

**Workshop on  
“Strengthening Productive Capacities and Facilitating Structural Transformation  
in Asia-Pacific Least Developed Countries”**

**Phnom Penh, Cambodia, 23-24 November 2022**

**Organized by UNCTAD and ESCAP  
Hosted by NC-ESCAP, Government of Cambodia**

**CONCEPT NOTE and TENTATIVE PROGRAMME**

## 1. Background

Asia-Pacific least developed countries (LDCs) have exhibited consistent socioeconomic development with several of them scheduled to graduate in the coming five years. However, graduation will also result in the withdrawal of International Support Measures (ISM) that they are currently entitled to. These include, among others, duty-free and quota-free (DFQF) market access, access to concessional financing, exceptions or exemptions to WTO obligations and targeted technical assistance initiatives. To mitigate the adverse impacts resulting from the withdrawal of ISMs, LDCs need to formulate an effective smooth transition strategy. More importantly, graduation should be considered as a milestone with the aim to graduate with momentum.

One of the underlying weaknesses of LDCs is that their economies remain structurally underdeveloped with limited productive capacities. Graduating with momentum will require building domestic productive capacities to foster structural economic transformation towards activities with higher productivity. This will ultimately contribute to development that is sustainable, inclusive and green. It will also increase resilience against external shocks. Fostering structural transformation requires, however, an enabling infrastructure, including transport, energy, social infrastructure, and a conducive business environment. Additionally, it requires the availability of markets that demand goods and services. Such markets can be promoted through trade and regional cooperation efforts. LDCs will thus also require building on their achievements and harnessing international conditions and environment, by intensifying international trade and participation in global and regional production value chains.

LDCs in the region must therefore step-up efforts to build their productive capacities in order to formulate concrete structural transformation policies and action plans and include them in their national development plans. ESCAP's project "**Strengthening the capacity of Asia-Pacific least developed countries to achieve the SDGs through structural transformation and regional cooperation**" aims to support selected LDCs in the Asia-Pacific region in their progress towards achieving the sustainable development goals (SDGs) through structural transformation and regional cooperation, whereas UNCTAD works closely with LDCs in order to build their productive capacities, using the Productive Capacities Index (PCI) to assess gaps and limitation in sectoral policy formulation.

## 2. Objectives of the workshop:

Against this background, this workshop aims to respond to the increased needs of LDCs to strengthen their domestic economies, build productive capacities to ensure that they effectively undergo structural economic transformation, graduate from the LDC category with the momentum and ultimately participate in the global economic processes as viable partners at segments of higher value addition. It is intended as an introduction to further actions on the national level to foster domestic productive capacities, support structural economic transformation and enable regional cooperation. The specific objectives of the workshop are:

- (i) *To familiarise policymakers from Asia-Pacific LDCs with the concept of productive capacities and productive capacities index (PCI)*
- (ii) *To promote productive capacities in the process of domestic policy formulation to advance structural economic transformation, economic diversification and economic resilience as well as to ensure more effective participation in the global economy.*
- (iii) *To understand the factors impeding structural economic transformation in Asia Pacific LDCs.*
- (iv) *To explore pathways to graduate with momentum by accelerating structural transformation and promoting regional cooperation.*

- (v) *To build capacity of policymakers in formulating strategies and policies to facilitate structural economic transformation in Asia-Pacific LDCs.*

### **3. Target audience**

The event will target policymakers and relevant stakeholders from the following countries:

- Bangladesh,
- Bhutan,
- Cambodia,
- Lao PDR,
- Nepal,
- Timor-Leste.

Target participants include public officials from relevant ministries, particularly ministries of economy, trade, planning, and finance, and those who are or will be involved in the preparation of LDC graduation or the formulation and implementation of smooth transition strategies. The workshop will include presentations given by experts, practitioners, and international/regional organizations.

**Tentative Programme**  
**(As of 20 October 2022)**

Day 1 – Wednesday 23 November 2022	
0900 – 0930 hrs	<p><b>Opening Session</b></p> <ul style="list-style-type: none"> <li>Opening statement: <b>Mr. Mussie Delelegn</b>, Acting Head, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</li> <li>Opening remarks: <b>Mr. Oliver Paddison</b>, Section on Countries in Special Situations, ESCAP</li> <li>Inaugural Address: <b>H.E. Dr. Ly Thuch</b>, Senior Minister and President of the National Committee for ESCAP, Royal Government of Cambodia</li> </ul>
0930 – 1000 hrs	<i>Photo and Coffee Break</i>
1000 – 1130 hrs	<p><b>Session I: LDC Graduation and the Doha Programme of Action</b></p> <ul style="list-style-type: none"> <li>Overview of the graduation processes in Asia and the Pacific and the Doha Programme of Action for LDCs (<b>Oliver Paddison, Section on Countries in Special Situations, ESCAP</b>)</li> <li>Cambodia’s progress and preparation towards LDC graduation (<b>Royal Government of Cambodia</b>)</li> <li>Bhutan’s approach to integrating and implementing its smooth transition strategy with the Five-Year Plan (<b>Strategic Planning Unit, Royal Government of Bhutan</b>)</li> </ul> <p>Discussion</p>
1130 – 1230 hrs	<p><b>Session II: Productive Capacities Index and Productive Capacities in Asia-Pacific LDCs: Gap Assessments and Policy Formulation</b></p> <ul style="list-style-type: none"> <li>Productive Capacities Index as a measuring tool: Opportunities for Gaps Assessments and Policy Formulation (<b>Mr. Mussie Delelegn, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</b>)</li> <li>Productive Capacities in Asia-Pacific LDCs: A Comparative Analysis (<b>Mr. Andrzej Bolesta, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</b>)</li> </ul> <p>Discussion</p>
1230 – 1330 hrs	<i>Lunch Break</i>
1330 – 1500 hrs	<p><b>Session III: Structural Transformation in Asia-Pacific LDCs</b></p> <ul style="list-style-type: none"> <li>Pace and patterns of structural transformation and production linkages in Asia-Pacific LDCs (<b>Nyingtob Pema Norbu, Section on Countries in Special Situations, ESCAP</b>)</li> </ul>

	<ul style="list-style-type: none"> <li>The Growth Identification and Facilitation Framework (<b>ESCAP consultant: Professor Jiajun Xu, Institute for New Structural Economics, Beijing University</b>)- virtually</li> </ul> <p>Discussion</p>
15:00 – 15:30	<b>Break</b>
15:30 – 17:00	<p><b>Session IV: Trade diversification and productive capacities in Asia Pacific LDCs</b></p> <ul style="list-style-type: none"> <li>Product and market diversification in the context of LDC graduation (<b>Cecilia Hauser, ITC</b>)- TBC virtually</li> <li>Productive capacities and trade (<b>Daniel Gay, OECD</b>)- TBC virtually</li> <li>Policy measures to prepare for the loss of trade-related International Support Measures (<b>Government of Bangladesh</b>)</li> </ul> <p>Discussion</p>
<b>Day 2 – Thursday 24 November 2022</b>	
0900-1030 hrs	<p><b>Session IV: Building productive capacities for structural transformation in Asia-Pacific LDCs: Opportunities and Challenges</b></p> <ul style="list-style-type: none"> <li>National Productive Capacities Gap Assessment: Experiences and Lessons Learnt (<b>Mr. Andrzej Bolesta, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</b>)</li> <li>Fostering productive capacities for structural transformation and the graduation with momentum from the LDC category (<b>Mr. Mussie Delelegn, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</b>)</li> <li>Pursuing structural transformation in Timor-Leste (<b>Government of Timor-Leste</b>)</li> </ul> <p>Discussion</p>
1030 –1100 hrs	<b>Break</b>
1100 – 1230	<p><b>Session IV continued:</b></p> <ul style="list-style-type: none"> <li>Harnessing the Potential of Nutraceutical Products for Export Diversification and Development in Asia’s LDCs: Assessment of Comparative Advantages and Binding Constraints (<b>Mr. Andrzej Bolesta, Productive Capacities and Sustainable Development Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD</b>)</li> <li>Industrial policies to address the factors obstructing Structural Transformation and productive capacities in Nepal (<b>Government of Nepal</b>)</li> <li>Successful cases of export diversification in Lao PDR (<b>Government of Lao PDR</b>)</li> </ul> <p>Discussion</p>

1230-1330 hrs	<b>Lunch Break</b>
<b>Special Session</b>	
1330 – 1530 hrs	<p><b>Policy dialogue on leveraging finance for the Sustainable Development Goals</b></p> <ul style="list-style-type: none"> <li>• Key messages from the <i>Asia-Pacific Countries with Special Needs Development Report 2022: Financing a Sustainable Recovery from COVID-19 and beyond</i> (<b>Yusuke Tateno, Section on Countries in Special Situations, ESCAP</b>)</li> </ul> <p><b>Discussant</b> Integrated National Financing Framework (<b>UNDP</b>) Representative of Cambodia (Ministry of Finance)</p>
1530-1600 hrs	<b>Closing Session</b>