

Inaugural Meeting of the LLDCs National Focal Points Network: The role of partnership and opportunities for technical assistance and capacity building in implementation of the VPoA (Session 4)

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Distinguished Participants, Colleagues, Fellow Panelists, Ladies and Gentlemen,

My intervention is divided into two parts:

- I. Updates on implementation of the roadmap on VPoA and**
- II. UNCTAD's perspectives on partnership in support of LLDCs.**

With the implementation of the roadmap related to diversification, value addition and productive capacities in LLDCs UNCTAD has undertaken the following activities:

- **Nutraceuticals:** UNCTAD finalized the study on harnessing the potential of nutraceutical products for export diversification and development in LLDCs. The studies contain analyses on Bhutan, Nepal, Burkina Faso, Ethiopia, Bolivia and Azerbaijan and provide insight into conditions of development of a new, innovative and promising sector within these countries, based on their latent and revealed comparative advantages. It also contains detailed assessment of potential export markets and market mapping for such products both in developed and developing countries. A regional meeting will be convened before the end of 2022 with a view to charting the way forward in harnessing the potential of nutraceutical for socioeconomic development of LLDCs covered by the project.
- **UNCTAD's project on fostering productive capacities in supporting Botswana, Ethiopia, Rwanda and Zambia (Africa) and Mongolia and Kazakhstan (Asia) and Bolivia and Paraguay (Latin America) are at different stages of implementation.** UNCTAD has commenced work on enhancing productive capacities in Botswana, Ethiopia., Rwanda and Zambia. It conducted capacity building workshops for policymakers and statisticians to use productive capacity index and productive capacities for measuring existing gaps and identifying necessary policies to address development challenges. It has started preparations of a national productive capacity gaps assessments (NPCGA). The ultimate objective is to develop multi-year and multisectoral programmes in each of the countries to address gaps and limitations in their productive capacities. Work in Asian and Latin American countries has been delayed due to Covid19 but we are in the process of relaunching similar interventions in Bolivia, Kazakhstan, Mongolia and Paraguay soon.

UNCTAD's perspectives on partnership in support of LLDCs

Development challenges of LLDCs are well known. Because of their specific features effective and enhanced partnership is a key solution:

- There is a shared responsibility for this partnership among the three key stakeholders: LLDCs, transit neighbours and the international community including the UN system. All stakeholders should play their respective roles with primary responsibilities for LLDCs' development being with the LLDCs themselves.
- Advanced developing countries, in the context of South-South cooperation, can also play vital role in supporting LLDCs.
- Dialogue to strengthen and broaden the partnership must thus be continuous and ambitious to reach higher level of closer cooperation, interaction, and elimination of barriers.

Indeed, there is a consensus on specific development challenges facing LLDCs. However, this has not yet been fully translated into concrete actions:

- ✓ ODA flows to LLDCs have been precipitously declining overtime and heavily concentrated in a handful of LLDCs with about 5 LLDCs accounting for more than 50% of total ODA inflows.
 - ✓ FDI flows remain erratic and unpredictable with very few resources rich LLDCs attracting the bulk of FDI (70% of flows to LLDCs in 2020).
 - ✓ LLDCs external debt burden has continued to increase with several of them being in either HIPC or debt-distress situation.
 - ✓ Economic growth has been fragile and unsustainable, making them vulnerable to various forms of external and internal shocks
 - ✓ Their exports have historically been driven by primary commodities; deindustrialization became the characteristics future of LLDCs with increased commoditization of their economies.
- Technical assistance and capacity building activities will have robust and lasting impact when several preconditions exist. I will highlight only five of these as follows:

First, there is a need to move away from short term project-based interventions towards multi-sectoral, multiyear programme-based interventions. The focus should be in fostering economywide productive Capacities and socioeconomic resilience building.

Second, technical cooperation programmes must be based on a careful assessment of local needs, binding constraints, and institutional limitations in LLDCs.

Third country ownership matters

- LLDCs should be on the driver's seat in terms of setting priorities.

- Relevant LLDC institutions must be part and parcels of project or programme formulation and implementation.
- Key implementing institutions and personnel in LLDCs must be incentivized by the allocation of sufficient technical and financial resources.
- There should be strong and sustained coordination between donors, beneficiary countries and implementing agencies. Without robust coordination mechanism in place, it will be difficult to maximize the substantive impacts of partnership on LLDCs.
- TC Projects and programmes must be demand-driven; not donor or agency-driven.

Fourth responsibilities of partner institutions (at national, regional and global levels) need to be clearly defined and mapped with clear timeframe for implementation of TC projects or programmes.

- There is a need to clearly define the roles and responsibilities of institutions tasked to implement technical cooperation projects and programmes.
- Focal (or coordinating) institutions need to be given not only financial and technical resources but also legitimacy by the highest policymaking offices or organs in LLDCs.
- Coordinating and implementing agencies should involve in impact assessment of a given TC intervention-project or programme.
- Evaluation & monitoring of implementation should be undertaken early in the lifespan of projects and programmes- not at the end of the lifecycle. This is vital in drawing practical lessons and adjusting courses of implementation as necessary.

Finally, there must be adequate and predictable financing for long-term programme intervention. When resources are inadequate and unpredictable, TC projects and programmes cannot be sustained for long. Nor can they meaningfully contribute to the intended objectives of accelerating growth and development of LDCs