




**Economic Relations Division (ERD)**  
Ministry of Finance  
Government of the People's Republic of Bangladesh



United Nations  
Department of Economic  
and Social Affairs

*Regional Meeting on Financing Graduation Gaps of Asia-Pacific LDCs  
Dhaka, Bangladesh 28-30 October 2014*

## Session 1

### Regional Overview of the progress made challenges encountered by Asia-Pacific LDCs in closing their development gaps

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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


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## 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


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## 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


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## 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.


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## GDP growth in Asia-Pacific LDCs

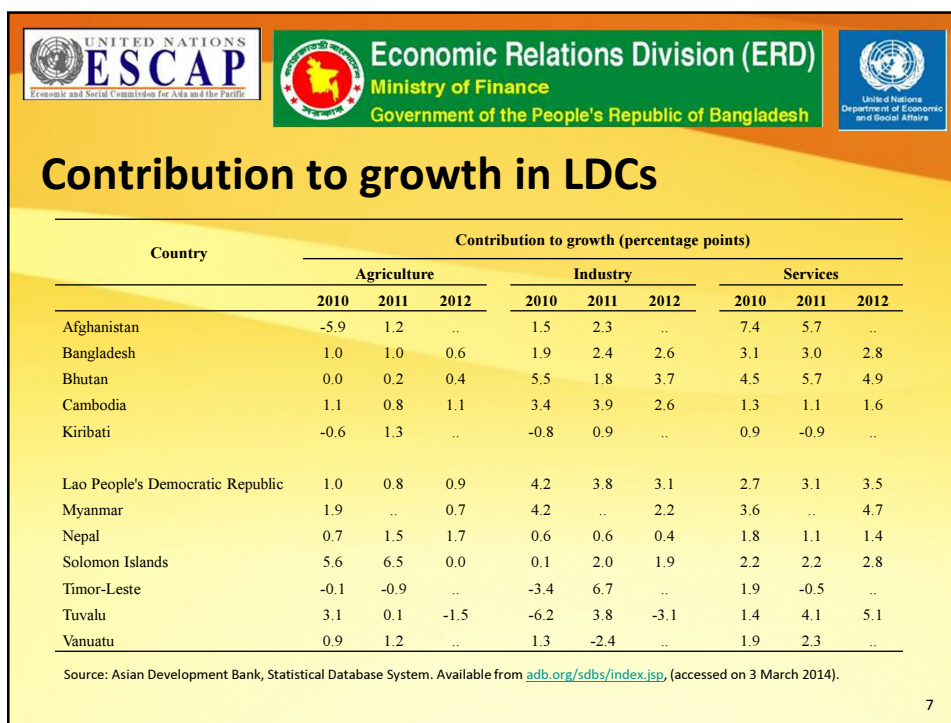
(Percent per year)

Country Name	2001-2007	2008	2009	2010	2011	2012	2013	2014 <sup>a</sup>
Afghanistan	8.0	3.6	21.0	8.4	6.1	14.4	4.2	3.2
Bangladesh	5.7	6.2	5.7	6.1	6.7	6.2	6.0	6.1
Bhutan	9.2	4.8	6.7	11.7	8.6	4.6	5.0	6.4
Cambodia	9.7	6.7	0.1	6.0	7.1	7.3	7.5	7.2
Kiribati	1.6	2.8	-0.7	-0.5	2.7	2.8	3.0	3.0
Lao PDR	6.8	7.8	7.5		8.0	8.2	8.1	7.5
Myanmar	12.7	..	..	..	..	..	..	8.5
Nepal	3.4	6.1	4.5	4.8	3.4	4.9	3.8	5.5
Samoa	4.1	4.4	-5.1	0.5	1.4	2.9	-0.4	2.0
Solomon Islands	2.9	7.1	-4.7	7.8	10.7	4.9	3.0	-1.0
Timor-Leste	3.3	14.6	12.8	9.5	12.0	8.3	8.1	8.0
Tuvalu	1.4	8.0	-4.4	-2.7	8.5	0.2	1.1	2.0
Vanuatu	2.7	6.5	3.3	1.6	1.2	1.8	2.8	3.5

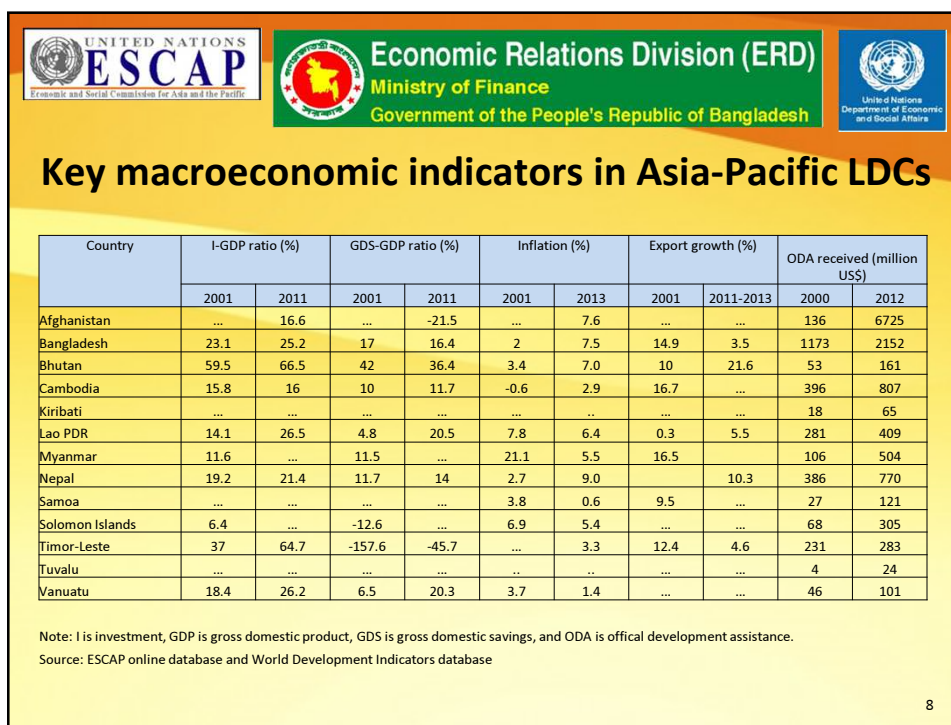
<sup>a</sup> ESCAP estimate as of 15 October 2014

Note: Data from database: World Development Indicators  
Last Updated: 10/08/2014

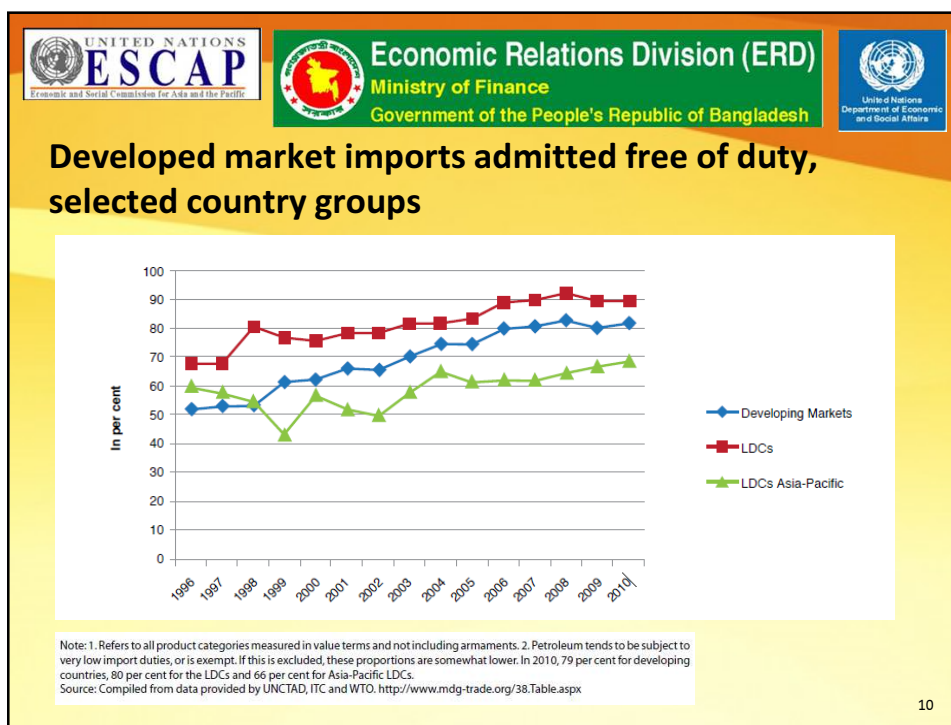
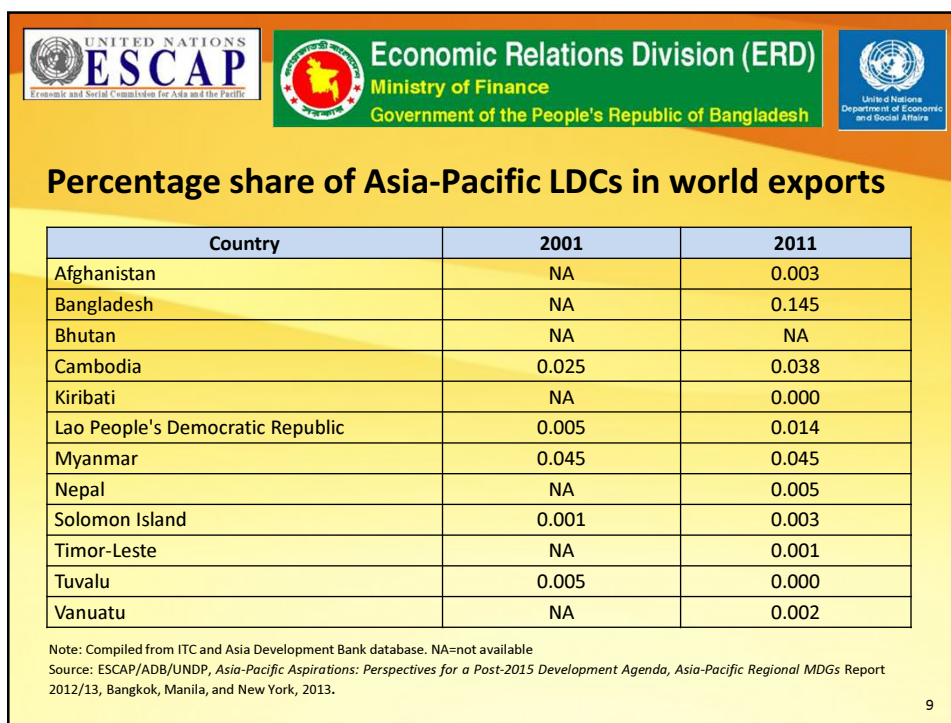
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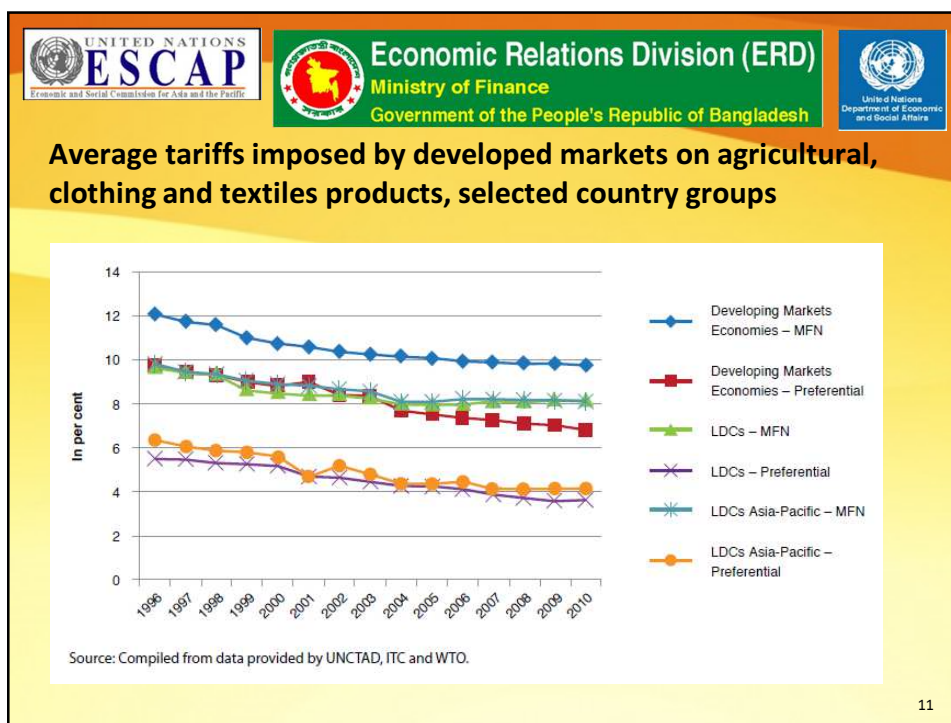




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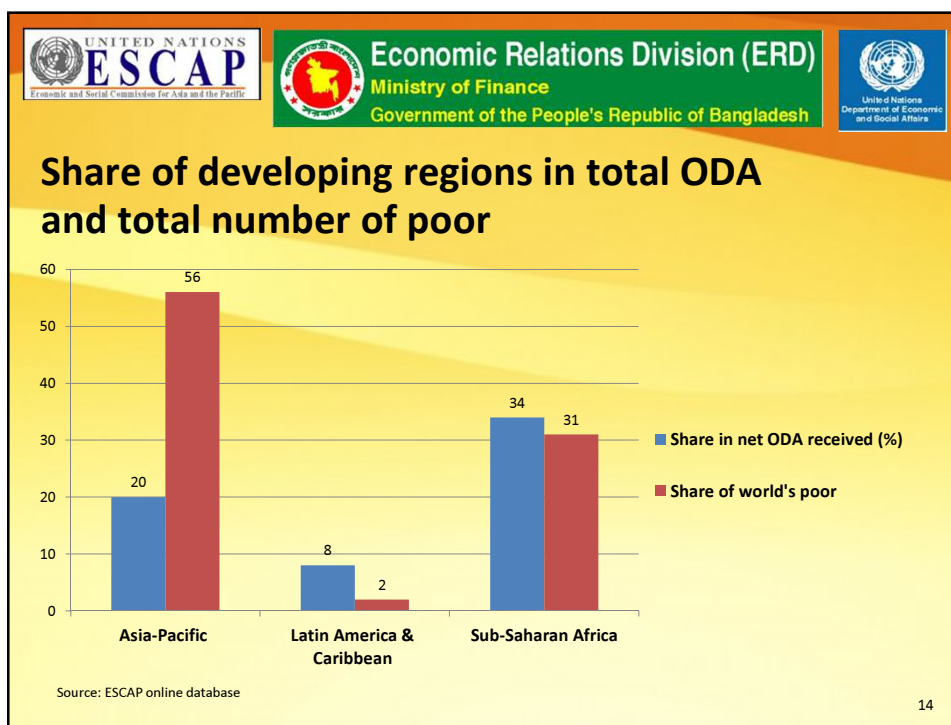
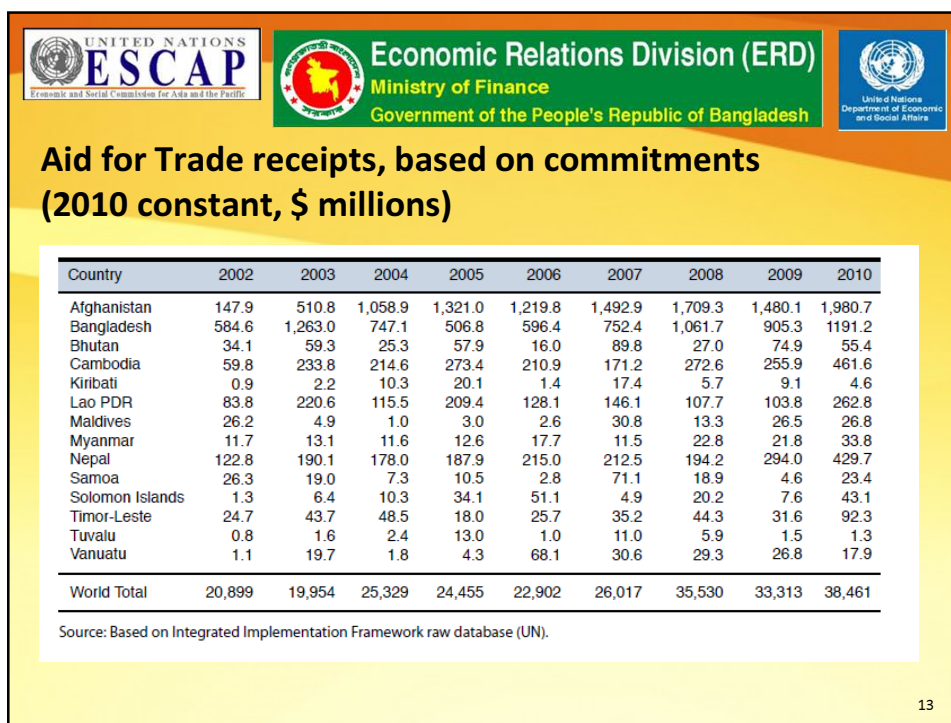

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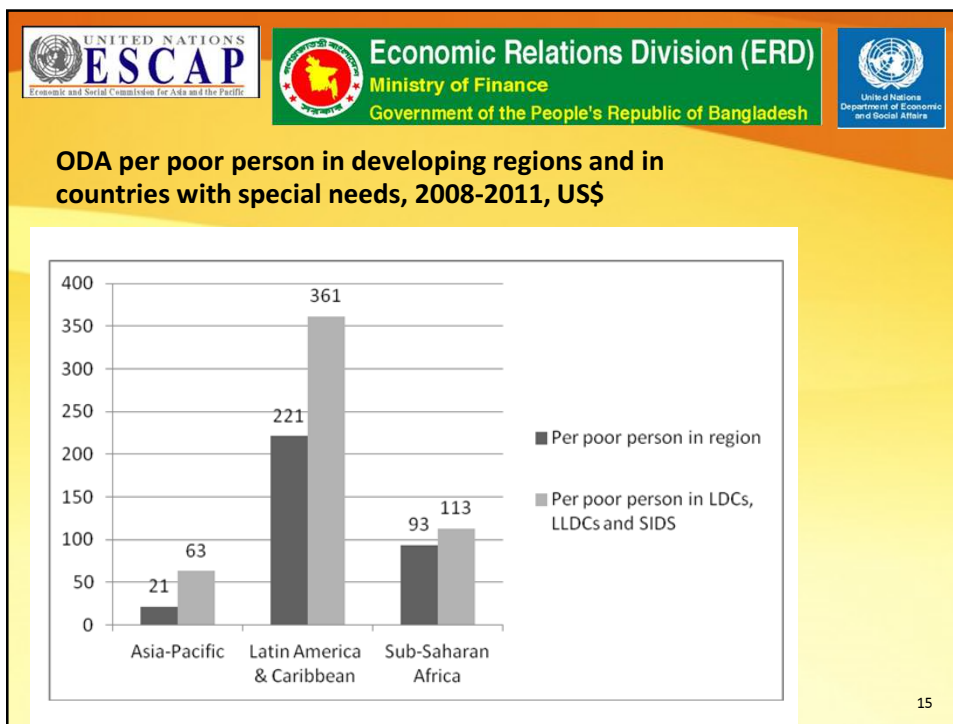
### LDC market access policies of selected Asia-Pacific developing countries

Economy	Description	Entry into force	Percentage of duty-free tariff lines
China	Duty-free treatment for LDCs	Jul-10	60 per cent (2010), gradually expanding to 97 per cent
India	Duty-Free Tariff Preference (DFTP) Scheme for LDCs	Aug-08	85 per cent to be covered by 2012
Republic of Korea	Presidential Decree on Preferential Tariff for LDCs	Jan-00	95 per cent (2011)
Taiwan Province of China*	Duty-free treatment for LDCs	Dec-03	Nearly 32 per cent (2009)

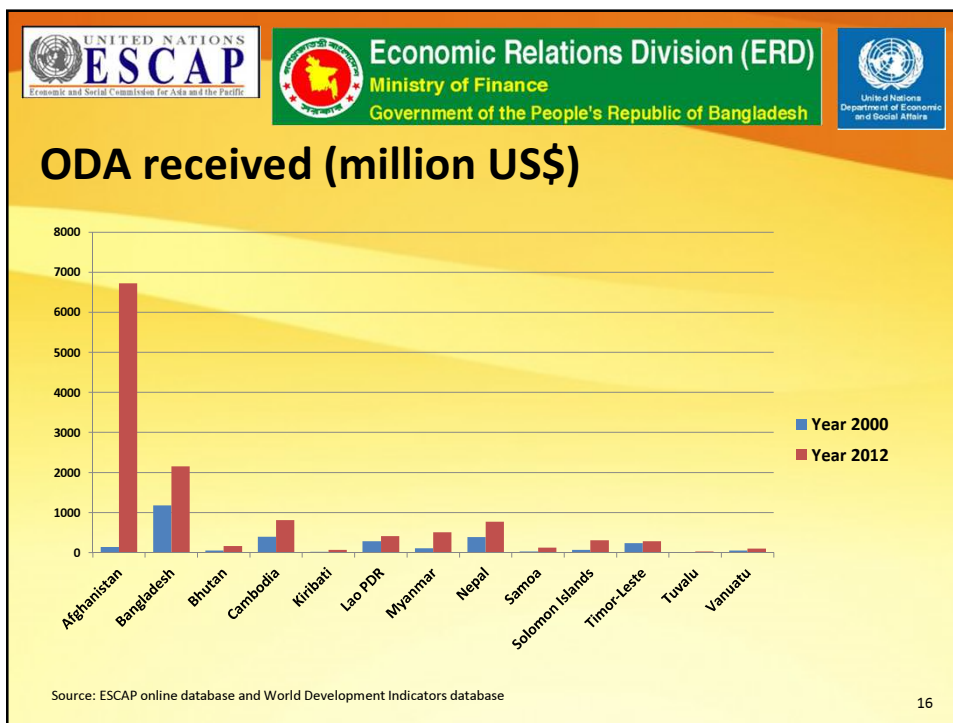
\* ADB recognizes this member by the name Taipei, China.  
 Source: MDG Gap Task Force Report, 2012.

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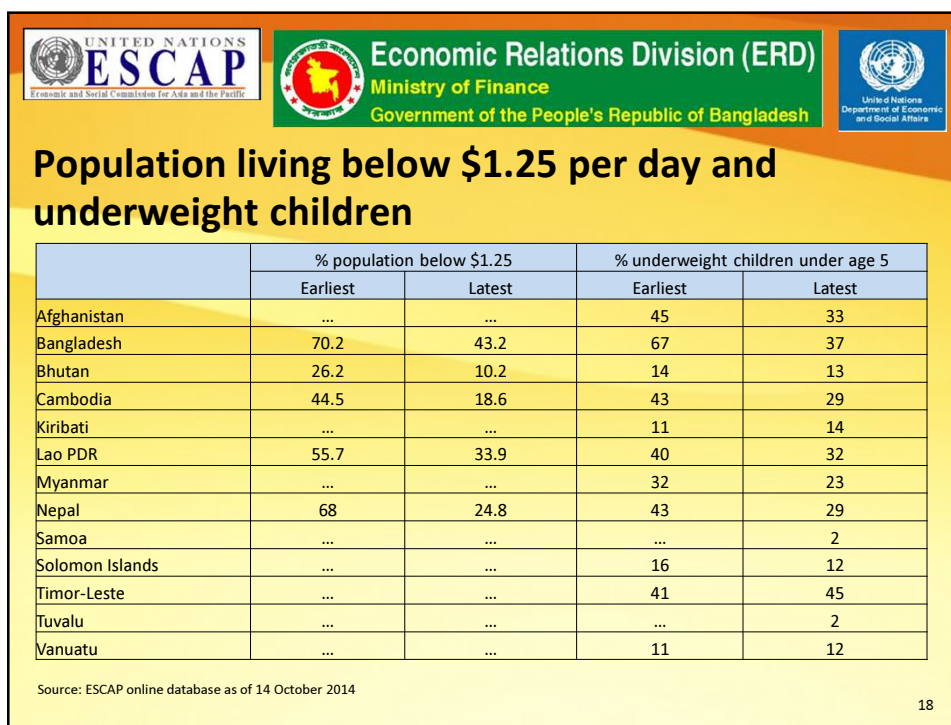
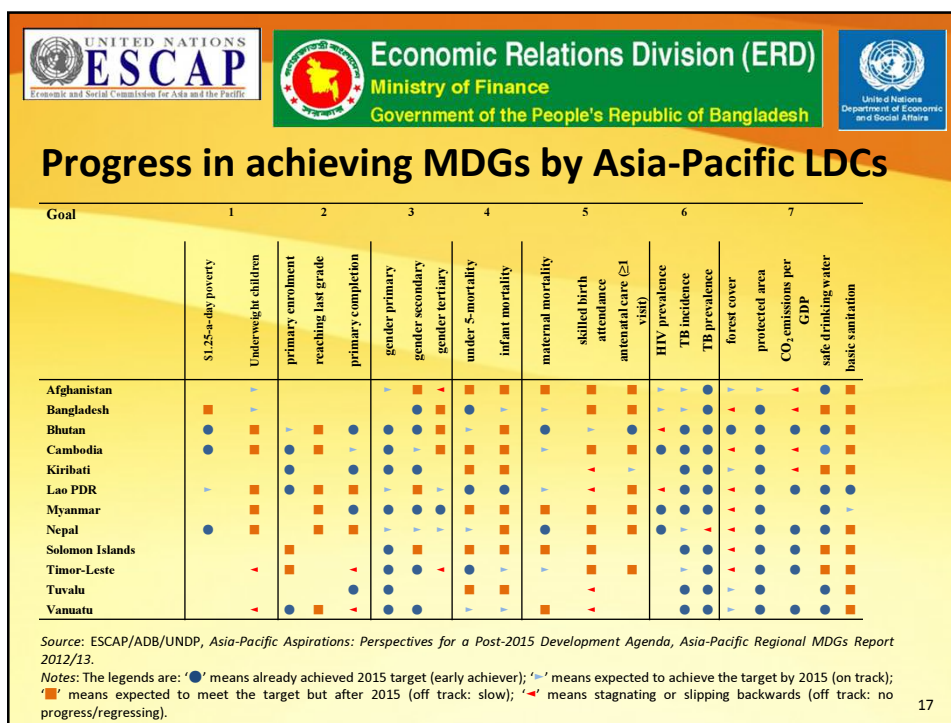
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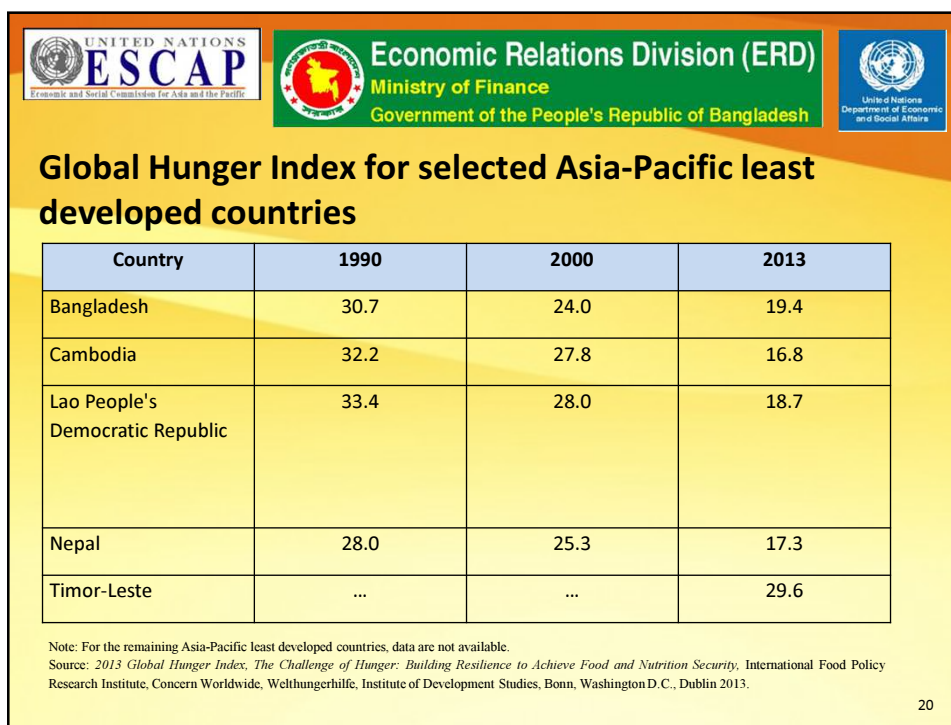
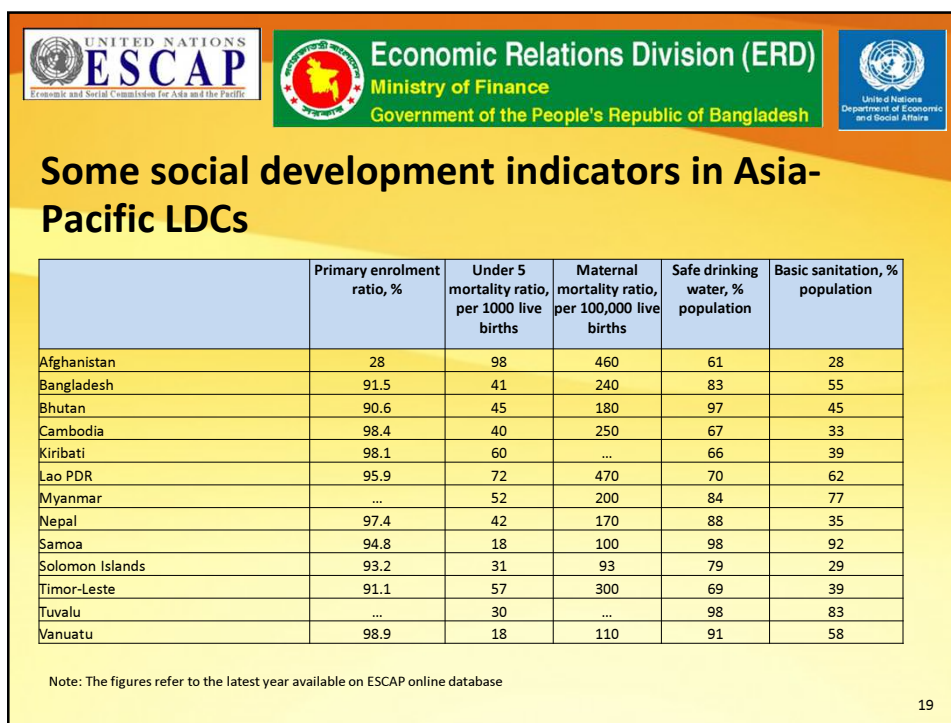


Source: ESCAP online database and World Development Indicators database

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**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

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**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

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### 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

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# Thank you!

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