



***Promoting Inclusive Growth and
Development in the Asia- Pacific LDCs:
Progress, prospects and challenges***

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Introduction

- **The UN LDC IV Conference adopted the Istanbul Programme of Action (IPoA) for the decade 2011-2020 on 13 May 2011**
- **It addresses the specific needs of the LDCs**
- **Aimed at improving the living conditions of the people through necessary support**
- **Framework for a strong global partnership**
- **The overarching goal of IPoA is to overcome the structural challenges faced by the LDCs**
- **The specific aim of IPoA is to enable at least half the number of LDCs to meet the criteria for graduation by 2020**

Introduction

- The IPoA contains eight priority areas of action, each supported by concrete deliverables and commitments.
- These eight development priorities are:
 - (i) productive capacity development
 - (ii) agriculture, food security and rural development
 - (iii) trade
 - (iv) commodities
 - (v) human and social development
 - (vi) coping with multiple crises and other emerging challenges
 - (vii) mobilizing financial resources for development and capacity-building; and
 - (viii) governance at all levels

Some structural features

- **More than 300 million people live in the 13 (12+Samoa) Asia-Pacific LDCs, and some of them are densely populated**
- **Many of these low income countries are marked by poverty and high incidence of hunger**
- **Social indicators reflect widespread deprivations**
- **Limited resources and technologies**
- **Most of these countries suffer from natural handicaps: either landlocked, or far-flung small islands, or are plagued by repeated natural disasters**

Brief review of the progress of Asia-Pacific LDCs in implementing the IPoA

Under the IPoA, international support measures during the decade 2011-2020 will focus on the following five core objectives:

- Achieve sustained, equitable and inclusive economic growth in LDCs, to at least 7 percent per annum;
- Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;
- Reduce the vulnerability of LDCs to economic, natural and environmental shocks and disasters, as well as climate change;
- Ensure enhanced financial resources and their effective use for LDCs' development;
- Enhance good governance at all levels.

GDP growth in Asia-Pacific LDCs

(Percent per year)							
Country	2001-2007	2008	2009	2010	2011	2012	2013
Afghanistan	...	3.4	22.5	8.4	5.7	6.9	6.5
Bangladesh	5.8	6.2	5.7	6.1	6.7	6.3	6.0
Bhutan	9.2	4.7	6.7	11.8	11.7	8.5	8.4
Cambodia	9.7	6.7	-2.0	6.0	7.1	7.3	7.0
Kiribati	1.7	-1.1	-0.6	1.8	3.0	3.0	3.5
Lao PDR	6.9	7.2	7.6	7.9	8.3	8.3	8.1
Myanmar	12.8	3.6	4.9	5.3	5.5	6.3	6.3
Nepal	3.3	5.8	3.8	4.0	3.8	4.5	4.0
Samoa	4.8	5.0	-5.4	0.2	2.1	1.2	0.9
Solomon Islands	3.8	7.3	-1.0	7.1	10.6	5.5	4.0
Timor-Leste	4.7	11.0	12.8	9.5	10.6	10.0	10.0
Tuvalu	3.6	1.3	-1.7	-0.5	1.0	1.2	1.3
Vanuatu	2.8	6.5	3.5	2.2	4.3	2.0	3.2

Key macroeconomic indicators in Asia-Pacific LDCs

Country	I-GDP ratio (%)		GDS-GDP ratio (%)		Inflation (%)		Export growth (%)		ODA received (million US\$)	
	2001	2010	2001	2010	2001	2010	2001	2010	2001	2009
Afghanistan	...	...	...	...	...	0.4	...	...	136	1,010
Bangladesh	23.1	23.8	18.0	19.2	1.9	7.3	12.4	4.1	1,172	381
Bhutan	59.2	39.5	33.9	41.4	3.4	6.1	-12.9	-23.7*	53	57
Cambodia	18.5	21.8	11.6	...	-0.6	4.1	15.4	-10.2	396	193
Kiribati	49.7	83.3*	4.8	-59.4*	6.0	0.8	...	...	18	6
Lao PDR	21.0	...	17.9	17.9*	7.8	5.4	-4.0	39.2	281	123
Myanmar	11.6	15.5	11.5	17.2	34.5	7.9	32.6	-21.9*	106	52
Nepal	22.3	38.2	11.7	9.4	2.4	10.7	4.5	-8.9	386	268
Samoa	14.3	9.2*	-14.1	-13.7*	1.9	1.0	2.6	5.5	27	13
Solomon Islands	6.8	13.9*	-12.7	...	7.4	3.0	-12.9	40.1	68	27
Timor-Leste	...	...	...	...	3.6	6.5	230.8	-28.6*	231	28
Tuvalu	77.3	8.2*	5.2	-72.8*	1.3	-1.9	...	...	4	1
Vanuatu	20.0	21.2	17.9	23.7*	3.5	3.4	-33.6	18.7	46	15

Note: I is investment, GDP is gross domestic product, GDS is gross domestic savings, and ODA is official.

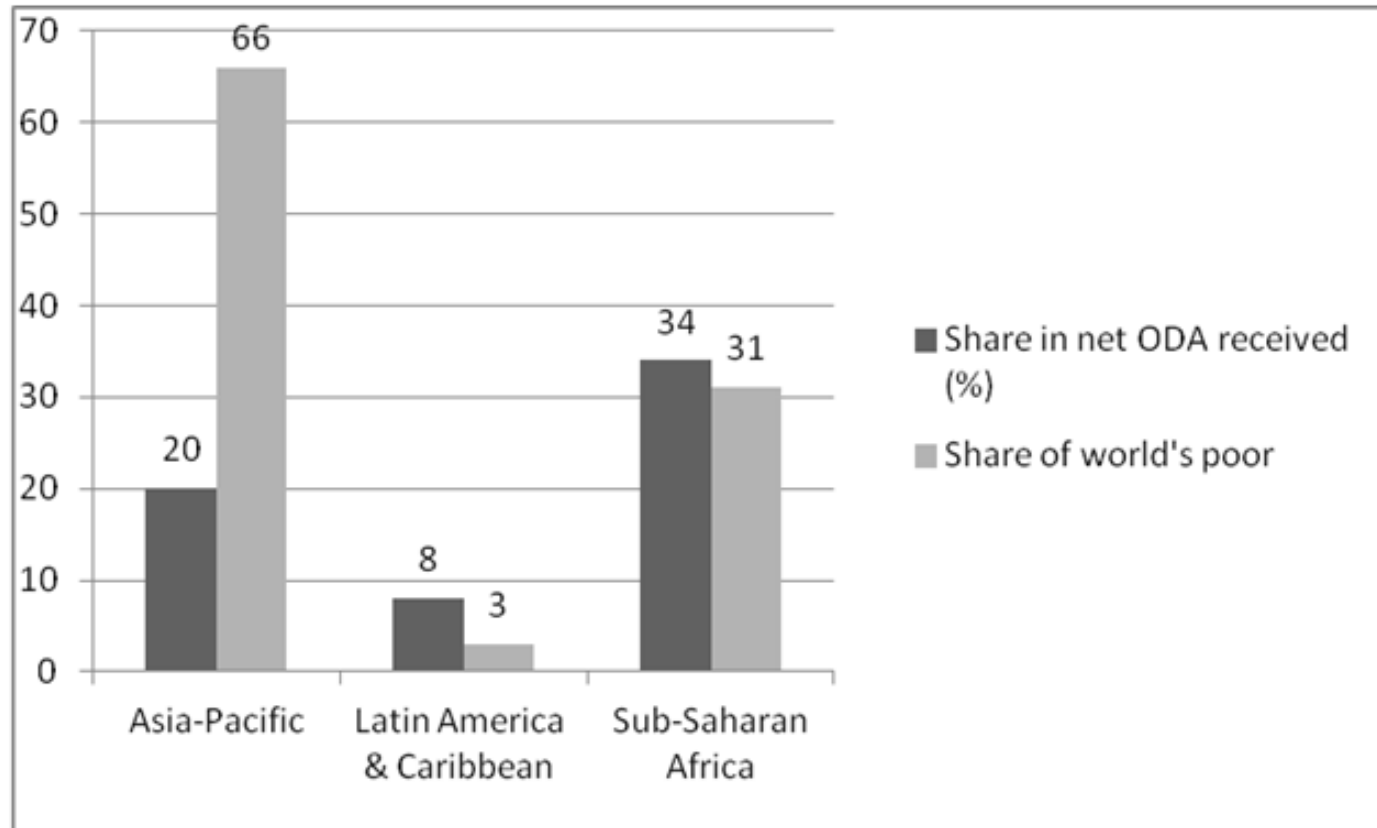
Source: UNESCAP, *Economic and Social Survey of Asia and the Pacific 2011*, Bangkok, 2011.

Percentage share of Asia-Pacific LDCs in world exports

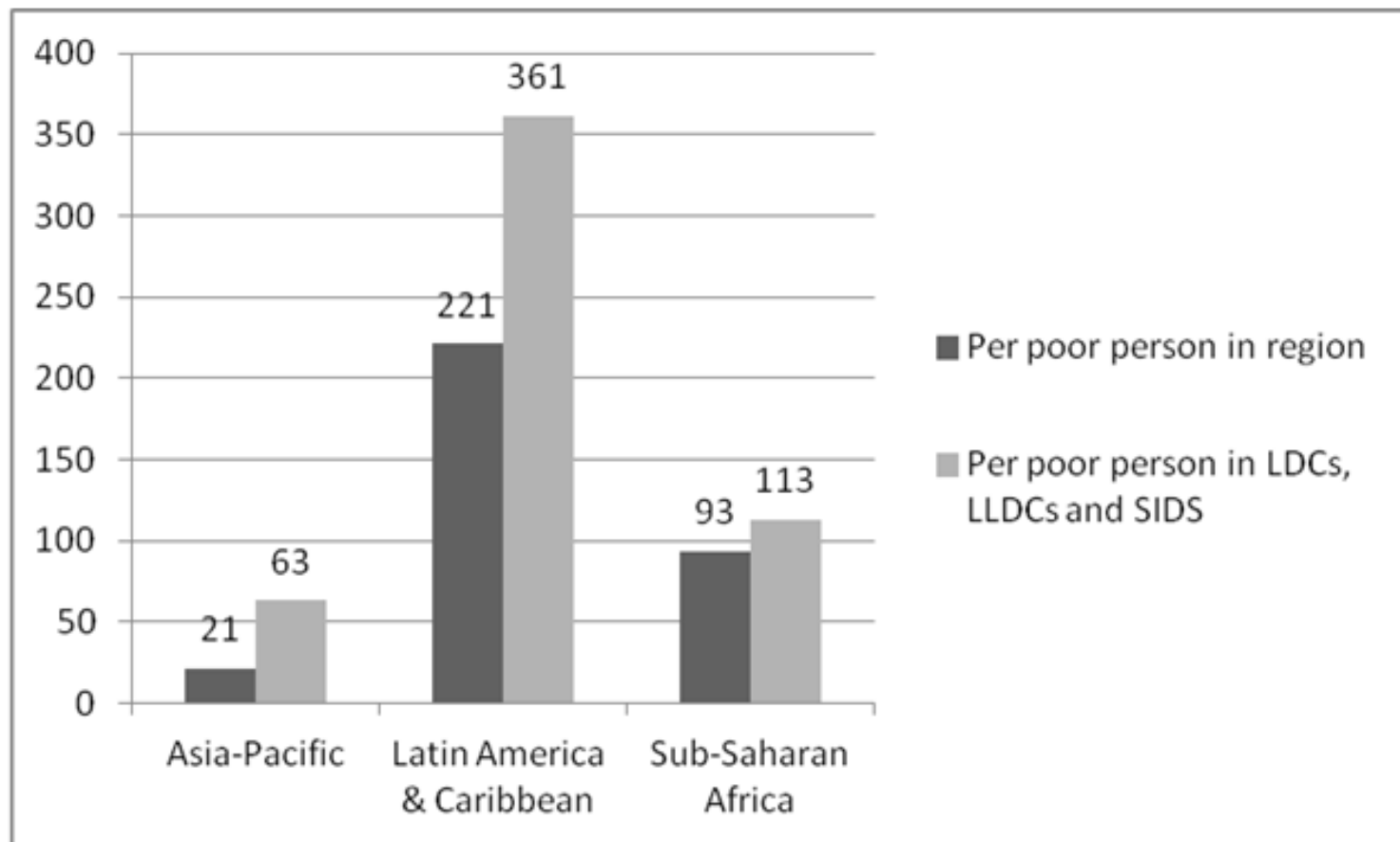
	2001	2011
Afghanistan	NA	0.003
Bangladesh	NA	0.145
Bhutan	NA	NA
Cambodia	0.025	0.038
Kiribati	NA	0.000
Lao PDR	0.005	0.014
Myanmar	0.045	0.045
Nepal	NA	0.005
Samoa	0.001	0.000
Solomon Islands	0.001	0.003
Timor-Leste	NA	0.001
Tuvalu	0.005	0.000
Vanuatu	NA	0.002

Note: Compiled from ITC and ADB database. NA=not available

Share of developing regions in total ODA and total number of poor



ODA per poor person in developing regions and in countries with special needs, 2008-2011, US\$



Progress in achieving MDGs by Asia-Pacific LDCs

	1			2			3			4		5			6			7				
	\$1.25 per day poverty	Country line poverty	Underweight Children	Primary enrolment	Reaching last grade	Primary completion	Gender primary	Gender secondary	Gender tertiary	Under-5 mortality	Infant mortality	Maternal mortality	Skilled birth attendance	Antenatal care (≥ 1 visit)	HIV prevalence	TB incidence	TB prevalence	Forest cover	Protected area	CO2 emissions per GDP	Safe drinking water	Basic sanitation
Afghanistan			▶				▶	■	◀	■	■	■	■	■	▶	▶		▶	▶	◀	●	■
Bangladesh	■	▶	▶					●	■	●	▶	▶	■	■	▶	▶	●	◀	●	◀	■	■
Bhutan	●		■	▶	■	●	●	●	■	▶	■	●	▶	●	◀	●	●	●	●	●	●	■
Cambodia	●	●	■	●	■	▶	●	▶	■	■	■	▶	■	■	●	●	●	◀	●	◀	●	■
Kiribati				●		●	●	●		■	■		◀	▶		●	●	▶	●	◀	■	■
Lao PDR	▶	▶	■	●	■	■	▶	■	▶	●	●	▶	◀	■	◀	●	●	◀	●	●	●	●
Myanmar			■		■	●	●	●	●	■	■	■	■	■	●	●	●	◀	●		●	▶
Nepal	●	▶	■		■	■	▶	▶	▶	▶	■	●	■	■	●	▶	◀	◀	●	●	●	■
Samoa				◀	◀	●	●	●		■	■	■	■			●	●	●	●	●	●	◀
Solomon Islands				■			●	■		■	■	■	■			●	●	◀	●	●	■	■
Timor-Leste		◀	◀	■		◀	●	●	◀	●	▶	▶	■	■		▶	●	◀	●	●	■	■
Tuvalu						●	●			■	■		◀			●	●	▶	●		●	■
Vanuatu			◀	●	■	◀	●	●		▶	▶	■	◀			●	●	▶	●	●	●	■
	●	Early achiever			■	Slow																
	▶	Ontrack			◀	Regressing/No progress																

Population living below \$1.25 per day and underweight children

	% population below \$1.25		% underweight children under age 5	
	Earliest	Latest	Earliest	Latest
Afghanistan	...	...	44.9	32.9
Bangladesh	70.2	43.2	61.5	36.4
Bhutan	26.2	10.2	14.1	12.7
Cambodia	44.5	18.6	42.6	28.3
Kiribati	...	...	...	...
Lao PDR	55.7	33.9	39.8	31.6
Myanmar	...	...	32.5	22.6
Nepal	68.0	24.8	42.6	28.8
Samoa	...	...	...	1.7
Solomon Islands	...	...	22.7	11.5
Timor-Leste	...	...	40.6	45.3
Tuvalu	...	...	...	1.6
Vanuatu	...	...	10.6	11.7

Note: The figures refer to data available with United Nations MDG database.

Source: ESCAP/ADB/UNDP, *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda, Asia-Pacific Regional MDGs/Report 2012/13*, Bangkok, Manila, and New York, 2013.

Some social development indicators in Asia-Pacific LDCs

	Primary enrolment ratio, %	Under 5 mortality ratio, per 1000 live births	Maternal mortality ratio, per 100,000 live births	Safe drinking water, % population	Basic sanitation, % population
Afghanistan	...	101.1	460	61	28
Bangladesh	...	46.0	240	83	55
Bhutan	89.35	53.7	180	97	45
Cambodia	98.25	42.5	250	84	59
Kiribati	99.61	47.4	...	66	39
Lao PDR	97.35	41.9	470	70	62
Myanmar	...	62.4	200	84	77
Nepal	71.13	48.0	170	88	35
Samoa	93.35	18.7	100	98	92
Solomon Islands	87.50	21.6	93	79	29
Timor-Leste	90.93	54.1	300	69	39
Tuvalu	...	30.0	...	98	83
Vanuatu	98.91	13.2	110	91	58

Note: The figures refer to the latest year available with United Nations MDG database.

Source: ESCAP/ADB/UNDP, *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda*, Asia-Pacific Regional MDGs Report 2012/13, Bangkok, Manila, and New York, 2013.

Remaining Challenges: Key Development Gaps in the Asia-Pacific LDCs



- **Poverty and inequality**
- **Lack of productive and decent jobs**
- **Low employment intensity of growth**
- **Hunger and food insecurity**
- **Infrastructural deficiencies**
- **Low level of human development**
- **High vulnerability, economic insecurity and lack of social protection**
- **Inadequate financial inclusion**
- **Unsustainable pressure on natural resources and ecological imbalances**
- **Declining ODA flows**
- **Weak institutional capacities**

Way Forward: Some Key Policy Options for the Asia-Pacific LDCs



- **Fundamental restructuring of earlier approach for graduation with more strategic focus**
- **Comprehensive and sustained strategies based on country-specific situation, taking into account the individual constraints, vulnerabilities, and potentials of each country**
- **More robust and sustained commitments by the international community**
- **In view of the emerging instabilities and vulnerabilities of the global economy, there is a need to focus ODA on structural transformation**
- **Strengthened role of domestic productive capacity in graduation efforts**

Way Forward: Some Key Policy Options for the Asia-Pacific LDCs (continued)



- **Diversification of economic activities, improved technological capacity, and strengthened measures to stimulate a more inclusive and equitable economic growth**
- **Economic growth to be more employment-oriented**
- **Targeted policies and programmes to reduce inequalities and remove disparities**
- **Increased attention to agriculture and rural development, food and nutrition security, social protection and social services, and environmental concerns**
- **Increased investments in institutional capacity development**
- **Reduce corruption and improve governance**
- **Exploit all opportunities for increased regional and sub-regional cooperation**

Thank you!