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Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020: highlights for parliaments

Introduction

The Istanbul Programme of Action (IPoA) was adopted by the fourth UN Conference on the Least Developed Countries (LDCs)[1] in 2011. It aimed to halve the number of LDCs by facilitating sustainable, equitable development. This would be achieved through building LDCs' human and productive capacities and addressing the structural challenges they face.

In the decade since the IPoA, LDCs as a group have advanced and developed further, although progress has neither been rapid nor constant (annex 2). This is due to a number of complex challenges such as a lack of human, financial and technical resources, weak economic and environmental resilience, poor governance, and political instability and insecurity. In addition, factors such as geography, socio-historical context and regional political tensions mean that there are huge disparities in the progress countries have achieved within the category (annex 3).

In the most recent triennial review of LDCs (February 2021),[2] based on Gross National Income, the Human Assets Index, and the Economic and Environmental Vulnerability Index (EVI), six LDCs met the graduation threshold on all three review criteria, and five new countries were recommended for graduation.[3] By contrast, about 50 per cent of LDCs did not meet the threshold for graduation on any criteria (figure 1), and there were differences in achievement levels across the three criteria. While almost 40 per cent of LDCs met the threshold for graduation on the Gross National Income criterion, only 26 per cent did so in terms of EVI (figure 2).

[1] Countries facing extraordinary social, economic and environmental impediments to development (see annex 1 for current list).
[2] Every three years, the Committee for Development Policy (CDP), a subsidiary body of the UN Economic and Social Council (ECOSOC), reviews the list of LDCs to identify countries to be recommended for graduation from the category.
[3] The five countries are: Bangladesh, Kiribati, Lao People's Democratic Republic, Nepal and Tuvalu. Bhutan was already set to graduate in 2023, while Angola, Sao Tome and Principe, and the Solomon Islands are scheduled for 2024.

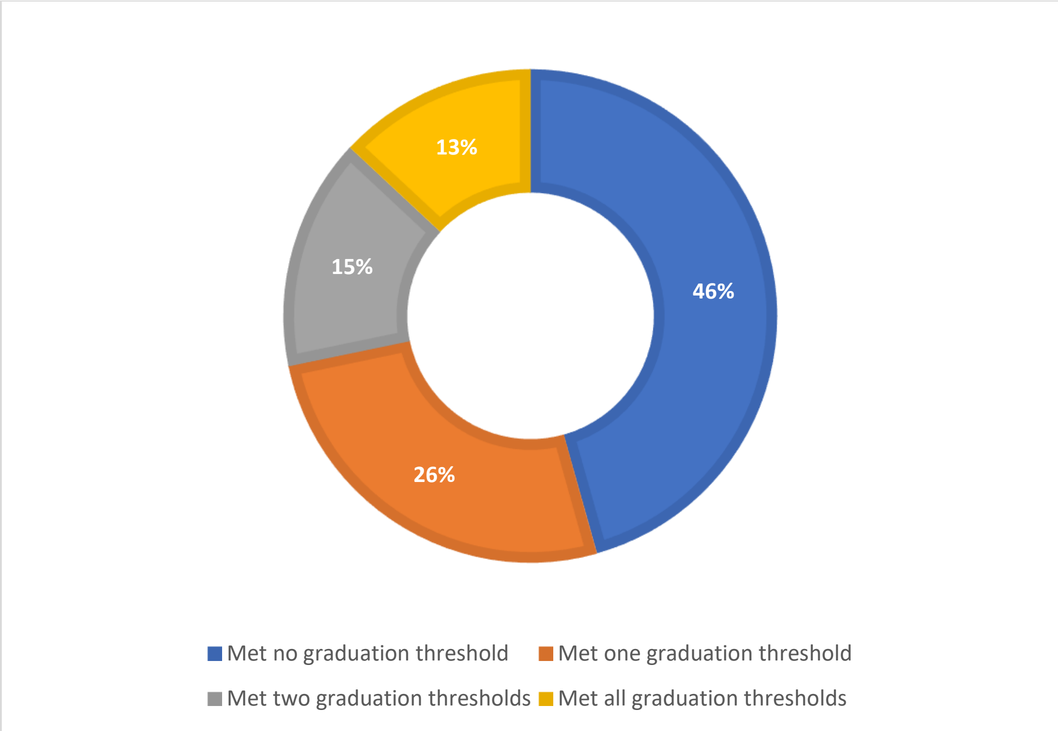

Figure 1: Proportion of LDCs that met the graduation thresholds across the review criteria (1)

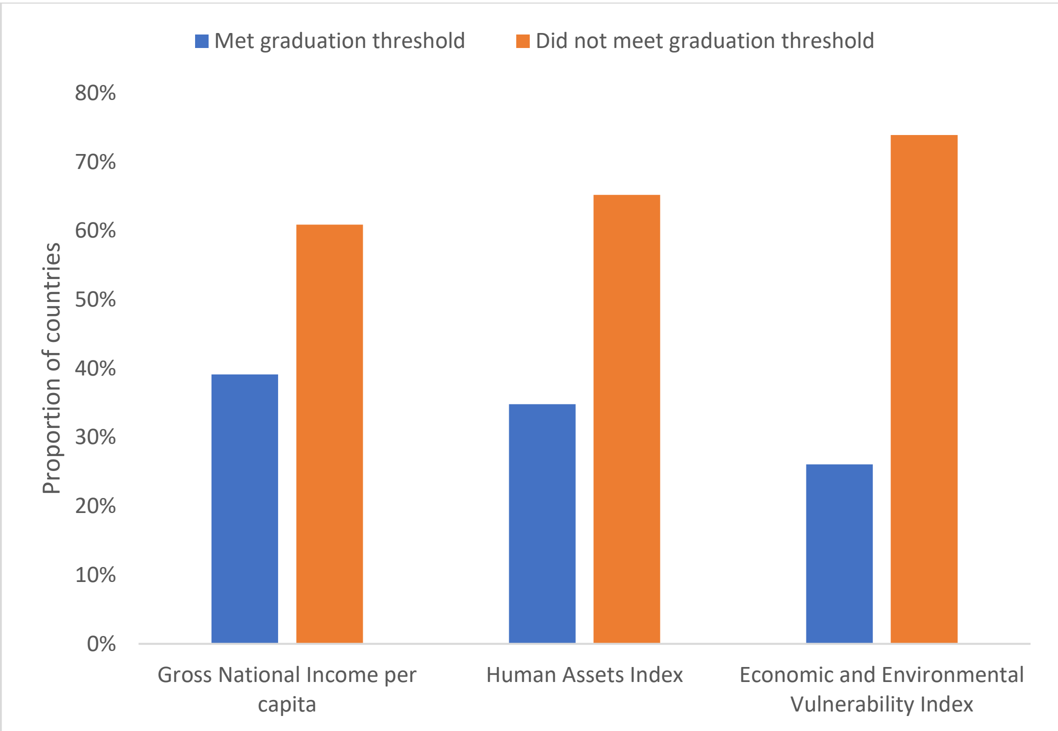

Figure 2: Proportion of LDCs meeting the threshold for graduation on each criterion (1)

To advance development in LDCs, the IPoA identified eight priority areas for action by LDCs and their development partners, and set a list of goals and targets to be met in each area. This report briefly assesses the progress made towards achieving the goals in the three IPoA priority areas that coincide most closely with the IPU's own topics of interest: human and social development, specifically gender equality and women's empowerment; development finance; and good governance at all levels. The report draws principally from a reading of the national review reports[4] that LDC governments have been invited to submit to the United Nations in the lead up to the fifth UN Conference on the Least Developed Countries (LDC5). In addition, the report relies on data from the World Bank, the official triennial review of LDCs, the Human Development Reports 1990–2021, and the UN SDG Indicators Database (1–6).

Assessment of progress and challenges in implementing the IPoA

Human and social development through gender equality

Having recognized that women are key enablers of human and social development, the IPoA set clear targets to improve gender equality and women's empowerment with the aim of ensuring that women enjoy the same rights and opportunities as men.

Promoting gender equality and women's empowerment in Senegal

*As part of efforts to empower women and improve their contribution to decision-making, **Senegal** adopted a law on parity in 2010 which has contributed to the country achieving a record high of 44.24 per cent of women MPs at the 2022 parliamentary elections.*

A close reading of national review reports submitted to the United Nations shows that LDCs adopted and implemented a number of strategies to increase women's and girls' access to education, health, and other services, improve their participation in the labour market, reduce gender-based violence, and improve their access to justice. These strategies focused on developing and strengthening gender-friendly policies and legislation, such as the adoption of affirmative action policies. They also led to the development and strengthening of institutional mechanisms for enforcing enabling legislation and implementing policies and programmes. Other strategies that were endorsed include: building women's capacity to encourage them to run for political office and participate in decision-making processes; adopting women's economic empowerment measures; implementing social protection programmes that target women; carrying out gender-specific research; gender-disaggregating research data; and adopting and implementing gender-responsive budgeting.

All this has led to steady improvements in women's and girls' human development (annex 4). In some cases, such as with women's participation in the labour force, LDCs are performing better than the global average (annex 4). In general, however, women in LDCs face more gender-based discrimination compared to the rest of the world (figure 3).

[4] Twenty-eight countries have submitted National Review Reports in the lead up to LDC5: Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Comoros, Democratic Republic of the Congo, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Nepal, Senegal, Sierra Leone, South Sudan, Sudan, Tanzania (United Republic of), Tuvalu, Uganda, and Zambia.

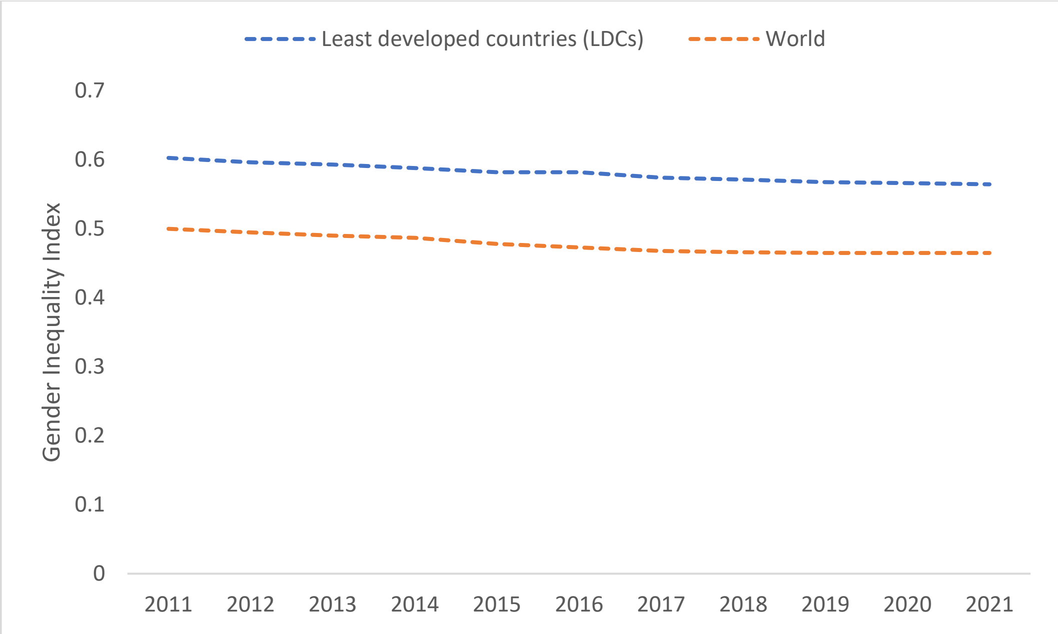

Figure 3: Global and LDC averages of Gender Inequality Index (2011–2021) (4)

Key sources of development finance and related issues

The national review reports submitted to the United Nations suggest that public finance provides the lion's share of total development finance, with international sources providing a significant proportion of this. To tilt the balance towards domestic public finance and reduce dependence on external resources, many LDC governments have been making efforts to improve both the collection and utilization of tax and non-tax revenues. As a result, countries adopted strategies to expand their tax base, curtail revenue leakage, modernize tax administration, and improve tax collection and utilization efficiency. The implementation of such strategies, however, produced limited results, due to challenges such as tax evasion or avoidance, weak legislative frameworks and tax loopholes, lack of effective mechanisms for enforcing existing laws, ineffective tax incentives, a large and mostly untaxed informal sector, and a lack of capacity to collect and effectively utilize domestic revenues.

The problem has been exacerbated by the impact of recurrent crises like the war in Ukraine, and the COVID-19 pandemic which are reversing the moderate gains that had been made (7 and 8). Between 2011 and 2019, the proportion of LDC budgets funded by domestic taxes increased by only two percentage points, from about 58 per cent to 60 per cent. It then fell to a decade low of 51 per cent in 2020 with the outbreak of the pandemic (figure 4).

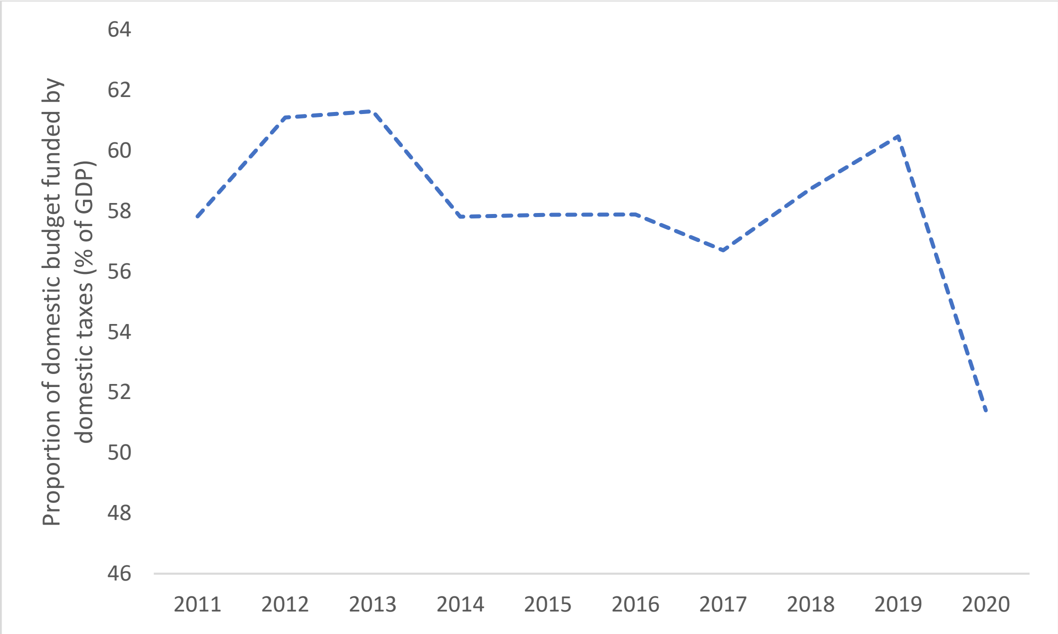

Figure 4: Proportion of domestic budget funded by domestic taxes in LDCs (% of GDP) (2011–2020) (5)

Mobilizing domestic resources in Tuvalu

*In **Tuvalu**, in 2018 the Government proposed new taxes on "sin" goods (alcohol, tobacco, and goods that are high in sugar and unsaturated fats). Starting in 2021, the taxes were implemented as a means of increasing the country's domestic revenues while also reducing the health-related costs of consuming such goods.*

Non-tax revenues (such as user fees, royalties, etc.) make up a small but significant proportion of income for LDCs. The challenges here are related to a lack of innovative revenue instruments, weak institutions, the absence of appropriate infrastructure, ineffective relations between central and subnational governments, and limited capacity to design and implement the required revenue collection instruments.

Mobilizing ODA in Zambia and Guinea

*In addition to engaging its traditional partners, the Government of **Zambia** succeeded in securing US$ 84.5 million in grants and concessional loans from the Green Climate Fund for the implementation of two climate change projects in the agriculture and energy sectors.*

*In **Guinea**, the Government was able to satisfy the debt relief criteria set out under the Heavily Indebted Poor Countries Initiative in 2012, enabling the country to receive a two-thirds reduction of its external debt, and expanding access to new sources of financing.*

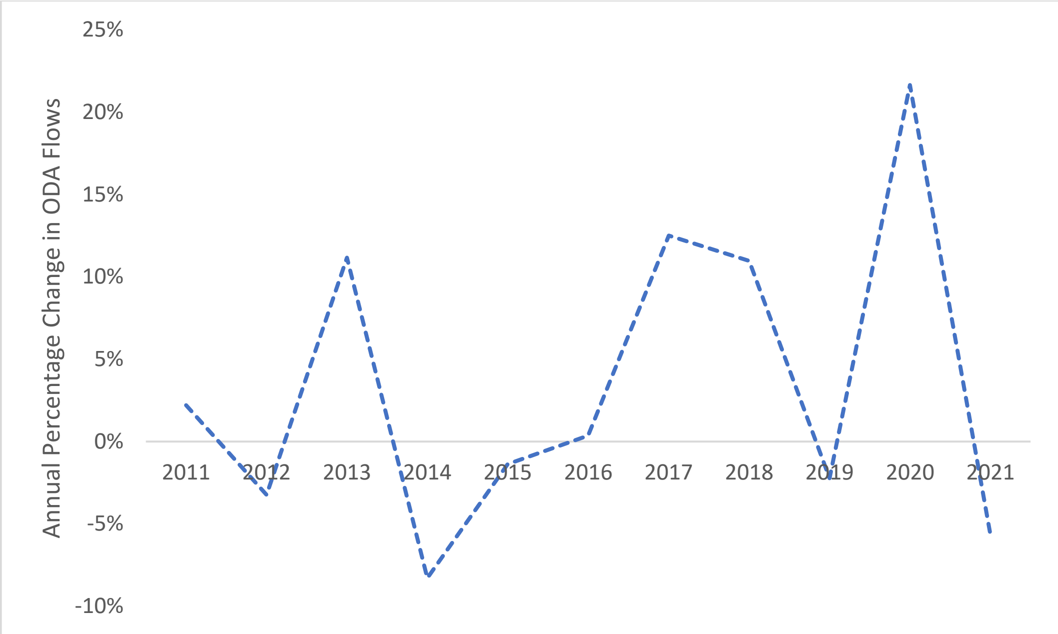

Figure 5: Annual Percentage Change in Total Bilateral Aid To All Sectors From Official Donors, Current Prices (US$ millions), (2011–2021) (9)

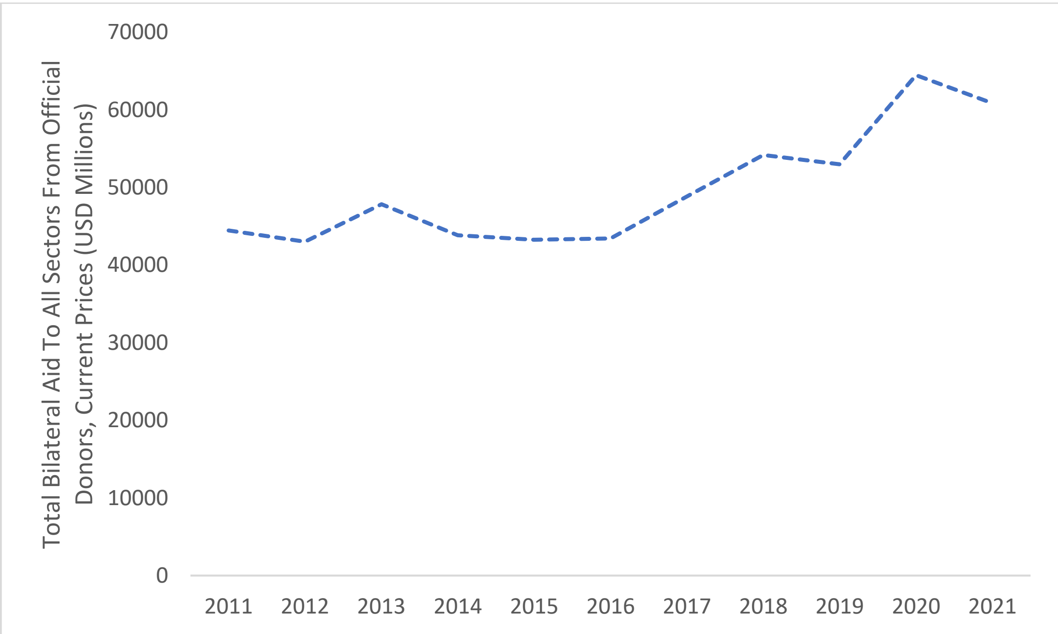

Figure 6: Total Bilateral Aid To All Sectors From Official Donors, Current Prices (US$ millions), (2011–2021) (9)

A significant resource and historically important source of income for LDCs is Official Development Assistance (ODA). However, in spite of the rise in the number and types of donors, ODA is unpredictable (figure 5). In addition to this, ODA flows have not increased significantly in real terms, in the last decade, the exception being 2020 and the period around the onset of the COVID-19 pandemic (figure 6). In response, many LDCs have been seeking new donors and funding sources, while continuing to engage with their existing partners.

Other challenges to the mobilization and effective use of ODA include aid fragmentation, which often creates high transaction costs and reduces efficiency; the earmarking of funds by donors, which reduces governments' abilities to allocate funds across their priority sectors; the non-receipt of pledged support; and the unpredictability of ODA commitments. The kind of

ODA provided to LDCs has also changed. As more LDCs achieve middle income status, ODA is increasingly provided as loans. This has contributed to debt accumulation in some countries.

Between 2011 and 2021, in spite of global and national efforts to ensure debt sustainability, the debt stock held by LDCs as a group grew significantly[5] (figure 7). However, similarly to other indicators, a closer look at the data reveals differences between countries within the category. Bangladesh, Bhutan, Guinea and Nepal were able to manage a reduction in their debt servicing as a proportion of goods and services exports. However, Angola, Ethiopia and Mauritania all experienced an increase of over 10 per cent (annex 5).

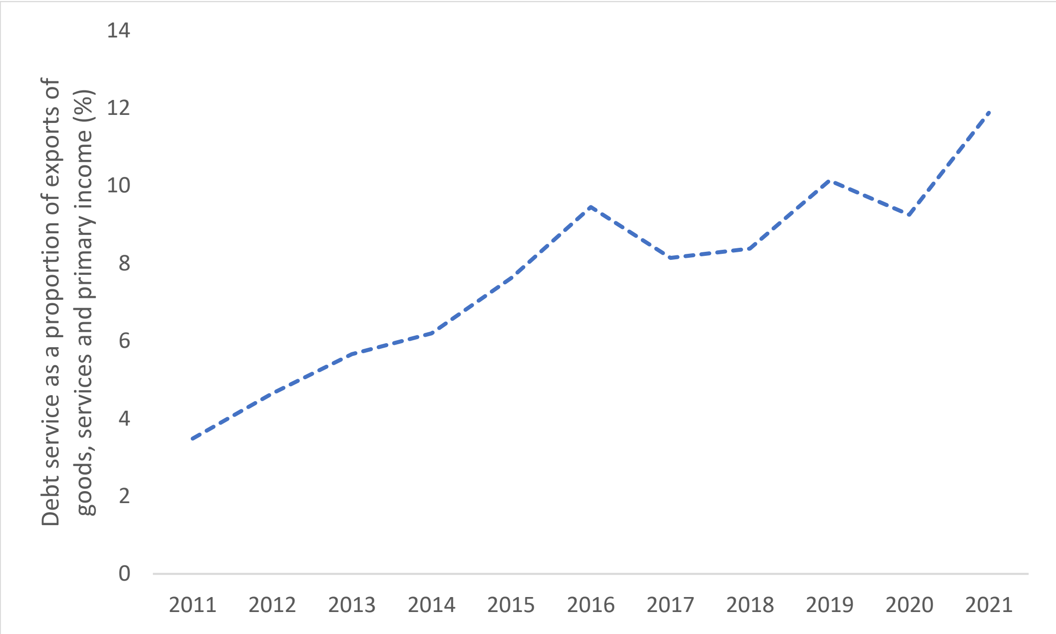

Figure 7: Debt service as a proportion of exports of goods, services and primary income (%) (2011–2021) (3)

Mobilizing FDI and remittances in Bangladesh and Liberia

*In **Bangladesh**, to attract foreign investments, the Government has conducted road shows, summits and other promotional activities to support sectors prioritized in its Industrial Policy 2016, resulting in a 68 per cent FDI increase between 2017 and 2018.*

*In **Liberia**, the Central Bank instituted a rule requiring 25 per cent of remittances to be converted to Liberian dollars as a way of increasing foreign exchange liquidity.*

Other non-ODA sources of income for LDCs are Foreign Direct Investments (FDI) and remittances. Remittances from migrants constitute a small but significant proportion of GDP that many LDC governments seek to incentivize by reducing the cost of sending money from abroad. This has yielded some success; the volume of remittances as a proportion of GDP has increased steadily over the last decade. Some countries have been more successful than others (figure 8). For instance, while the Gambia and Haiti each had an over 10 per cent increase in their volume of remittances, Liberia and Tuvalu were at the other end of the scale with an equivalent decrease in their volume of remittances (annex 6).

FDI flows to LDCs have remained low, especially when compared with the global average. To rectify this, LDCs have been making efforts to attract and retain investors, including by offering incentives to potential investors, signing investment promotion and protection agreements,

[5] Between 2011 and 2021, debt servicing as a proportion of goods and services in LDCs more than tripled from 3.5% to 11.9% (3).

easing administrative rules, and reducing the cost of doing business. This has yielded uneven results. Across LDCs as a group, FDI inflows almost doubled between 2011 and 2015, rising from US$ 20 billion to US$ 38 billion. However, there was a sharp decline in the second half of the decade (figure 9). In addition, there are variations among LDCs. For example, differences in risk perception mean that, while countries such as Bangladesh, Cambodia, and Ethiopia managed to significantly increase their FDI inflows between 2011 and 2020, others such as Mozambique and Sudan experienced significant decreases (annex 7).

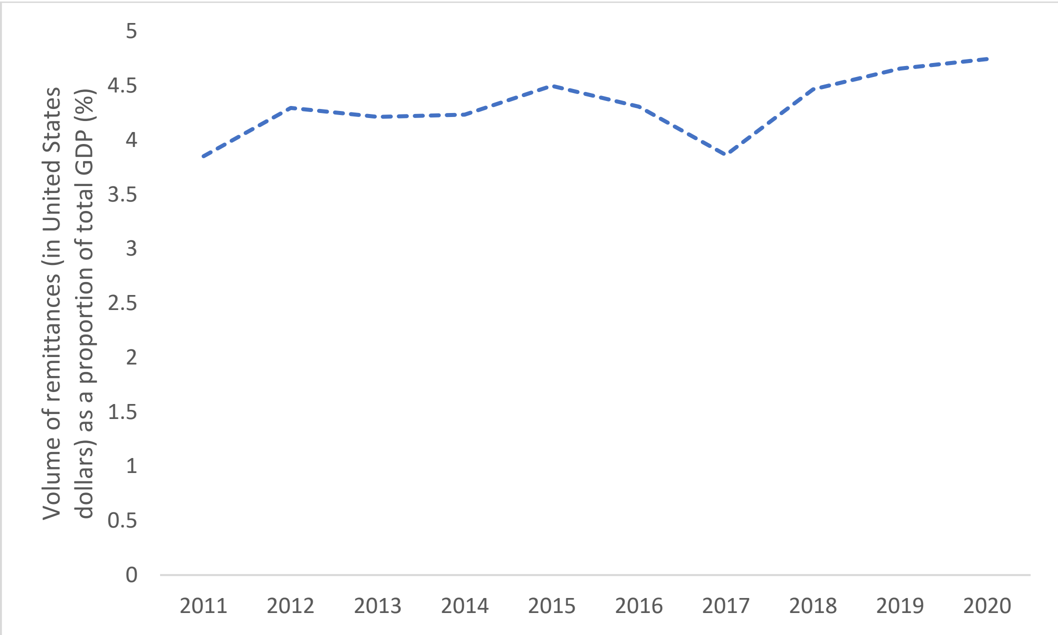

Figure 8: Volume of remittances as a proportion of total GDP in LDCs (%) (2011–2020) (5)

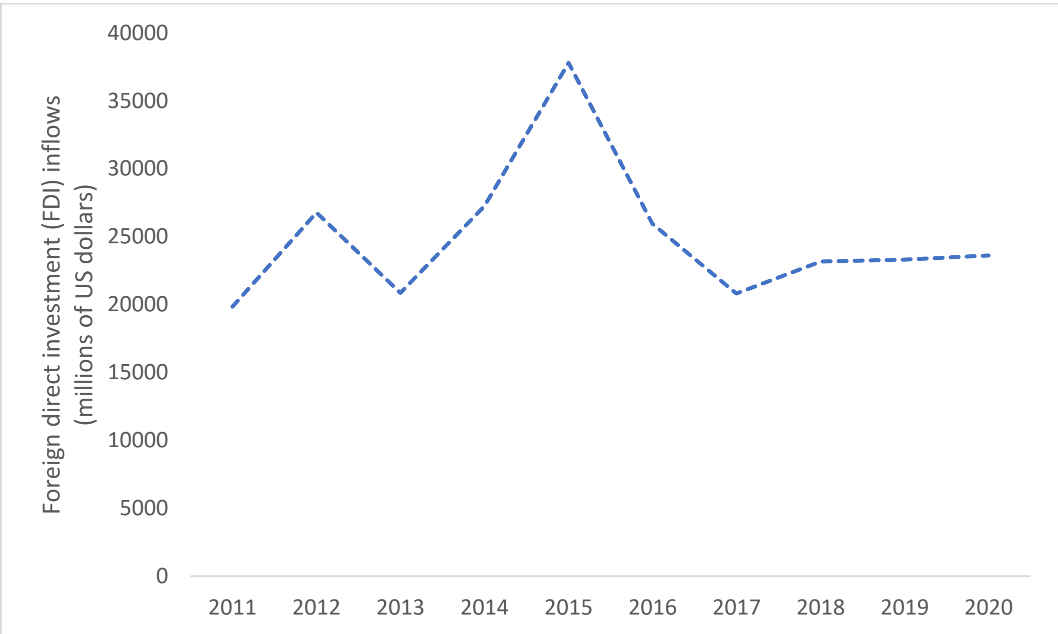

Figure 9: Foreign direct investment inflows to LDCs (millions of US dollars) (2011–2020) (5)

Governance as a key enabler of sustainable development

Good governance is critical to achieving sustainable development in the LDCs and is another key priority area of the IPU. To strengthen governance at all levels, many LDCs have focused on adopting and implementing strategies to reduce corruption, strengthen institutional capacities, improve service delivery and enhance accountability in the public sector. They have also put in place the underlying policy and legal frameworks to support these strategies.

Good governance at all levels

*In **Burkina Faso**, as part of efforts to improve access to justice, new courts were built, and additional legal aid provided for vulnerable groups.*

*In **South Sudan**, women's participation in peace negotiations led to the inclusion of affirmative action measures in the Revitalized Agreement on the Resolution of the Conflict in South Sudan.*

The results have been mixed. For instance, while the control of corruption[6] increased across LDCs, between 2011 and 2020 (figure 10), government effectiveness[7] deteriorated for a large part of the decade (figure 11). Voice and accountability[8], on the other hand, initially showed an upward trend before stagnating and starting to decline in 2017 (figure 12).

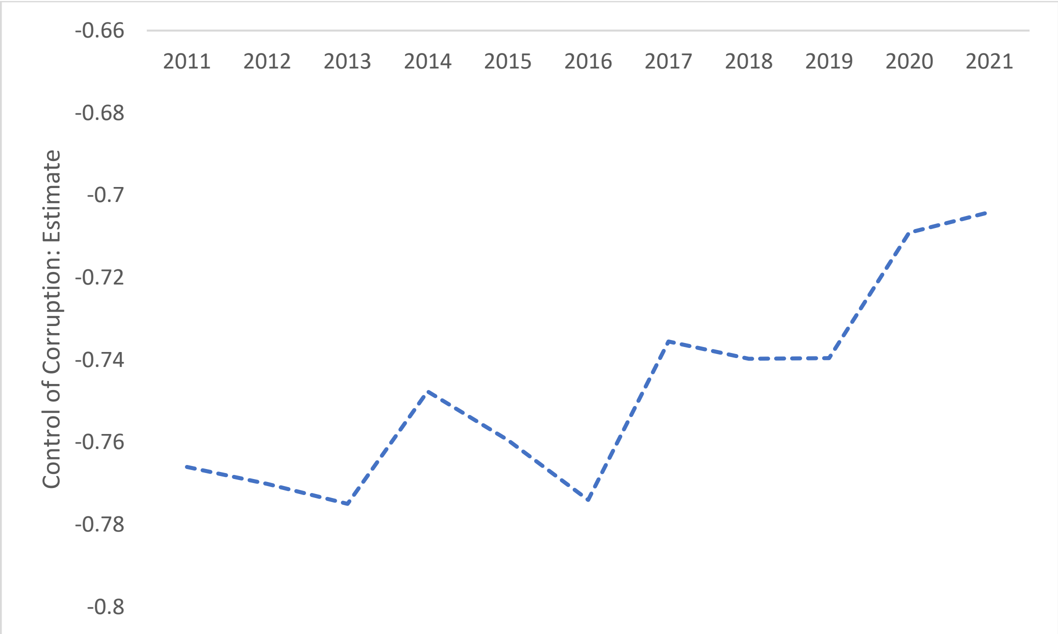

Figure 10: Control of corruption in LDCs (2011–2021) (6)

[6] Control of corruption: perception of the extent to which public power is exercised for private gain, including petty and largescale corruption, as well as "capture" of the State by elites and private interests. (7)

[7] Government effectiveness: perception of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. (7)

[8] Voice and accountability: perception of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and a free media. (7)

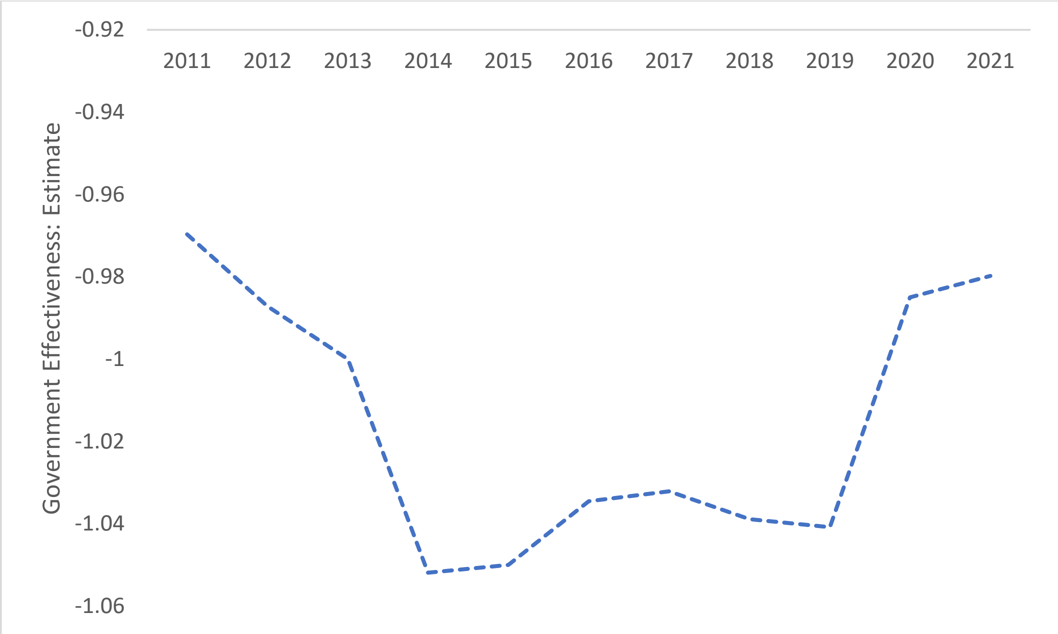

Figure 11: Government effectiveness in LDCs (2011–2021) (6)

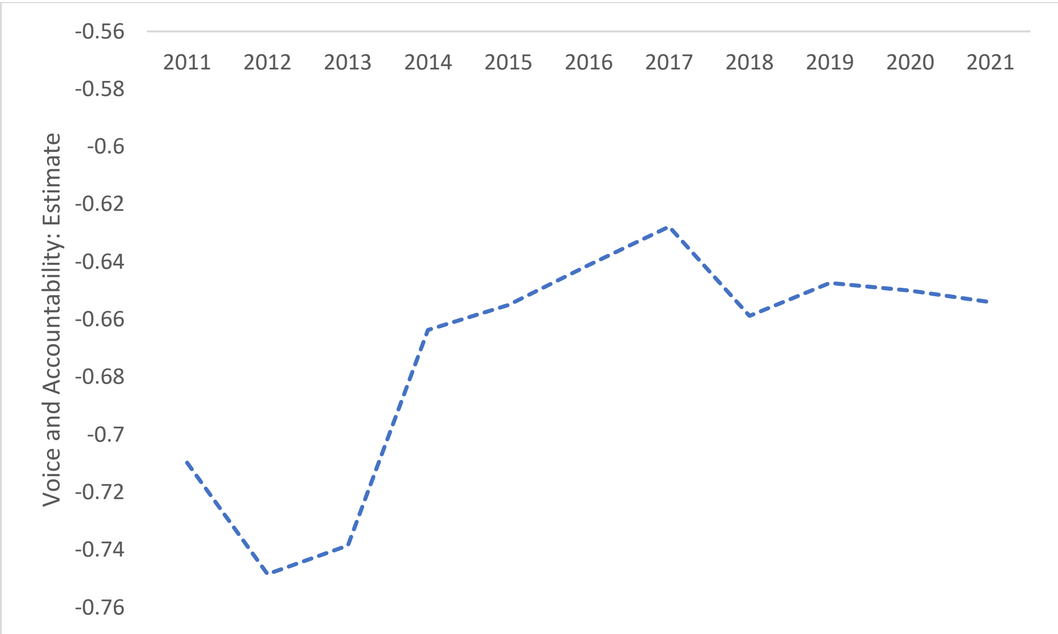

Figure 12: Voice and accountability in LDCs (2011–2021) (6)

There are also disparities among LDCs. Between 2011 and 2021 for instance, countries like Angola, Bhutan, Timor-Leste and Tuvalu all made great strides in controlling corruption, while the situation worsened significantly in Eritrea and South Sudan. Similarly, government effectiveness improved considerably in Kiribati and Togo, but deteriorated in Yemen and South Sudan (annex 8).

One reason for this mixed picture could be the lack of attention accorded to enhancing the capacity and ability of parliaments to effectively exercise their legislative, budgetary and oversight roles. Even though the IPoA acknowledged the important implementation role of parliaments and called for efforts to enhance their capacity to fulfil their constitutional mandate, there is an almost complete absence of any mention of parliaments or members of parliament in the national review reports submitted to the United Nations. This is a worrying signal that

LDC governments have yet to fully engage their parliaments in the implementation of development commitments such as the IPoA.

Another reason for poor governance performance in many LDCs is a lack of political stability, often linked to conflict and other forms of violence. Twenty-two of the 37 countries on the World Bank 2023 list of fragile and conflict-affected situations are LDCs (10); moreover, across LDCs as a group, political stability deteriorated between 2011 and 2021 (figure 13). Conflicts and fragility tend to increase corruption, weaken institutions, reduce government effectiveness, erode the rule of law, and eventually lead to a breakdown of the social contract (11–14).

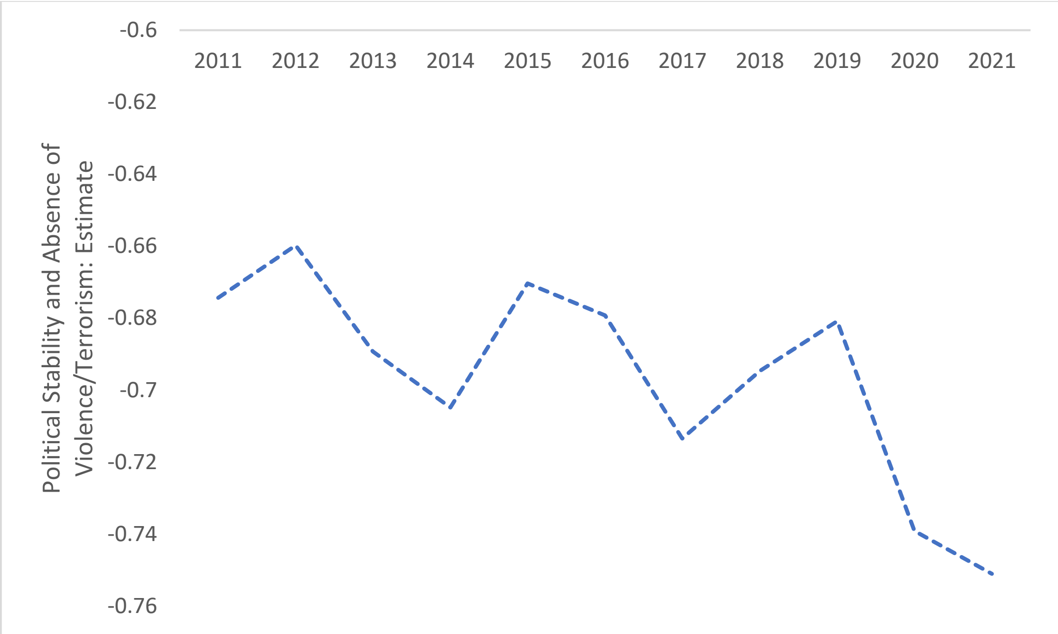

Figure 13: Political stability and absence of violence/terrorism in LDCs (2011–2021) (6)

Conclusions

The 2011 Istanbul Declaration and Programme of Action aimed to halve the number of LDCs. Over a decade later, this goal is far from being met, and crises such as the COVID-19 pandemic and the war in Ukraine have further widened the IPoA implementation gap.

With respect to the specific policy areas highlighted in this paper – gender equality, financing for development and governance – national reviews show a mixed picture of achievements and setbacks in each LDC and across the group as a whole. This reminds us of three key points.

First, development is shaped by a complex interplay of global and local factors that must be taken into account when development strategies are being created.

Second, resilience needs to be a core element of all development strategies so that LDCs can cope effectively with new and emerging challenges.

Third, given the peculiarities of each country context, any new agenda for the LDCs needs to be fully owned by all national actors, including parliaments.

Going forward, LDC parliaments will need to be more actively engaged in the implementation of the new Doha Programme of Action. Among others, this will require achieving gender parity, investing more in parliaments' legislative capacities, and expanding their oversight authority.

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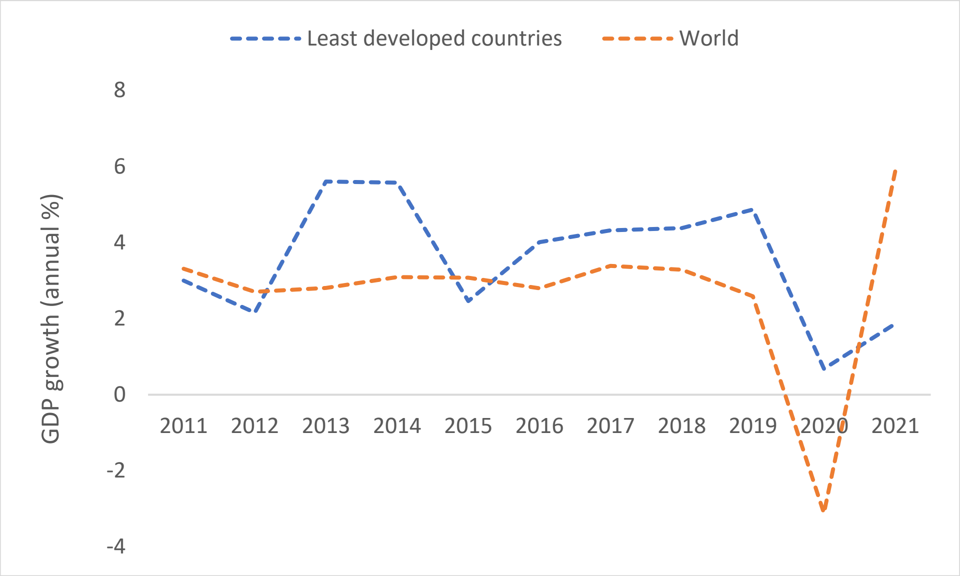
Annex 1: List of LDCs

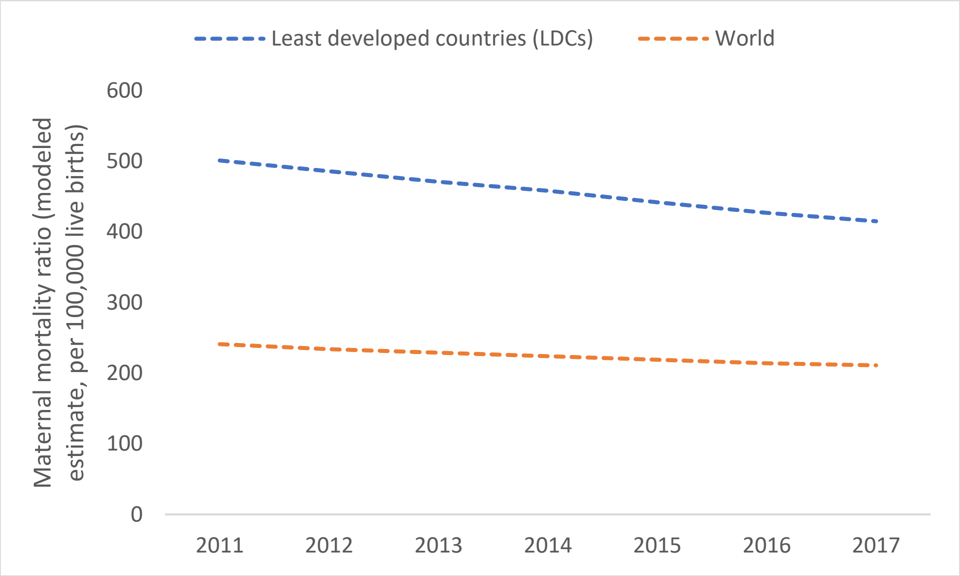
Country	Region[9]
Afghanistan	South Asia
Angola	Sub-Saharan Africa
Bangladesh	South Asia
Benin	Sub-Saharan Africa
Bhutan	South Asia
Burkina Faso	Sub-Saharan Africa
Burundi	Sub-Saharan Africa
Cambodia	East Asia and Pacific
Central African Republic	Sub-Saharan Africa
Chad	Sub-Saharan Africa
Comoros	Sub-Saharan Africa
Democratic Republic of the Congo	Sub-Saharan Africa
Djibouti	Middle East and North Africa
Eritrea	Sub-Saharan Africa
Ethiopia	Sub-Saharan Africa
Gambia	Sub-Saharan Africa
Guinea	Sub-Saharan Africa
Guinea-Bissau	Sub-Saharan Africa
Haiti	Latin America and the Caribbean
Kiribati	East Asia and Pacific
Lao People’s Democratic Republic	East Asia and Pacific
Lesotho	Sub-Saharan Africa
Liberia	Sub-Saharan Africa
Madagascar	Sub-Saharan Africa
Malawi	Sub-Saharan Africa
Mali	Sub-Saharan Africa
Mauritania	Sub-Saharan Africa
Mozambique	Sub-Saharan Africa
Myanmar	East Asia and Pacific
Nepal	South Asia
Niger	Sub-Saharan Africa
Rwanda	Sub-Saharan Africa
Sao Tome and Principe	Sub-Saharan Africa
Senegal	Sub-Saharan Africa
Sierra Leone	Sub-Saharan Africa
Solomon Islands	East Asia and Pacific
Somalia	Sub-Saharan Africa
South Sudan	Sub-Saharan Africa
Sudan	Sub-Saharan Africa
Timor-Leste	East Asia and Pacific
Togo	Sub-Saharan Africa
Tuvalu	East Asia and Pacific
Uganda	Sub-Saharan Africa
United Republic of Tanzania	Sub-Saharan Africa

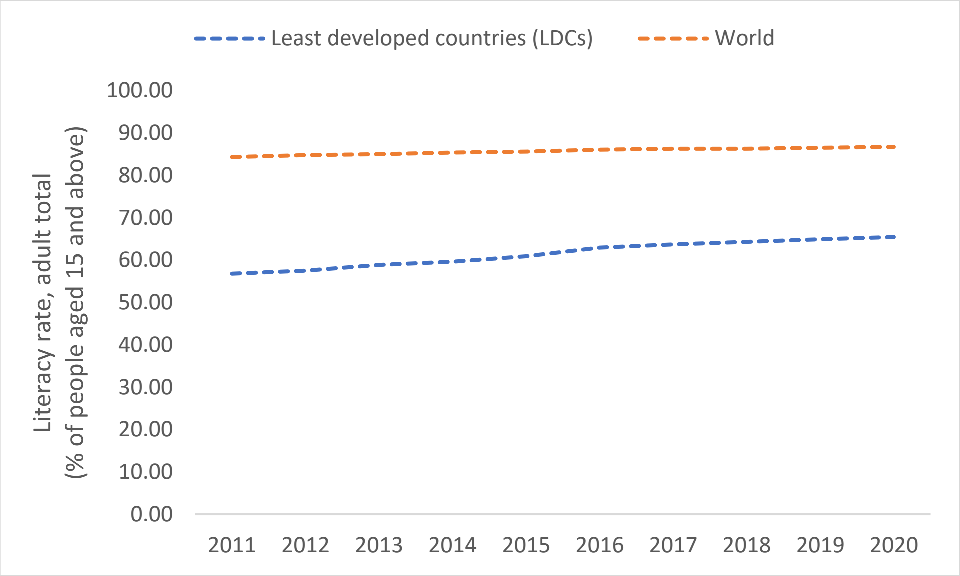
[9] World Bank regions

Yemen	Middle East and North Africa
Zambia	Sub-Saharan Africa

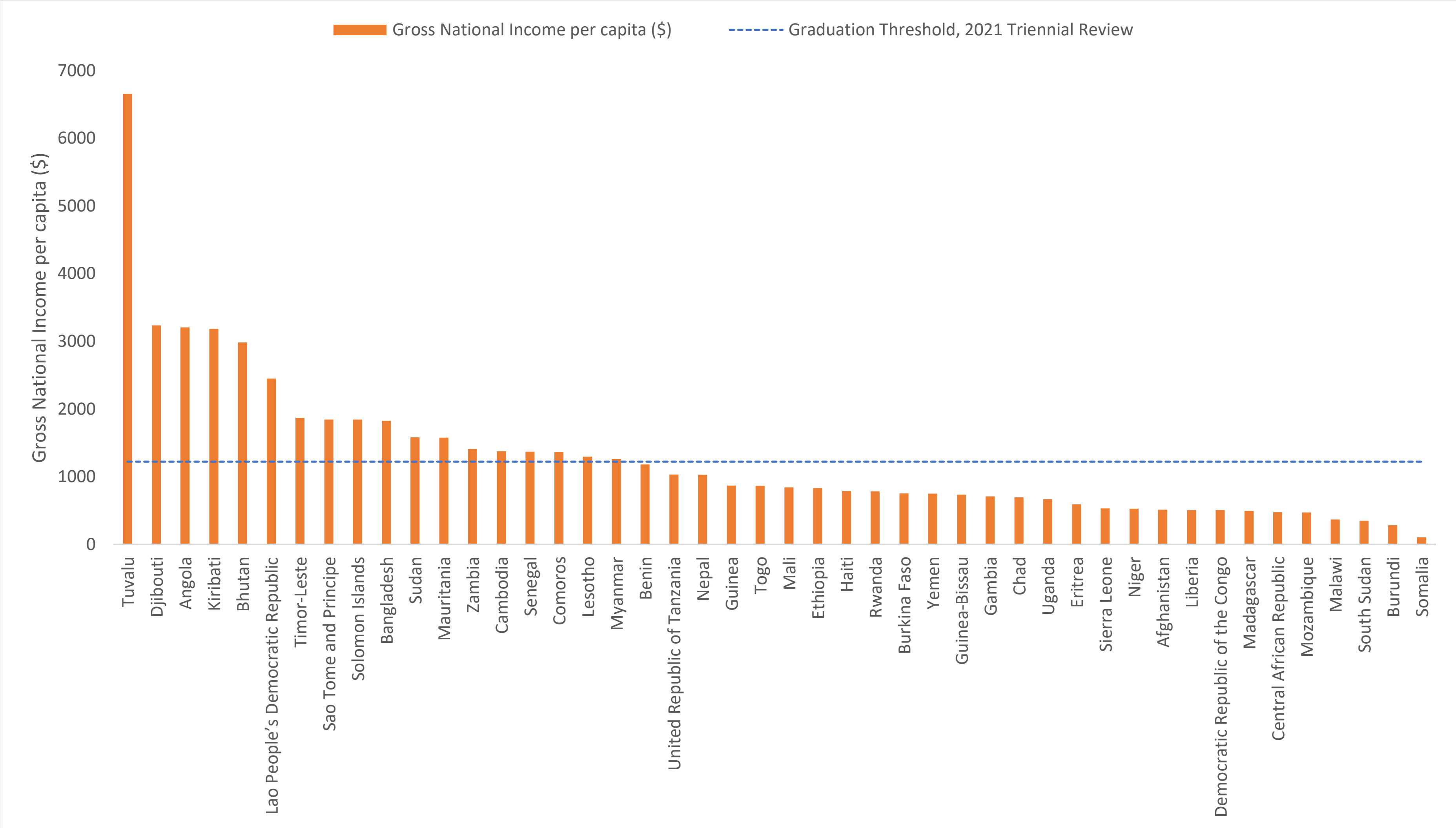
Annex 2: Selected development indicators (3)

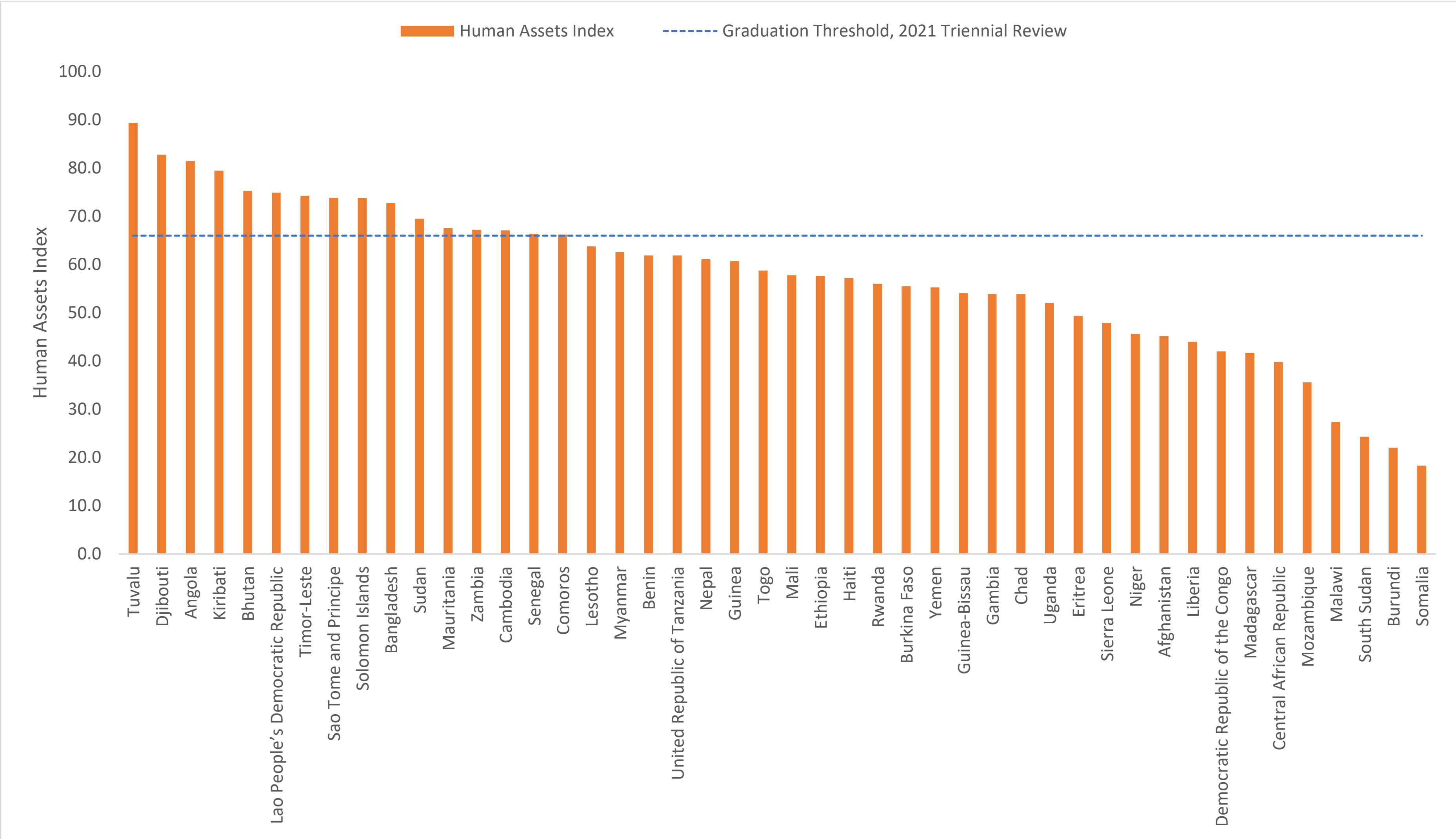


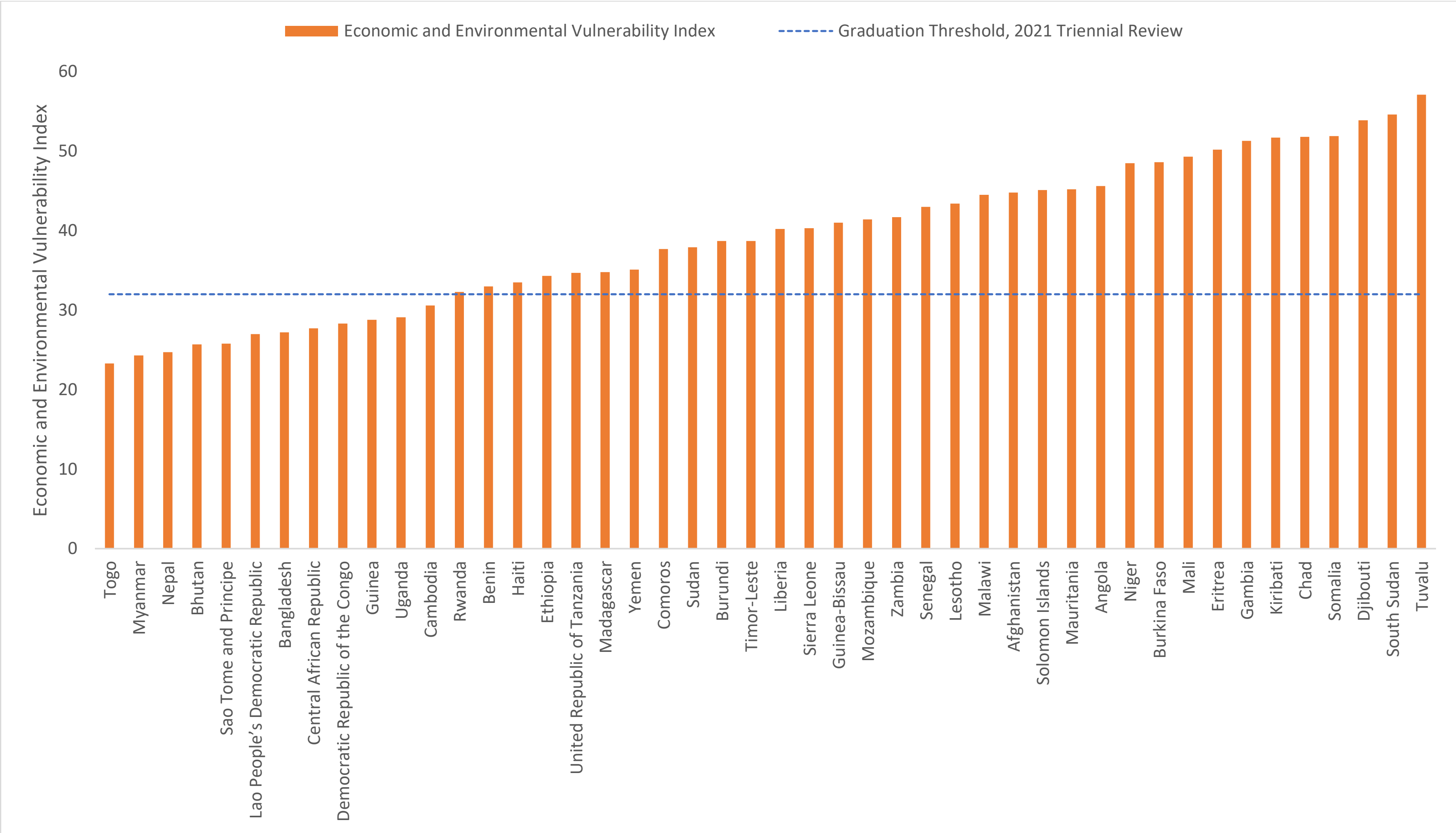




Annex 3: Results of 2021 Triennial Review of LDCs (1)

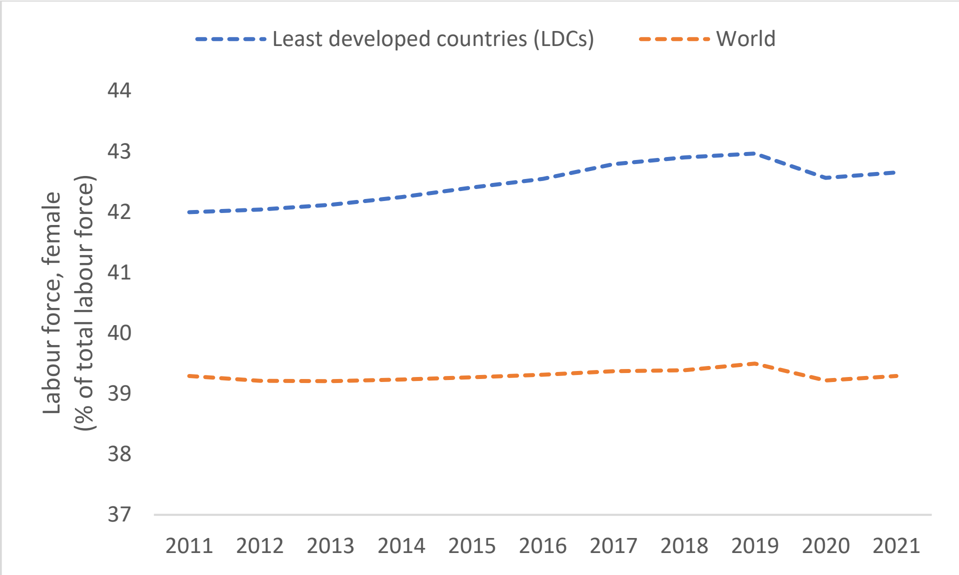


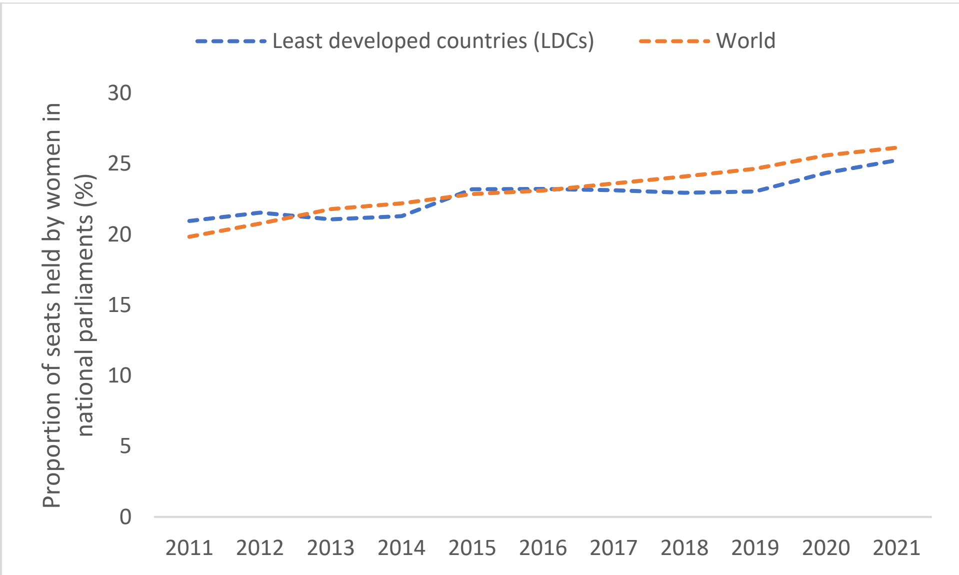

Human Assets Index
Graduation Threshold, 2021 Triennial Review
Human Assets Index
100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Tuvalu
Djibouti
Angola
Kiribati
Bhutan
Lao People's Democratic Republic
Timor-Leste
Sao Tome and Principe
Solomon Islands
Bangladesh
Sudan
Mauritania
Zambia
Cambodia
Senegal
Comoros
Lesotho
Myanmar
Benin
United Republic of Tanzania
Nepal
Guinea
Togo
Mali
Ethiopia
Haiti
Rwanda
Burkina Faso
Yemen
Guinea-Bissau
Gambia
Chad
Uganda
Eritrea
Sierra Leone
Niger
Afghanistan
Liberia
Democratic Republic of the Congo
Madagascar
Central African Republic
Mozambique
Malawi
South Sudan
Burundi
Somalia

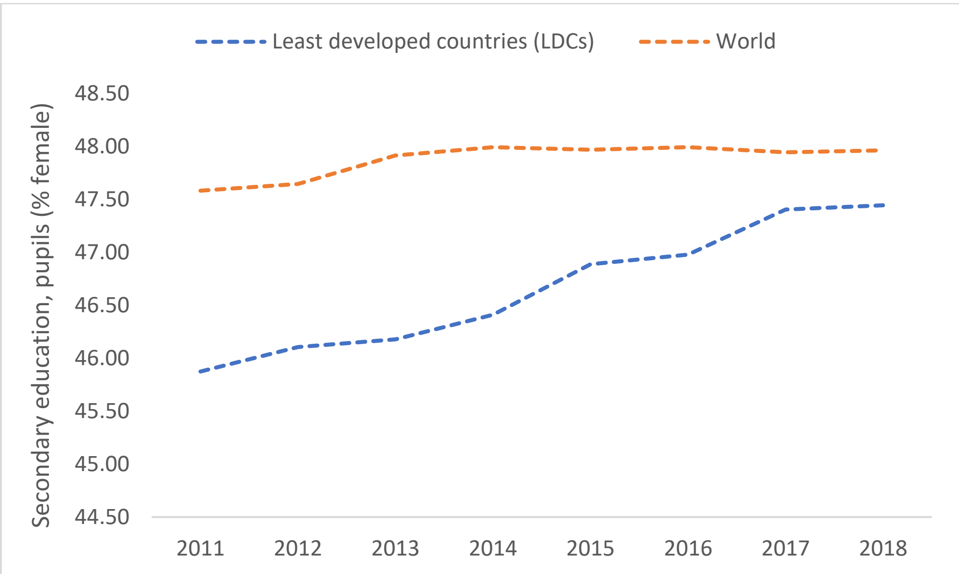


Economic and Environmental Vulnerability Index
Graduation Threshold, 2021 Triennial Review
Economic and Environmental Vulnerability Index
60
50
40
30
20
10
0
Togo
Myanmar
Nepal
Bhutan
Sao Tome and Principe
Lao People's Democratic Republic
Bangladesh
Central African Republic
Democratic Republic of the Congo
Guinea
Uganda
Cambodia
Rwanda
Benin
Haiti
Ethiopia
United Republic of Tanzania
Madagascar
Yemen
Comoros
Sudan
Burundi
Timor-Leste
Liberia
Sierra Leone
Guinea-Bissau
Mozambique
Zambia
Senegal
Lesotho
Malawi
Afghanistan
Solomon Islands
Mauritania
Angola
Niger
Burkina Faso
Mali
Eritrea
Gambia
Kiribati
Chad
Somalia
Djibouti
South Sudan
Tuvalu

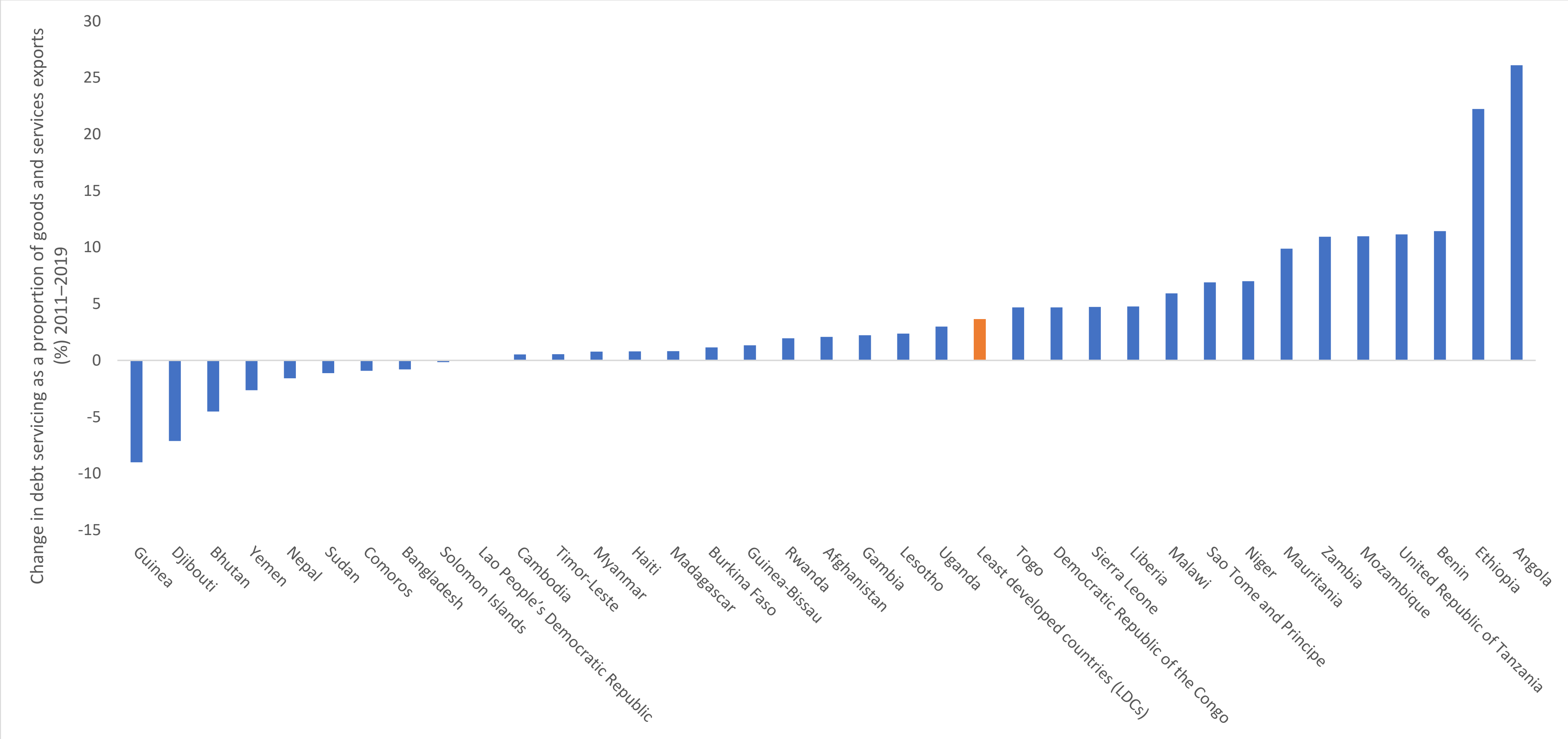
Annex 4: Trends in selected gender-equality indicators (3)





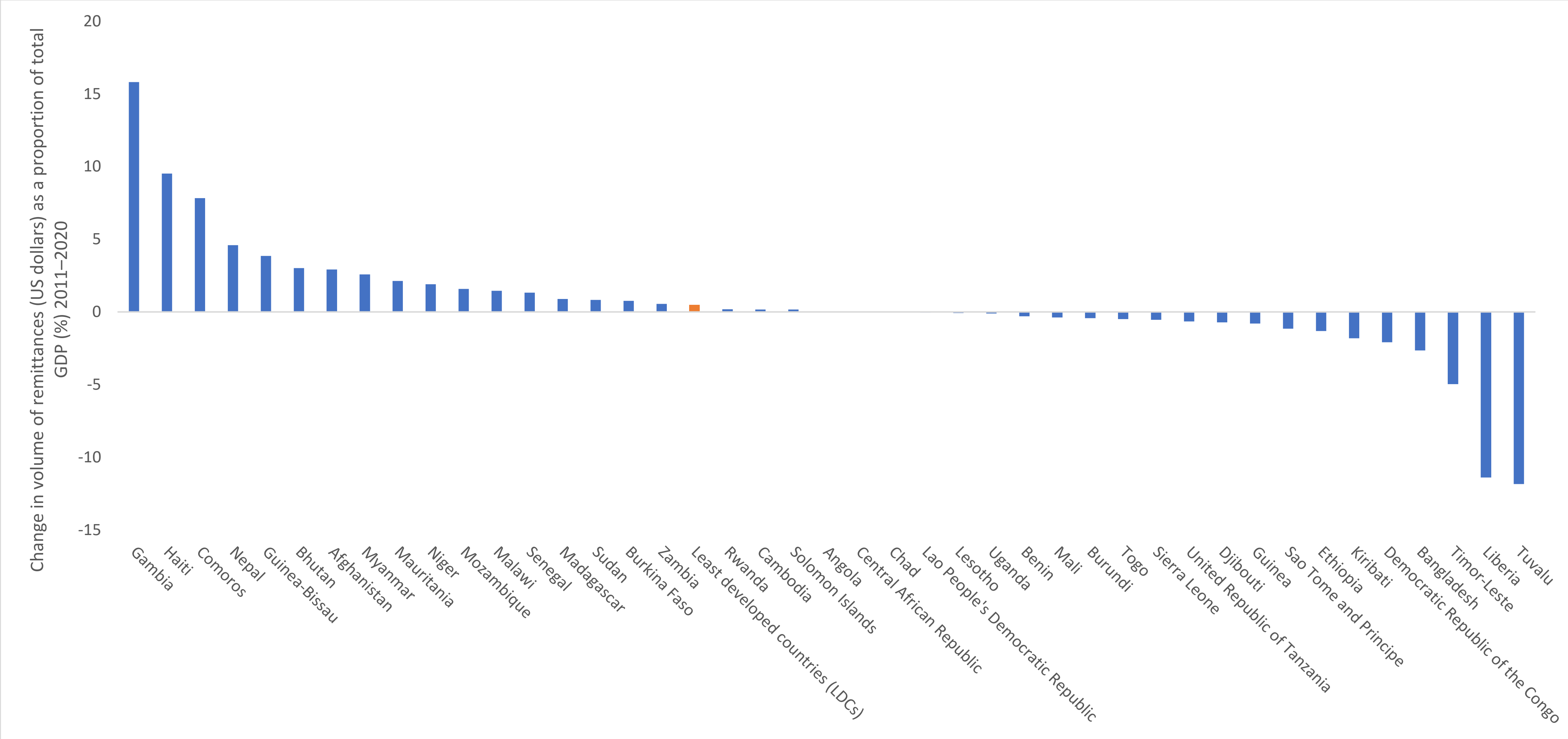


Annex 5: Change in debt servicing as a proportion of goods and services exports, 2011–2019 (5)[10]



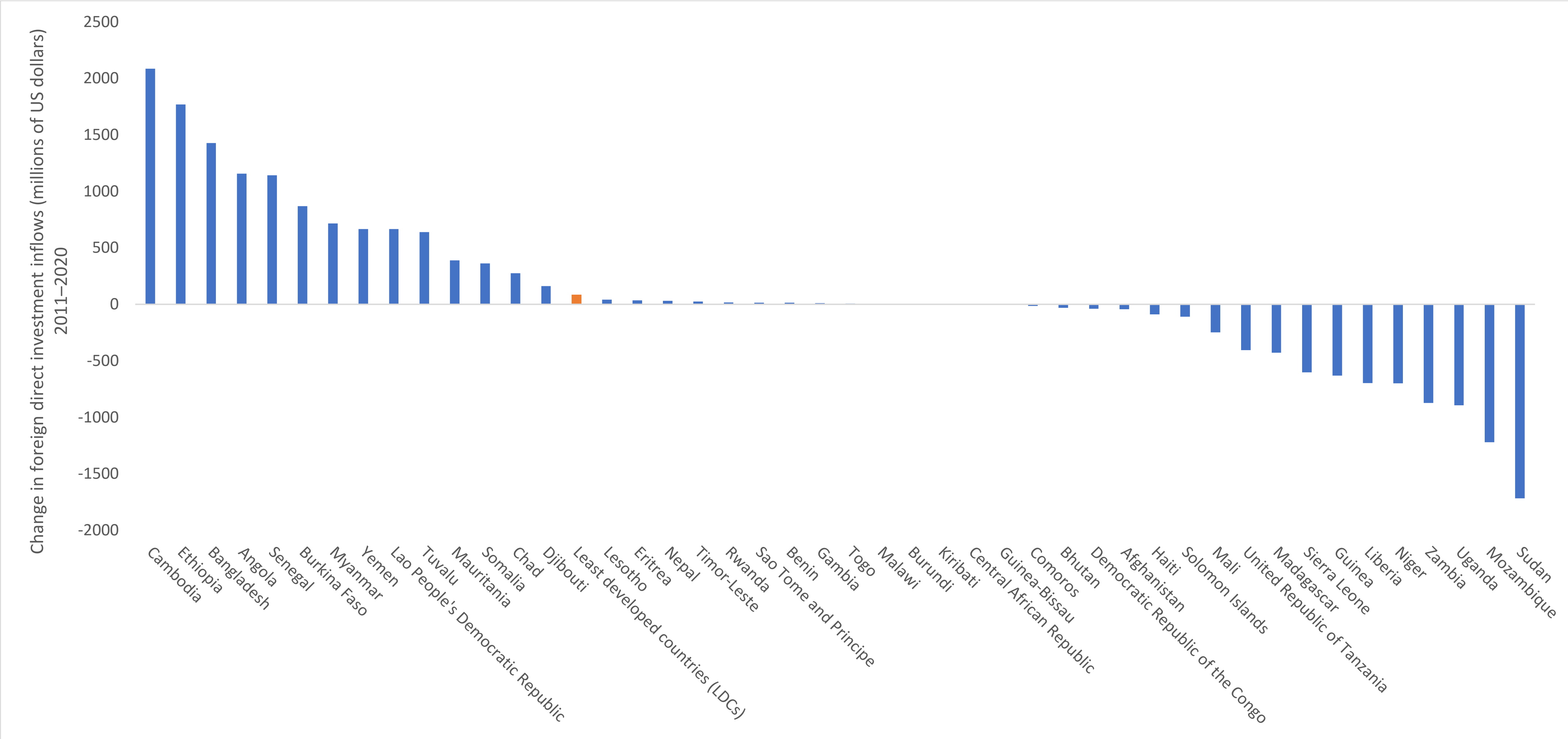
[10] Data unavailable or incomplete for Burundi, Central African Republic, Chad, Eritrea, Kiribati, Mali, Senegal, Somalia, South Sudan, Tuvalu.

Annex 6: Change in volume of remittances as a proportion of total GDP, 2011–2020 (5)[11]



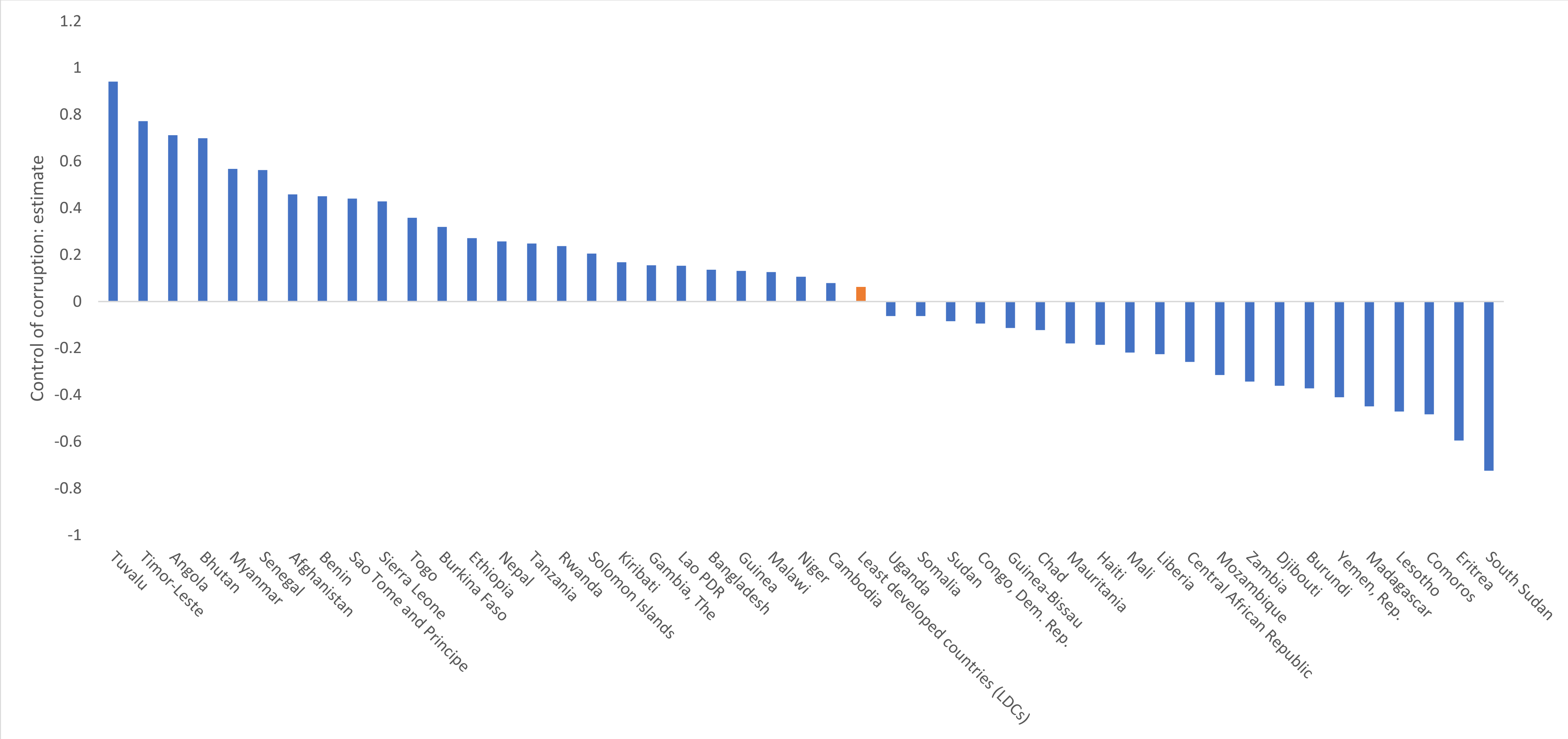
[11] Data unavailable or incomplete for Eritrea, Somalia, South Sudan, Yemen.

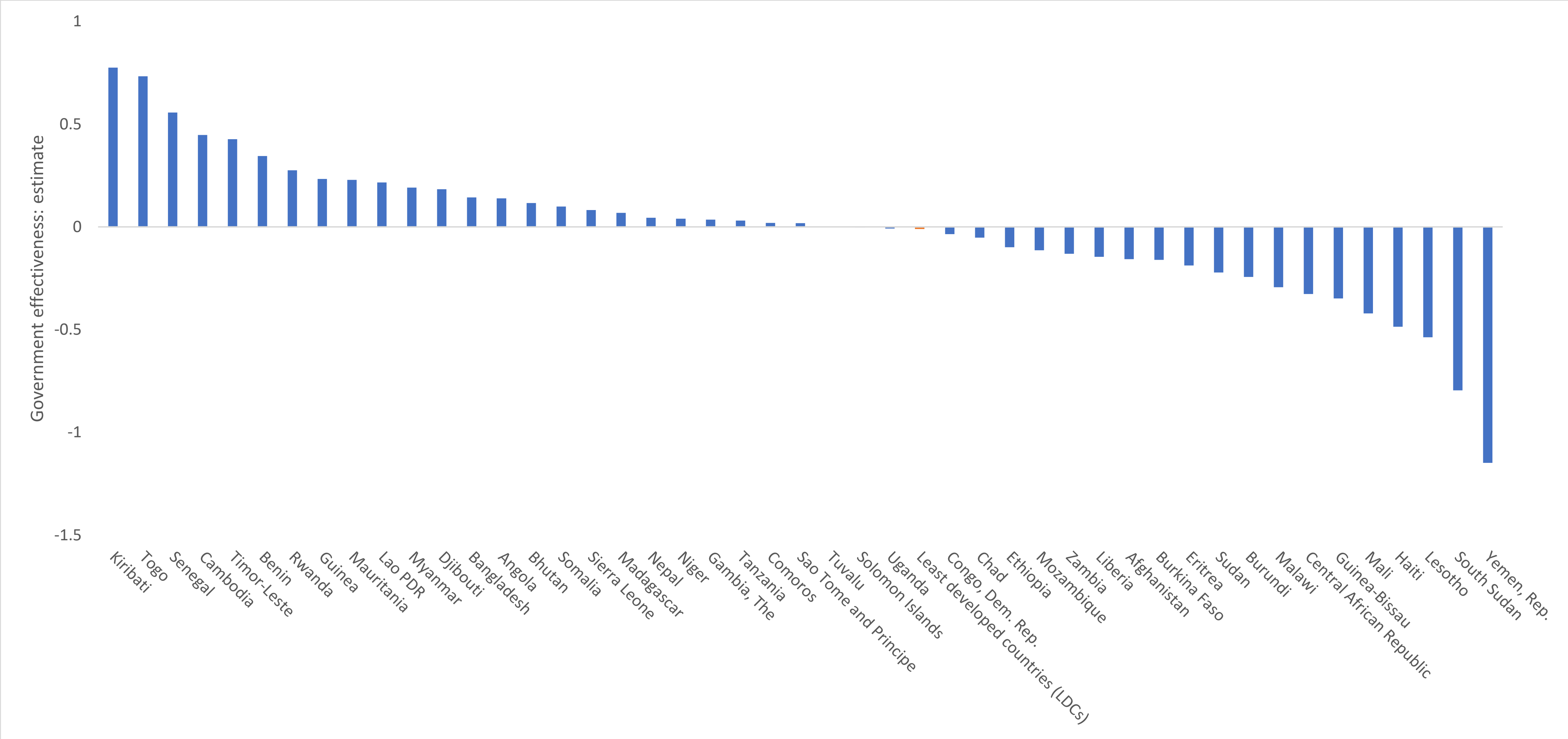
Annex 7: Change in foreign direct investment inflows, 2011–2020 (5)[12]



[12] Data unavailable or incomplete for Benin.

Annex 8: Change in governance indicators, 2011–2021 (8)





Government effectiveness: estimate
1
0.5
0
-0.5
-1
-1.5
Kiribati
Togo
Senegal
Cambodia
Timor-Leste
Benin
Rwanda
Guinea
Mauritania
Lao PDR
Myanmar
Djibouti
Bangladesh
Angola
Bhutan
Somalia
Sierra Leone
Madagascar
Nepal
Niger
Gambia, The
Tanzania
Comoros
Sao Tome and Principe
Tuvalu
Solomon Islands
Uganda
Least developed countries (LDCs)
Congo, Dem. Rep.
Chad
Ethiopia
Mozambique
Zambia
Liberia
Afghanistan
Burkina Faso
Eritrea
Sudan
Burundi
Malawi
Central African Republic
Guinea-Bissau
Mali
Haiti
Lesotho
South Sudan
Yemen, Rep.