Programme of Action for the Least Developed Countries for the Decade 2011-2020

Asia-Pacific Review of the Implementation and Way Forward

Agenda Item 3.
Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries

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Vienna Programme of Action

- Global Midterm Review of the Vienna Programme of Action for Landlocked Developing Countries took place in December 2019 in New York;

- Political Declaration of the MTR broadens necessary actions to accelerate VPoA’s implementation (http://www.lldc2conference.org/outcome-document/)


- In coordination with UNOHRLLS, ESCAP is now preparing a Roadmap to accelerate VPoA’s implementation.
Istanbul Programme of Action

- Structure: 8 priorities, 41 goals and 251 actions, with the key objectives of
  - Achieving sustained, equitable and inclusive economic growth (at least 7% GDP growth)
  - Building human capacities
  - Reducing the vulnerability
  - Ensuring enhanced financial resources
  - Enhancing good governance at all levels

- **LDC graduation**: IPoA aims to enable half of LDCs to meet the criteria for graduation by 2020

- Covid-19 will exacerbate the challenges faced by LDCs and weaken their graduation prospects

- The LDC-V Conference in 2021 will review the implementation of IPoA and adopt a new programme of action for LDCs for the decade 2021-2030

- An Asia-Pacific preparatory meeting for the LDC-V Conference will be held late this year
Overall progress of Asia-Pacific

• Of the 15 LDCs, 2 graduated (Maldives and Samoa) and 10 are in the process of graduation.

• A majority has fallen short of the targeted GDP growth of 7%

• Progress was made in:
  ✓ Large-scale infrastructure development
  ✓ Poverty alleviation
  ✓ Access to electricity and telecommunication
  ✓ Quality improvement in public health
  ✓ Educational enrollment

• Challenges remain in:
  ❖ Productive capacity development
  ❖ Structural transformation, productivity growth and job creation
  ❖ Human and institutional capacity development
  ❖ Investment stagnation
  ❖ Acute vulnerability to climate change, natural disasters and disease outbreaks
A. Productive capacity

- Limited productive capacity has inhibited a dynamic structural transformation. Productive job creation in manufacturing and modern services has been limited
- Productive capacity development remains an area of concern

B. Agriculture, food security and rural development

- Agriculture plays a dominant role in most AP LDCs
- Several AP LDCs have increased significantly production of food grain, vegetables, livestock, poultry and freshwater fish
- Yet, agricultural productivity remains low in most other AP LDCs, with weak or non-existent agricultural supply chains
- Boosting agricultural productivity remains a priority
C. Trade

- Limited productive capacity limits the export potential of LDCs
- Weak external demand is exacerbating the challenge for LDCs
- The share of exports in AP LDCs in global exports increased from 0.29% in 2010 to 0.40% in 2018, missing the IPoA target of doubling the share by 2020.
- The lack of diversification of export products and markets remains a common challenge.

D. Commodities

- Seven of the 13 AP LDCs are commodity-dependent
- Volatility of commodity prices during the IPoA period has contributed to volatile growth in commodity-dependent LDCs
- Diversification away from commodities remains a challenge
E. Human and social development

- Substantial progress has been made in several LDCs on human and social development.
- Inadequate domestic resources would limit their ability to further expand social spending, improve the quality of education and increase access to higher education and VET, especially for youth and women.

F. Multiple crises and other emerging challenges

- AP LDCs remain exposed to a variety of shocks
  - The COVID-19 pandemic demonstrated the limited capacity of LDCs in dealing with health emergency
  - AP LDCs face higher risk of natural disasters as the frequency and intensity of natural disasters have substantially increased
  - Climate change and impending environmental threats are becoming ever more urgent
- Reinvigorated efforts through early warming, preparation and response are essential for LDCs
G. Mobilizing financial resources for development and capacity-building

- The additional investment needs to achieve the SDGs is equivalent to 19.4% of GDP in LDCs
- Average domestic saving declined from 26% (2012) to 21% (2018)
- Tax-to-GDP ratio have increased but room for improvements still exists
- Nominal net FDI inflows increased, but declined relative to GDP

H. Governance at all levels

- IPoA called for actions to strengthen good governance, rule of law, human rights, gender equality and empowerment of women, as well as to prevent corruption and enhance institutional capacity
- Many AP LDC have made gradual progress during the IPoA implementation period
- Yet, challenges remain in enhancing institutional capacity, increasing accountability and transparency of budget and expenditure.
- Technical and financial assistance in strengthening institutions and human resource capacities at all levels will continue to be essential.
Summary and way forward

- Asia-Pacific LDCs are advancing towards graduation
- Yet, challenges remain:
  - Many LDCs are vulnerable to major natural disasters and global economic shocks
  - The COVID-19 pandemic threatens to derail the socio-economic progress made in LDCs
  - Early preparation is essential for graduating LDCs
  - Productive capacity development remains critical for sustainable development of LDCs
- **The next PoA can be viewed as an action plan for LDCs to achieve SDGs.**
- A selection of priority areas will be based on the lessons learned from and the unfinished agenda of IPoA and emerging developments that are impacting the global development landscape…
  - … with a strong focus on building productive capacity through structural transformation and to building resilience to external and environmental shocks
- The importance of international and regional cooperation should be stressed, especially for the post-pandemic recovery of LDCs and for smooth transition for graduating LDCs