





Regional Meeting on Financing Graduation Gaps of Asia-Pacific LDCs

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#### **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







#### 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 capacitybuilding; and
  - (viii) governance at all levels

3







### 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.

5







## **GDP** growth in Asia-Pacific LDCs

Per	cent	pery	year)	)
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Country Name	2001-2007	2008	2009	2010	2011	2012	2013	2014ª
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







## **Contribution to growth in LDCs**

Country	Contribution to growth (percentage points)								
Country	Agriculture		Industry			Services			
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Afghanistan	-5.9	1.2		1.5	2.3		7.4	5.7	
Bangladesh	1.0	1.0	0.6	1.9	2.4	2.6	3.1	3.0	2.8
Bhutan	0.0	0.2	0.4	5.5	1.8	3.7	4.5	5.7	4.9
Cambodia	1.1	0.8	1.1	3.4	3.9	2.6	1.3	1.1	1.6
Kiribati	-0.6	1.3		-0.8	0.9		0.9	-0.9	
Lao People's Democratic Republic	1.0	0.8	0.9	4.2	3.8	3.1	2.7	3.1	3.5
Myanmar	1.9		0.7	4.2		2.2	3.6		4.7
Nepal	0.7	1.5	1.7	0.6	0.6	0.4	1.8	1.1	1.4
Solomon Islands	5.6	6.5	0.0	0.1	2.0	1.9	2.2	2.2	2.8
Timor-Leste	-0.1	-0.9		-3.4	6.7		1.9	-0.5	
Tuvalu	3.1	0.1	-1.5	-6.2	3.8	-3.1	1.4	4.1	5.1
Vanuatu	0.9	1.2		1.3	-2.4		1.9	2.3	

Source: Asian Development Bank, Statistical Database System. Available from adb.org/sdbs/index.jsp, (accessed on 3 March 2014).

7







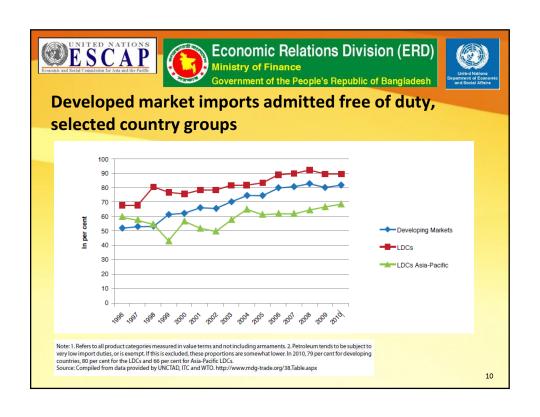
## **Key macroeconomic indicators in Asia-Pacific LDCs**

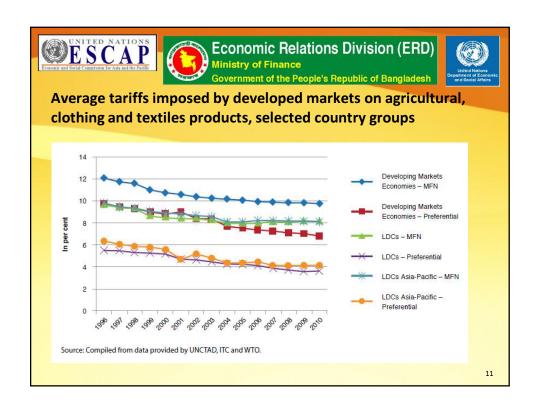
Country	I-GDP r	atio (%)	GDS-GDF	ratio (%)	Inflation (%)		Export growth (%)		ODA received (million US\$)	
	2001	2011	2001	2011	2001	2013	2001	2011-2013	2000	2012
Afghanistan		16.6		-21.5		7.6			136	6725
Bangladesh	23.1	25.2	17	16.4	2	7.5	14.9	3.5	1173	2152
Bhutan	59.5	66.5	42	36.4	3.4	7.0	10	21.6	53	161
Cambodia	15.8	16	10	11.7	-0.6	2.9	16.7		396	807
Kiribati									18	65
Lao PDR	14.1	26.5	4.8	20.5	7.8	6.4	0.3	5.5	281	409
Myanmar	11.6		11.5		21.1	5.5	16.5		106	504
Nepal	19.2	21.4	11.7	14	2.7	9.0		10.3	386	770
Samoa					3.8	0.6	9.5		27	121
Solomon Islands	6.4		-12.6		6.9	5.4			68	305
Timor-Leste	37	64.7	-157.6	-45.7		3.3	12.4	4.6	231	283
Tuvalu									4	24
Vanuatu	18.4	26.2	6.5	20.3	3.7	1.4			46	101

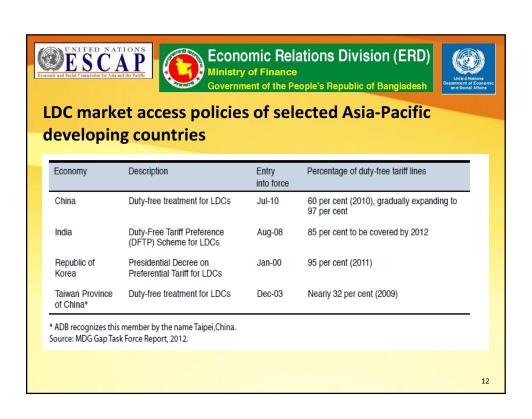
Note: I is investment, GDP is gross domestic product, GDS is gross domestic savings, and ODA is offical development assistance.

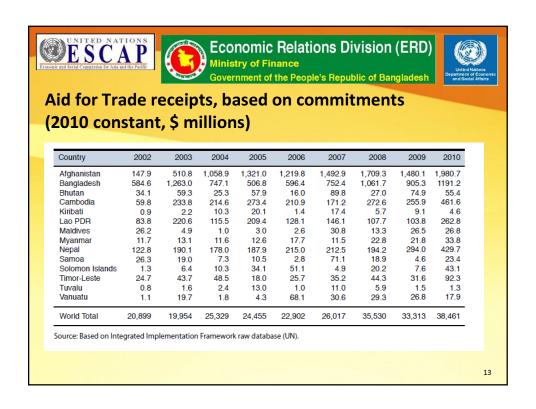
Source: ESCAP online database and World Development Indicators database

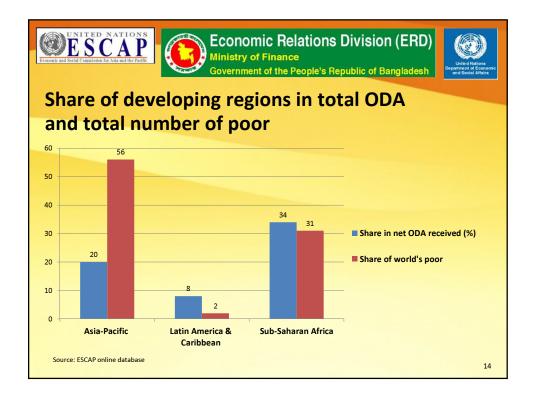


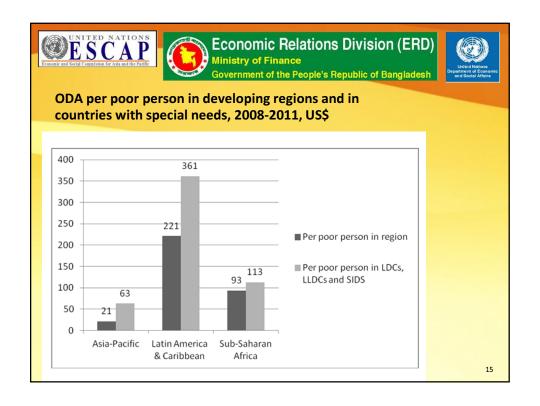


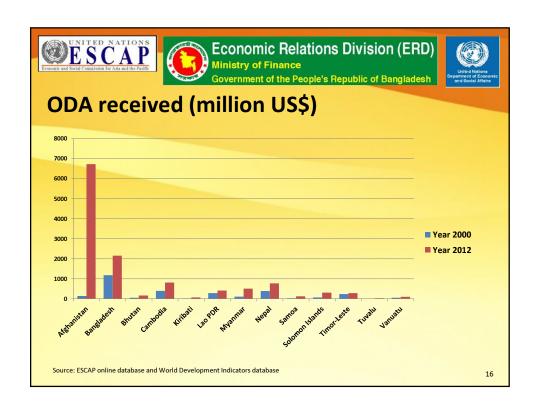


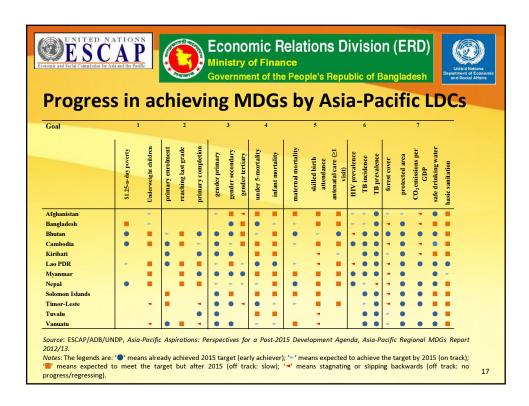


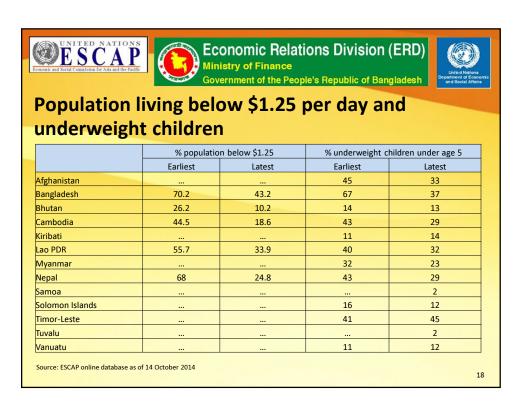


















## Some social development indicators in Asia-**Pacific LDCs**

	Primary enrolment ratio, %	mortality ratio,	Maternal mortality ratio, per 100,000 live births		Basic sanitation, % population
Afghanistan	28	98	460	61	28
Bangladesh	91.5	41	240	83	55
Bhutan	90.6	45	180	97	45
Cambodia	98.4	40	250	67	33
Kiribati	98.1	60		66	39
Lao PDR	95.9	72	470	70	62
Myanmar		52	200	84	77
Nepal	97.4	42	170	88	35
Samoa	94.8	18	100	98	92
Solomon Islands	93.2	31	93	79	29
Timor-Leste	91.1	57	300	69	39
Tuvalu		30		98	83
Vanuatu	98.9	18	110	91	58

Note: The figures refer to the latest year available on ESCAP online database







**Global Hunger Index for selected Asia-Pacific least** developed countries

Country	1990	2000	2013
Bangladesh	30.7	24.0	19.4
Cambodia	32.2	27.8	16.8
Lao People's Democratic Republic	33.4	28.0	18.7
Nepal	28.0	25.3	17.3
Timor-Leste			29.6

Note: For the remaining Asia-Pacific least developed countries, data are not available.

Source: 2013 Global Hunger Index, The Challenge of Hunger: Building Resilience to Achieve Food and Nutrition Security, International Food Policy Research Institute, Concern Worldwide, Welthungerhilfe, Institute of Development Studies, Bonn, Washington D.C., Dublin 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

21







## 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

23







Thank you!