Ambassadorial retreat on the Comprehensive
High level midterm review on the
implementation of the VPOA

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World Investment report 2018

- Flows recovered marginally after 5 consecutive years of decline
- Recovery of flows is expected to continue, despite uncertainty and fragility
- FDI rose in all subgroups except landlocked transition economies
LLDCs External Debt Stocks (% of GNI)
Handbook of statistics 2018

Reliable statistical information is indispensable for formulating sound policies and recommendations that may commit countries for many years as they strive to integrate into the world economy and improve the living standards of their citizens. The Handbook provides a wide range of statistics and indicators relevant to the analysis of international trade, investment and development.
GENERAL PROFILE: BOTSWANA

SELECT COUNTRY
Diversification Index for LLDCs (2000-2016)

Diversification Index

Not a good Trend, link to Commodity markets

LLDCs (Landlocked developing countries)
WIR: Industrial policies

Figure IV.1. Industrial policies adopted since 2008

Source: UNCTAD global survey of industrial policies.
Note: Categorization of countries is not exhaustive.

LLDCs

6 adopted industrial policies in last 10 years (2008-2012):
- Ethiopia
- Nepal
- North Macedonia
- Rwanda
- Uzbekistan
- Zimbabwe

13 in last 5 years (2013-2018):
- Armenia
- Azerbaijan
- Bhutan
- Bolivia
- Botswana
- Burkina Faso
- Chad
- Eswatini
- Kazakhstan
- Malawi
- Mongolia
- Niger
- Uganda
Common features of industrial policies in DCs

• tend to have a more industry-specific programs, and initiatives focusing on key segments of the economy, such as the MSME policies
• contain numerous initiatives to build horizontal productive capacity (economic growth, enhanced competitiveness, job creation).
• Most have investment policy components (SEZ, investment facilitation, investor targeting, investment monitoring procedures).
• significant variation in investment policy and regulatory frameworks; many LDCs focus on protection of investors to attract investment → do not sufficiently promote/facilitate investments and based on contribution to industrial development
• rare references to gender (23%), especially new industrial strategies (7%), while increasingly incorporating social and sustainable development objectives
• Rare/insufficient integration with ICT / eCommerce policies
Productive capacity index for LLDCs (2000-2016)
## Productive capacity Indicators: 3 Main categories and components

### Productive resources
- Natural resources
- Human resources
- Financial Capital
- Physical capital

### Entrepreneurial capacities
- Core competencies
- Technological capabilities

### Production linkages (Networks)
- Back and forward linkages; information flows
- Resources flows and networks; production clusters (Industrial parks)
- RVCs and GVCs; Links between FDI and domestic entrepreneurs
- Links/networks between firms, large and small
As of December 2018, UNCTAD carried out 7 Rapid eTrade Readiness Assessments in Africa: Burkina Faso, Liberia, Senegal, Togo, Madagascar, Uganda and Zambia.

Each assessment was carried out along the seven policy areas of the eTrade for all initiative:
1. E-commerce readiness assessment and strategy formulation
2. ICT infrastructure and services
3. Payment solutions
4. Trade logistics and trade facilitation
5. Legal and regulatory frameworks
6. E-commerce skills development
7. Access to financing

KEY FINDINGS
1. Countries lack a unifying vision on e-commerce
2. Development of e-commerce policies, initiative and activities is fragmented
3. Public-private dialogue is underutilized

MAIN POLICY RECOMMENDATIONS
1. Develop national e-commerce strategy
2. Improve inter-ministerial coordination and appoint e-commerce champion
3. Establish monitoring tools for e-commerce development
4. Strengthen overall stakeholders’ perception of e-commerce
5. Enhance private sector coordination + Voice of women entrepreneurs

National eCommerce association

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Country rank and value in the UNCTAD B2C E-commerce Index

Country rank and value in the ITU ICT Development Index

Source: UNCTAD B2C E-commerce Index 2017; ITU ICT Development Index 2017
**KEY FINDINGS**

1. Lack of adapted legal framework on e-commerce
2. Lack of enforcement agencies to Implementation/compliance with existing framework
3. X-border provision are missing

**MAIN POLICY RECOMMENDATIONS**

1. Carry out a regulatory gap analysis on e-commerce
2. Adopt baseline e-commerce legislation or update relevant laws and regulations
3. Build capacities of lawmakers/judiciary to prepare/enforce e-commerce laws
4. Strengthen business and civil society engagement to foster an e-commerce business enabling environment
5. Consider the establishment of quality labels
Take advantage of Trade Facilitation

- SDT for Developing countries and LDCs
- Implementation of agreement linked with capacity
- Counties determine when it will implement each measure
- Donors have promised sufficient technical assistance
  - 24 LLDCs have accepted TFA, which can help with connectivity
- TA provided by the WTO, its members, World Bank, the World Customs Organization and UNCTAD (art. 11 on transit, Customs)
23 LLDCs are using the ASYCUDA system for their Customs administrations

Includes a transit management module

Afghanistan
Bolivia
Burundi
Botswana
Burkina Faso
Central African Republic
Chad
Ethiopia
Eswatini
Kazakhstan
Lao People’s Democratic Republic
Lesotho
Malawi
Mali
Republic of Moldova
Nepal
Niger
North Macedonia
Rwanda
Turkmenistan
Uganda
Zambia
Zimbabwe
Diversification: National Green Export Review and others review: export diversification in Bhutan, Kazakhstan, Mongolia, & Turkmenistan
SME-MNE business linkages serve as catalysts for SME suppliers’ upgrade and their integration into Global Value Chains (GVC)

- Programme active in Argentina, Benin, Brazil, Mozambique, Peru, Uganda, Tanzania and Zambia
- Facilitates the adoption of environmental and labor standards
- Inclusion of the poorest segments of the population, especially in rural settings
- With Empretec as key component
- Entrepreneurship policies integrated with industrial, rural and STI policies
Of UNCTAD Business Facilitation Program

- Started in 2005
- Aims to help governments improve the enabling environment for business by streamlining administrative processes and mobilizing technology.
- 68 Systems implemented in 37 Countries,
- 2993 procedures online, 80% reduction of steps, forms and documents
Of BioTrade program implemented by partners – government, companies, associations, NGOs, academia...

- 20+ countries implementing BioTrade in Africa, Asia, LAC… and Europe
- €4.4 bn in sales of BT companies/associations
- 3,500 value chains supported
- Around 5 mil beneficiaries (producers/farmers, collectors/hunters, workers)

Figure 1.3 Countries implementing BioTrade

- **Africa**: Botswana, Burkina Faso, Ghana, Madagascar, Malawi, Mozambique, Namibia, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe
- **Asia**: Indonesia, Lao People’s Democratic Republic, Myanmar and Viet Nam
- **Latin America**: Plurinational State of Bolivia, Brazil, Colombia, Ecuador, Mexico and Peru
What should be the way forward?

• “Business as usual” does not work => “new generation” domestic policies/strategies
  • that foster “productive capacities”, “export diversification” and “structural economic transformation”
  • multipronged, carefully sequenced and effectively executed policies & strategies;
  • focus on economic **diversification, ICT, energy and human capital development** - key pillars of productive capacities

• Move away from “project-based” problem solving approach towards “programme-based” interventions
  • profound implications to the UN system operational activities and donor supports

• No need to incentivize the private sector especially in sectors of comparative advantages;

• Focus on the quality, not quantity, of regional integration agreements, and strengthen cooperation beyond trade, including on development projects in infrastructure, transport, and industrial development.
Comprehensive support eg. Angola

Train for Trade

- Development economics research
- Policy analysis
- Data collection

Areas of research – all from a trade perspective
- Africa
- Least developed countries
- LLDC
- Globalization
- International trade system
- Commodities
- Investment & Entrepreneurship
- Science, Technology and Innovation
- Logistics

Model Donor-UNCTAD Programme of Support for Developing Countries:
Development context and strategic orientation

Building on the recent EU-UNCTAD Programme of Support for Angola, UNCTAD is envisaging to develop a model project to support African Countries and other structural weak and vulnerable economies. This note is prepared to guide the conceptualization and development of a model project to advance the trade and development interests of structurally weak and vulnerable economies such as those in Africa, Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS).
THE MTR could therefore

- Put greater focus on building productive capacities
  - The UNCTAD measurable PCI assess levels of productive capacities over time and countries to help inform priority policies
- Call for a move away from “project-based” problem solving approach towards “programme-based” “whole of government interventions
- Provide support for LLDCs to identify specific sectors/ sub-sectors with export potential and implement policies to promote their development.
- Identify possible targets for the proportion of Aid-for-trade for LLDCs & STI
- Greater proportion of ODA to be allocated to productive sectors and provide support to enable the private sector to grow and bring about structural transformation
- International Support Measures that go beyond the confines of ODA, market access and debt restructuring needed
- Support to step up efforts to improve the implementation capacities of development policies and strategies, including integrated industrial and eCommerce policies - whole of government approach
- Call for strengthened monitoring and evaluation of the implementation of the VPOA through the measurable indicators
1. **Connect**: 75% WW; 65% in DCs; 35% in LDCs; by 2020
   High speed Internet to schools & start-up hubs

2. **Skill up**: 60% should have min proficiency in Sust. Digital skills

3. Supportive Policy environment for Digital development – trade barriers

4. Gender equality – access to STEM education

5. Digitalize registration @cost<5% of income/capita

6. Electronic identities and signatures (recognition)

7. Fund knowledge and innovation

8. Harmonize x-country rules for healthy regional trade

9. Development aid supports digital entrepreneurship
Growth Performance: DCs, LDCs and LLDCs
(2000-2016)

Average Annual Growth Rate Per capita: DCs, LDCs and LLDCs

Average Annual Growth Rate per capita: LLDCs
Foreign Direct Investment inflows to LLDCs (2000-2016)

FDI inflows in current US$ millions

FDI inflows, percentage of world total

- Developing economies excluding LDCs
- LDCs (Least developed countries)
- LLDCs (Landlocked developing countries)
LLDCs trade balance and their share in world Exports

Trade Balance as a % of imports

LLDCs share in world Export: 2000-2017

- LDCs (Least developed countries)
- LLDCs (Landlocked developing countries)
What is Structural Transformation?

Shifting resources and policy focus:

FROM
- traditional sectors
- traditional activities
- low-productivity
- low-technology

New sectors
New activities
Higher productivity
Higher technology

Structural transformation takes place:
- within sectors
- across sectors
Number of indicators used across 8 categories

- Energy (4 indicators)
- Human Capital (10 indicators)
- ICTs (5 indicators)
- Institutions (6 indicators)
- Natural Capital (9 indicators)
- Private sector (5 indicators)
- Structural transformation (15 indicators)
### Services (BPM6): Exports and imports by service category and by trade partner, 2005-2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Services</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<td><strong>ECONOMY</strong></td>
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<td>1,912,000</td>
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<td><strong>Goods-related services</strong></td>
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<td>Manufacturing services</td>
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<td>Maintenance and repair services</td>
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<td><strong>Transport</strong></td>
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<td><strong>Sea transport</strong></td>
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<td><strong>Passenger transport, Sea</strong></td>
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<td><strong>Freight transport, Sea</strong></td>
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<td><strong>Air transport</strong></td>
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<td><strong>Other transport</strong></td>
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<tr>
<td><strong>Selected countries (All)</strong></td>
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