



Afghanistan Midterm Review of the Istanbul Program of Action for the Least Developed Countries (LDCs)

Summary of Main Appraisals and Key findings

Workshop for the National Focal Points of the LDCs on the implementation of the Istanbul Program of Action



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Overview of Macro-economic Progress and Challenges

- GDP growth rate is 2.8 % (2014-2015)
- GDP per capita income increased to 772 US \$ (2015)
- The average economic growth rate was below 7 % per annum during 2011-2015
- Poverty reduction remained unchanged in recent 5 years (36 %)
- Unemployment rate is around 40 %
- Primary education increased from 70 % in 2011 to 76 % in 2014
- The overall literacy rate sharply increased from 39 percent to 47 % (between 2008-2012)
- Afghanistan exports very little (US\$514 million in 2014), and the trade imbalance is very high (US \$ 7.12 billion in 2014).
- Foreign aid dependency was about 71 % in 2014.

The National Development Planning Process

- The planning process in the past decade was fragmented due to many factors and different institutions intervened in different periods. Generally, planning was not undertaken seriously.
- Afghanistan National Development Strategy (ANDS 2008-2013) is the first poverty reduction strategy paper.
- National Priority Programs (NPPs) replaced the ANDS in 2013.
- Afghanistan does not have fixed term economic development plan yet.
- Therefore, a clear road map to follow up implementation of the Istanbul Program of Action for LDC is missing at the national level.

Assessment of Progress and Challenges in the Implementation of the Istanbul Program of Action

- The ANDS assessment in 2015 resulted overall 66 % implementation. MDGs 10 years national progress report 2015 found out remarkable progress mostly in health and education. The Government is committed to achieve all MDGs by 2020.
- Due to multiple structural challenges in the transformation process, most of the targets set forth in the IPoA are off tracks, particularly targets related to productive capacities, food security, private sector development, water and sanitation, gender equality , domestic resource mobilization, technology and innovation.
- The country lacks a clear road map for IPoA implementation and graduation from LDCs category.

Coherence and Linkages with the Post 2015 Development Agenda and other Global Processes

- As a later starter in MDGs implementation since 2005, the Afghanistan is working on possible interfacing between MDGs off-tracks with the newly defined SDGs.
- The 2030 agenda for sustainable development and the post 2015 development agenda that is a plan of action for peace, people, prosperity and partnership is in line with Afghanistan national development programs and processes.
- The particular significance of financing for development is mainstreamed at the national priority programs and projects taking into account the self-reliance strategy for the transformation decade (2015-2024).
- Afghanistan can remain a low emission economy while developing sustainably if extensive financial and other resources are made available.

Conclusions

- The 2020 timeframe for graduation from LDCs category in the case of Afghanistan is not achievable due to multiple structural transformation challenges during the transformation process.
- By 2024, Afghanistan will be able to achieve most of the IPoA targets, reach the ordinary course of development by reducing aid dependency consistent to other /remaining LDCs.
- By 2030, if the ongoing insecurity and internal conflicts are tackled sustainably, and remarkable achievements in SDGs implementation and the post 2015 agenda are made, Afghanistan will be able to graduate from the LDCs category.

Some Recommendations:

- Realistic assessment of implementation of the Istanbul Program of Action requires more focus on external shocks and structural transformation challenges, in particular in the case of post conflict-in -conflict LDCs.
- For timely and effective implementation of IPoA, a collective and holistic approach at the national , regional and global level should be given immediate priority.
- The support of international development agencies for implementation of IPoA should not be a demand –driven process only.