UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



EU-UNCTAD joint Programme for Angola

LDC5 side event Holistic and multisectoral interventions to address systemic and structural vulnerabilities in LDCs: Lessons from Angola

6 March 2023

12:15 p.m. – 1:45 p.m. (GMT+3) Qatar National Convention Center Room 106

High-level panel

Led by Ms. Rebeca Grynspan, UNCTAD Secretary-General

Distinguished panelists

- H.E. Mr. Sheikh Mohammed bin Abdulrahman Al Thani (TBC) Deputy Prime Minister and Minister of Foreign Affairs of Qatar
- H.E. Mr. Amadeu Leitão Nunes
 Secretary of State of Commerce of Angola
- H.E. Ms. Fitsum Assefa Adela
 Minister of Planning and Development of Ethiopia
- H.E. Ms. Johanna Sumuvuori
 State Secretary to the Minister for Foreign Affairs of Finland
- H.E. Mr. Francisco Gonçalo Nunes André
 Secretary of State for Foreign Affairs and Cooperation of Portugal
- Mr. Hirondino Garcia
 President of Prestígio, Angola

Moderator Ms. Terryanne Chebet (CNBC Africa, Nairobi, Kenya)





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To register: https://zoom.us/meeting /register/tJUqcemgpz0q E9V47laKWoHQLXdT1s TDEmgW





Economic diversification, structural transformation and strengthening of productive capacities in LDCs

The economies of the least developed countries (LDCs) remain dependent on a limited number of economic activities for output and a small number of products or commodities for exports.

Overall, the productive capacities of LDCs are too weak, and their socioeconomic growth too fragile. Moreover, their mitigation and adaptation efforts to address climate change pose further challenges. The low productive capacities reflect LDCs' high reliance on the export of unprocessed primary commodities and excessive vulnerability to external shocks. This in turn reflects the limited degree of development of the countries' economies and their structural and systemic vulnerabilities. As a result, sound national policies and robust international support measures to foster productive capacities and structural transformation are needed.

Diversifying their economies, increasing domestic productive capacities, and expanding the technological embodiment and sophistication of their exports could increase the competitiveness of LDCs' exports.

A holistic and multisectoral intervention model: Learning from the EU-UNCTAD Joint Programme for Angola

- Angola is heavily dependent on oil, accounting for 93% of the nation's total exports. The project aims to shift this oil-dependency to *inclusive, diversified,* and *sustainable* growth and trade;
- With funding by the European Union; the project's implementation period covers 2018-2023;
- Objectives are to improve human and institutional capacities; foster economic diversification policies; and help the country build a more resilient economy capable of eradicating poverty;
- 7 components: commercial diplomacy; trade facilitation; trade logistics, small business

development; investment; scoping of non-oil sector opportunities; creative economy;

- Tailored training courses and capacity-building workshops on each component provide tools and capacities to public, private, and academic actors;
- In 2022, the Angola Programme was selected as a global success story for SDG good practices implementation.

Impact achieved

- 2,550 people trained;
- 100 trainers trained;
- Over 660 institutions capacitated: 15 major policy processes supported;
- Whole-of-Society-approach and improved policy coordination;
- Institutionalization of the intervention into national institutions;
- Macro-level evidence: 4% growth of non-oil product exports in real terms since 2016.

Towards a model support programme for LDCs and other vulnerable economies

Based on the success of the Angola Programme, several developing countries have approached UNCTAD with a request to develop a similar type of technical assistance project implemented through UNCTAD. Inspired by the growing demand, the good practices and lessons learned from the EU-UNCTAD Joint Programme for Angola have led to the development of a model support programme for LDCs and other vulnerable economies.

The support programme model is intended to combine the three pillars of UNCTAD's work, enhancing the linkages between research and policy analysis, technical cooperation through capacity building, as well as inter-governmental consensus building. The baseline analysis underpinning programme development consists of a National Productive Capacities Gap Assessment (NPCGA). UNCTAD uses its multi-dimensional <u>Productive Capacities Index (PCI)</u> to identify the gaps in policy and the institutional





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architecture to advance sustainable development and to prepare NPCGAs, which help in the identification of each country's comparative advantages and binding constraints to economic development, as well as in mapping intervention strategies.

NPCGAs, together with broad national, crosssectoral consultations, are optimal tools in assisting beneficiaries to formulate and implement countryspecific, multi-year and multi-sectoral national programmes to foster productive capacities and kickstart the process of structural economic transformation. Experiences learned through programme implementation are intended to feed into ahead-of-thecurve research and inter-governmental processes, establishing a virtuous cycle for development.

Side event at LDC5: Holistic and multisectoral interventions to address systemic and structural vulnerabilities in LDCs

The discussion will focus on the potential and opportunities for replicability of the programme model for other LDCs and vulnerable economies:

- Implications of productive capacities for LDCs' diversification, structural transformation and sustainable development;
- Rational behind the need for such transformational processes;
- Results, good practices, lessons learned and core elements on how best to support structural transformation in LDCs; and
- The role of the UN system and UNCTAD in promoting such transformational processes.

The United Nations Conference on Trade and Development (UNCTAD)

UNCTAD supports developing countries to access the benefits of a globalized economy more fairly and effectively while preparing them to deal with the potential drawbacks of greater economic integration. It accomplishes this by providing analysis, facilitating consensus-building, and offering technical assistance programmes. This helps developing countries to achieve inclusive and sustainable development.

UNCTAD's efforts at the national, regional, and global levels support countries to:

- Address macro-level development challenges, including in LDCs, LLDCs and SIDS;
- Diversify economies and limit their exposure to financial volatility through evidence-based research, policy development, and tailor-made technical assistance programmes;
- Carry out National Productive Capacities Gap Assessments and develop programmes to support their strengthening;
- Obtain beneficial integration by facilitating intergovernmental consensus building;
- Adapt to climate change using natural resources more effectively;
- Attract development-friendly investment;
- Promote entrepreneurship and innovation;
- Help local firms move up value chains;
- Reduce anti-competitive regulations;
- Increase access to digital technologies;
- Speed up the flow of goods across borders;
- Protect consumers.

Ultimately, UNCTAD's goal is prosperity for all.









