Priority 5: Structural Economic Transformation
Priority 6: Means of Implementation

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Progress in Priority 5: Structural Economic Transformation

• LLDCs adopted national plans and policies to promote structural economic transformation
• Some progress in creating conducive business and regulatory environment for the private sector
• Domestic credit to private sector increased slightly, but remains low
Progress in Structural Economic Transformation

Value-added by sector, LLDCs (percentage of GDP)

- Services
- Agriculture, forestry, and fishing
- Manufacturing
Continued structural challenges faced by the LLDCs

- Challenges linked to landlockedness
- Lack of diversification
- Heavy reliance on low-value – high-bulk commodities
- Limited manufacturing and industrial capacity
- Low technology intensity
- Limited capacities in the private sector
- High vulnerability to external shocks
- Slow progress on economic and social development
Recommendations

• Develop and implement quality, effective and targeted industrial policies
• Focus on higher value-added products and high productivity sectors
• Identify specific sectors and provide incentives
• Improve enabling environment for the private sector
• Skill and capacity building for innovation and adaptation of new technologies
• Higher investments into R&D
Priority 6 – Means of Implementation

• Domestic Resources
  • Average tax revenue to GDP ratio of LLDCs: 13% in 2017
  • Only 5 LLDCs tax revenue above 20%

• ODA

• Aid for Trade

• Private sector, including FDI

• South-South Cooperation

• Technical assistance and capacity-building from international organizations
International Finance to LLDCs
(billions US$)

- FDI
- Remittances
- ODA
Aid for Trade to LLDCs (Billions US$)

TRADE POLICY AND REGULATIONS and TRADE-RELATED ADJUSTMENT
BUILDING PRODUCTIVE CAPACITY
ECONOMIC INFRASTRUCTURE
Conclusions and recommendations

• Need strong partnerships and efforts by all to implement the VPoA
• Domestic resource mobilization is first step
• Development partners encouraged to increase ODA to LLDCs
• LLDCs should adopt policies and measures to attract more FDI and more diversified FDI
• Explore and strengthen South-South Cooperation and triangular cooperation
• UN system, international organizations and multilateral and regional development banks have a role to play
Monitoring, follow-up and review

• Strengthening capacities in LLDCs to produce reliable and frequent statistics

• Enhance partnerships for ensuring coherence in Vienna Programme of Action and 2030 Agenda monitoring and follow-up processes
Thank You

Find out more on the midterm review of the Vienna Programme of Action at

www.lldc2conference.org/mtr