areas. We will hear more on this from our colleague from OHRLLS.

As I indicated in my previous interventions, it is clear that so far, the objective and specific goals of the VPoA have not achieved the desired results. Their growth performance has declined from above 7% in the previous decade to less than 3 % currently; their share in global exports declined and their dependence on exports of primary commodities has increased instead of

decreasing; FDI has gone down and ODA flows stagnated or shrunk over the recent years.

Against this background, the mid-term review presents an important opportunity for LLDCs and their development partners. We hope that it provides new impetus to the implementation of the VPoA in the remaining years ahead. The Review will also articulate further measures needed to accelerate progress. Therefore, we all should work hard to ensure that the MTR will result in a clear, actionable outcomes that can improve the socioeconomic conditions in LLDCs. If the goals of the programme are to be achieved, we need a new partnership among LLDCs, transit countries and development partners. Such a partnership should go beyond traditional development cooperation. It should seek ways and means to help LLDCs to foster productive capacities and structural economic transformation. As was discussed in this workshop, the outcome of the MTR should include measures to support export diversification, value addition and overall structural economic transformation. In specific terms it should include specific measures to enhances investment promotion in non-extractive sectors, funding for infrastructure, trade logistics and trade facilitation, as well as scaling up support for building technological innovation including ICTs use in productive capacities.

UNCTAD will be making a series of substantive contributions to the Mid-term Review. The General Assembly resolution specifically requested UNCTAD

and other relevant agencies to support this process with their substantive expertise. In order to respond to this, we are engaged in a number of activities in collaboration with OHRLLS and other UN entities and other international organizations such as CFC:

Firstly, we are organizing a series of pre-events to hear the views and priorities of the LLDCs for the Mid-term Review. Already in June of this year, UNCTAD's Trade and Development Board reviewed a report on UNCTAD's activities in support of the Vienna Programme of Action for the first time. Furthermore, we are organizing regional meetings of LLDCs to provide inputs to the MTR process: Last month, we began with an Expert Group meeting for Asian LLDCs on the Mid Term Review in Almaty, Kazakhstan, which was jointly organized with UNESCAP and UNECE. The synthesis outcome of this meeting will form one of the substantive inputs to the review process.

In addition, in collaboration with OHRLLS, we will be organizing a ministerial meeting of LLDCs as one of the events during UNCTAD's World Investment Forum to be held in Geneva next week. We will also be organizing a sub-regional review in Africa to be held in Botswana later this year. UNCTAD, in collaboration with UN-OHRLLS and other relevant entities, is also preparing substantive Ambassadorial level retreats in Geneva and New York before the end of the year. All of these events are designed to feed into to the regional and global meetings of the Mid-term review, which are planned for 2019. In this way,

UNCTAD aims to ensure that the priorities of LLDCs from all regions are fully articulated and taken into account in the Review.

Secondly, we will be providing a detailed sectoral review and assessment of the progress achieved by the LLDCs since the adoption of the VPoA in 2014. We will be reviewing all priority-areas within our mandate, with a particular emphasis on international trade, trade facilitation and structural transformation. Our substantive review will also make policy-recommendations on how to overcome the challenges identified. The report will draw on a data-analysis, as well as the experiences you shared with us in workshops such as this one.

Thirdly, we will be launching our Productive Capacities Index for LLDCs prior to the Mid-Term Review. Building productive capacities is a core requirement for structural transformation, export diversification, and inclusive development. UNCTAD has developed the index to make the abstract concept more operational for policy-makers in developing countries. The index will allow LLDCs to assess their current state of productive capacities along 8 components, and compare their performance across countries, as well as over time. We feel that the index will be useful to policy-makers in making evidence-based policy-decisions towards achieving the SDGs.

Finally, we will soon be finalizing a manual on how best to foster productive capacities and structural transformation in LLDCs and other structurally weak and vulnerable economies.

These are only some of our activities in support of the LLDCs and the Mid-Term Review. Needless to say, UNCTAD remains at your disposal to provide additional research or capacity-building assistance in the context of the Mid-term Review. I look forward to working with you to ensure that the review delivers on the aspirations of the LLDCs.

Thank you very much.