UN-OHRLLS

United Nation Office of the High Representative for Least Developed Countries, landlocked developing Countries and Small Island Developing States, (UN-OHRLLS),

PRESS RELEASE

Greater effort needed to eradicate extreme poverty in the world's most vulnerable nations

United Nations, New York – 23 October, While the world's 48 most vulnerable nations continue to make in-roads into poverty reduction, a far greater effort is needed if these countries are to eradicate extreme poverty by 2020, according to a report launched at the United Nations today.

The study produced by the UN Office for Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States says that since the 2011 Istanbul action-plan, the least developed countries (LDCs) have seen incremental economic and social gains, mainly because of an increase in public spending and stronger investment and activity in mining, construction, manufacturing and service sectors. The report however cautions that despite the uptick, the LDCs continue to be among the most vulnerable to external shocks, such as economic crises, climate-related events, natural disasters and health-related threats. The recent outbreak of Ebola, which is concentrated in 3 LDCs, highlights the importance of comprehensively addressing the LDCs' structural vulnerability, requiring joint efforts by countries and their development partners.

It also underscores that deepening inequality threatens to exacerbate existing poverty with implications for political and social stability in these countries.

The study identifies four main determinants of the reduction of extreme poverty in the LDCs: gender inequality, institutional frameworks, infrastructure development and service delivery, and external factors.

The authors encourage leadership at the national level to implement policies that improve service delivery, address gender inequality and enable the poor to acquire investment assets that can improve their future income. Women and girls are especially in need of better access to economic opportunities through vocational and managerial skills training. Further, the report argues, greater access to land, technology and finance are integral to boost growth in the LDCs and reduce inequality. "The effectiveness of all policies, in their formulation and implementation, critically depends on sound national institutions," the report notes.

The study further recommends that governments ensure that efforts to increase domestic revenue are designed in ways that curb inequality. In order to increase public resource mobilization, fiscal policies need to promote public investment that is sustainable, it says.

While governments are encouraged to take the lead on national development, the report highlights the importance of development partners in supporting the LDCs. "Actions by LDC development partners on trade, official development assistance (ODA), and other forms of external finance, including foreign direct investment, and technology transfer and acquisition will determine progress in ending poverty to a large degree," the report says. It adds that the United Nations Secretary-General's proposal for a technology bank and an international investment support centre for the LDCs could play an important role in upgrading productive capacity, and leveraging the growth and poverty eradication effects of technology transfer and FDI inflows.

The reports concludes by calling for greater attention to be paid to eradicating extreme poverty in the LDCs within the on-going post-2015 development agenda, especially since most of these countries will miss most of the Millennium Development Goals.

Media Contact: Ricardo Dunn: dunn@un.org Tel: (917) 367-6006