



High-Level Webinar

Productive capacities-induced structural transformation –

On the road to “Graduation with Momentum”

Preparatory meeting for LDC5 and UNCTAD 15

Date: 30 August 2021

Time: 15:30 to 16:45 (CEST, Geneva Time); 9:30 to 10:45 (EST, New York Time)

Background

Structural transformation can create new opportunities for LDCs to shift resources and production frontiers from low value-added to higher value-added areas in agriculture, manufacturing and services sectors. UNCTAD’s in-depth research shows that development policies centred on developing productive capacities not only enable LDCs to accelerate economic growth and sustainable development, but also to meet the criteria for graduation with the necessary momentum to sustain their growth trajectory after graduation from LDC status.

Despite the high importance accorded by LDCs to the pursuit of beneficial structural transformation, a variety of factors constrain their socioeconomic progress. Poor infrastructure and limited or no access to modern technologies, scarcity of human capital, insufficient investment capital and constrained access credit for firms underpin their difficulties in integrating in global value chains and hamper the diversification and expansion of their productive sectors. Such weak productive bases and capacities have historically limited export diversification in LDCs, which has in turn, given rise to elevated rates of unemployment and incidences of extreme poverty, very high import content in production and consumption, and chronic current account deficits. These factors explain the persistent problem of aid dependency and accumulation of foreign debt in these countries.

The COVID-19 pandemic has further aggravated these vulnerabilities and constraints and exposed LDCs to multiple economic and social shocks. Given their structural constraints, LDCs are more acutely affected than any other developing countries. Their lack of digital infrastructure and limited fiscal space underpins reduced resilience capacity to cushion their productive sectors and incentivize recovery. Serious disruptions in trade and the expected reorganization of global value chains spell further changes in the nature of global demand for their exports, with grave negative effects on growth and development in these countries. The potential long-term impacts, including secondary and tertiary shocks, will affect methods of production, job creation, household income, domestic finances and investment, education, and social protection systems.

Moreover, many LDCs are doubly jeopardized by the challenges posed by climate change and natural disasters, whose intensity and severity are forecast to increase. These additional challenges further jeopardize the development prospects of climate vulnerable LDCs.

These developments mean that LDCs face daunting medium to long-term challenges to their sustainable development prospects. This lends even more credence to UNCTAD's assertion that the answer to LDCs' "graduation with momentum" lies in fostering productive capacities-induced structural transformation as the single viable long-term solution to providing LDCs' economies with the necessary resilience to overcome vulnerabilities and withstand socio-economic shocks.

UNCTAD's Productive Capacities Index (PCI) and Productive Capacity Gap Assessments equip member States and the international community with the tools to assess the relative strengths and weaknesses of productive capacities and assess progress on their development over time. These tools can help LDCs define and implement the strategies needed to accelerate growth, boost resilience, reduce economic and social vulnerabilities and thus achieve graduation with momentum. They can also enable the LDCs and development partners to monitor progress in the implementation of the programme of action for LDCs for the decade 2022-2031.

Objective

The webinar aims to equip member States with a deeper understanding of the technical and substantive role that accelerating structural transformation through building, upgrading and maintaining productive capacities plays in laying the foundations for a sustained, inclusive and sustainable growth path for the LDCs and thereby achieve the SDGs. It aims to provide Geneva and New York-based member States' delegations, UNCTAD experts and the wider UN community a space to come together and engage in a dialogue on innovative policies and strategies that will enable LDCs to "graduate with momentum". It further aims to generate intergovernmental consensus on these issues, which will serve as inputs to both the fifteenth United Nations Conference on Trade and Development (UNCTAD 15) and the Fifth United Nations Conference on the Least Developed Countries (LDC5) in support of the goal of realizing prosperity for all, and especially the LDCs.

Key questions to be addressed:

- What is the contribution of productive capacities to an inclusive process of structural transformation in the LDCs and their role in assuring "graduation with momentum"?
- How can industrial policy and technological advancements be leveraged for the accelerated diversification and economic structural transformation of LDCs' economies over the next decade?

- Which policies, strategies and international support measures are needed to help centre the programme of action for LDCs for the decade 2022-2031 on the development and expansion of productive capacities in LDCs?

Modalities

The event will be held online in English via WebEx. Participation is open to representatives of delegations of the member States based in Geneva and New York, as well as other relevant stakeholders.

Contact information

For any questions, please contact Ms. Matfobhi Riba (riba@un.org), Economic Affairs Officer, UNCTAD, or Mr. Nirupam Dev Nath (nirupam.devnath@mofa.gov.bd), Minister and Delegate for 2nd Committee, ECOSOC, Funds and Programmes, Bangladesh Permanent Mission to the UN.

Registration

To joint the event, please register here: [Register](#)

Programme

Chair

15:30 H.E. Ms. Rabab Fatima, Ambassador and Permanent Representative of Bangladesh to the United Nations in New York

15:32 *Opening Statements*

Mr. Courtenay Rattray, USG, UN High Representative for LDCs, LLDCs and SIDS

Ms. Isabelle Durant, Acting Secretary-General, UNCTAD

15:40 *Speakers*

H.E. Mr. Victor Francisco Dos Santos Fernandes, Minister of Trade and Industry, Republic of Angola

Mr. Hiroshi Kuniyoshi, Deputy to the Director General, UNIDO

Mr. Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) (*tbc*)

Prof. Fiona Tregenna, DST/NRF South African Research Chair in Industrial Development, University of Johannesburg

16:10 *Q & A*

16:40 *Concluding remarks:*

H.E. Mr. Robert Rae, Ambassador and Permanent Representative of Canada to the United Nations in New York