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**Implementation of the outcome from LDC-IV:
UNCTAD's contribution**

Preliminary review of the outcome of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV): What is new and the way forward

Report by the UNCTAD secretariat

Executive summary

This report reviews the Istanbul Programme of Action, both in terms of the goals and targets that it includes, the foremost of which is the objective of enabling half of the least developed countries (LDCs) to meet the graduation criteria by 2020, and in terms of the Brussels Programme of Action. The primary aim of the report is to provide a preliminary review of the outcome of the Conference.

The report considers three issues. Firstly, it reviews the Istanbul Programme of Action¹ in terms of its structure and content. Secondly, it assesses the current situation of LDCs in relation to the quantitative goals and targets highlighted in the Istanbul Programme of Action. Finally, it discusses what the implications of the Istanbul Programme of Action are for UNCTAD.

¹ This refers to the revised outcome document that was distributed on 23 May 2011 (A/CONF.219/3/Rev.1).

Introduction

1. Pursuant to United Nations General Assembly resolutions 63/227 and 64/213, the Fourth United Nations Conference on the Least Developed Countries was held in Istanbul on 9–13 May 2011, with the following objectives as stipulated in resolution 63/227:

- (a) To undertake a comprehensive appraisal of the implementation of the [Brussels] Programme of Action by the least developed countries and their development partners (...);
- (b) To identify effective international and domestic policies in the light of the outcome of the appraisal as well as new and emerging challenges and opportunities and the means to address them;
- (c) To reaffirm the global commitment to addressing the special needs of the least developed countries made at the major United Nations conferences and summits, (...) and to support the least developed countries in eradicating poverty and integrating beneficially into the global economy;
- (d) To mobilize additional international support measures and action in favour of the least developed countries, and, in this regard to formulate and adopt a renewed partnership between the least developed countries and their development partners.

2. At its conclusion, the Conference adopted the Istanbul Declaration, and the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (also known as the Istanbul Programme of Action). The overarching goal of the Istanbul Programme of Action (IPoA) is “to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category” (para. 27). With regard to graduation, the agreed objective is that half of the LDCs should be able to meet the graduation criteria by 2020.

3. The primary objective of the present paper is to provide a preliminary review of the outcome of the Conference, with the aim of (a) initiating discussions at the Trade and Development Board on issues related to implementation of the relevant commitments by UNCTAD; (b) contributing to the reviews of the implementation of the Istanbul Programme of Action as mandated by the Conference; and (c) exploring ways and means of mainstreaming the relevant priorities of the new programme of action in the work of the UNCTAD secretariat and the intergovernmental machinery.

4. The report considers three issues, which also frame the ensuing discussions. Firstly, the report reviews the IPoA in terms of its structure and content. In order to highlight continuity and change, the IPoA is compared and contrasted, to the extent possible, with the earlier Brussels Programme of Action (BPoA), which was agreed in May 2001 at the Third United Nations Conference on the Least Developed Countries. It is important to note that the comparison is intended only for analytical purposes, with no implication for implementation of priorities. This is simply because the two programmes of action are not mutually exclusive, but rather complementary, as key targets and objectives of the BPoA remain valid and relevant to the present decade. In the course of negotiations for the IPoA, there was a genuine desire among member States to build on the BPoA. Secondly, the report assesses the current situation of LDCs in relation to the quantitative goals and targets highlighted in the IPoA. In other words, it takes stock of where LDCs are at the current point in time, and juxtaposes this with the objectives for where they will be at the end of the decade. Finally, there is a discussion on what the implications of the IPoA are for UNCTAD, with a particular focus on ways and means in which UNCTAD can implement the goals, targets and actions of the IPoA.

I. Overview of the Istanbul Programme of Action

Structure

5. The main structure of the IPoA is straightforward, and similar in many respects to that of the BPoA. In common with the preceding document, the largest part of the IPoA consists of a list of actions that are categorized by priority areas (referred to in the BPoA as “commitments”). The IPoA is also similar in structure to the BPoA in that it has one section on partnership, and one on implementation, follow-up and monitoring. However, the IPoA differs from the preceding document by having one section that reviews the implementation of the previous programme of action, one section that highlights the role of South–South cooperation, and one section that discusses the graduation of countries from LDC status. The one section in the BPoA that is not part of the basic outline of the IPoA relates to “objectives”. This section is still present in the latest programme of action, but it appears as a subsection within “Renewed and strengthened partnership for development”.

6. Focusing on the priority areas for action, the IPoA contains eight broad areas in total. The broad areas and their sub-components are summarized in the right-hand column of table 1, with the corresponding commitments of the BPoA in the left-hand column. A few observations immediately become apparent:

- (a) As already alluded to, the IPoA frames the discussion in terms of “priority areas for action”, whereas the BPoA speaks of “commitments”.
- (b) There are eight priority areas for action in the IPoA; there are seven commitments in the BPoA.
- (c) The two programmes of action cover, to a large extent, the same broad areas. There is no equivalent in the IPoA to commitment 1 of the BPoA. Conversely, the IPoA contains two priority areas for action that are not reflected as standalone commitments in the BPoA – the area of agriculture, food security and rural development, and the area of commodities. Both of these areas are subsumed under commitment 4 and commitment 5, respectively, in the BPoA.

7. Three additional remarks should be made with respect to the structure of the IPoA. Firstly, the various priority areas reflect, to a certain extent, the three criteria used to identify LDCs – (a) low-income; (b) human assets weakness; and (c) economic vulnerability – and the means to improve performance against these criteria. Therefore, their contribution to meet the agreed graduation target is embedded therein. Secondly, the actions by LDCs and their development partners have been grouped into (a) joint actions; (b) actions by LDCs; and (c) actions by development partners. The “joint action” category is a new feature compared with the earlier BPoA, although it is not present in all priority areas. Thirdly, in addition to the overall objectives set out in section III, the IPoA contains goals and targets within each priority area. The BPoA, by contrast, only features area-specific goals and targets in commitment 3 (Building human and institutional capacities) and commitment 4 (Building productive capacities to make globalization work for LDCs).

Table 1. Commitments in the BPoA, and priority areas for action in the IPoA, respectively

| Brussels Programme of Action | Istanbul Programme of Action |
|--|---|
| Commitment 1: Fostering a people-centred policy framework | A. Productive capacity (a) Infrastructure (b) Energy (c) Science, technology and innovation (d) Private-sector development |
| Commitment 2: Good governance at national and international levels | B. Agriculture, food security and rural development |
| Commitment 3: Building human and institutional capacities A. Social infrastructure and social service delivery B. Population C. Education and training D. Health, nutrition and sanitation E. Social integration | C. Trade |
| Commitment 4: Building productive capacities to make globalization work for LDCs A. Physical infrastructure B. Technology C. Enterprise development D. Energy E. Agriculture and agro-industries F. Manufacturing and mining G. Rural development and food security H. Sustainable tourism | D. Commodities |
| Commitment 5: Enhancing the role of trade in development A. Trade, commodities and regional trading arrangements B. Services C. Reducing the impact of external economic shocks | E. Human and social development (a) Education and training (b) Population and primary health (c) Youth development (d) Shelter (e) Water and sanitation (f) Gender equality and empowerment of women (g) Social protection |
| Commitment 6: Reducing vulnerability and protecting the environment A. Protecting the environment B. Alleviating vulnerability to natural shocks | F. Multiple crises and other emerging challenges (a) Economic shocks (b) Climate change and environmental sustainability (c) Disaster risk reduction |
| Commitment 7: Mobilizing financial resources A. Domestic resource mobilization B. Aid and its effectiveness C. External debt D. Foreign direct investment and other private external flows | G. Mobilizing financial resources for development and capacity-building (a) Domestic resource mobilization (b) Official development assistance (c) External debt (d) Foreign direct investment (e) Remittances |
| | H. Good governance at all levels |

Content – a quantitative perspective

8. Looking at the number of words and actions in the IPoA gives an indication of its substance. In total, the IPoA contains 19,147 words and 252 actions. The word count is similar to that of the BPoA, but the actions are fewer by almost one quarter. In terms of allocation of actions, it is interesting to note that there has been a shift in the number of actions to be pursued by the two main stakeholders. Whereas the BPoA called on LDCs to implement 156 actions and development partners to implement 181, the IPoA lists more actions to be undertaken by LDCs than by development partners – 126 actions by the former and 110 by the latter. The IPoA also includes 16 joint actions.

Table 2. Basic quantitative indicators

| | BPoA | IPoA |
|--|---|--|
| Number of words | 19,484 | 19,147 |
| Number of actions (total, by whom, and by commitment/priority area) | Total: 337 By LDCs: 156 By development partners: 181 Commitment 1: 4 % Commitment 2: 6 % Commitment 3: 19 % Commitment 4: 26 % Commitment 5: 19 % Commitment 6: 7 % Commitment 7: 19 % | Total: 252 Joint actions: 16 By LDCs: 126 By development partners: 110 Priority area A: 17 % Priority area B: 11 % Priority area C: 6 % Priority area D: 2 % Priority area E: 24 % Priority area F: 11 % Priority area G: 19 % Priority area H: 9 % |

Note: The share of actions by priority area does not add up to the total because of rounding.

9. The highest number of actions in the IPoA is in human and social development (priority area E), while the lowest number is found in commodities (priority area D). It is interesting to note that actions in trade and commodities in the IPoA (priority areas C and D) make up 9 per cent² of the total number of actions, whereas the equivalent section in the BPoA (commitment 5) constitutes 19 per cent of the total. Actions pertaining to productive capacities; agriculture, food security and rural development; human and social development; multiple crises; and governance, however, make up a larger share in the IPoA than in the BPoA. Even so, there is not always a one-to-one correspondence between the commitments under the BPoA and the priority areas under the IPoA; hence, any inference drawn from a comparison between the two programmes of action should be made with caution.

10. Overall, the number of quantitative goals and targets in the IPoA is lower than the total found in the BPoA, which suggests that the introduction of goals and targets into each priority area of action has not resulted in a concomitant rise in explicitly stated quantitative objectives. However, it should be noted that a comparison between the number of quantitative goals and targets listed in the two programmes of action is imperfect, insofar as some targets are more specific than others, and hence, there is an element of arbitrariness in what targets are considered quantitative. In addition, the IPoA refers in several paragraphs to specific Millennium Development Goals (MDGs), which may include more than one target. More generally, the overarching goal of enabling half the LDCs to meet the criteria for graduation by 2020 indicates that a number of specific quantitative targets are implied in order for that goal to be achieved.

11. It is instructive to look at the significant words and phrases contained in the IPoA. Although an equivalent summary of the frequency of words in the BPoA is not provided, there

² Not 8 per cent, since the more exact share of the two priority areas is 6.3 per cent and 2.4 per cent, respectively.

are similarities between the two programmes of action in expressions of political commitment to and solidarity with LDCs, particularly in recognizing their difficult socio-economic conditions and the need to address their challenges. These expressions are placed in the context of the principle of common but differentiated responsibilities for all stakeholders – including the private sector and civil society actors – for the development of LDCs. Some of the more frequently used words in the IPoA are: sustainable, health, infrastructure, education, energy, trade, investment, and private. It is interesting to note that the first five terms are relatively more prevalent in the IPoA, whereas the last three terms are relatively more prevalent in the BPoA. Other terms that are relatively more frequent in the IPoA are agriculture, women and gender, crises, environment and climate, and South–South cooperation. Conversely, some terms that appear more frequently in the BPoA are aid, debt and poverty.

Content – a qualitative perspective

12. Since the structure of the IPoA is similar in many ways to that of the BPoA, it is not surprising that the documents share several commonalities, particularly given that many of the challenges facing LDCs in 2011 – as well as the approaches to address them – are the same as they were 10 years ago. Some of the principles guiding the implementation of the two programmes of action are similar; several actions in the documents touch on the same issues; and the implementation, follow-up and monitoring mechanisms for the BPoA and the IPoA are comparable. However, despite this continuity between the two programmes of action, there are also a number of differences.

13. Some of the differences have already been mentioned, such as the novel feature of joint actions in the IPoA, and the same document's incorporation of a section on graduation and smooth transition. The stated overall objective in the IPoA of halving the number of countries with LDC status by 2020 does not have a quantitative equivalent in the BPoA. However, as discussed above, the IPoA lists fewer quantitative targets. For instance, the BPoA contains explicit targets on the investment-to-GDP ratio, computer literacy among students, and the number of undernourished people. That said, the IPoA builds on internationally agreed development goals, including those contained in the BPoA and the MDGs. These goals remain valid, and LDCs' progress in the implementation of the IPoA will be measured against the targets and relevant indicators contained in them.

14. As far as actions are concerned, there are some differences between the two programmes of action with respect to what issues are covered, and to what extent. The IPoA contains subsections on youth development, shelter and remittances, which are new issues compared with the BPoA. The issue of technology has been broadened in the IPoA to cover aspects of science, technology and innovation. A concrete joint action in this regard is to “undertake on a priority basis by 2013 a joint gap and capacity analysis with the aim of establishing a Technology Bank and Science, Technology and Innovation supporting mechanism” (para. 52 (1)).

15. The issues of gender, commodities, economic crises, and the role of development partners, especially South–South cooperation, are also given more prominence in the IPoA. This is not only in terms of their relative frequency, but also in the sense that gender equality and the empowerment of women is a stand-alone subsection within priority area E, and that commodities, as well as the food, fuel, financial and economic crises, and climate change, natural disasters and other emerging challenges, constitute priority areas in their own right. As for the role of development partners, there is a section devoted to the complementary role of South–South cooperation, as well as separate paragraphs on the roles to be played by parliaments, the private sector and civil society. The IPoA is, however, almost silent when it comes to tourism, trade in services and manufacturing. By contrast, these three issues constitute subsections in the BPoA.

16. Finally, the IPoA has a more extensive list of principles guiding its implementation than the preceding document. More specifically, all of the five principles found in the BPoA – an integrated approach, genuine partnership, country ownership, market considerations, and results-orientation – are present in the IPoA. However, the latter document includes three additional principles: (a) peace and security, development and human rights; (b) equity; and (c) voice and representation.

II. A closer look at the goals and targets in the IPoA

17. The goals and targets found in the IPoA can be distinguished in terms of how quantitative they are. Put simply, some have clear figures attached to the objectives, while the formulations of some other goals and targets are less definite. Before turning to a discussion of several targets of these two types, it should be noted that the list is not exhaustive; particularly with respect to the qualitative targets, since the IPoA contains a number of references to such goals.

Quantitative targets

18. The quantitative targets in the IPoA cover several issues that differ in terms of their generality and ambition. For instance, as mentioned in the introduction, there is the overarching, ambitious aim of halving the number of countries with LDC status. However, there is also the more specific target of allocating 10 per cent of government spending to agriculture. It should also be noted that several of the quantitative targets refer to or reflect some of the MDGs.

Enable half the number of LDCs to meet the criteria for graduation by 2020 (para. 28)

19. This is undoubtedly a very ambitious target, especially considering that only three countries have graduated from LDC status to date.³ Moreover, even though Samoa is currently expected to graduate in 2014, there have been calls for the General Assembly to review existing inclusion criteria in order to make it possible for some currently excluded countries to obtain LDC status, for example Palestine and developing countries that are not LDCs due to non-economic factors such as demography and population. Similarly, there are some recent political developments, such as secession or independence, that may bring more candidate countries into the LDC category. Hence, there is the possibility that the LDC group might in fact expand in net terms – at least in the medium term.

20. In view of the poor graduation record, therefore, the goal of enabling half of the LDCs to meet the graduation criteria by 2020 may well be regarded as too ambitious, especially given the current socio-economic fundamentals and progress towards graduation thresholds. Attaining such an ambitious objective would require a radical shift in development partnerships, as well as fundamental changes in the design and execution of domestic policies in LDCs. In particular, such changes would require – as discussed in the *Least Developed Countries Report 2010* – an expanded partnership that goes beyond aid, and includes enhancing LDCs' trade opportunities, the ability of LDCs to take these through the international trade regime, supporting domestic resource mobilization, the ability of LDCs to attract and make use of private capital inflows, supporting domestic capabilities to search for, acquire and utilize foreign technologies, and facilitating technology transfer. Such an approach to support LDCs will break, in the medium to long term, the aid dependency of LDCs by releasing their untapped potentials. Graduation from the LDC status will therefore be a reflection of reduced aid dependence and, conversely, greater self-subsistence.

21. LDCs, for their part, should continue to improve governance and create a conducive macroeconomic environment for the growth and development of the private sector. It is also imperative that they enhance their capacities to use and manage development resources. This includes developing and implementing clearly articulated policies on how to capitalize on their natural resource endowments, including through greater fiscal transparency and accountability, and integrating the role of commodities into their national development strategies. From the perspective of development partners, helping LDCs to get more out of dependence on a few primary commodities, as well as facilitating knowledge and financial flows associated with international migration, should be viewed as further components of efforts aimed at enhancing their developmental effects.

³ Botswana (1994), Cape Verde (2007) and the Maldives (2011).

Achieve sustained, equitable and inclusive economic growth in LDCs, to at least the level of 7 per cent per annum (para. 28(a)).

22. The 7 per cent per annum growth target is also found in the BPoA. However, the formulation in the IPoA recognizes that gross domestic product (GDP) growth is a necessary but not a sufficient condition to eradicate poverty, achieve internationally agreed development goals, and enable graduation from the LDC category. In other words, the 7 per cent per annum growth target of the BPoA has been retained, and amended by attaching qualitative aspects to it. The IPoA also specifies the means to achieve sustained, equitable and inclusive economic growth in LDCs, namely “by strengthening their productive capacity in all sectors through structural transformation and overcoming their marginalization through their effective integration into the global economy, including through regional integration”.

23. In contrast to the objective of enabling half the number of LDCs to meet the graduation criteria by 2020, the 7 per cent per annum growth target is well within reach. In fact, the annual average growth rate of LDCs as a group in 2000–2009 was 7.1 per cent. However, there is no room for complacency, as shown in the mid-2011 update of *World Economic Situation and Prospects 2011*, which expects LDCs, particularly in Africa, to fall short of the growth target in 2011 and 2012. Moreover, it is important to bear in mind the varied performances of the LDCs. For instance, the annual average growth rate for the group of LDCs in Africa and Haiti was 7.2 per cent in 2000–2009, while it was 6.9 per cent for Asian LDCs and 6.0 per cent for island LDCs. In terms of range, the fastest-growing LDC registered an annual average growth rate of 18.3 per cent (Equatorial Guinea), while the slowest-growing LDC saw its GDP barely expand, at 0.02 per cent per annum (Liberia). The annual average growth rate of the median country was 4.6 per cent.

24. The agreed growth target should also lead to gross national income (GNI) per capita being used as one of the key indicators for identifying and graduating LDCs from the category. In this context, the previously agreed goal of doubling of the GNI per capita of LDCs should be pursued and attained by the end of the IPoA. This is actually much less ambitious than the goal of graduation for half of the LDCs. Furthermore, it should be noted that Heads of State, at their retreat at the Monterrey Conference in 2002, agreed on the Spirit of Monterrey Declaration, which stated: “We undertake to assist the world’s poorest countries to double the size of their economies within a decade in order to achieve the MDGs.”

Strive to provide 100 per cent access to the Internet by 2020 (para. 45(c)).

25. The target in the BPoA was to increase “Internet connections to 10 users per 100 inhabitants by the year 2010” (para. 43(f)). This target was clearly missed, as the estimated number of Internet users per 100 inhabitants in the LDC group in 2009 was 2.73.⁴ Indeed, only seven LDCs managed to reach (or be within reach of) the target. The endeavour of universal access to the Internet by 2020 seems, therefore, too ambitious, at best. It is encouraging, nonetheless, that the number of LDCs that had less than one Internet user per 100 inhabitants dropped from two thirds in 2004 to less than one quarter in 2009.

Allocation of at least 10 per cent of government expenditures to agriculture (para. 60.2(h)).

26. This goal, which is not present in the BPoA, is a further indication of a greater emphasis being put in the IPoA on the issue of agriculture. Based on the data that are available, the target seems to be attainable. For instance, governments in 7 African LDCs allocated more than 10 per cent of their budgets to agriculture, on average, over the years 2003–2009.⁵ On the other hand, the same data show that 19 governments were below the 10 per cent threshold during the same period.

27. One study that attempts to estimate agricultural spending in several LDCs reports large variations across time as well as across countries.⁶ It finds that the average agriculture-to-

⁴ The estimated Internet user data are based on 2009 figures from the International Telecommunication Union (or the latest year available).

⁵ Regional Strategic Analysis and Knowledge Support System. See <http://www.resakss.org>.

⁶ Fan S, Brzeska J and Nin Pratt A (2008). How to promote agricultural growth through productive investment and governance reform in least developed countries? Background paper for the *Least Developed Countries Report 2008: Growth, Poverty and the Terms of Development Partnership*.

total government spending ratio in LDCs dropped from 9 per cent in 2000 to 6 per cent in 2004.

Aim to double the share of LDCs' exports in global exports by 2020, including by broadening LDCs' export base (para. 65(a)).

28. The target of doubling the share of LDCs' exports in global exports is new compared with the BPoA, and reflects the fact that LDCs only account for 1 per cent of world exports. Encouragingly, a near-doubling of the share took place in the previous decade, as it rose from 0.58 per cent in 2001 to 1.01 per cent in 2009 (data for 2010 are not yet available). This growth was mainly driven by oil and mineral exports. The increasing share of LDCs' exports in global exports during the previous decade was not, however, accompanied by any structural transformation. In fact, LDCs' export base appears to have narrowed, with export concentration rising from 0.29 in 2001 to 0.45 in 2009.⁷ It is, therefore, important that the target of doubling the share of LDCs' exports in global exports includes the qualitative goal of a simultaneous broadening of their export base.

Achieve targets under MDGs 4 and 5 by 2015 and, building on these, further significantly reduce the infant, under-five and maternal mortality rates and child under-nutrition by 2020 (para. 77(a)).

29. The reference to the MDGs in this and other paragraphs of the IPoA illustrates how the document is in line with the targets in the BPoA, and with other internationally agreed development goals, including the MDGs. As for MDGs 4 and 5, specifically, the former refers to child health and the target of reducing by two thirds, between 1990 and 2015, the under-five mortality rate (target 4.A). MDG 5, meanwhile, refers to maternal health and the two targets of reducing by three quarters, between 1990 and 2015, the maternal mortality ratio (target 5.A), and achieving, by 2015, universal access to reproductive health (target 5.B). Table 3 sums up the aggregate progress for the LDCs as a group, with respect to most indicators that are related to these targets. In assessing LDCs' progress in meeting the MDGs, UNCTAD finds that they are, in general, off-track for achieving the targets of reducing the infant mortality, child mortality and maternal mortality rates.⁸ It is important to stress, however, that there is a wide heterogeneity among the LDCs in terms of their progress.⁹

⁷ As measured by the Herfindahl-Hirschmann index, which denotes concentration on a scale from 0 to 1 (with 1 being maximum concentration).

⁸ UNCTAD (2010). *The Least Developed Countries Report 2010: Towards a New International Development Architecture for LDCs*. United Nations publication. Sales no E.10.II.D.5. New York and Geneva: 35–39.

⁹ See, for instance, table 11 in *ibid.*

Table 3. Selected indicators for monitoring progress of MDGs 4 and 5 for LDCs as a group, 1990, 2000 and 2009

| MDG Target | Indicators for monitoring progress | 1990 | 2000 | 2009 |
|--|--|-------|-------|-------|
| 4.A | Mortality rate, under-5 (per 1,000) | 178.5 | 147 | 121.4 |
| 4.A | Mortality rate, infant (per 1,000 live births) | 112.1 | 93.1 | 77.8 |
| 4.A | Immunization, measles (% of children ages 12-23 months) | 54.7 | 59.9 | 76.7 |
| 5.A | Maternal mortality ratio (modeled estimate, per 100,000 live births) | 900 | 750 | 590* |
| 5.A | Births attended by skilled health staff (% of total) | N/A | 34.6 | 40.1 |
| 5.B | Contraceptive prevalence (% of women ages 15-49) | 19.2 | 27.9 | 30 |
| 5.B | Adolescent fertility rate (births per 1,000 women ages 15-19) | N/A | 119.5 | 98.2 |
| 5.B | Pregnant women receiving prenatal care (%) | N/A | 61.2 | 64.2 |
| N/A = not applicable | | | | |
| * Refers to 2008 | | | | |
| Source: World Development Indicators, World Bank | | | | |

Achieve targets under MDG 6 by 2015 and, building on this, further reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases (para. 77(c)).

30. MDG 6 concerns combating HIV/AIDS, malaria and other diseases, and includes three targets – having halted by 2015 and begun to reverse the spread of HIV/AIDS (target 6.A); achieving, by 2010, universal access to treatment for HIV/AIDS for all those who need it (target 6.B); and having halted by 2015 and begun to reverse the incidence of malaria and other major diseases (target 6.C). There are a number of indicators related to MDG 6, but a just quick glance at the prevalence of HIV and the incidence of tuberculosis gives rise to concern. In 2009, only 10 LDCs had a similar or lower prevalence of HIV among adults aged 15 to 49, compared with 1990. The corresponding figure with regard to incidence of tuberculosis was somewhat more positive, with 18 LDCs having a similar or lower incidence in 2009 compared with 1990.

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation and strive for access to all by 2020 (para. 86).

31. Apart from the aspiration for access to all by 2020, this goal is a restatement of MDG target 7.C. The indicators related to this target concern the proportion of the population using (a) an improved drinking water source; and (b) an improved sanitation facility. In 1990, 54 per cent of LDCs' aggregate population had access to an improved drinking water source, which increased to 62 per cent in 2008. As for the proportion of populations using improved sanitation facilities, this stood at 24 per cent in 1990 and reached 37 per cent in 2008. Overall, UNCTAD finds that LDCs as a group are off-track for meeting these two indicators, with no significant acceleration of progress in access to improved water or sanitation facilities since 2000.¹⁰

¹⁰ Ibid.

Ensure the fulfilment of all ODA commitments to LDCs (para. 115(a)).

32. The quantitative actions that development partners will implement are:

- (a) Donor countries providing more than 0.20 per cent of their GNP to LDCs: continue to do so and maximize their efforts to further increase official development assistance (ODA) to LDCs;
- (b) Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent expeditiously.
- (c) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target by 2015 or to make their best efforts to accelerate their endeavours to reach the target.

33. It is notable that the quantitative targets concerning ODA in the IPoA are identical not only to the BPoA, but also to the Paris Programme of Action for the 1990s. Indeed, the first programme of action (the Substantial New Programme of Action for the 1980s) already called on donors to devote 0.15 of their GNP to LDCs. In 1990, the share of ODA to the GNI of Development Assistance Committee (DAC) countries was 0.09 per cent. Ten years later, this ratio had dropped to 0.05 per cent. In 2008, the share had returned to the same level as in 1990, i.e. still well short of the 0.15 per cent target. At the donor-country level, six of the 23 DAC members provided more than 0.20 per cent of their GNI to LDCs in 2008, with a further three donors providing between 0.15 and 0.20 per cent.

34. It is worth noting that “donor countries should review their ODA commitments in 2015 and consider further enhancing the resources for LDCs” (para. 116.2(a(v))).

*Qualitative targets***Strive to increase total primary energy supply (TPES) per capita to the same level as other developing countries (para. 45(d)).**

35. Although the formulation of this goal is lacking in specifics, a quick glance at readily available data on TPES (expressed in tonnes of oil equivalent) per capita in 17 countries indicates the challenge facing LDCs. Whereas TPES per capita in non-OECD countries stood at 1.18 in 2008, only one of the 17 LDCs had a TPES per capita that was more than half that figure (i.e. Angola, which had a TPES per capita at 0.61, i.e. 52 per cent that of the non-OECD group).

Make substantial progress towards eradicating hunger by 2020 (para. 59(a)).

36. Clearly, a qualitative goal that does not provide an indication of what constitutes “substantial progress”. It is, however, related to MDG 1, which includes a target that aims to halve, between 1990 and 2015, the proportion of people who suffer from hunger. UNCTAD finds that progress on undernourishment has been highly varied among LDCs, with half of them seemingly on track to meet the MDG target, while more than a third have experienced stagnation or reversal.¹¹ The multiple global crises – including food price hikes – have contributed to denting progress in several cases.

Ensure universal access to free primary education in LDCs by increasing the enrolment and retention rates, and also increase access to secondary, tertiary and vocational education and skill development training (para. 73(a)).

37. The first part of this goal is akin to MDG 2, which is concerned with achieving universal primary education, and includes enrolment and retention rates as two of its three indicators (the third is literacy rate). However, the objective of the IPoA goes beyond MDG 2, in that it also emphasizes access to education beyond primary school.

¹¹ Ibid.

Eliminate gender disparities in education and training and ensure equal quality of education between males and females (para. 73(c)).

38. This goal is very similar to the target of MDG 3 to eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015. Although the MDG target includes three quantitative indicators, the goal in the IPoA is qualitative in that it neither refers to MDG 3 explicitly nor includes a time horizon.

Strive to ensure the full and effective participation of youth in the life of society and in decision-making processes (para. 80(a)).

39. The subsection on youth development in the IPoA lists three goals and targets. In addition to the one just highlighted, it refers to qualitative objectives concerning the educational and skills capacity of youth, as well as full and productive employment and decent work (para. 80(b)), and improving access to vocational education, volunteering and employment (para. 80(c)). It is worth noting that, notwithstanding the importance of these issues, the BPoA did not contain any similar targets.

Achieve equal access of women and girls to education, basic services, health care, economic opportunities, and decision-making at all levels (para. 89(a)).

40. Undoubtedly, a broad and qualitative target. It does, however, provide a further indication of the importance attached to gender equality and empowerment of women in the IPoA.

Achieve sustainable debt levels in all LDCs (para. 118(a)).

41. Although the debt burden of LDCs as a group reduced considerably during the 2000s, it remains a crucial issue for many LDCs. For instance, the International Monetary Fund (IMF) reported in mid-May 2011 that 14 LDCs were in debt distress (3 countries) or at a high risk of debt distress (11 countries).¹²

42. The progress towards the above targets can be measured against the agreed indicators, especially those contained in the BPoA and the MDGs. These include indicators such as domestic investment as a share of GDP, domestic savings as a share of GDP, the proportion of the population with access to modern energy or electricity consumption per capita, domestic credit to the private sector as a percentage of GDP, length of roads per capita and per square kilometre, and ICT indicators (e.g. telephone lines, cellular subscribers and internet users per 100 people). Previously agreed indicators in the area of human and social development related to productive capacities and building human and institutional capacities, including the adult literacy rate and the gross secondary school enrolment rate, are important aspects of the human assets index, as are export concentration and the share of agriculture, forestry and fisheries in GDP. This could also be supplemented with various employment indicators which are tracked as part of the MDGs. The rationale is that the aim is not simply to develop productive capacities for their own sake, but also to increase productive employment opportunities and livelihoods.

III. Implications for UNCTAD and the way forward

43. The penultimate paragraph of the IPoA (para. 156) is devoted to the role of UNCTAD in assisting LDCs and contributing to the implementation of the IPoA:

UNCTAD should continue to address the challenges faced by least developed countries through conducting intergovernmental consensus-building, especially in the Trade and Development Board, and to contribute to the implementation of the Programme of Action also through its technical assistance to least developed countries. UNCTAD's institutional capacity in the research and analysis of least developed country issues should be maintained to this end.

44. The Conference further invited "the governing bodies of the United Nations funds and programmes and other multilateral organizations, including the Bretton Woods institutions and international financial institutions, to contribute to the implementation of the Programme of

¹² Based on the Low-Income Countries' Debt Sustainability Analyses for Poverty Reduction and Growth Trust Eligible Countries, as at May 15, 2011.

Action and to integrate it into their work programmes, as appropriate and in accordance with their respective mandates.” These organizations are also “invited to participate fully in reviews of the Programme of Action at the national, subregional, regional and global levels” (para. 153).

45. Building on the outcome of the Conference, UNCTAD will continue to closely examine the most important trade and development challenges facing LDCs, with the objective of identifying alternative development policies and strategies as well as building consensus on the nature, scope and extent of international support measures in favour of these countries. The overall work of UNCTAD will focus, in particular, on exploring ways and means of building productive capacities in LDCs, including providing a conceptual and operational framework in this area, addressing international trade and commodity issues, as well as helping LDCs attract and benefit from investment, including foreign direct investment. Agriculture, food security, technology and innovation, as well as climate change and the vulnerability of LDCs, will figure prominently in the work of UNCTAD during the decade. The technical cooperation and capacity-building activities of UNCTAD will also continue to assist LDCs in building institutional and human-resource capacities, in areas within the mandates and competence of UNCTAD.

46. To reach the overarching goals of eradicating poverty, achieving internationally agreed development goals and enabling graduation from the LDC category, it is clear that there needs to be a paradigm shift in the approach to development in LDCs. Hence, UNCTAD will continue unabated in its efforts to work towards such a paradigm shift – the development-centred globalization theme at UNCTAD XIII and the call for a New International Development Architecture for LDCs being two recent cases in point. It is equally essential that UNCTAD supports LDCs in the integration of the IPoA in their national development strategies, plans and programmes, and in ensuring a successful implementation of the actions specified in the document. Indeed, as recognized in the IPoA, one of the key lessons from reviews of the BPoA is the indispensability of greater ownership and leadership by LDCs, including in terms of integration and implementation of the programme of action.

47. At a more detailed level, the IPoA has implications for UNCTAD in the following thematic areas:

Productive capacities

48. UNCTAD has been stressing the importance of productive capacities repeatedly over the years, including the significance of science, technology and innovation. In fact, the organization co-hosted two special events on productive capacities at LDC-IV – one on the development of productive capacities and trade, and the other on harnessing ICTs for development, as well as several other events related to the issue. The significance of productive capacities for LDCs’ development was recognized in the BPoA (in commitment 4), but the IPoA finds that their role needs to be strengthened compared with the previous decade.

49. UNCTAD’s research and policy analysis work, as well as its operational activities, should contribute to efforts to build productive capacities in LDCs. Such efforts should be viewed as an integrated approach that combines an improved physical and institutional infrastructure, and builds technological and innovation capabilities, with a focus on productive sectors of strategic interest to these countries, improved human assets, and building resilience to end structural vulnerabilities. These efforts should lead to achieving accelerated, broad-based, sustained and inclusive economic growth, which will, in turn, lead to attaining the objective of enabling as many countries as possible to meet the graduation criteria by the end of 2020.

50. In this respect, UNCTAD has an important role to play in continuing its support for LDCs to mainstream the productive-capacity development agenda into national development policies and strategies.¹³ Moreover, subsequent work by UNCTAD in these areas should

¹³ See the 2011 publication entitled *Building Productive Capacities: UNCTAD Support for LDCs* for a recent overview of UNCTAD’s activities in this area.

provide (in addition to a conceptual framework) an operational framework, including clearly defined ways, means and modalities for building productive capacities in LDCs.

51. In addition, UNCTAD should collaborate with the relevant Turkish authorities to provide a conceptual framework for the deliverable, announced by Turkey, to establish an “International Science, Technology and Innovation Centre dedicated to LDCs which will also serve as a ‘technology bank’ to help LDCs access and utilize critical technologies”.

Natural resources

52. Commodities continue to play an integral part in the development of many LDCs, which has been borne out during the boom-and-bust cycle over the past decade, including during the food and fuel crises. The experiences of the past decade have, at a general level, also seen the issues of commodities and food security become more prominent on the international agenda. Likewise, the role of agriculture in development has received greater attention in recent years.

53. The importance of commodities has been reflected in UNCTAD’s work – for example on the Global Commodities Forum, on several publications, and at the special event on commodity dependence and the impact of the multiple global crises on LDCs that was co-hosted by UNCTAD at LDC-IV. In addition to continuing research on commodities and the role of agriculture in structural transformation and development, UNCTAD can assist LDCs in further work on identifying implementation strategies that can enable LDCs to (a) reduce commodity dependence through diversification, value-addition and value-retention; (b) maximize benefits from the commodity sector; (c) cope with commodity price volatility; and (d) link the commodity sector to their national development strategies.

Trade and external financial resources

54. Although trade flows and external financial resource flows increased in LDCs during the previous decade, they did not result in any significant structural transformation of LDCs’ economies. Thus, the challenge facing LDCs is not only how to expand these flows further, but also how to increase diversification and enhance productive capacities to address supply-side constraints. Considerable work in this area has been undertaken by UNCTAD over the years, which was reflected by several events at LDC-IV that were co-organized by UNCTAD. In addition to the special event on trade and productive capacities that has already been mentioned, UNCTAD co-hosted two investment-related events, and one special event on promoting tourism for sustainable development and poverty reduction.

55. In this regard, UNCTAD needs to provide further innovative assistance to LDCs on the integration into LDCs’ national development strategies of policies related to trade, ODA, investment and remittances. Specific issues requiring involvement by UNCTAD include ensuring that the initiatives to support investment in LDCs are set up and strengthened (para. 122.3(a)). The approach needs to be innovative and holistic, and needs to include research and policy analysis on the complementary roles of North–South, South–South and triangular cooperation. In this context, it is worth noting that the topic of 2011’s *Least Developed Countries Report* is South–South cooperation.

Multiple global crises

56. The global crises of the previous decade, including the fuel, food, financial and economic crises, as well as natural disasters, have accentuated the vulnerability of LDCs to external shocks. Clearly, there are strong interlinkages between economic shocks on the one hand, and commodity dependence, lack of diversification and structural change on the other. UNCTAD’s work in these areas has already been discussed. The impact on development from climate change has also been a feature of UNCTAD’s work over the years. For instance, UNCTAD co-hosted a special event on the relevance of a “green economy” in the context of the LDCs at LDC-IV. Nevertheless, further efforts could be made in identifying ways in which LDCs can address challenges related to climate change in order to achieve sustained, equitable and inclusive economic growth.

Graduation and smooth transition

57. Not only does the IPoA consider the graduation of countries from the LDC category, and their smooth transition, as key objectives, but it also views them as operational issues. The smooth transition of countries graduating from LDC status is vital in order to ensure that these countries are eased onto a sustainable development path without any disruption to their development plans and programmes. Interestingly, the “Intellectuals’ Forum”, which was held in parallel with the Conference, also discussed the criteria for inclusion into the category of LDCs. The present decade of implementation of the IPoA could, therefore, well be dominated by the issue of inclusion into the LDC category, in addition to the smooth transition of countries graduating from it.

58. Going forward, UNCTAD should continue to actively contribute to the work of the Economic and Social Council, including through active participation in a working group to be established by the General Assembly to further study and strengthen the smooth transition process.

Implementation, follow-up and monitoring

59. The monitoring and evaluation of the implementation of the IPoA is part and parcel of putting the document into action. In this regard, it is noteworthy that Turkey has offered to host the mid-term review, with \$5 million earmarked for monitoring the implementation of the IPoA. Among the concrete contributions to implementation, follow-up and monitoring, the IPoA includes a request to the United Nations Secretary-General to prepare a report that takes into account the work carried out by the United Nations system and which is to be submitted to the General Assembly at its sixty-seventh session (para. 155). It is important that UNCTAD contribute to this report.

IV. Concluding remarks

60. LDC-IV took place against the backdrop of a challenging global socio-economic environment. The outcome document, in the form of the Istanbul Programme of Action, sends an important signal to the international community of the challenges that continue to face the 880 million people living in the 48 least developed countries. It indicates what actions are required for LDCs to achieve sustained, equitable and inclusive economic growth that will enable them to meet the criteria for graduation.

61. In the final analysis, the ultimate impact of the IPoA hinges on how, and to what extent, it is implemented. In order to ensure successful implementation, resources are vital. Beyond resources for realization of the actions, it is important to improve the statistical capacity of LDCs and to enhance data collection for monitoring and evaluation of the IPoA and the internationally agreed development goals. Clearly, it is essential that the different stakeholders – LDCs and their development partners – assume their responsibilities and pursue the actions contained in the IPoA. Only through proper implementation by the stakeholders will it be possible to determine whether the IPoA has been successful in heeding the overall assessment of the review of the BPoA: “that a more strategic, comprehensive and sustained approach based on ambitious, focused and realistic commitments is required to bring about structural transformation in least developed countries that fosters accelerated, sustained, inclusive and equitable economic growth and sustainable development and helps least developed countries meet long-standing as well as emerging challenges.” (para. 5)

62. Effective implementation of the Istanbul Programme of Action will be carried out within the existing budget of the United Nations. Consequently, the agreed work programme will not entail additional resources from regular budgetary sources. This seems inadequate in view of the ambitious objective of enabling half the LDCs to meet the graduation criteria by 2020. There is, therefore, a need for additional resources, including from extrabudgetary sources, to enhance the substantive impact of the work of UNCTAD on LDCs. Accordingly, donors are called on to increase their contribution to the UNCTAD-LDC Trust Fund.

