Statement by

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Expert Group Meeting on Science, Technology and Innovation for
Structural Economic Transformation of Landlocked Developing Countries

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Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

I would like to warmly welcome you to this Expert Group Meeting on Science, Technology and Innovation for Structural Economic Transformation of Landlocked Developing Countries.

Thank you all for joining us.

We believe that the topic of this Expert Group Meeting is very timely. The global landscape has been shifting. The digital revolution and other technological changes like Artificial Intelligence, automation, new materials, bio tech and big data are taking place. This evolution presents big opportunities, but also challenges. The focus of this meeting is on how landlocked developing countries can best utilize the benefits of science, technology and innovation to spur their structural economic transformation.

As I am sure you know, the LLDCs face special challenges associated with their lack of direct territorial access to the sea. They are isolated from major centres of economic and trade activity, face infrastructure deficiencies, cumbersome transit procedures and lack economies of scale. These factors make it expensive for LLDCs to conduct trade, achieve structural economic transformation and attract investment.

In addition to the challenges that are linked to their geographical location, LLDCs are also plagued by structural deficiencies. These include the lack of diversification, over-reliance on commodities and the continued decline in value addition in manufacturing and agricultural sectors. As such, progress towards structural economic transformation has been limited in most LLDCs. For example, the value-added of manufacturing sector, which is a key component of
industrialization, stood at just below 9% of GDP during 2015–2017. It has been on a declining trend since 1990s, indicating signs of premature de-industrialization.

Another challenge of those structural challenges is low technology intensity. Leveraging technology and innovative solutions in structural transformation, value addition and productive capacity building should be actively pursued by the LLDCs.

Science, technology and innovation have been recognized as the main drivers of productivity increases, industrialization, economic dynamism and major determinants of long-term economic growth and prosperity. No country has been able to embark on rapid economic growth without technological change. It is acknowledged that STIs are essential for the achievement of sustainable development and the SDGs.

In this respect, STI appear strongly both in Goal 17 on Means of Implementation, as well as a cross-cutting issue for achieving several of the Goals and Targets, most evidently SDG 9, which is focused on building infrastructure, promotion of inclusive and sustainable industrialization and fostering innovation. The Addis Ababa Action Agenda has also identified concrete policies and actions, including STI, as supportive for meeting the SDGs.

The technology Facilitation Mechanism to support SDGs implementation was also created by Addis Ababa Action Agenda and launched by 2030 Agenda. Two of its components, the UN Interagency Task Team on Science, Technology and Innovation for SDGs and Annual STI Forum are already long operational. And an online platform for information on existing STI initiatives, mechanism and programme is being developed.
The Vienna Programme of Action for LLDCs in its Priority 5 places an emphasis on enhancing structural economic transformation in LLDCs. It also particularly acknowledges that STI play a critical role in achieving structural economic transformation, productive capacity and value addition.

Technology and innovation can help LLDCs overcome their structural impediments related to their remoteness. It can help in the development of efficient transportation systems.

Utilizing innovations and new technologies in the production of goods and services can also help LLDCs add value to their products, diversify their economic base, move up value chains and enhance their competitiveness.

LLDCs should take advantage of the opportunity to leapfrog to modern technology to drive their growth and economic transformation. This would require enhanced investments in research, discovery and application of new technology and innovations, creating incentives and opportunities and increasing high-technology content in production. This needs to be accompanied by right supportive regulatory environment and clear national policies on STI.

At the same time, the high cost of technology acquisition and the LLDCs’ limited capacity to develop and adapt new technologies and innovations limit their ability to fully tap into the benefits of science, technology and innovation.

Despite continued growth in information and communication technology use, the LLDCs are also still facing a large digital divide.

Another challenge is ensuring application of science, technology and innovations in the sectors such as agriculture, manufacturing, transport, energy and others.

The LLDCs cannot do it alone.
The international community needs to support LLDCs by sharing innovative technologies and scientific knowledge and best practices. Additional development resources from development partners for research and development in LLDCs are needed. Foreign direct investment and trade should be important channels for promoting technology transfer in the domestic economies of the LLDCs and moving up the value chains.

It is also clear that both public and private actors have an important role to play in supporting LLDCs in utilizing science, technology and innovation to address their structural constraints and further improve productive capacity in sectors such as agriculture, industry, transport and services that are needed for structural transformation of their economies.

Ladies and gentlemen,

With this brief background, I would like to open this Expert Group Meeting. Today and tomorrow we will engage in discussions in order to review in detail how LLDCs can best utilize science, technology and innovation for supporting structural transformation of their economies. This meeting gives us the platform to share ideas, lessons learned and best practices.

Most importantly, I hope this meeting will offer practical suggestions on how LLDCs can utilize STI for enhancing competitiveness, improving efficiency, promoting sustainable industrialization and value-addition, thereby advancing the implementation of the Vienna Programme of Action and the achievement of the SDGs.

The outcomes and recommendations from the meeting will also feed into the outcome document of the midterm review on the implementation of the Vienna Programme of Action, to be held in December in New York.
I look forward to fruitful deliberations.