ACCELERATING THE IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION: THE NEXT FIVE YEARS

Tanzania. **Photo: Crista Friedli, Bread for the World/Flickr**

The first five years of the implementation of the Istanbul Programme of Action (IPoA) coincided with the last five years of the MDGs. The next five years will be the second half of the implementation of the IPoA and the first five years of the 2030 Agenda and SDGs.

Progress towards meeting the goals and targets of the IPoA has been mixed. Over the past five years, continued progress by the LDCs towards graduation from the category – which is one of the overarching goals of the IPoA – could be observed, with 10 LDCs currently at some stage in the graduation process. Furthermore important strides were made towards several goals and targets. For example mobile cellular subscriptions almost doubled from 33 per 100 people in 2010 to 63 in 2014. Access to clean water increased from 60% in 2005 to 68% in 2014, albeit with lower rates in rural areas (60% in 2014). In addition, in child mortality and gender parity in primary education, LDCs made significant progress. LDCs and development partners need to build on this progress as all of these areas are important development enablers.

LIST OF LEAST DEVELOPED COUNTRIES

(as of 16 February 2016)

- **Afghanistan**
- **Angola[1]**
- **Bangladesh**
- **Benin**
- **Bhutan**
- **Burkina Faso**
- **Burundi**
- **Cambodia**
- **Central African Republic**
- **Chad**
- **Comoros**
- **Democratic Republic of the Congo**
- **Djibouti**
- **Equatorial Guinea[2]**
- **Eritrea**
- **Ethiopia**
- **The Gambia**
- **Guinea**
- **Guinea-Bissau**
- **Haiti**
- **Kiribati**
- **Lao PDR**
- **Lesotho**
- **Liberia**
- **Madagascar**
- **Malawi**
- **Mali**
- **Mauritania**
- **Mozambique**
- **Myanmar**
- **Nepal**
- **Niger**
- **Rwanda**
- **Sao Tome and Principe**
- **Senegal**
- **Sierra Leone**
- **Solomon Islands**
- **Somalia**
- **South Sudan**
- **Sudan**
- **Timor-Leste**
- **Togo**
- **Tuvalu**
- **Uganda**
- **United Rep. of Tanzania**
- **Vanuatu[3]**
- **Yemen**
- **Zambia**

[1] General Assembly resolution A/RES/70/253 adopted on 12 February 2016, decided that Angola will graduate five years after the adoption of the resolution.

[2] General Assembly resolution A/RES/68/18 adopted on 4 December 2013, decided that Equatorial Guinea will graduate three and a half years after the adoption of the resolution.

[3] General Assembly resolution A/RES/68/18 adopted on 4 December 2013, decided that Vanuatu will graduate four years after the adoption of the resolution. General Assembly resolution A/RES/70/78 adopted on 9 December 2015, decided to extend the preparatory period before graduation for Vanuatu by three years, until 4 December 2020, due to the unique disruption caused to the economic and social progress of Vanuatu by Cyclone Pam.

Also a Small Island Developing State

Also a Landlocked Developing Country

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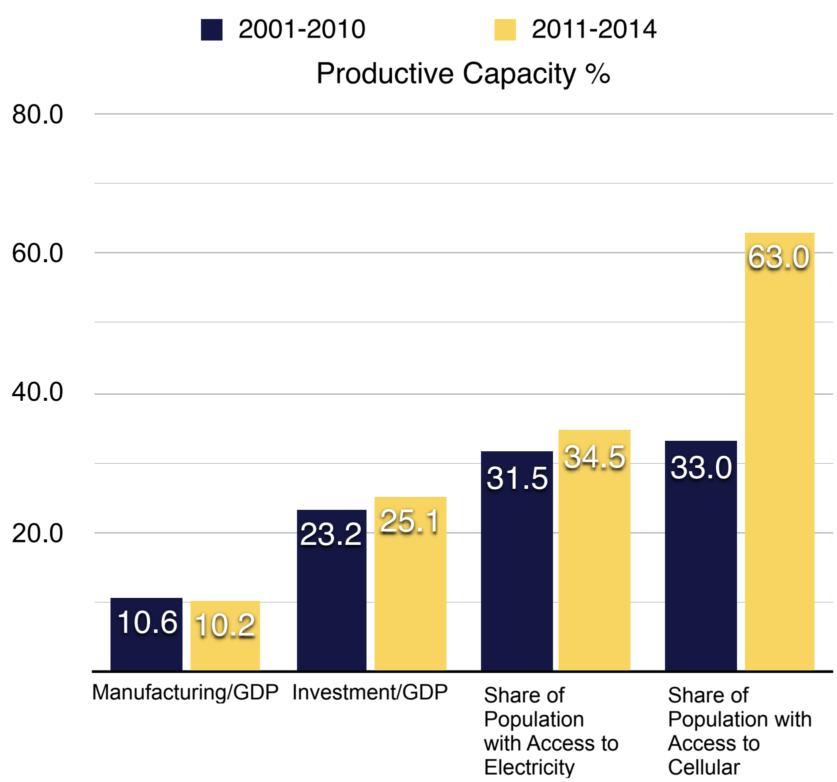
Most LDCs did not meet most of the IPoA targets on human and social development, which were closely related to the MDGs, despite acceleration of efforts over the past five years. In order to reach SDG1 - End poverty in all its forms everywhere - poverty in all countries and for all groups needs to be eradicated. Hence, increased efforts and concrete actions in the eight priority areas of the IPoA are imperative from both the LDCs and their development partners.

Challenges to the sustainable development of LDCs remain, with some new and increasing risks and uncertainties threatening their development gains, including lower and volatile commodity prices, fluctuations in the level of financial flows to LDCs, major natural disasters and health epidemics like the Ebola outbreak in West Africa. LDCs are more vulnerable to such shocks due to high levels of poverty, limited fiscal space and limited capacity. Export concentration increases the vulnerability to commodity price volatility. The diversification of the production and export bases, though productive capacity building, will go a long way towards reducing the structural vulnerability of LDCs. LDCs need to further build their national capacity to respond to various kinds of shocks – including through insurance and social protection measures both at the micro and macroeconomic levels– with support from development partners. The establishment of a dedicated mechanism for crisis mitigation should be explored further.

A precondition for structural transformation in LDCs is the increase in agricultural productivity, which is also crucial for eradicating poverty and malnutrition and hunger. On average, agriculture employs around 60% of the population in LDCs while it accounts for 25% of GDP. Increased focus on agricultural and rural development as well as inclusive and sustainable development is needed and a comprehensive support package ranging from improvements in infrastructure such as roads and storage to better access to credit, land, insurance and technology and improved market access is required in this regard.

One area where policies of LDCs need to focus more to achieve structural transformation is employment. Setting employment creation as the objective of macroeconomic policies and as the means to achieve meaningful and sustainable improvements in living standards in LDCs would need to address several bottlenecks, including enhancing technical, vocational education and training. In this context, LDCs need to not only seek to raise the rate of output growth but also to increase the labor intensity of growth. Furthermore, disadvantaged groups like youth and women need to be targeted.

The IPoA foresees the establishment of a Technology Bank and a Science, Technology and Innovation Supporting Mechanism for the LDCs, for which a feasibility study has been concluded. It is crucial that this institution is operationalized in 2017, especially given its potential to accelerate productive capacity building, structural transformation, and sustainable development.



Bangladesh. **Photo: Laura Elizabeth Pohl, Bread for the World/Flickr**

Burkina Faso. **Photo: Eric Montfort/Flickr**

Trade is an integral part of both the IPoA and the SDGs, acknowledging its potential to create decent employment, including for women, integrate regional and global value chains and generate sufficient foreign exchange earnings to cover imports of intermediary and capital goods needed for industrialisation. However, since 2011 the share of LDC exports in total world trade has been largely stagnant at around 1.1%, after doubling during the previous decade. Thus it is imperative that the agreements reached at Doha and Nairobi be implemented without delay, especially the full implementation of DFQF market access for all products from all LDCs, more beneficial rules of origin, reduction of Non-Tariff Barriers (NTBs), operationalization of the services waiver and implementation of the trade facilitation agreement. In addition, the share of Aid for Trade provided to LDCs should be increased so as to support the removal of supply-side constraints.

LDCs made some progress with respect to domestic resource mobilization which not only increases resources for development but also enhances their fiscal space. The ratio of government revenue to GDP, excluding grants, increased from 13% in 2001-2010 to 16% in 2014. However, the tax base in LDCs can be significantly enhanced and in a sustainable manner only through productive capacity building and inclusive growth. Domestic resource mobilisation efforts can complement ODA. Such efforts should not be geared toward raising government revenue only but should also contribute to the achievement of the SDG of reducing inequality.

In the foreseeable future, LDCs will continue to depend on external development finance, particularly on ODA, for their development. Yet ODA to LDCs trended downwards since 2011 and the average share of ODA to LDCs as a percentage of GNI of Development Assistance Committee (DAC) donors was only 0.09% in 2014. There has been as a slight rebound in 2015. The development partners need to fulfill at the earliest their commitment to provide the equivalent of 0.15 - 0.2% of their GNI as ODA to LDCs, and to allocate a higher share of their total ODA to LDCs. It is also important to uphold the principles of aid and development effectiveness, including predictability and transparency, harmonisation, country ownership, and untied aid. The impact of ODA will have a multiplier effect if more ODA goes to the productive sector and if ODA is used catalytically to leverage more resources for investment in infrastructure development and energy.

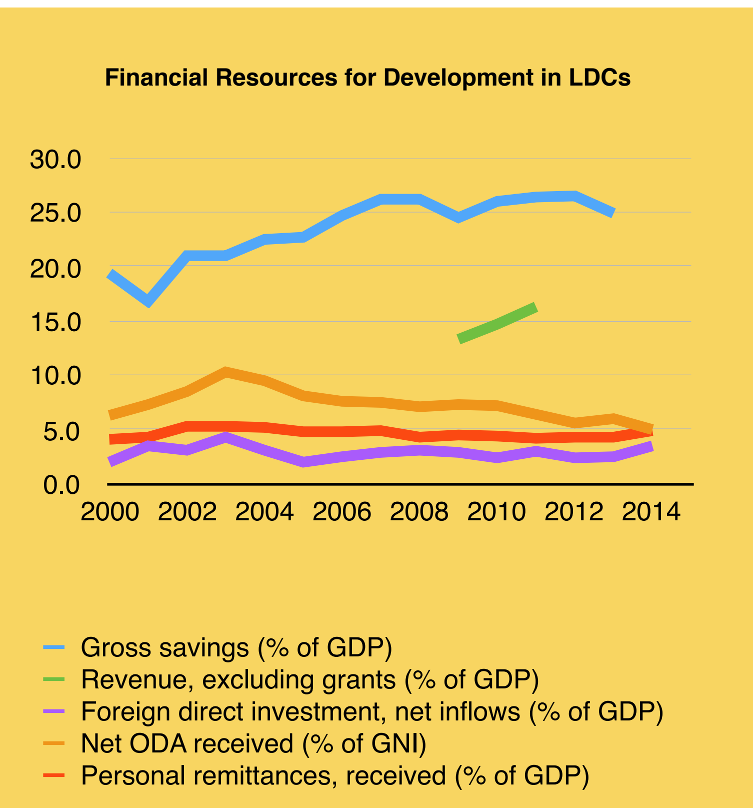
Following very strong growth between 2005 and 2010, overall FDI flows to LDCs have remained broadly constant over the past five years, accounting for 1.9% of world FDI. LDCs need to attract larger and more diversified FDI flows, including by promoting a more conducive environment for the private sector.

The international community should increase investment support for LDCs with the contribution of all stakeholders in line with the pledge made in the Addis Ababa Action Agenda to adopt and implement investment promotion regimes for LDCs. Key activities could include (i) financial and technical support for project preparation and contract negotiation, (ii) advisory support in investment-related dispute resolution, (iii) access to information on investment facilities and (iv) risk insurance and guarantees including through MIGA.

With respect to climate change, LDCs are the countries that contributed the least to the problem. Yet they are the most affected ones. Most LDCs have made significant contributions to mitigation efforts. However, for them, adaptation to the effects of climate change is at the core of their development and survival. In order to adapt to the effects of climate change, LDCs need financial support, technical support as well as access to technology—all beyond the means of implementation in the 2030 Agenda and the Addis Ababa Action Agenda. LDCs should have greater access to relevant climate-change funds, including the Green Climate Fund. Similarly the resources available under the LDC Fund should also be expanded.

Increased trade, investment, and development financing among members of the global South could form the basis for more sustainable growth that does not depend on economic conditions in the North. South-South and triangular cooperation, as a complement to North-South cooperation, need to be deepened and scaled up. This form of cooperation should be able to leverage more resources and investment and serve as a platform for peer learning. A more institutionalised contribution of South-South and triangular cooperation to LDCs including enhanced availability of information would be adequate to reflect the growing capacity of partner countries from the South.

The importance of monitoring and follow up at the national, regional and global levels has been stressed in the IPoA. In this respect it is important to align the monitoring processes of the different new agendas as much as possible, so as to avoid duplication and excessive burden on national systems. Capacity building for collecting and processing timely and accurate data as well as strengthening mutual and domestic accountability is especially critical in for LDCs.



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