



Roundtable 3: Structural Transformation as a Driver of Prosperity in the Least Developed Countries

**6 March 2023, Doha time: 2 pm to 5 pm
Thematic Roundtable Hall**

Summary of proceedings (maximum 600 words)

Excellencies, ladies and gentlemen,

On behalf of the co-chairs, H.E. Mr. Julius Maada Bio, the President of Sierra Leone and H.E. Mr. Narayan Kaji Shreshta, the Deputy Prime Minister of Nepal, I am honoured to be relaying the summary of Roundtable 3 on Structural Economic Transformation as a Driver of Prosperity in Least Developed Countries. The Roundtable brought together a distinguished panel comprising of member states, academia, the United Nations, multilateral financing institutions and civil society. There was immense interest in the roundtable as demonstrated by active participation in the interactive debate.

Following are some of the key takeaways from the Roundtable:

Structural transformation that refers to moving to higher value-added activities, despite being crucial for LDCs, has largely been elusive. However, the LDCs have what it takes to transform their economies. They have the resources, both human and natural. What is needed is renewed will and the identification of key policy priorities.

One of the foremost prerequisites for structural transformation identified was enhanced labour productivity through human capital development. Participants of the Roundtable agreed that with technology becoming increasingly important for the generation of economic value, a focus on human capital, skills development and nurturing innovative capacity should be prioritized in LDCs.

Other policy priorities identified during the roundtable to promote structural transformation included strengthening institutions, promoting trade integration especially at the regional level, and nurturing macroeconomic stability.

There was a particular emphasis on the issue of trade integration. Evidence was presented on how LDCs that have integrated in global value chains have steamed ahead, but that broadly regional trade integration of LDCs was low. This was causing LDCs to lag behind and miss out on structural transformation.

The critical role of the private sector for structural transformation in LDCs also came under discussion. Private sector development in LDCs has been constrained by limited access to finance, unreliable and often expensive energy, skill gaps, and limited ICT capacities. Recently, many LDCs have embarked on reforms to harness the potential of the private sector but much more needs to be done.

There was consensus during the roundtable that considering the scale of challenges confronting LDCS, structural transformation would depend on the support of all stakeholders and active cooperation amongst LDCs themselves. There was, therefore, a call for continuous engagements, deeper collaboration

and firm solidarity with the LDCs especially on the part of development partners, international financing institutions and multilateral organizations.

During the interactive debate, some existing initiatives that were contributing to structural transformation in LDCs were discussed. These include development partners supporting energy access, infrastructure development and trade capacity building in LDCs. While these initiatives are encouraging, we hope to see support scaled up in proportion to needs.

The Roundtable with the call to build on the significant momentum generated at the roundtable for structural transformation in LDCs and for transforming the discussions into meaningful, targeted and lasting actions.