



United Nations
Economic Commission for Africa

2020 REVIEW OF PROGRESS MADE ON THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES

FOR THE DECADE 2011–2020





United Nations
Economic Commission for Africa

2020 REVIEW
OF PROGRESS MADE
ON THE PROGRAMME
OF ACTION FOR THE
LEAST DEVELOPED
COUNTRIES

FOR THE DECADE
2011–2020

To order copies of *2020 Review of progress made on the Programme of Action for the Least Developed Countries for the Decade 2011–2020*, please contact:

Publications Section
Economic Commission for Africa
P.O. Box 3001
Addis Ababa, Ethiopia
Tel: +251 11 544-9900
Fax: +251 11 551-4416
E-mail: eca-info@un.org
Web: www.uneca.org

© 2020 Economic Commission for Africa
Addis Ababa, Ethiopia

All rights reserved
First printing September 2020

Material in this publication may be freely quoted or reprinted.
Acknowledgement is requested, together with a copy of the publication.

The designations employed in this report and the material presented in it do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Economic Commission for Africa concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Designed and printed in Addis Ababa, Ethiopia by the ECA Printing and Publishing Unit. ISO 14001:2015 certified.
Printed on chlorine free paper

Cover photos: Shutterstock.com

Contents

Summary.....	VI
I. Introduction	1
Progress made in the priority areas.....	3
Productive capacity	3
Agriculture, food security and rural development	8
Trade.....	9
Commodities.....	11
Human and social development.....	12
Multiple crises and other emerging challenges	20
Mobilizing financial resources for development and capacity-building	21
Domestic resources.....	21
External resources	24
Good governance at all levels.....	28
II. Africa's progress towards fulfilling the Istanbul Programme of Action	31
III. Towards a new Programme of Action for the least developed countries.....	32

Figures

Table 1 Summary of status of least developed countries in Africa and Haiti	1
Table 2 African least developed countries (and Haiti) performance on worldwide governance indicators.....	30

Figures

Figure 1 Manufacturing value added as a percentage of gross domestic product, selected groups.....	3
Figure 2 Access to electricity, percentage of population.....	4
Figure 3 Percentage of population using the Internet	5
Figure 4 Agricultural value added per worker (constant 2010 United States dollar values)	6
Figure 5 Renewable electricity output (as percentage of total electricity output).....	7
Figure 6 Proportion of the population with an account at a financial institution or with a mobile money service provider	8
Figure 7 Fertilizer consumption (kilograms per hectare of arable land).....	9
Figure 8 Share of exports from least developed countries, 2011–2018.....	10
Figure 9 Commodity exports as a share of total merchandise exports, percentage.....	11
Figure 10 Product concentration of exports in selected country groups, 2011–2018.....	12
Figure 11 Human Development Index in African least developed countries by subregion.....	13
Figure 12 Literacy rate (adult total, percentage of people aged 15 years and older).....	14
Figure 13 Primary school enrolment rate (net percentage of children enrolled in primary school)	15
Figure 14 Births attended by skilled health-care staff (percentage).....	15
Figure 15 Maternal mortality rate.....	16
Figure 16 Under-5 mortality rate	17
Figure 17 Health-care expenditure per capita (purchasing power parity, current international dollars)...	17
Figure 18 Antiretroviral therapy coverage (percentage of people living with HIV).....	18
Figure 19 Percentage of population using at least basic drinking water services, total and rural	19
Figure 20 Percentage of population using at least basic sanitation services, total and rural	19
Figure 21 Seats held by women in national parliaments (percentage)	20
Figure 22 Tax revenue as a percentage of gross domestic product for 2011-2018.....	22
Figure 23 Domestic credit to the private sector (percentage of gross domestic product), selected regions.....	23
Figure 24 Domestic credit to the private sector (percentage of GDP), African least developed countries	23
Figure 25 Gross domestic savings (percentage of gross domestic product).....	24

Figure 26 Net official development assistance received per capita (current United States dollars)	25
Figure 27 Aid from Development Assistance Committee countries to least developed countries	25
Figure 28 Official development assistance commitments as a proportion of gross national income by Development Assistance Committee members	26
Figure 29 Foreign direct investment, net inflows by region (current billions of United States dollars)	27
Figure 30 Foreign direct investment, net inflows (percentage of gross domestic product).....	27
Figure 31 Ibrahim Index of African Governance	29

Summary

Of all the regions of the world, Africa has the greatest number of least developed countries (LDCs). The Programme of Action for the Least Developed Countries for the Decade 2011–2020 is therefore of considerable importance to the continent. Organized along eight different priority areas, the Programme of Action sets out targets, aspirations and actions for both the LDCs and their development partners, to advance the sustainable development of those countries that contain the most vulnerable and least wealthy people of the world.

Progress against these eight priority areas has not been smooth, and across Africa's 33 LDCs, it is becoming clear that growth to the level aspired to in the Programme of Action will not be achieved. While progress on a number of indicators, particularly those focused on social and human development, has been positive, it has been slow. Child and maternity mortality rates are falling, and literacy rates are rising, as are rates of access to clean drinking water and basic sanitation services. Nevertheless, African LDCs (and Haiti) are a very long way from universal access, and at the rate of progress, achievement of this goal seems unacceptably far in the future. In the domain of economics and commerce, the value added in manufacturing and agriculture that LDCs are attaining does not appear to be substantially increasing over time. Connections to telecommunications services and electricity are rising rapidly on a per capita basis, but vast differences between countries remain. The LDCs remain almost exclusively commodity-dependent, which implies that their economies remain vulnerable to fluctuations in the prices of the raw materials they export, and that there is relatively little complexity in their economies that will support ongoing growth and meaningful employment for their people.

The Programme of Action commits the LDCs to "Promote and respect all internationally recognized human rights", and to "Continue efforts to establish or strengthen... [a] legal and regulatory framework in order to strengthen the rule of law", among other governance targets. In this area, there looks to be retrogression or stagnation in the African LDCs, even as other non-LDC African countries improve their institutions. Without fully committing to improving governance, the African LDCs (and Haiti) are likely to continue to struggle to rapidly improve the lives of their people.

In total, the progress being made against the Programme of Action is not entirely positive, although there are definitely noteworthy achievements being made. Without further commitments from both the LDCs themselves and the support of their development partners, progress comparable to that made over the period to date (2011–2019) will not enable the graduation of significant numbers of African LDCs over the coming years.



I. Introduction

The LDCs were established by the United Nations as a category in 1971. They are not merely low-income countries, but those that face severe structural handicaps to economic growth and development. Of the 47 LDCs, 33 are in Africa, 13 are in the Asia–Pacific, and only 1 is in the Caribbean. Table 1 presents summary statistics for the African LDCs and Haiti.¹ Every three years, the United Nations’ Committee for Development Policy assesses countries for inclusion into or graduation out of the LDC category. Both inclusion to and graduation from the category are determined by three development indicators: gross national income (GNI) per capita, the human assets index, and the economic vulnerability index.

The Programme of Action for the Least Developed Countries for the Decade 2011–2020 (the Programme of Action) was agreed to by United Nations Member States in Istanbul, Turkey.² The Programme of Action is the fourth such 10-year programme in the United Nations system, with the first commencing following the United Nations Conference on the LDCs in 1981. The current Programme of Action outlines eight priority areas for the LDCs and development partners:

- (a). Productive capacity;
- (b). Agriculture, food security and rural development;
- (c). Trade;
- (d). Commodities;
- (e). Human and social development;
- (f). Multiple crises and other emerging challenges;
- (g). Mobilizing financial resources for development and capacity-building;
- (h). Good governance at all levels.

The overarching goal of the Programme is to overcome the structural challenges faced by the LDCs to eradicate poverty, achieve internationally agreed development goals, and enable graduation of the countries from the LDC category. The Programme of Action is particularly notable in the way it calls on not just the LDCs themselves, but also development partners, to commit to action in the priority areas to build a partnership for sustainable development.

Table 1 Summary of status of least developed countries in Africa and Haiti

Country	Year added	GNI per capita 2018, Atlas method (United States dollars) ^a	Human assets index ^b	Economic vulnerability index ^b	Population 2018, (millions) ^c
Angola*	1994	3 370	52.5	36.8	30.8
Benin	1971	870	49.8	34.3	11.5
Burkina Faso	1971	660	42.9	38.2	19.8
Burundi	1971	280	38.5	44.5	11.2

¹ This report is prepared with a view to informing the African Regional Review of the Programme of Action. Since there is only a single LDC in the Latin American and the Caribbean region, and there will be no regional review there, Haiti will be included in the African documentation and review.

² A/CONF.219/3/Rev.1.

Central African Republic	1975	480	17.4	33.6	4.7
Chad	1971	670	22.1	52.4	15.5
Comoros	1977	1 320	49.4	52.4	0.8
Democratic Republic of the Congo	1991	490	41.9	27.2	84.1
Djibouti	1982	2 180	58.0	36.3	1.0
Eritrea	1994	1 136 d	42.9	54.7	5.2
Ethiopia	1971	790	45.3	32.1	109.2
Gambia	1975	700	51.8	72.2	2.3
Guinea	1971	830	39.5	30.2	12.4
Guinea-Bissau	1981	750	41.7	52.4	1.9
Lesotho	1971	1 380	61.6	42.0	2.1
Liberia	1990	600	37.2	53.2	4.8
Madagascar	1991	440	54.5	37.8	26.3
Malawi	1971	360	52.5	47.1	18.1
Mali	1971	830	43.1	36.8	19.1
Mauritania	1986	1 190	46.9	39.9	4.4
Mozambique	1988	440	45.8	36.7	29.5
Niger	1971	380	35.4	35.3	22.4
Rwanda	1971	780	55.0	36.4	12.3
Sao Tome and Principe**	1982	1 890	86.0	41.2	0.2
Senegal	2000	1 410	57.1	33.4	15.9
Sierra Leone	1982	500	27.4	51.6	7.7
Somalia	1971	97 d	16.7	34.7	15.0
South Sudan	2012	423d	25.8	55.6	11.0
Sudan	1971	1 560	53.0	49.2	41.8
Togo	1982	650	61.8	28.3	7.9
Uganda	1971	620	50.2	31.7	42.7
United Republic of Tanzania (the)	1971	1 020	56.0	27.9	56.3
Zambia	1991	1 430	58.6	40.5	17.4
Haiti	1971	800	48.0	30.6	11.1
Graduation threshold (2018)		1 230	66.0	32.0	Total: 676.2

Sources: a World Development Indicators, World Bank (November 2019); b Committee for Development Policy, United Nations Department of Economic and Social Affairs (March 2018); c World Population Prospects: 2019 Revision, United Nations Population Division (November 2019); d United Nations Statistics Division (November 2019).

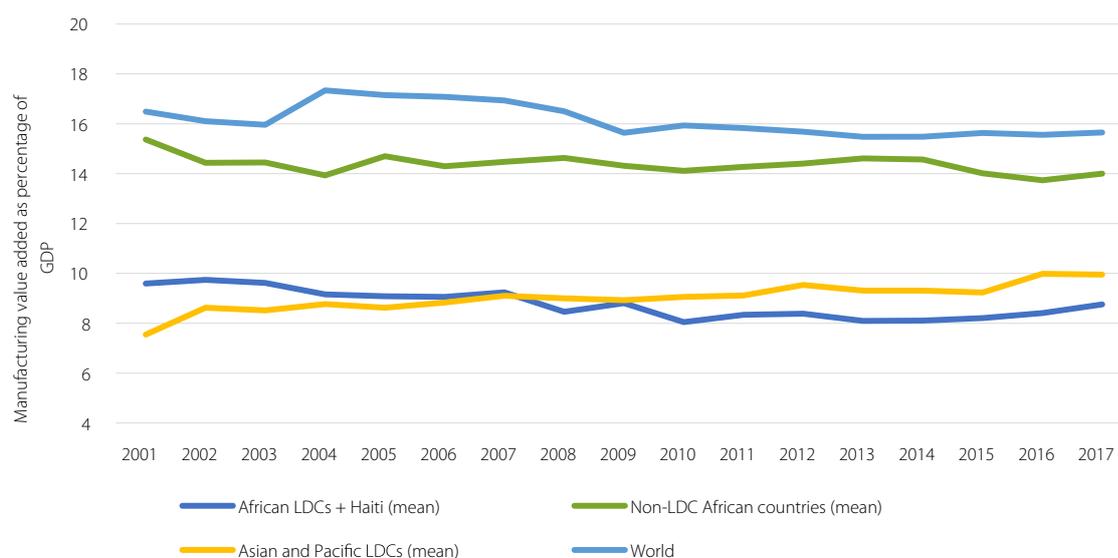
*Expected to graduate in 2021; **Expected to graduate in 2024.

Progress made in the priority areas

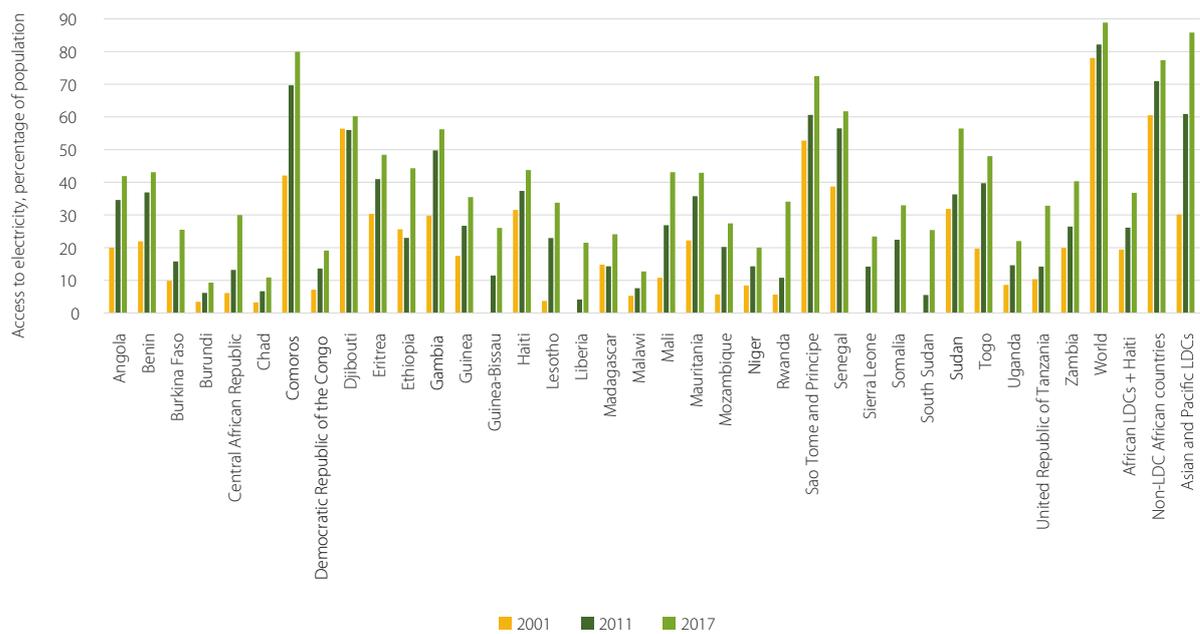
Productive capacity

The Programme of Action states that building up the capacity of LDCs in agriculture, manufacturing and services is necessary for greater inclusion in the world economy, resistance to shocks and sustaining inclusive growth. Figure 1 illustrates the evolution of manufacturing value added from 2001 to 2017. While the total world average for manufacturing value added as a percentage of gross domestic product (GDP) has been around 16 per cent for the two decades, the percentage value added for African LDCs and Haiti dropped from 9.6 per cent in 2001 to 8.8 per cent in 2017. In 2011, the manufacturing value added percentage was 8.3 per cent for this group, so over the course of the Programme of Action, the African LDCs have not made significant gains in this area. Notably, over the past two decades, the manufacturing value added as a percentage of GDP has also fallen for non-LDC African countries, from 15.4 per cent in 2001 to 14.0 per cent in 2017. The percentage of value added in manufacturing has risen in Asia–Pacific LDCs, but over the course of the current Programme of Action (since 2011), this increase has not been large (from 9.1 to 10.0 per cent).

Figure 1 Manufacturing value added as a percentage of gross domestic product, selected groups



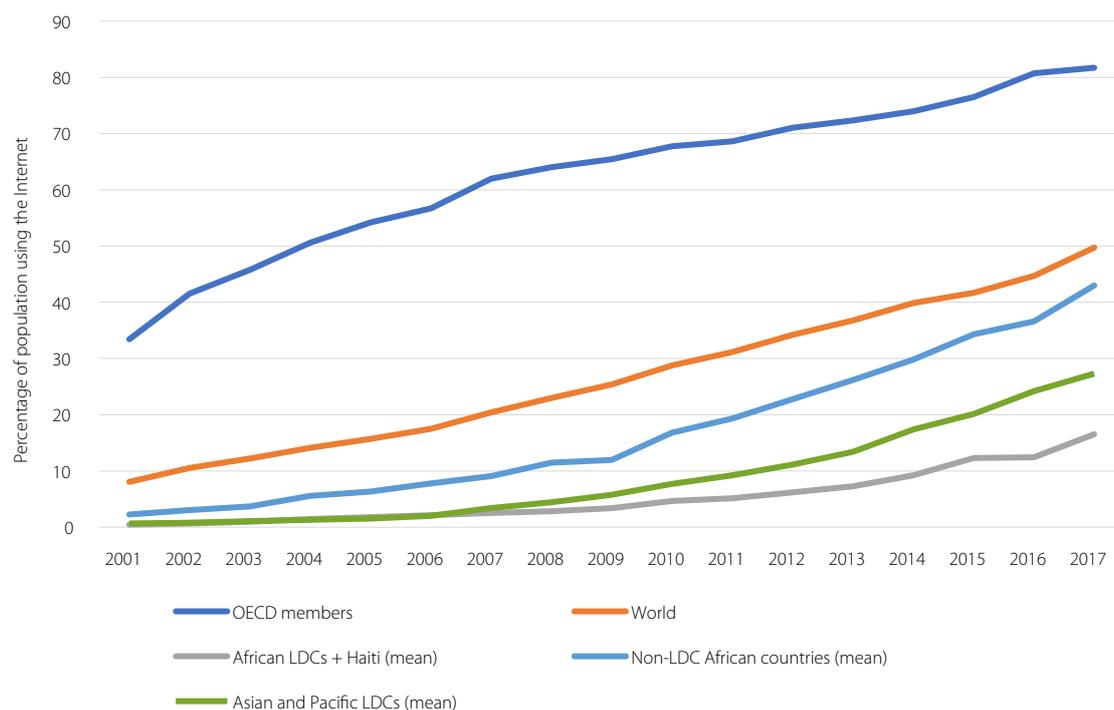
Source: World Bank, *World Development Indicators* (November 2019).

Figure 2 Access to electricity, percentage of population

Source: World Bank, World Development Indicators (November 2019).

Access to electricity is an important catalyst for many other areas of development, and the Programme of Action sets a goal of enabling access to energy for all by 2030. Progress since 2011 (figure 2) shows that, for African LDCs, access to electricity by all by 2030 will require remarkable improvement in this indicator over the coming decade. While Asia–Pacific LDCs started from a base of access for 60.9 per cent of the population in 2011, and progressed to access for 85.8 per cent of people in 2017, African LDCs (plus Haiti) improved from 26.1 per cent access to 36.7 per cent access over the same period. Universal access seems to be in reach for the Asia–Pacific LDCs, but the rate of improvement in energy access in Africa would have to change dramatically for universal access to be attained. Even in those African countries that are not LDCs, average access in 2017 was at 77.4 per cent, lower than the average rate of access in the Asia–Pacific LDCs. The situation regarding electricity access is particularly dire for those in rural areas: considering Africa and Haiti in 2017, there are still nine countries where less than 5 per cent of the rural population has access to electricity.³

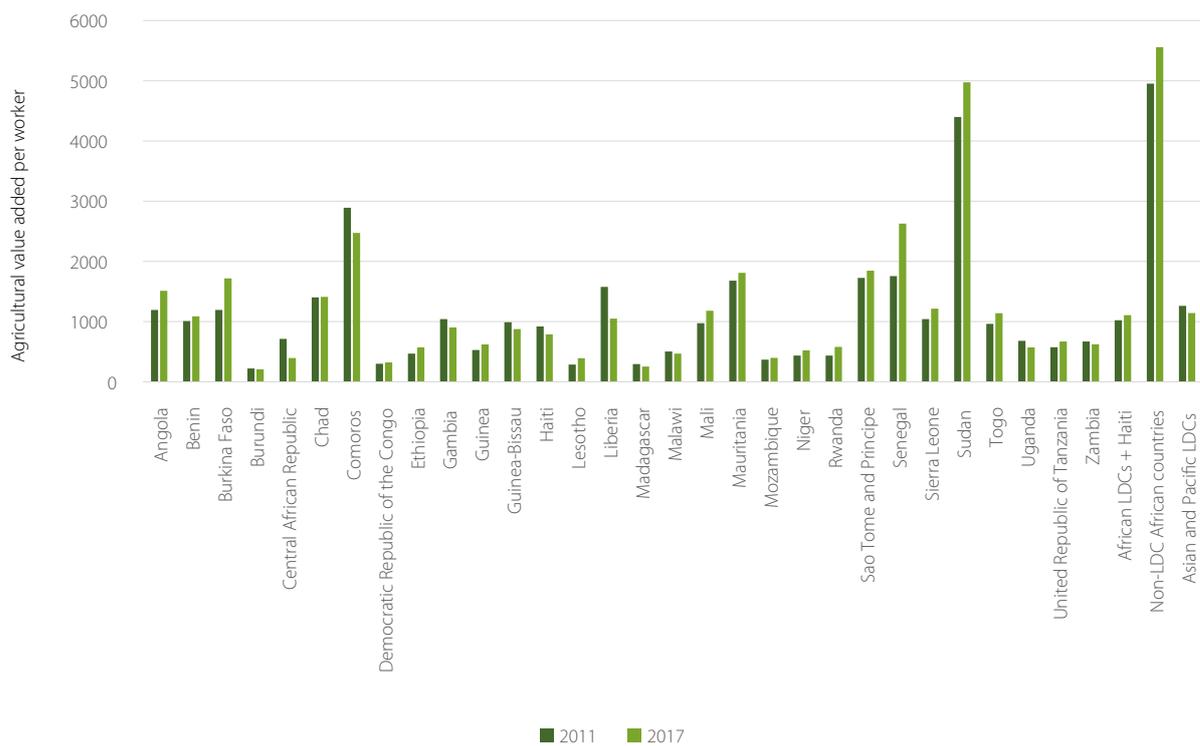
³ Angola, Burundi, Chad, the Democratic Republic of the Congo, Haiti, Madagascar, Malawi, Mauritania and Mozambique.

Figure 3 Percentage of population using the Internet

Source: World Bank, *World Development Indicators* (November 2019).

Universal access to the Internet is also a target of the Programme of Action. However, the target date was set as 2020. This is far from being achieved. As figure 3 shows, while access has improved quite rapidly since 2011, the average rate of access for African LDCs (plus Haiti) was still only 16.5 per cent in 2017. This low number, however, somewhat masks impressive progress being made in many countries. The top 10 African LDCs (plus Haiti) for Internet access range from Mauritania (20.8 per cent) to Djibouti (55.7 per cent), while the lowest 10 range from 1.3 per cent (Eritrea) to 8.6 per cent (the Democratic Republic of the Congo). Considering that, in 2011, most of those top 10 LDCs had access rates below 10 per cent, this progress is notable.

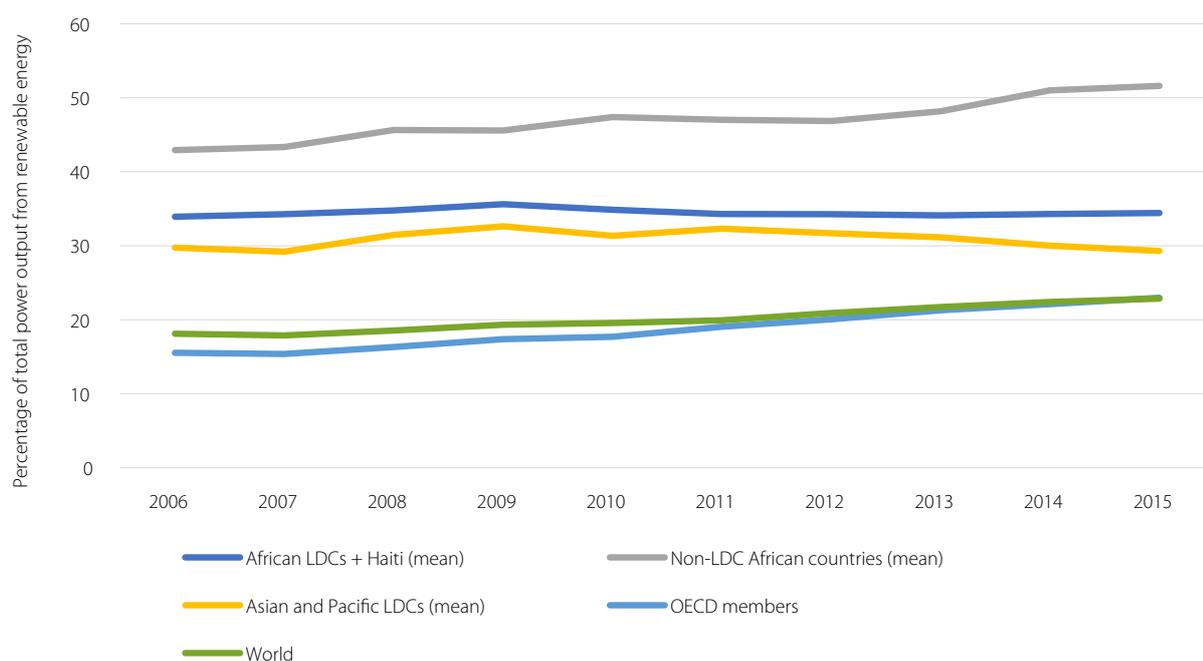
The target of universal access set by the Programme of Action, in retrospect, looks remarkably optimistic. In 2017, even in the Organization for Economic Cooperation and Development (OECD) countries, the proportion of the population using the Internet was still below 90 per cent.

Figure 4 Agricultural value added per worker (constant 2010 United States dollar values)

Source: World Bank, *World Development Indicators* (November 2019).

In addition to increasing value added in manufacturing, the Programme of Action also targets increased value added in agriculture. Over the period of the current Programme, gains have been made in 19 of the 30 African LDCs (plus Haiti) for which data are available (figure 4). This result indicates that, although the majority of these countries have increased their value added per worker in agriculture, the progress is not rapid, and many countries are not improving. Over this period, the world average increase in agricultural value added per worker was 23.3 per cent, and the average increase in non-LDC African countries was 12.2 per cent. Compared with the average increase in the African LDCs (plus Haiti) of 8.3 per cent, this shows that the LDCs must look at their strategies for increasing agricultural productivity, and reassess whether current policies are effective, and what can be done to improve them.

In the light of the importance of addressing global climate change, all countries need to increase the share of renewables in their energy mix. For those LDCs that don't have ready access to traditional fuels, increasing their share of renewable energy production also renders them less vulnerable to shocks in the price of oil. The Programme of Action does not set a quantitative target, but does state a goal to significantly increase the share of energy coming from renewable energy sources. Although the data series for total renewable electricity output as a percentage of total supply is only available up to 2015, figure 5 shows the most recent 10 years available in this series for several country groups.

Figure 5 Renewable electricity output (as percentage of total electricity output)

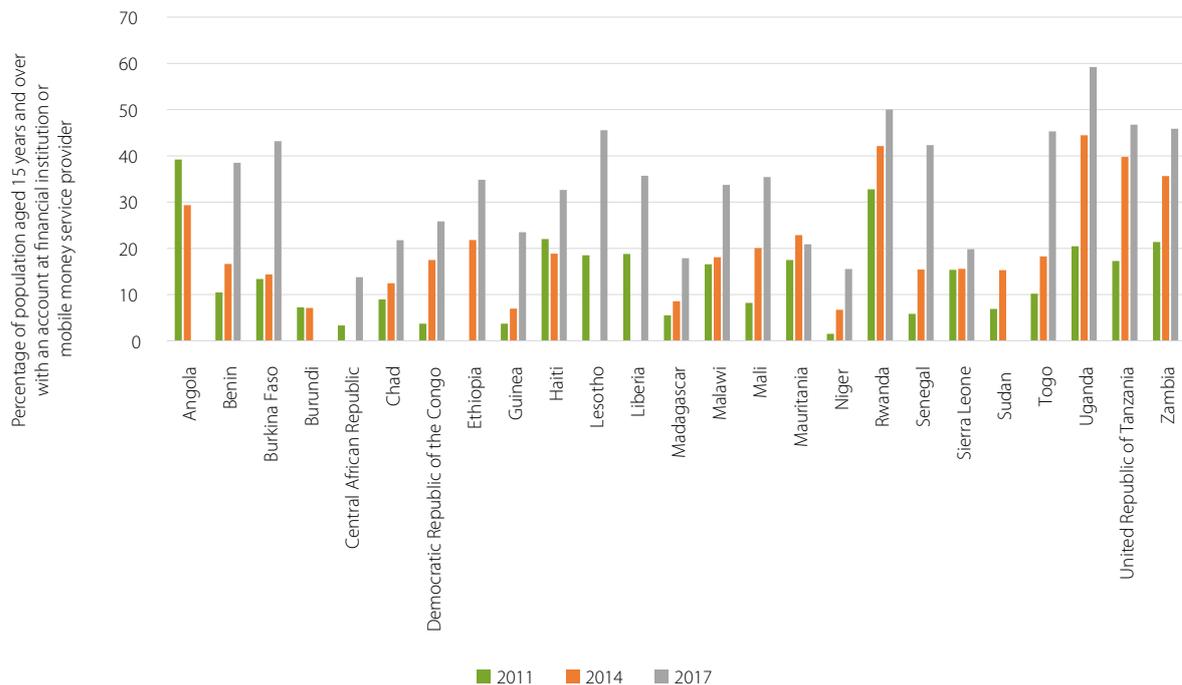
Source: World Bank, *World Development Indicators* (November 2019).

The percentage share of renewables in the energy mix of the African LDCs (plus Haiti) and in the Asia–Pacific LDCs did not change substantially from 2006 to 2015. Compared with the rest of the world, the share of renewables in African LDCs is high. This can be explained by the fact that a number of African LDCs rely substantially on hydroelectric dams to provide their power, and in cases such as the Democratic Republic of the Congo and Ethiopia, this reliance is nearly 100 per cent. The rest of the world, however, has been increasing its share of renewables in the energy mix; for example, the world average over this period increased from 18.1 per cent to 22.9 per cent, and the average for OECD members increased from 15.5 per cent to 23.0 per cent.

One of the objectives of the Programme of Action towards increasing productive capacity is the establishment of a Technology Bank. This was established in 2018 in Gebze, Turkey. The creation of this institution was also part of the Sustainable Development Goals (target 17.8). The Technology Bank has now commenced with its work to build the science, technology and innovation capacities of the LDCs via reviewing the current situation of each of the LDCs, and supporting (or helping establish) academies of science in the LDCs.

Given the importance of having a well-functioning private sector for accelerating development, the Programme of Action outlines the need for LDCs to provide an enabling environment for conducting business. Over the past few years, the African LDCs (plus Haiti) have taken steps to improve their suitability for private enterprise to create new businesses, take risks and expand economic opportunity. The World Bank’s “Doing Business” survey scores countries on a range of indicators related to the ease of operating a business, such as registering property, starting a business and enforcing contracts. Across all 34 African LDCs (plus Haiti), only four countries scored lower on the 2018 survey than in 2016, and in one of these countries, the difference was marginal.⁴ The most significant improvements were made in Djibouti, Malawi and the Niger. In Malawi’s case, its Doing Business score improved by 9.8 points, making it currently one of the highest scoring Africa (plus Haiti) LDCs, along with Rwanda and Zambia.

⁴ Mozambique, Somalia, South Sudan and the Sudan, although Mozambique’s score dropped by less than 1 per cent.

Figure 6 Proportion of the population with an account at a financial institution or with a mobile money service provider

Source: World Bank, *World Development Indicators* (November 2019). Some countries have only two of the three years' data available. Countries with only one year have been excluded.

Access to financial services is also important for the productive capacity of the LDCs, and progress in this area has generally been very good. Across the African LDCs (plus Haiti), the average rate of access to a financial account with a bank or mobile money service provider has risen from 13.7 per cent in 2011 to 34.0 per cent in 2017. The highest increase has been seen in Uganda, where in 2017 59.2 per cent of people had access, while in 2011 only 20.5 per cent of people did. Among the countries with 2017 data available, the lowest rates of access were in the Central African Republic (13.7 per cent), Madagascar (17.9 per cent) and the Niger (15.5 per cent).

Agriculture, food security and rural development

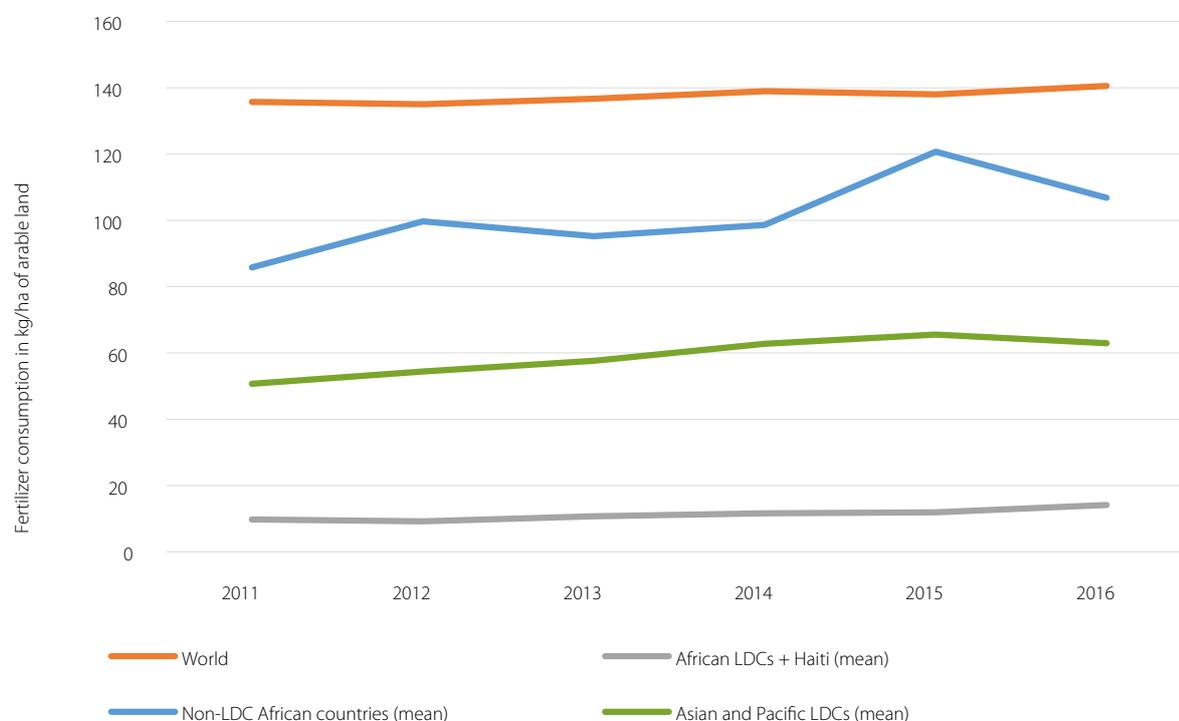
Many LDCs rely extensively on their agricultural industries. Agriculture not only provides sustenance to the population, but is an important generator of exports for some countries, and provides employment to disadvantaged rural areas. The agricultural sector is one that will be affected by a changing climate and changing lifestyles, as land degradation, desertification and extreme weather events take their toll. The draw of urban life and the promises of better economic opportunity in cities have also drained some rural areas of their population, contributing to an agricultural population and workforce with a different composition from those of the recent past. Noting this, the Programme of Action calls on the LDCs to strive to boost their agricultural industries and support rural development.

As discussed in section I.A above, agricultural value added per worker has been increasing in the LDCs, but has not matched the pace of other country groupings. The Programme of Action required the LDCs to “supply critical inputs such as locally adapted High-yielding Varieties of seeds, fertilizers and other services.”⁵ Figure 7 shows that, while there has been a considerable proportional increase in the fertilizer usage of the African LDCs (plus Haiti) (from 9.8 kg/ha of arable land in 2011 to 14.1 kg/ha in 2016), this

5 A/CONF.219/3/Rev.1, p. 17.

usage rate is dwarfed by other country groups. Non-LDC African countries, for example, used an average of 106.8 kg of fertilizer per hectare of arable land in 2016. Without considerably increasing access to and use of fertilizers throughout their agricultural industries, the LDCs are likely to continue to struggle to raise production in line with their ambitions.

Figure 7 Fertilizer consumption (kilograms per hectare of arable land)



Source: World Bank, *World Development Indicators* (November 2019).

Trade

Trade is essential in the advancement of the LDCs' economies, for growth, job creation, current account stability and access to finance. LDCs in Africa have comparative advantages that could benefit their international trade, such as their abundance of natural resources and commodities, and high population. Due to low value addition, price instability in commodity sectors and other sociopolitical issues, LDCs in Africa have remained the most disadvantaged, lagging behind the rest of the world.

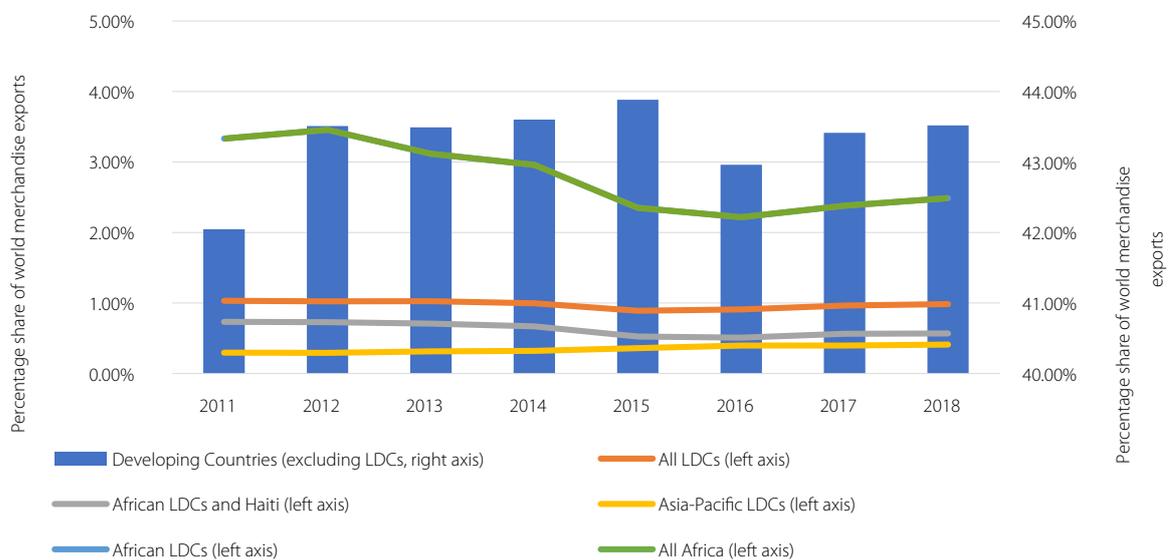
To help support LDCs' access to the global trade market, there are a number of global level trade facilitation initiatives, including the 2013 Bali Package; the duty-free and quota-free market access initiative; the African Growth and Opportunity Act (AGOA) of the United States Government; the preferential rules of origin; the Aid for Trade initiative; and Everything but Arms, under which all imports to the European Union from LDCs are duty-free and quota-free, with the exception of armaments. Nevertheless, these initiatives have not been as straightforward or as beneficial as hoped. For example, in 2015, Rwanda launched its "Made in Rwanda" initiative for the garment industry, based on import substitution policy, which also aimed to improve the competitiveness of Rwandan exports globally. As part of its protectionist strategy, Rwanda has been raising tariffs on imports of used clothing in a bid to boost its own domestic textiles industry. In 2016, tariffs on used clothes were significantly increased, from \$0.20 to \$2.50 per kg. In 2018, a total ban on second-hand clothing sector was placed.⁶ As a result, the United States is now

⁶ Deutsche Welle (2019). Rwanda bans import of used clothing. Available at www.dw.com/en/rwanda-bans-import-of-used-clothing/av-50350131. Accessed on 5 January 2020.

suspending the landlocked country from selling clothes to the United States duty-free – a status it enjoys under AGOA. Furthermore, the used clothing market in Rwanda employed more than 22,000 people in 2016 and was worth \$17 million (£12 million).⁷ The challenge for Rwanda now is how it will absorb the jobs that may be lost due to the ban and the opportunities lost through the suspension from AGOA.

According to the United Nations Conference on Trade and Development (UNCTAD), LDC export revenues (both goods and services) increased at an average rate of 2.7 per cent per year from 2010 to 2017, reaching \$209 billion at the end of the period. Asian and island LDCs grew at 7 per cent per year, whereas African LDCs and Haiti have been hit by the heightened volatility of primary commodity prices in the aftermath the global financial crisis of 2008/2009.⁸ Nevertheless, figure 8 indicates that the share of exports from all LDCs in Asia and Africa have remained less than 1 per cent in the last four years. While the share of Asian LDCs increased slightly, from 0.30 per cent in 2011 to 0.41 per cent in 2018, the share of African LDCs decreased from 0.73 per cent to 0.57 per cent.

Figure 8 Share of exports from least developed countries, 2011–2018



Source: UNCTADstat (November 2019).

Increased South–South collaboration and regional trade and integration could be the more promising path to sustainable development and graduation for LDCs. The African Continental Free Trade Area (AfCFTA) was signed by 49 African Union members in 2018, and an additional 6 member States have committed to signing AfCFTA after finalizing domestic review processes.⁹

Among other goals, AfCFTA is envisaged to facilitate, harmonize and better coordinate trade regimes, and eliminate the challenges associated with multiple and overlapping trade regimes across countries, as well as across regional economic communities. According to United Nations Economic Commission for Africa (ECA) estimates, AfCFTA is expected to increase Africa’s industrial exports by more than 50 per cent over a period of 12 years.¹⁰

⁷ BBC (2018). How the US and Rwanda have fallen out over second-hand clothes. 28 May. Available at www.bbc.com/news/world-africa-44252655. Accessed on 5 January 2020.

⁸ UNCTAD (2019). The Least Developed Countries Report 2019: The present and future of external development finance – old dependence, new challenges (United Nations publication, Sales No. E.20.II.D.2).

⁹ United Nations (2019). World Economic Situation and Prospects 2019 (United Nations publication, Sales No. E.19.II.C.1).

¹⁰ Ibid.

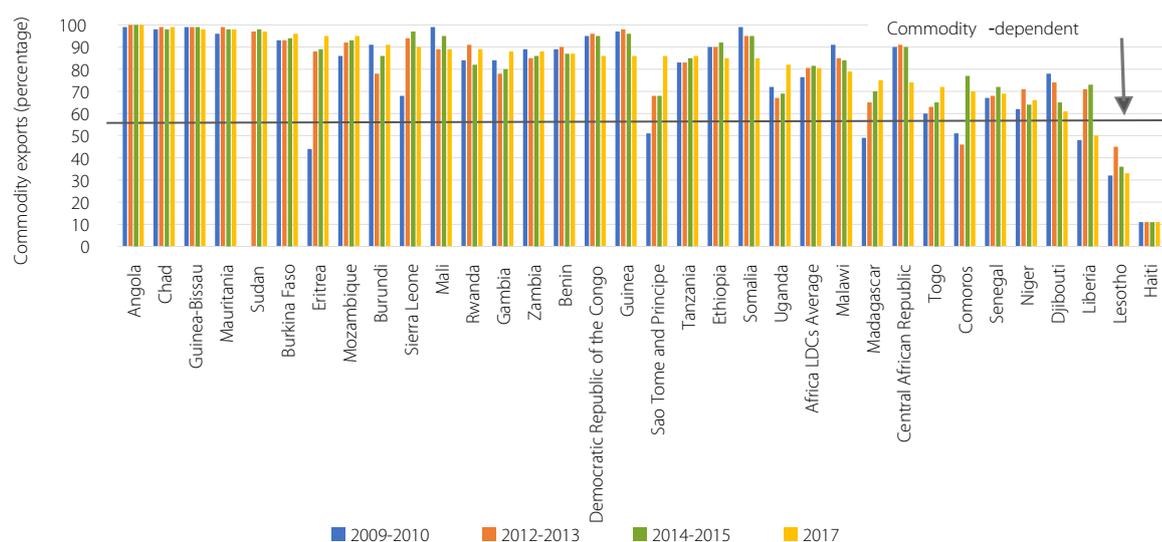
With average tariffs of 6.1 per cent, businesses currently face higher tariffs when they export within Africa than when they export outside it. AfCFTA will progressively eliminate tariffs on intra-African trade, making it easier for African businesses to trade within the continent and cater to and benefit from the growing African market. Consolidating the continent into one trade area provides great opportunities for trading enterprises, businesses and consumers across Africa and the chance to support sustainable development in the world's least developed region.

The benefits of AfCFTA would be further enhanced by maximizing the potential that comes with a fast-growing young population and the associated fast urbanization process occurring on the continent. This would be conducive for agglomeration economies, providing major opportunities for industrialization through rising demand and shifting patterns of consumption.¹¹ Through AfCFTA, the growing middle class can be leveraged to stimulate industrial development to meet the rising demand domestically and regionally, leading to broader integration through value chains.

Commodities

Based on UNCTAD's classification, countries whose commodity exports are greater than 60 per cent of their total export trade are "commodity-dependent". Hence, in 2017, all but two countries (Lesotho and Liberia) from the 33 LDCs in Africa are commodity-dependent, and despite Liberia's recent proportion of commodity exports falling below this threshold, it too had an average rate of 72 per cent from 2012 to 2015. Eritrea, Sao Tome and Principe, Madagascar and the Comoros were not commodity-dependent countries at the start of the Istanbul Programme of Action – with 44 per cent, 51 per cent, 49 per cent and 51 per cent, respectively – but in 2017 they have all passed the 60 per cent threshold and are now commodity-dependent. Only Malawi and Djibouti consistently reduced their commodity share of exports from 2009 to 2017, with reductions of 13.2 per cent and 21.8 per cent respectively (figure 9). Haiti's share of commodity exports in total merchandise exports has remained at 11 per cent since 2009.

Figure 9 Commodity exports as a share of total merchandise exports, percentage



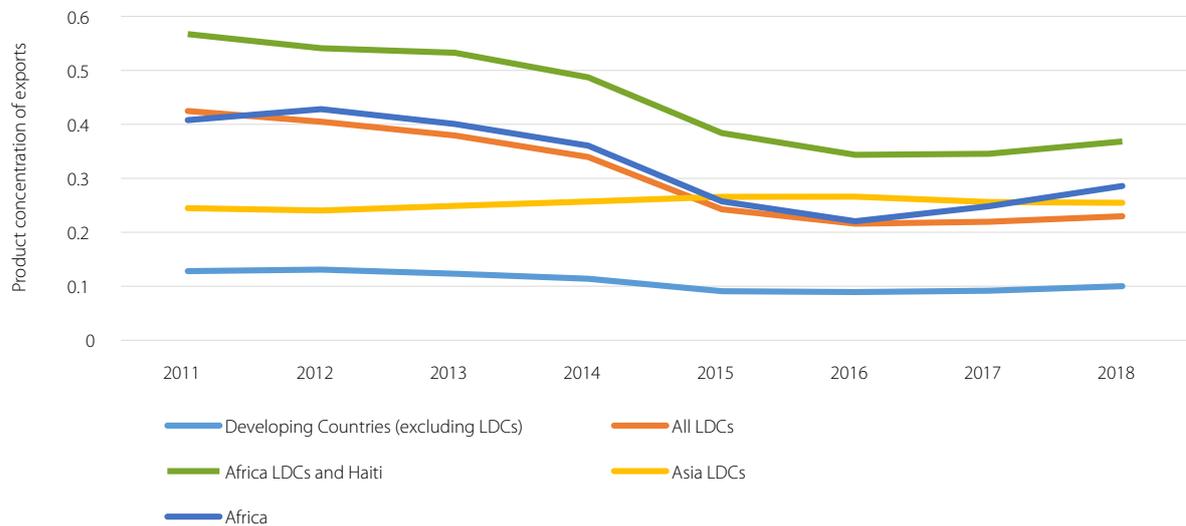
Source: UNCTADstat (November 2019).

Although African LDCs continue to have a high concentration of their export sectors compared with other country groupings, the level of concentration has been reduced since the Istanbul Programme of

¹¹ Ibid.

Action began, from 0.54 in 2011 to 0.37 in 2017 (figure 10). This change indicates that the economies of African LDCs are becoming more diversified, frequently including export diversification as a key goal in their national development plans.

Figure 10 Product concentration of exports in selected country groups, 2011–2018



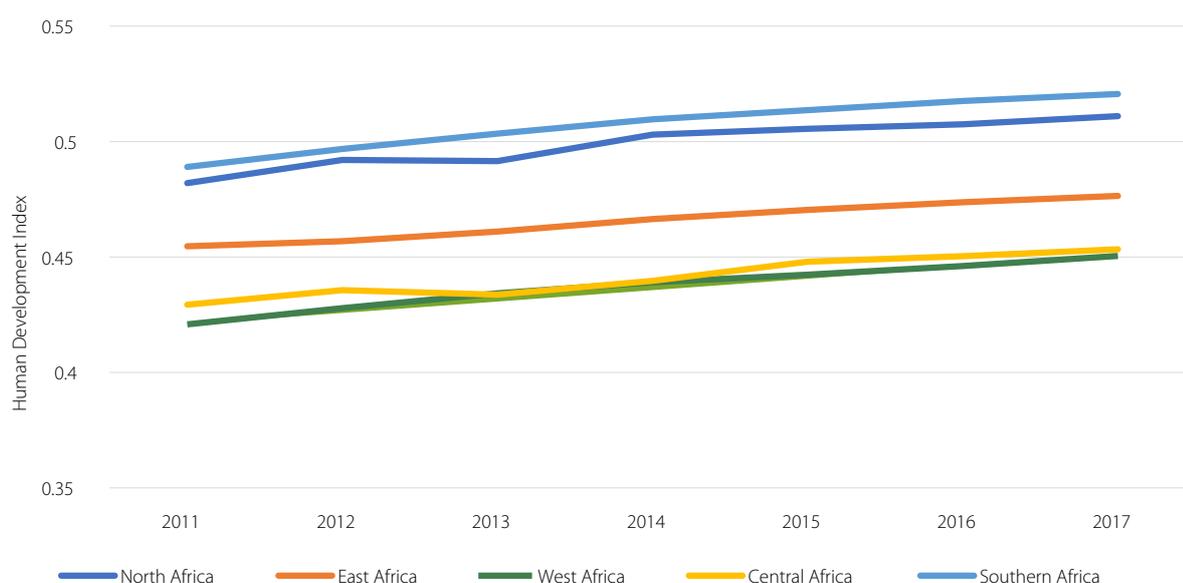
Source: World Bank, *World Development Indicators* (November 2019).

During the same period, the average value of concentration for all LDCs has been falling, because African LDCs constitute a large proportion of all the world's LDCs, while the concentration of exports for Asian LDCs has risen very slightly.

Nevertheless, it should be noted that in 2017 Equatorial Guinea graduated from the LDC category despite having a commodity-dependent economy of petroleum exports. The country graduated on the income-only criterion, meaning that, despite not meeting the graduation thresholds for economic vulnerability and human assets, its income was high enough to make it eligible to shed its LDC status. The graduation of Equatorial Guinea illustrates that economic diversification is not a precondition for graduation from LDC status.

Human and social development

While many of the more ambitious aspects of the Programme of Action are not being met, human development in Africa's LDCs is nevertheless increasing. The United Nations Development Programme's Human Development Index is a useful indicator that accounts for multiple aspects of development, not just the economic aspect. In figure 11, the average Human Development Index in LDCs for the five subregions of Africa is shown to be steadily increasing over the period of the Programme of Action. The Southern African LDCs have, on average, a higher Human Development Index score than other subregions. Those LDCs in Central and West Africa are considerably lower.

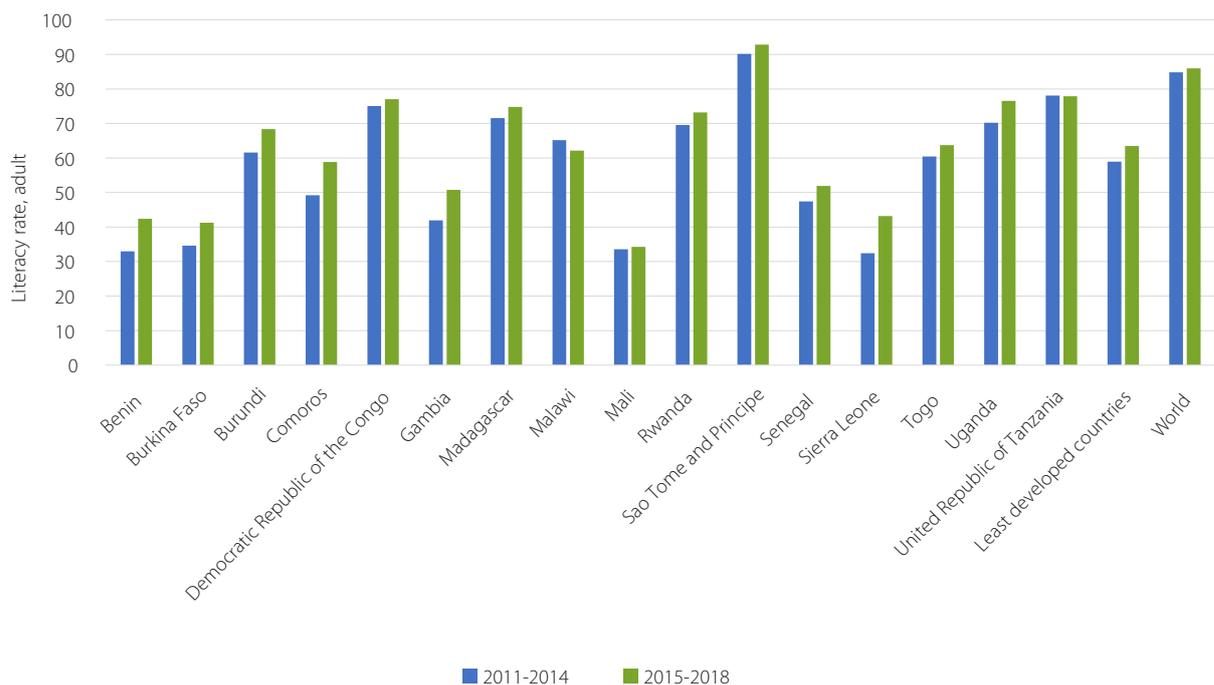
Figure 11 Human Development Index in African least developed countries by subregion

Source: United Nations Development Programme, *Human Development Indices and Indicators: 2018 Statistical Update (2018)*.

The only country in which the Human Development Index has decreased over the course of the Programme of Action is South Sudan. Two of the African LDCs, Angola and Zambia, rank highly enough on the Human Development Index to be classified as being at “medium human development”. Angola will be graduating from the LDC category in 2021, while previous updates on the Programme of Action from ECA have found that Zambia is nearing the graduation thresholds, and will likely be a candidate for graduation in the near future. All other African LDCs (and Haiti) are classified as being at “low human development”.

The Programme of Action calls on LDCs to improve education and training, and specifically to increase literacy and numeracy rates. In all the African LDCs for which sufficient data were available, adult literacy rates were increasing between 2011 and 2018, but the rate of improvement was slow. While the world average for adult literacy rate was 86.0 per cent for 2015–2018, the average rate in African LDCs (and Haiti), for which data are available, was 56.7 per cent (figure 12). In 11 of the African LDCs (plus Haiti) for which data are available, literacy rates are still below 50 per cent.¹² Without higher levels of literacy, the citizens of LDCs are still likely to find it difficult to participate in a rapidly changing economy.

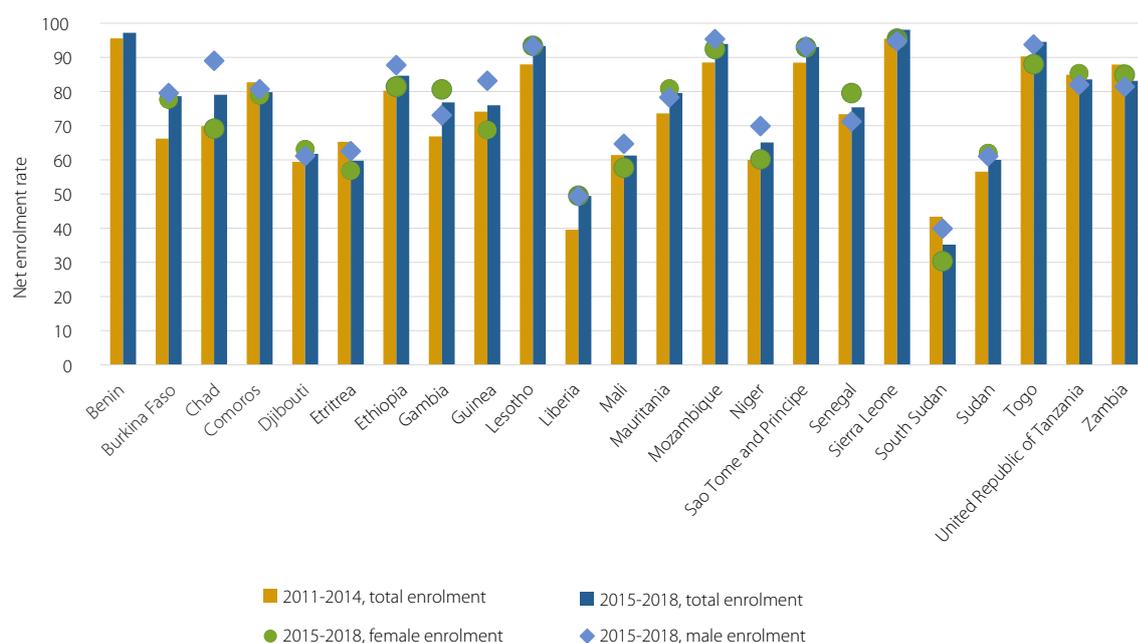
¹² Benin, Burkina Faso, the Central African Republic, Chad, Guinea, Guinea-Bissau, Liberia, Mali, the Niger, Sierra Leone and South Sudan.

Figure 12 Literacy rate (adult total, percentage of people aged 15 years and older)

Source: World Bank, *World Development Indicators* (November 2019).

Increased enrolment rates, and gender parity in enrolment rates, also feature as a target of the Programme of Action. Figure 13 illustrates changes in the enrolment rates in African LDCs over time for which data are available. The figure illustrates the average enrolment rate over the 2011–2014 period for boys and girls, as well as the highest rate achieved from 2015 to 2018. The figure also shows the difference between enrolment rates for boys and girls in the 2015–2018 period, where data are available. Quite a few African LDCs are reaching net enrolment rates of greater than 90 per cent, which is to be commended, but there are still some outliers where fewer than two thirds of school-age children are not enrolled. Many African LDCs are also making progress towards achieving gender parity in enrolments, although in a few countries the gap between boys enrolled and girls enrolled in schooling remains high, such as in Chad (89 per cent of boys enrolled, 69 per cent of girls) and Guinea (83 per cent of boys enrolled, 69 per cent of girls). In 6 of the 23 countries for which data are available, the enrolment rate for girls was more than one percentage point higher than the rate for boys, such as in Senegal (where 80 per cent of girls are enrolled, and 71 per cent of boys) and the Gambia (where 81 per cent of girls are enrolled, and 73 per cent of boys).

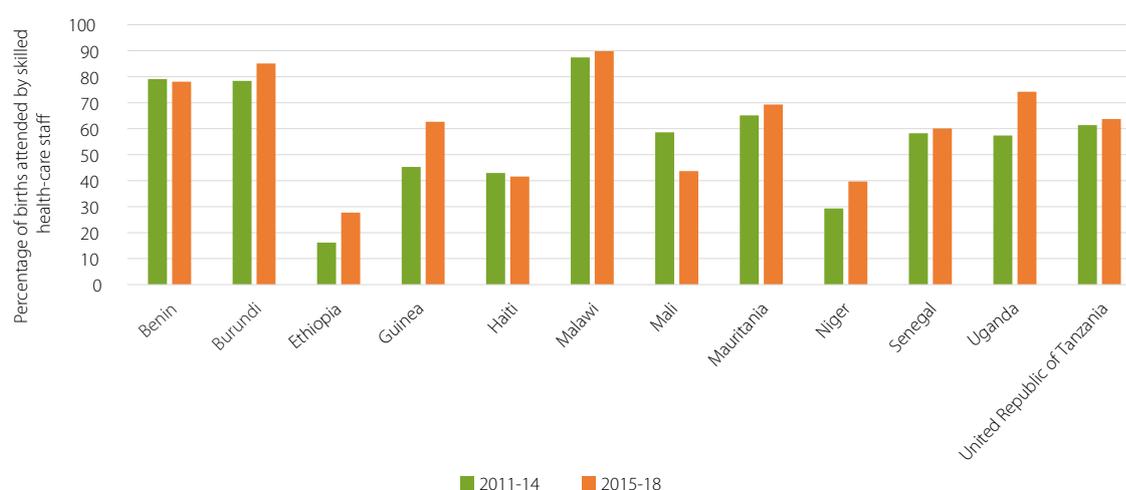
Figure 13 Primary school enrolment rate (net percentage of children enrolled in primary school)



Source: World Bank, World Development Indicators (November 2019).

For countries where data are available, there are some notable declines in the number of births attended by skilled health-care staff over the course of the Programme of Action (figure 14). In Benin, Haiti and particularly in Mali, fewer births were attended by skilled staff in the 2015–2018 period than in the 2011–2014 period. Where there have been improvements, these have generally been fairly small, with the exceptions of Guinea and Uganda, which reported increases of 17.4 and 16.8 percentage points, respectively.

Figure 14 Births attended by skilled health-care staff (percentage)



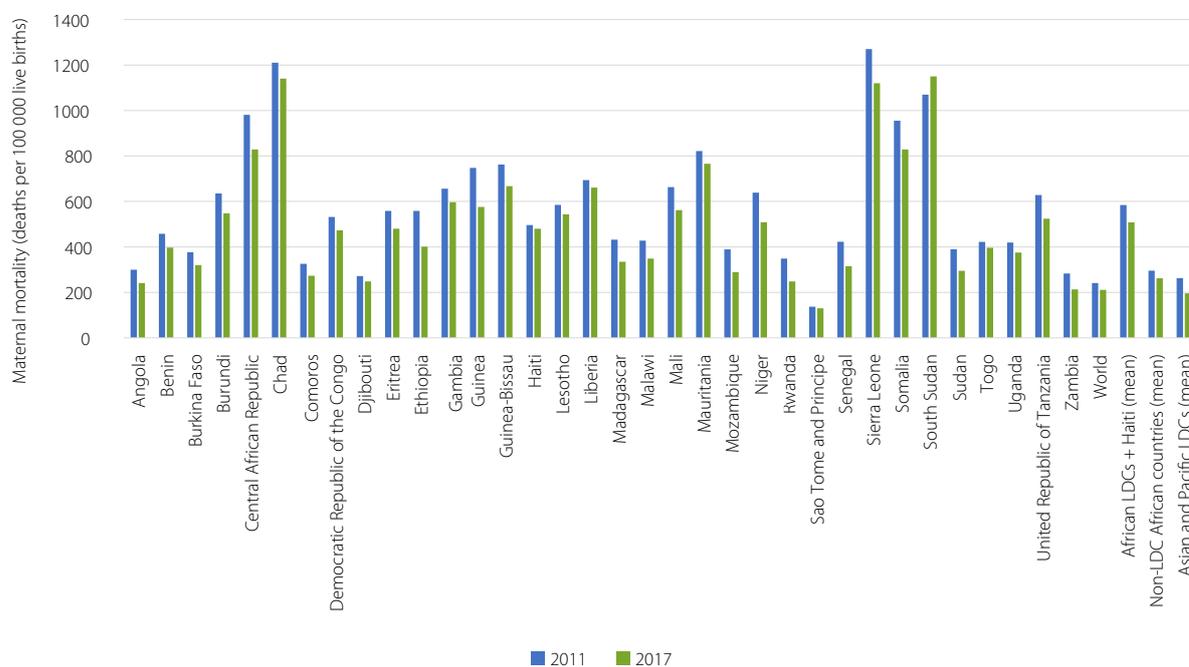
Source: World Bank, World Development Indicators (November 2019).

The Programme of Action calls on the LDCs to continue the work of the Millennium Development Goals by lowering rates of child and maternal mortality. Progress in this regard is illustrated by figures 15 and 16. While progress in reducing maternal mortality is consistent, the outcomes for mothers in African LDCs

(and Haiti) are still far off those achieved in non-LDC African countries, and maternal mortality is still twice the rate of that in the Asia–Pacific LDCs. The results in the under-5 mortality rate are similar: consistent progress among nearly all African LDCs (and Haiti), but results that show health outcomes in Africa are still far poorer than those in the rest of the world. From 2011 to 2018, the under-5 mortality rate in African LDCs decreased by 23.1 per cent, but given the high starting point, much work remains to be done.

The African LDCs (and Haiti) are working towards improving health outcomes by increasing expenditures (figure 17). The Programme of Action requires the LDCs to take steps to increase the strength of their national health systems, and improving funding is certainly an important way to achieve this. Nevertheless, average health expenditures per capita in the Asia–Pacific LDCs are considerably higher than those in African LDCs (and Haiti). Only Lesotho, Sierra Leone and the Sudan spent higher amounts on health per capita in 2016 than the average of Asia–Pacific LDCs expenditures. Between 2011 and 2016, there were also nine African LDCs (and Haiti) where health expenditure per capita fell.¹³

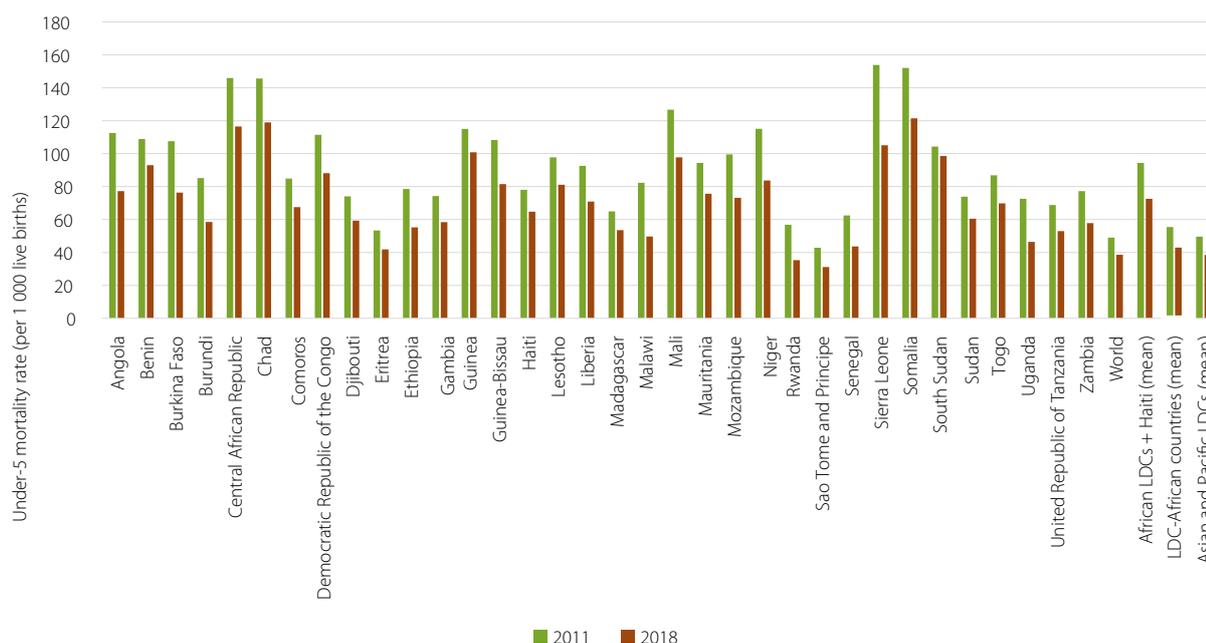
Figure 15 Maternal mortality rate



Source: World Bank, World Development Indicators (November 2019).

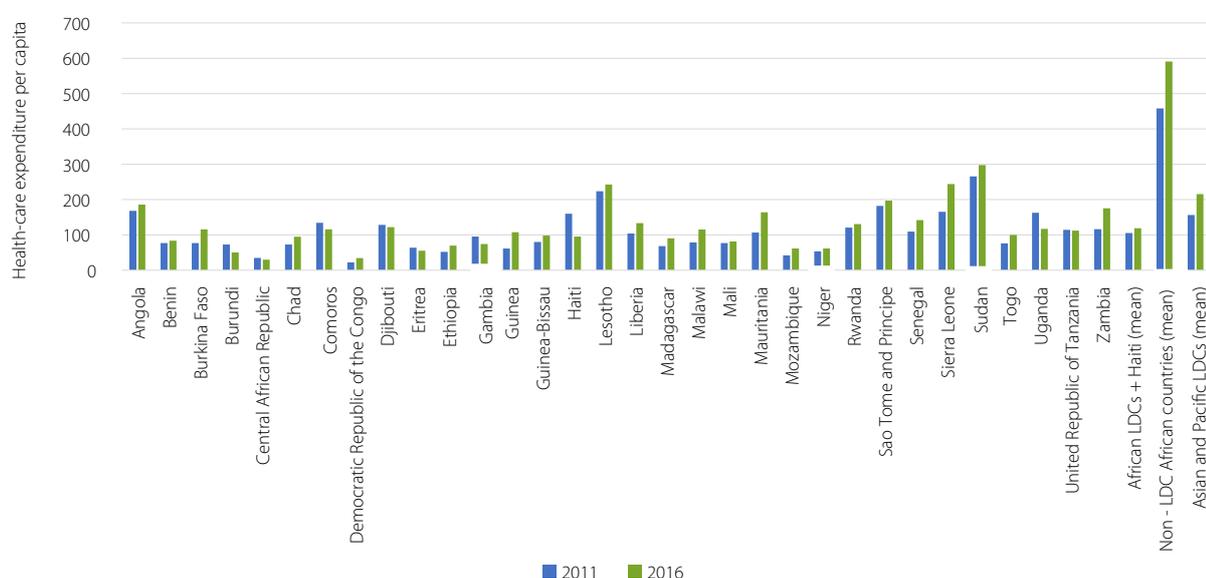
¹³ Burundi, the Central African Republic, the Comoros, Djibouti, Eritrea, the Gambia, Haiti, Uganda and the United Republic of Tanzania.

Figure 16 Under-5 mortality rate



Source: World Bank, World Development Indicators (November 2019).

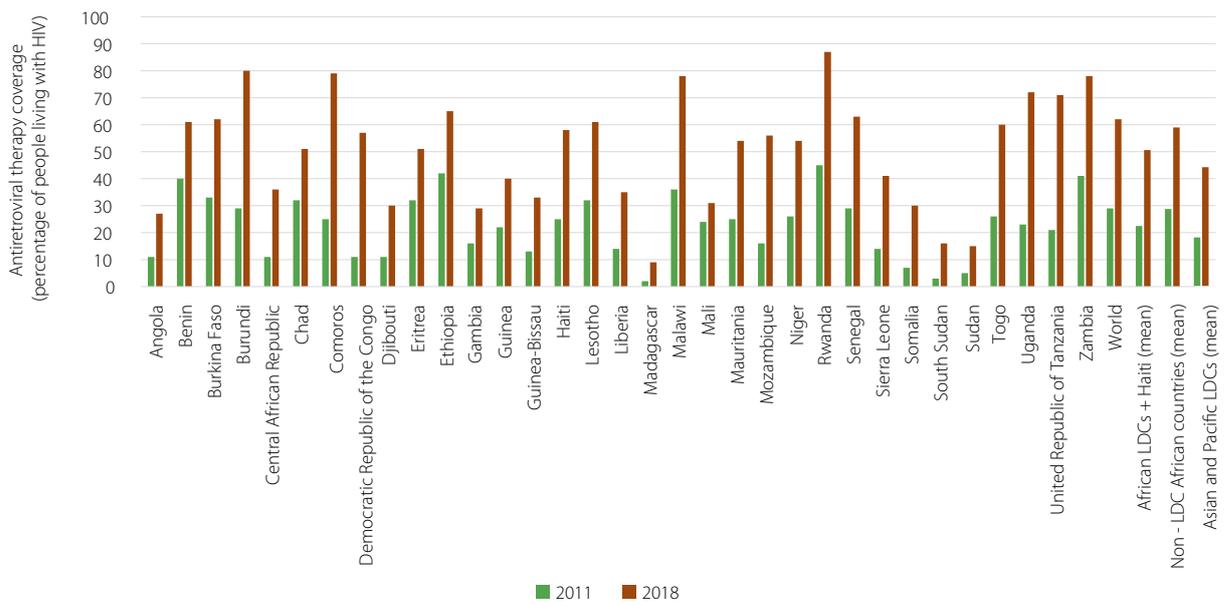
Figure 17 Health-care expenditure per capita (purchasing power parity, current international dollars)



Source: World Bank, World Development Indicators (November 2019).

The AIDS epidemic has affected Africa more severely than any other continent, and this is recognized by the Programme of Action’s demand that the LDCs reduce their vulnerability to this disease, among others. Significant progress is seen across all the African LDCs in this regard (figure 18), and the levels of people living with HIV who have access to antiretroviral therapies are comparable to those in non-LDC African countries. Burundi and Rwanda, in particular, have achieved coverage rates of 80 per cent and above.

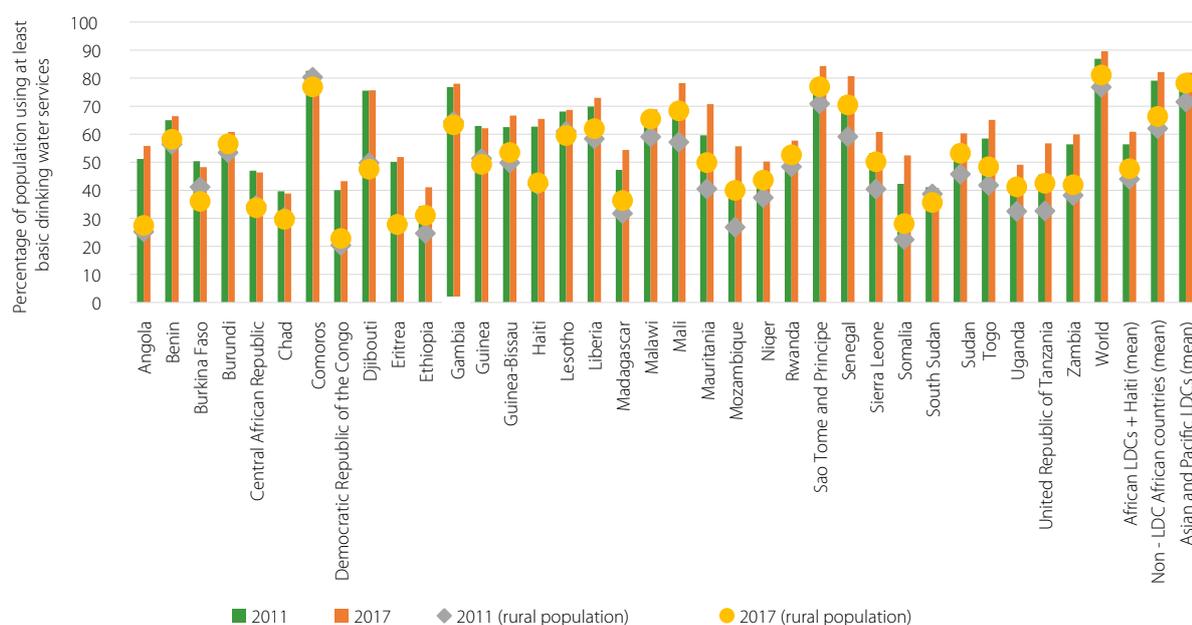
Figure 18 Antiretroviral therapy coverage (percentage of people living with HIV)



Source: World Bank, World Development Indicators (November 2019).

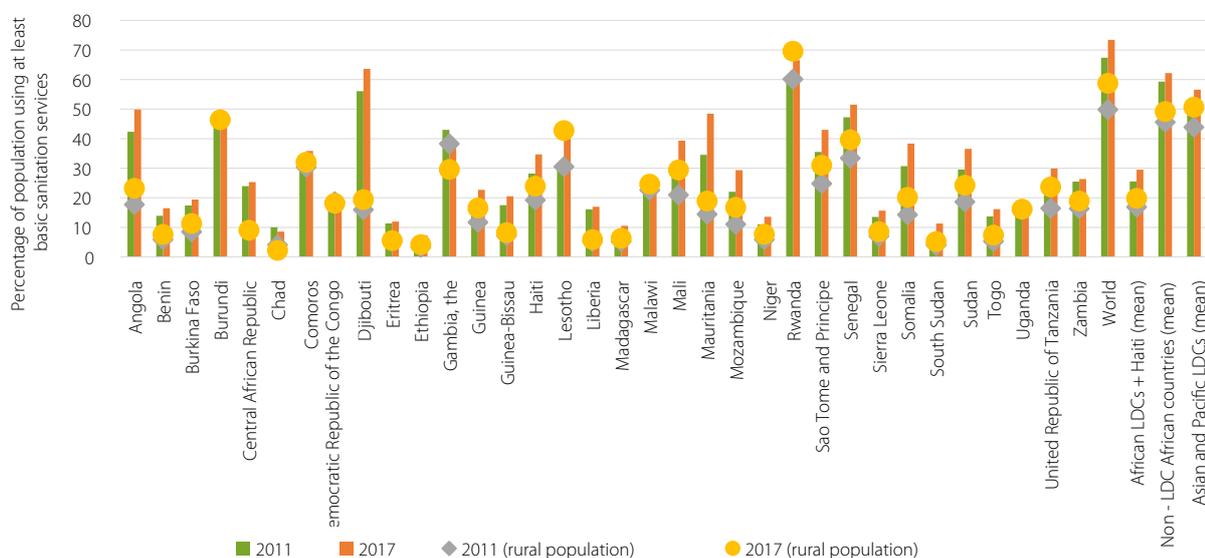
Access to safe drinking water and basic sanitation for all is part of the Programme of Action’s objectives for human and social development. The African LDCs (and Haiti) are a considerable distance from achieving this target. While progress is generally positive, large improvements have failed to materialize over the course of the Programme of Action. The average rate of access to basic drinking water services for people in African LDCs (and Haiti) has only increased, from 56.4 per cent in 2011 to 60.8 per cent in 2017 (figure 19). The average rate of access to basic sanitation services shows similarly small improvement, from 25.5 per cent in 2011 to 29.5 per cent in 2017 (figure 20). To illustrate the deficit experienced by the African LDCs (and Haiti), consider that in 2017 non-LDC African countries had access to basic drinking water rates of 82.2 per cent, and access to sanitation of 62.2 per cent. The Asia–Pacific LDCs, too, had access rates similar to those of the non-LDC African countries. Poor access to safe drinking water and basic sanitation is a contributor to the poor health outcomes in the African LDCs (and Haiti), and constitutes a brake on their overall human development.

Figure 19 Percentage of population using at least basic drinking water services, total and rural



Source: World Bank, World Development Indicators (November 2019).

Figure 20 Percentage of population using at least basic sanitation services, total and rural

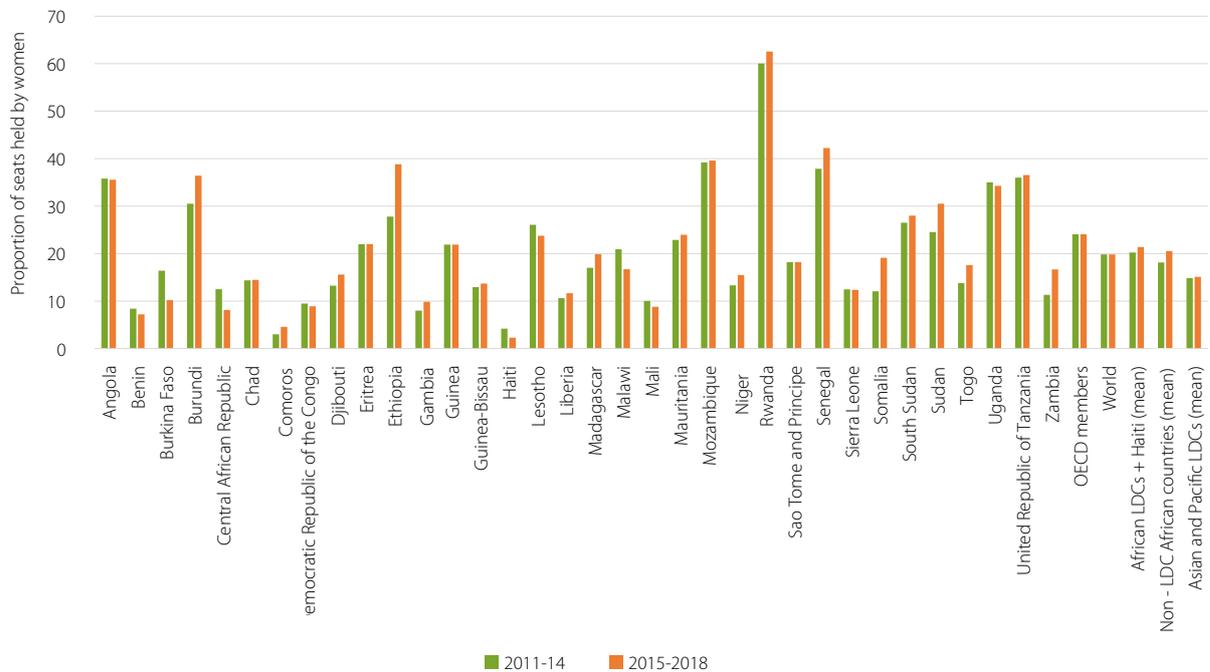


Source: World Bank, World Development Indicators (November 2019).

The Programme of Action also focuses on gender equality and women’s empowerment. One of the targets of this part of the Programme is to “promote effective representation and participation of women in all spheres of decision-making, including the political process at all levels”. It is interesting to note that, while most LDCs in Africa (and Haiti) do not have levels of women’s representation in parliament that approach 50 per cent, the average rates of representation, at 21.4 per cent in 2015–2018, compares favourably with other groups of countries (figure 21). It is marginally higher than non-LDC African countries, higher than the Asia–Pacific LDCs, and not far off the average rate of representation in OECD members (24.1 per cent). This indicator is highly variable across the African LDCs (and Haiti), with countries such as Rwanda and

Senegal having the highest representation rates for women in national parliaments (at 62.6 per cent and 42.3 per cent, respectively, over 2015–2018). The lowest rates are seen in Haiti and the Comoros, with rates below 5 per cent.

Figure 21 Seats held by women in national parliaments (percentage)



Source: World Bank, *World Development Indicators* (November 2019).

Multiple crises and other emerging challenges

A number of interlinked factors contribute to the difficulty of maintaining stability and growth in the African LDCs (and Haiti), including climate change, extreme weather events (to which climate change contributes), conflicts both between and within countries, and migration patterns.

In 2015, parties to the United Nations Framework Convention on Climate Change (UNFCCC) created the Paris Agreement, with the aim of strengthening the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase even further, to 1.5 degrees Celsius. All the African LDCs (and Haiti) have ratified this agreement, with the exception of Angola, Eritrea and South Sudan.¹⁴ The Paris Agreement requires countries to issue Nationally Determined Contributions that present their commitments to reducing emissions. These Contributions are reissued every five years to update all members of UNFCCC on the country's progressive efforts to tackle climate change. Considering that the LDCs are poorly equipped to comprehensively manage the changing environment that will result from severe climate change, it is commendable that they have agreed to contribute to fighting it.

The devastation caused by Tropical Cyclone Idai in March 2019, which affected Mozambique, Malawi and Zimbabwe, illustrates the ongoing needs for countries to implement disaster risk reduction strategies. Weather events such as this can affect millions of people in a short period, and have the potential to

¹⁴ Available at https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtmsg_no=XXVII-7-d&chapter=27&clang=_en. Accessed on 6 January 2020.

leave countries that are poorly prepared with damage that affects their growth and prosperity for years. Ongoing efforts from the African LDCs (and Haiti), as well as development partners, will be required to ensure that the most vulnerable populations have the capacity to respond to disastrous events, whether natural or human-induced.

Mobilizing financial resources for development and capacity-building

Effective and efficient mobilization of domestic and external resources – through public and private means such as tax revenues, domestic credit markets, official development assistance, external debt, foreign direct investment and remittances – will support LDCs to achieve increased prosperity. However, sourcing sufficient levels of finance remains a major constraint in achieving their development goals.

Practically all African LDCs have been classified as Heavily Indebted Poor Countries (HIPC) at one point or another, exacerbating their capacities to obtain financing from the international market. This has made official development assistance an essential method through which African LDCs can mitigate their external debt burden. Furthermore, such LDCs have benefited from debt relief measures under the HIPC and Multilateral Debt Relief Initiative (MDRI). At the end of 2018, 36 of the 39 countries eligible for the initiatives reached the completion point,¹⁵ and 26 of those were African LDCs and Haiti. Chad was the last country to reach its completion point, meeting the milestone in April 2015. Eritrea, Somalia and the Sudan are classified as being potentially eligible, and may wish to avail themselves of the HIPC initiative and MDRI. In particular, Somalia is beginning to make meaningful progress towards qualifying for debt relief and reaching the decision point under the Initiative.¹⁶ The HIPC initiative and the MDRI have helped reduce excessive debt burdens in post-completion point countries, offering them a fresh start and renewed access to development finance, where poverty-reducing expenditures (7.3 per cent of GDP) were almost four times as great as debt-service payments (1.9 per cent of GDP) in 2017.

Domestic resources

The Addis Ababa Action Agenda recognizes effectively mobilizing domestic public resources as one of the seven action areas that are central in realizing the Sustainable Development Goals. Empirical evidence shows that macroeconomic policy, including fiscal policy, is critical for the structural transformation of African economies.¹⁷ Therefore, Governments can contribute to their social development policy objectives – such as increased growth and employment, macroeconomic stability, income distribution, allocative efficiency and operational efficiency – by modifying their public expenditure levels and revenue rates.

Africa has a low tax capacity of about 20 per cent of GDP, and a lower tax revenue to GDP ratio (17 per cent) than other regions, largely because of inefficiencies in tax policy and revenue collection. In Africa in general, tax revenue declined over 2017 and 2018, with the continental weighted tax ratio averaging 17 per cent of GDP, well below the 20 per cent ratio needed to help countries fast-track achievement of

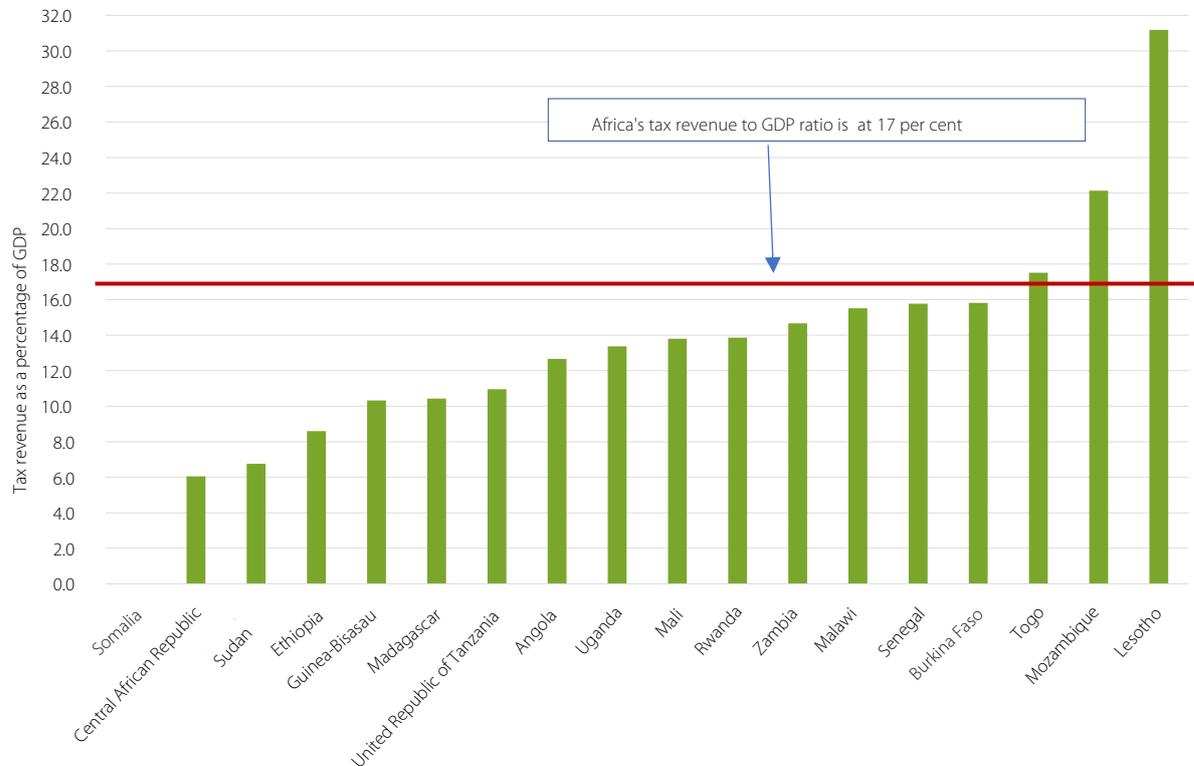
15 Completion point is when a country reaches the second step of the initiative's two-step process. When a country fulfils the criteria set out at this step, it can reach its completion point, which allows it to receive the full debt relief committed at the first step/decision point. The criteria are: establish a further track record of good performance under programmes supported by loans from the International Monetary Fund (IMF) and the World Bank; implement key reforms agreed at the decision point; and adopt and implement its Poverty Reduction Strategy Paper for at least one year.

16 IMF (2019). Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Statistical Update. IMF Policy Paper, April.

17 ECA (2017). Development Financing in Africa. Addis Ababa.

the Sustainable Development Goals.¹⁸ Based on LDCs in Africa with data available (figure 22), only three countries (Lesotho, Mozambique and Togo) exceeded the 17 per cent ratio from 2011 to 2017/18, and only two exceeded the 20 per cent ratio (Lesotho and Mozambique).

Figure 22 Tax revenue as a percentage of gross domestic product for 2011-2018



Source: World Bank.

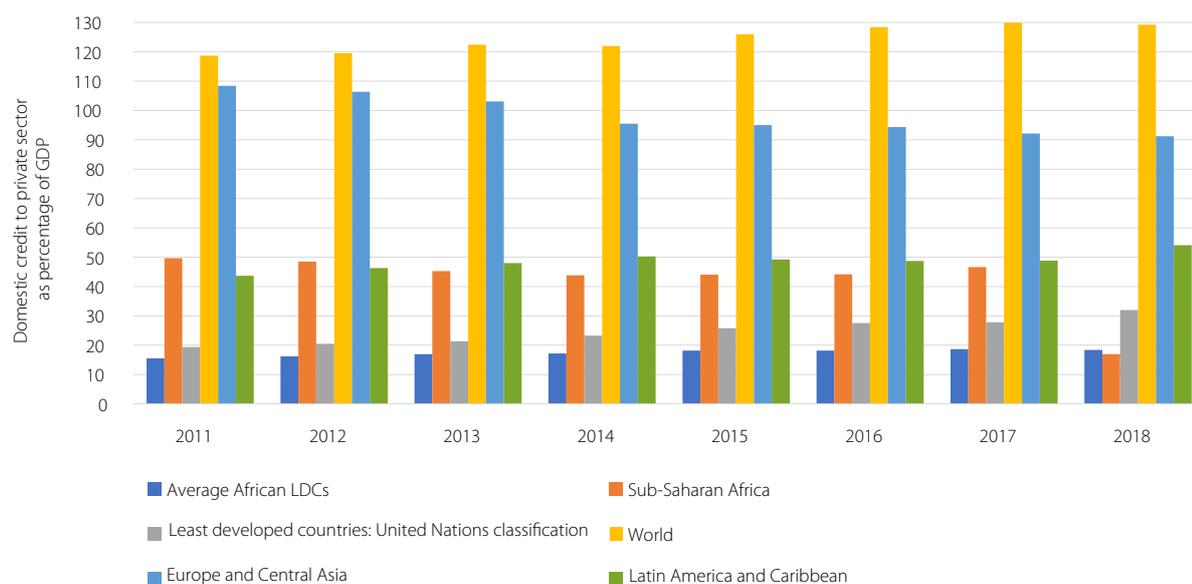
Domestic private financial flows – comprising credit to the private sector, savings and the development of capital markets – are also important to the sustainable development of the LDCs. Rising levels of domestic credit are important, as they indicate improvements in levels of financial access for both households and corporations – particularly small and medium-sized enterprises for whom access to finance remains a significant constraint to growth.¹⁹ African LDCs' level of domestic credit to the private sector is generally shallow when compared with other regions. However, its ratio as a percentage of GDP has slightly increased, from 15.5 per cent in 2011 to 18.4 per cent in 2018, outperforming the sub-Saharan Africa region in that year (figure 23).

Domestic credit tends to increase with per capita income, reflecting financial deepening as economies grow. This is evident in the domestic credit to private sector as percentage of GDP ratio of Europe and Central Asia, which remained above 90 per cent from 2011 to 2018. Nevertheless, when comparing domestic credit to private sector LDCs in Africa, the connection with per capita GDP is not so linear. Angola, Djibouti and Sao Tome and Principe were the top three countries with the highest per capita income from LDCs in Africa in 2018, and figure 24 shows that the latter two also appear to have the highest domestic credit to the private sector to GDP ratio.

¹⁸ ECA (2019). Economic Report on Africa 2019: Fiscal Policy for Financing Sustainable Development Policy in Africa (United Nations publication, Sales No. E.19.II.K.2).

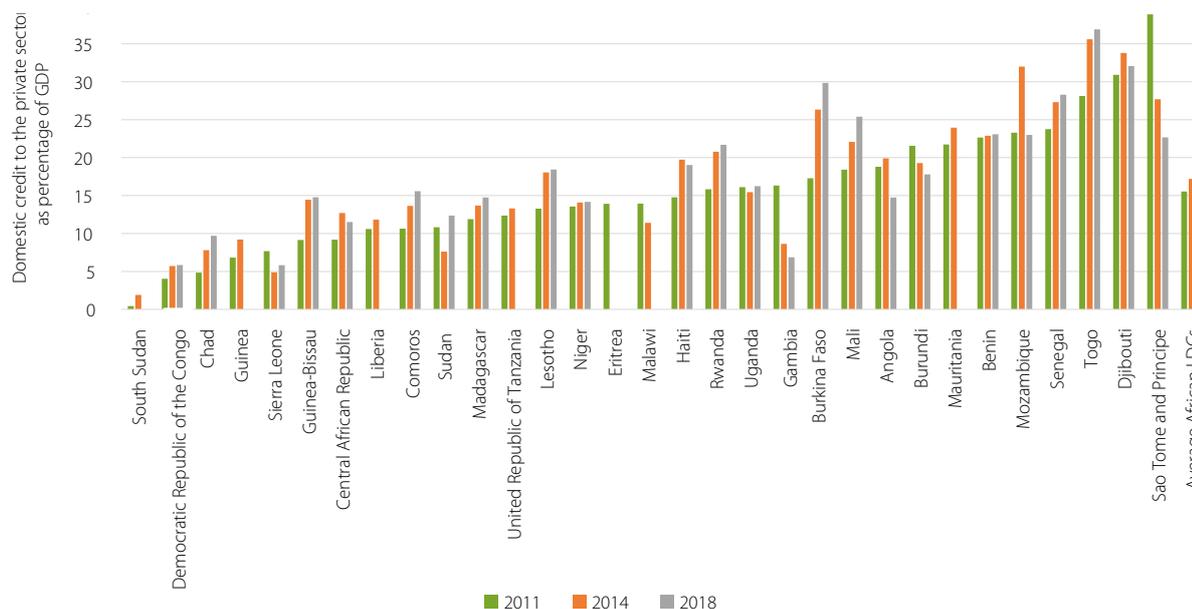
¹⁹ ECA (2017). Development Financing in Africa. Addis Ababa.

Figure 23 Domestic credit to the private sector (percentage of gross domestic product), selected regions



Source: World Bank.

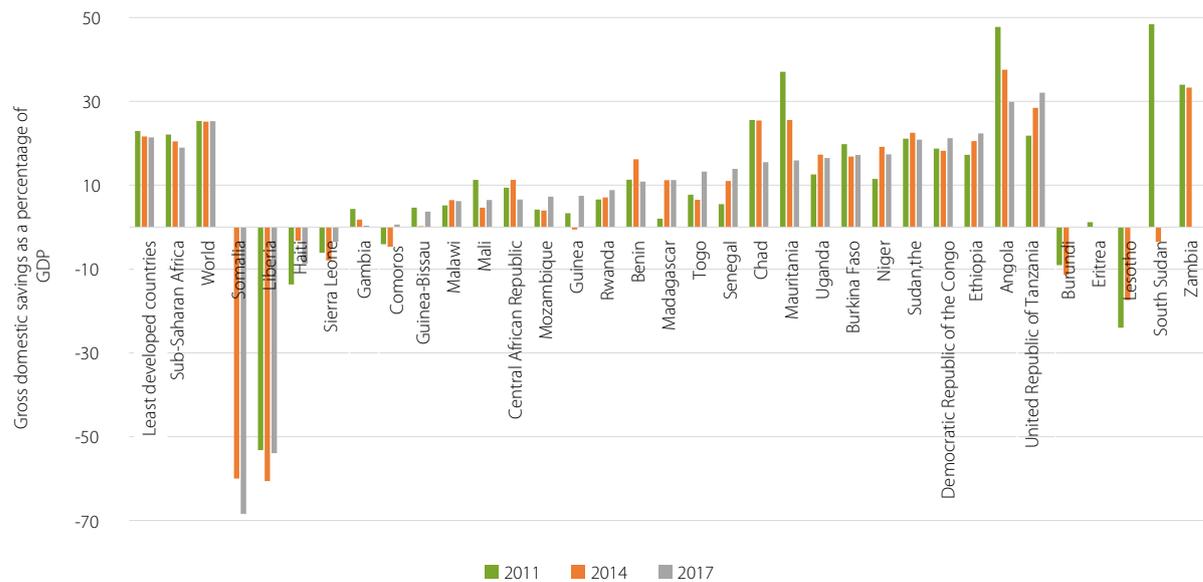
Figure 24 Domestic credit to the private sector (percentage of GDP), African least developed countries



Source: World Bank.

Improvements in mobilizing domestic saving in the LDCs will provide a stable, low-cost and low-risk source of financing compared with, for example, international private capital flows.²⁰ Gross domestic savings as a percentage of GDP in LDCs in Africa and Haiti are highly variable. High domestic savings rates are evident in countries such as Angola, Zambia and the United Republic of Tanzania, while massively negative rates are seen in Somalia and Liberia. Much higher and consistent rates are registered in the world as a whole at 25.1 per cent from 2011 to 2017, as illustrated in figure 25.

20 African Development Bank (2009), cited in ECA (2017) Development Financing in Africa.

Figure 25 Gross domestic savings (percentage of gross domestic product)

Source: World Bank.

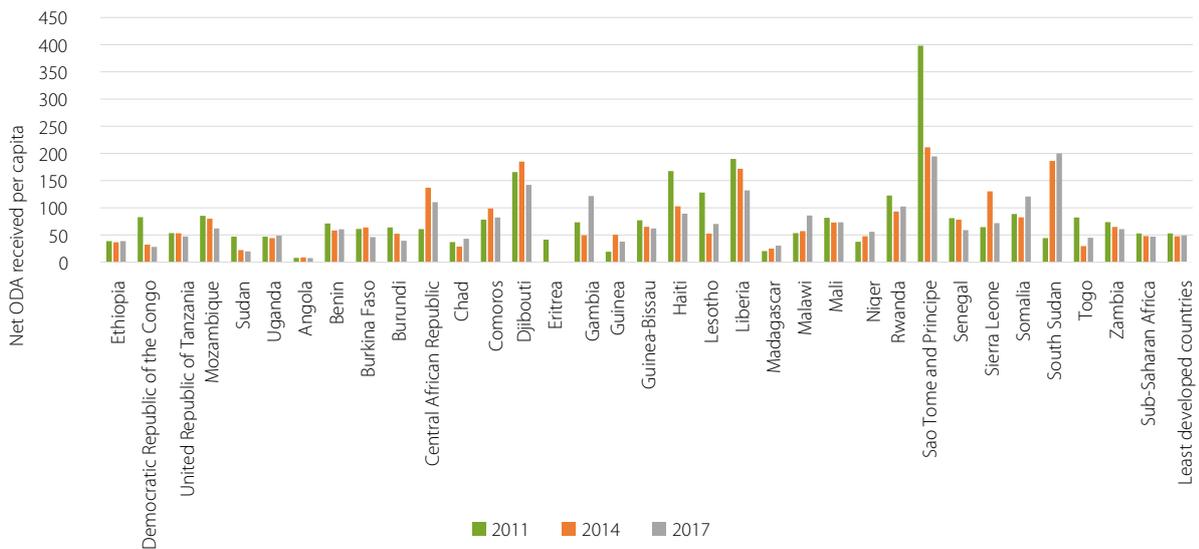
Capital markets are virtually non-existent in all LDCs. Institutions for credit rating and strong financial stability are prerequisites for such markets to exist. Despite their ambitions, many African LDCs are not at this stage of development with their financial sectors. Although somewhat different from capital markets, Ethiopia's Commodity Exchange (ECX), the first modern commodity exchange in sub-Saharan Africa (outside South Africa), and subsequently Rwanda's East Africa Exchange, are interesting developments.

External resources

Historically, large levels of financial resource flows to LDCs came from official development assistance (ODA), as a means to mitigate external debt burden. Total net ODA contribution amounted to \$1.16 trillion during the 2006–2017 period. The bulk of ODA (\$1.04 trillion, or 90 per cent of total bilateral ODA) came from OECD Development Assistance Committee (DAC) countries. Africa received \$329.70 billion in net ODA disbursements from DAC countries, almost a third (31.7 per cent) of DAC disbursements, while Asia received \$289.31 billion, or 27.9 per cent. Of the top 10 African recipients, six were LDCs – Ethiopia, the Democratic Republic of the Congo, the United Republic of Tanzania, Mozambique, the Sudan and Uganda – in order of highest disbursement.²¹ Nevertheless, when looking at net ODA per capita, these equate to per capita amounts of \$38.7 to Ethiopia, \$28.0 to the Democratic Republic of the Congo, \$47.3 to the United Republic of Tanzania, \$62.0 to Mozambique, \$19.9 to the Sudan, and \$48.8 to Uganda.

²¹ OECD (2018). OECD.Stat. Available at <https://stats.oecd.org/#>. Accessed on 6 January 2020.

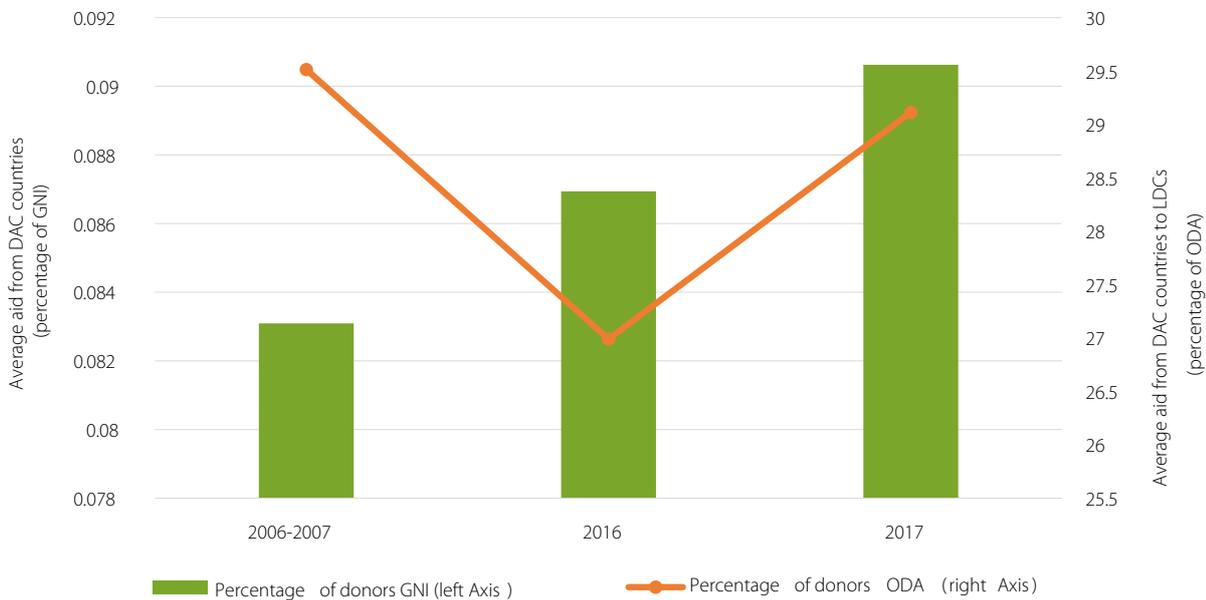
Figure 26 Net official development assistance received per capita (current United States dollars)



Source: World Bank.

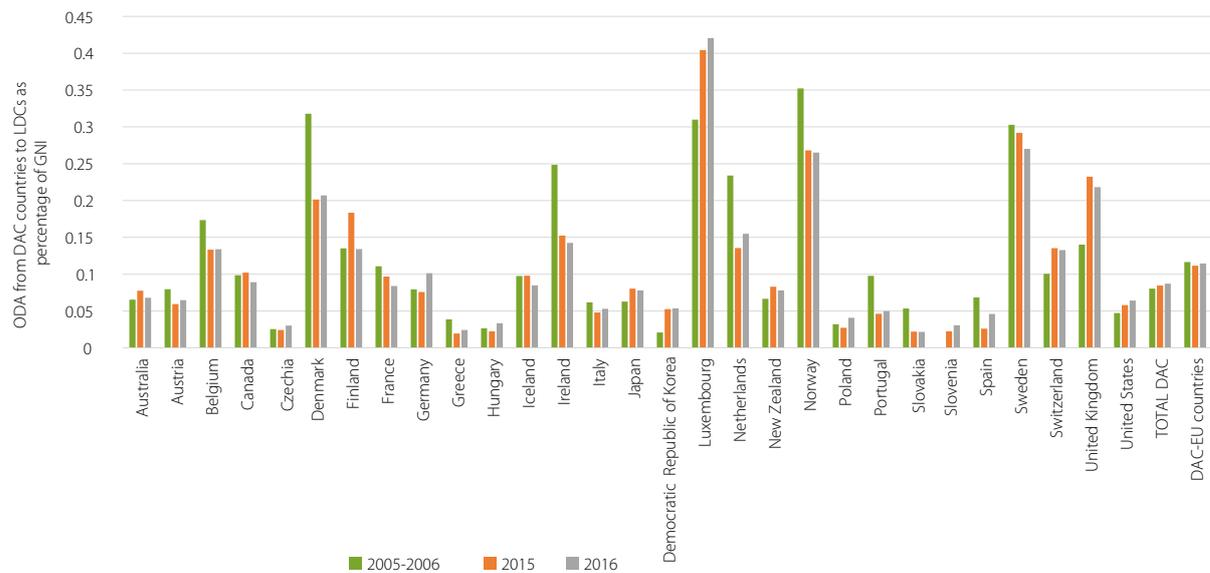
When specifically assessing aid from DAC countries to LDCs, it is evident that the proportion of ODA that reaches the LDCs has remained less than 30 per cent in the last decade (figure 27) and the GNI/ODA ratio of donors in relation to aid to LDCs has not increased in any significant way over this period.

Figure 27 Aid from Development Assistance Committee countries to least developed countries



Source: OECD.

Figure 28 Official development assistance commitments as a proportion of gross national income by Development Assistance Committee members



Source: OECD.

According to OECD, globally ODA in 2018 fell 2.7 per cent from 2017, with aid to Africa falling by 4 per cent and bilateral ODA to the LDCs down by 3 per cent in real terms from 2017. Furthermore, most of the OECD DAC members did not meet their 0.7 per cent ODA/GNI commitments (figure 28), with only 5 of the 30 members meeting their targets in 2018. Hence the ODA provided under DAC was equivalent to 0.31 per cent of the DAC donors' combined GNI, well below the target ratio.²²

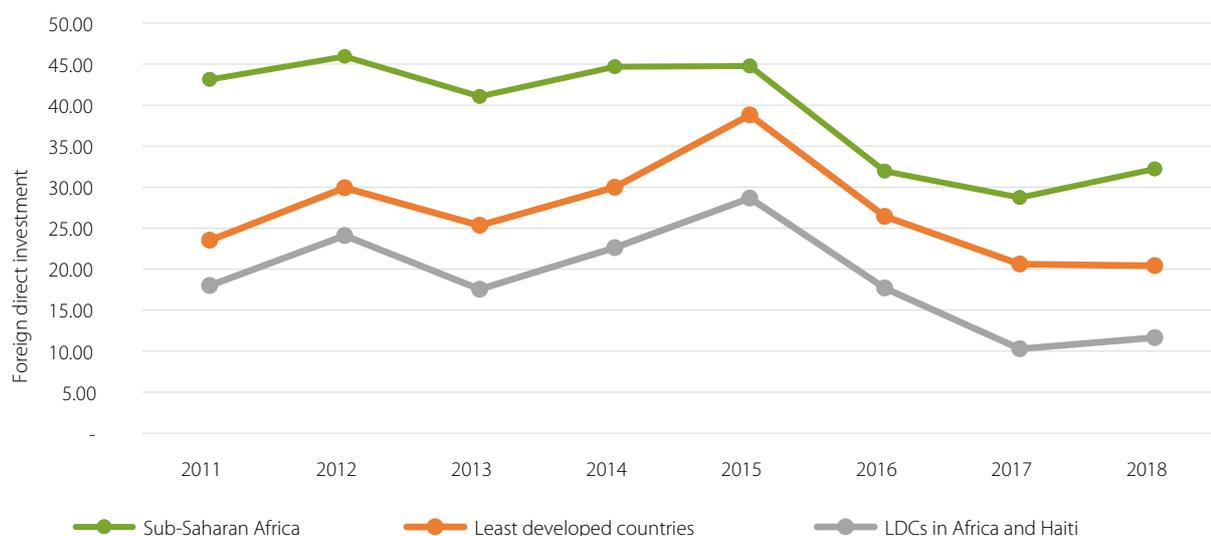
The post-2002 period has been characterized by the internationalization of the financial system and the integration of developing economies into it, facilitating strong growth in cross-border private flows globally.²³ Consequently, with the decreasing usage of ODA as the major financing tool for development, the Addis Ababa Action Agenda is changing global financial architecture and inspiring countries to take a more integrated approach to managing all types of finance, by improving integration across government, as well as between government and other stakeholders.

Foreign direct investment (FDI) is a major source of finance for the LDCs. It can potentially provide knowledge transfer from foreign firms, although the stability of such flows can be uncertain. Over the last nine years, the net FDI flow into LDCs in Africa and Haiti has fluctuated, with a noticeable increase in 2012 of 34 per cent, followed by a decline in the following year of -27 per cent. FDI flows showed sharp increases in 2014 and 2015, then declined again by 38 per cent then 42 per cent in 2016 and 2017, respectively. In 2018, FDI flows to LDCs in Africa stood at \$11.64 billion, which is a peak since the commencement of the Programme of Action.

22 OECD (2019). Development aid drops in 2018, especially to neediest countries. Paris, 10 April. Available at www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2018-detailed-summary.pdf. Accessed on 6 January 2020.

23 ECA (2017). Development Financing in Africa. Addis Ababa.

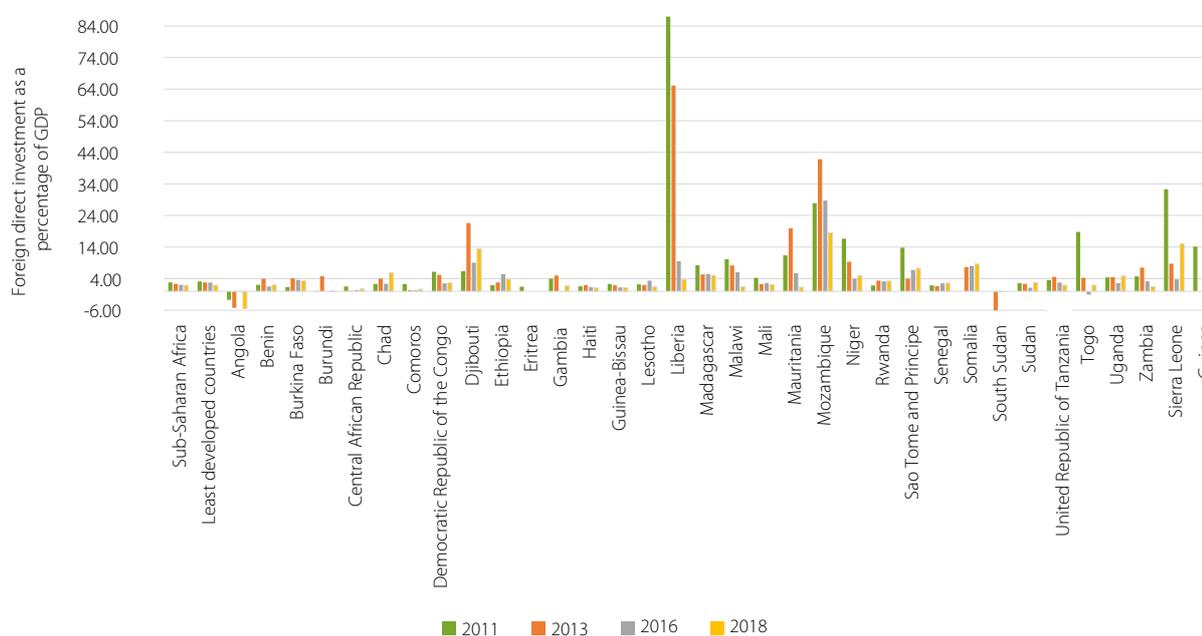
Figure 29 Foreign direct investment, net inflows by region (current billions of United States dollars)



Source: DataBank, World Bank.

Similarly, when looking at FDI inflows as a percentage of GDP to LDCs in Africa and Haiti, with the exception of Chad and Somalia, all countries have had their ratios decline from 2011 to 2018, with Angola being the worst hit, with a decline from -2.7 per cent in 2011 to -5.4 per cent in 2018.

Figure 30 Foreign direct investment, net inflows (percentage of gross domestic product)



Source: DataBank, World Bank.

At a time when the global development finance landscape is moving away from the model of reliance on ODA and easy access to external finance, the success in implementing the 2030 Agenda for Sustainable Development depends heavily on the ability of African countries to generate and mobilize domestic resources. In addition, the Addis Ababa Action Agenda is changing global financial architecture and inspiring countries to take a more integrated approach to managing all types of finance, by improving

integration across government, as well as between government and other stakeholders. More recently, the Addis Ababa Action Agenda encourages exploring additional innovative mechanisms based on models combining public and private sources of finance for financing the Sustainable Development Goals and Agenda 2063. Continued implementation of the Sustainable Development Goals and of the Programme of Action will require LDCs to further explore integrated financing approaches in order to further stabilize their finances and options for carrying out development policies.

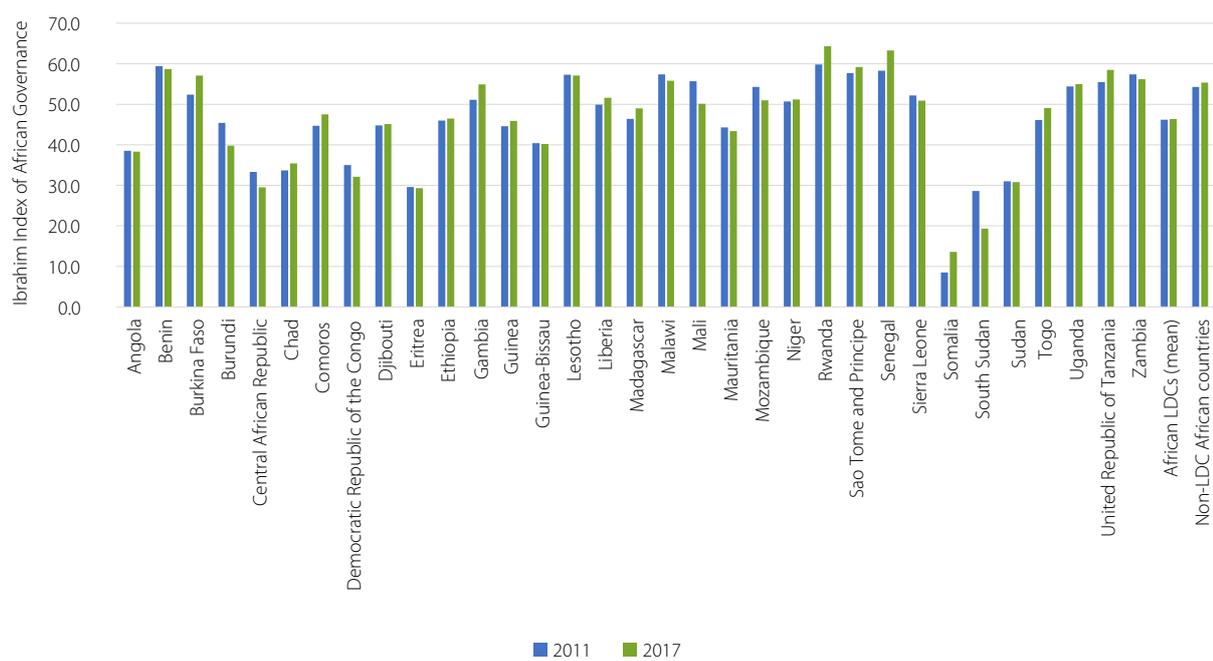
Good governance at all levels

The final action area of the Programme of Action is that of improving governance. This is a key area of sustainable development that is interlinked with all the others, for without strong governance and an enabling policy environment, economies do not prosper, people's human needs are disregarded, and international relationships suffer. The Mo Ibrahim Foundation researches African governance and provides insight into how African LDCs have improved their governance structures over time. This index accounts for key aspects that make up governance, such as safety and rule of law, participation and human rights, sustainable economic opportunity and human development. Progress over the period of the Programme of Action, as rated by the Ibrahim Index of African Governance, is mixed (figure 31). Some countries have improved their scores over time, but still others are falling backwards. In absolute terms, Rwanda and Senegal are the highest scorers on the Ibrahim Index, while in absolute terms the largest improvement was made by Somalia, albeit from a very low 2011 score. Sixteen LDCs, however, received lower overall governance scores in 2017 than in 2011.

Another perspective on the lack of progress made by the African LDCs (and Haiti) in governance is given by the World Bank's Worldwide Governance Indicators (table X). These indicators cover six areas: control of corruption, government effectiveness, political stability, absence of violence/terrorism, regulatory quality, and rule of law. The values in the indicators are in a standard normal distribution, ranging from approximately -2.5 to 2.5. On average, across the African LDCs (and Haiti), all of these indicators except for voice and accountability have declined over time. The average for non-LDC African countries is also presented as a comparison group, and while the scores for these countries are still low, the scores have gone backwards in only two categories, those of political stability and regulatory quality.

This evidence suggests that, in order to make substantial improvements in the lives of their citizens, the Governments of LDCs will need to make greater efforts towards improving their governance in order to provide the kind of environment in which people can flourish, both economically and socially.

Figure 31 Ibrahim Index of African Governance



Source: Mo Ibrahim Foundation, 2018 Ibrahim Index of Governance Data Portal (November 2018).

Table 2 African least developed countries (and Haiti) performance on worldwide governance indicators

		2011	2012	2013	2014	2015	2016	2017	2018
Control of corruption	African LDCs (and Haiti)	-0.760	-0.798	-0.808	-0.817	-0.823	-0.831	-0.817	-0.824
	Non-LDC African countries	-0.443	-0.472	-0.466	-0.463	-0.430	-0.438	-0.461	-0.434
Government effectiveness	African LDCs (and Haiti)	-0.990	-1.006	-1.028	-1.093	-1.093	-1.093	-1.098	-1.083
	Non-LDC African countries	-0.466	-0.455	-0.440	-0.446	-0.393	-0.429	-0.436	-0.424
Political stability and absence of violence/terrorism	African LDCs (and Haiti)	-0.737	-0.735	-0.768	-0.842	-0.777	-0.809	-0.828	-0.810
	Non-LDC African countries	-0.313	-0.343	-0.353	-0.525	-0.419	-0.442	-0.438	-0.445
Regulatory quality	African LDCs (and Haiti)	-0.859	-0.832	-0.822	-0.856	-0.867	-0.896	-0.903	-0.908
	Non-LDC African countries	-0.479	-0.489	-0.506	-0.551	-0.551	-0.583	-0.565	-0.573
Rule of law	African LDCs (and Haiti)	-0.897	-0.916	-0.926	-0.873	-0.875	-0.913	-0.899	-0.904
	Non-LDC African countries	-0.481	-0.444	-0.438	-0.390	-0.398	-0.435	-0.434	-0.412
Voice and accountability	African LDCs (and Haiti)	-0.764	-0.817	-0.818	-0.743	-0.734	-0.733	-0.722	-0.741
	Non-LDC African countries	-0.523	-0.429	-0.438	-0.399	-0.386	-0.386	-0.411	-0.411

Source: World Bank, *Worldwide Governance Indicators* (November 2019).



II. Africa's progress towards fulfilling the Istanbul Programme of Action

One of the primary goals of the Programme of Action was to enable half of the LDCs to meet the graduation criteria by 2020. In this regard, the LDCs and their international partners have not made sufficient progress. Throughout the decade covered by the Programme of Action, three countries have graduated (with a fourth, Vanuatu, expected to graduate in 2020). More countries have met the criteria and will graduate in the first half of the next decade (Angola, Bhutan, Sao Tome and Principe, and Solomon Islands). Still other countries have met the criteria but have not yet been recommended for graduation: Bhutan, Kiribati, Nepal, Timor-Leste, Bangladesh, Myanmar, the Lao People's Democratic Republic and Tuvalu. At the commencement of the Programme of Action, there were 48 LDCs. With 16 countries having met the criteria, the international community has thus fallen short of the target of enabling 24 LDCs to meet criteria for graduation from LDC status. Particularly concerning to ECA is that the number of LDCs in Africa has remained unchanged over the decade: while Equatorial Guinea graduated, South Sudan entered the list of LDCs as a new State. Angola and Sao Tome and Principe are expected to graduate (in 2021 and 2024, respectively), but it is also notable that Zimbabwe continues to meet all the criteria of being an LDC, yet as per the wishes of its Government, is not included in the LDC category. On this basis, it is evident that the Programme of Action has had successes in Asia and the Pacific, but has not made notable inroads into Africa's poverty and development challenges.

Throughout this report, evidence has been provided on the progress being made in the priority areas of the Programme of Action. Human and social development continues to advance in the African LDCs (and Haiti), but at a pace that is unacceptably slow. The LDCs remain largely commodity-dependent, and have not been able to significantly diversify their sources of international income. Manufacturing and agricultural value added has not changed substantially for many countries so far this decade, although improvements in telecommunications and electricity connectivity are being made. Perhaps most worryingly, standards of governance are too often static or even in decline. Without addressing the governance issues that plague many African LDCs (and Haiti), the prospects for further success in other priority areas seem slight.



III. Towards a new Programme of Action for the least developed countries

Since 2011, when the Programme of Action for the Least Developed Countries for the Decade 2011–2020 was announced, the development landscape has changed. In 2015, the world embarked on a new programme for global development by introducing the Sustainable Development Goals. In Africa, too, Agenda 2063 has put forward a comprehensive vision for the development of Africa as a prosperous, integrated and peaceful continent. These new international development agendas were developed through a process that was highly participatory and focused on what all countries can contribute towards international development.

The Programme of Action, while it remains relevant due to its specific focus on the LDCs, now exists in an international arena where the focus of development is firmly on the Sustainable Development Goals as a holistic agenda for development of all countries. The Sustainable Development Goals, of course, contain the principle of “leave no one behind”. This can be interpreted as a clear call to all development partners that those countries facing the most significant barriers to development, the LDCs, must be assisted as much as possible to achieve sustainable development. Should the international community recommit to a further programme of action for the LDCs in the next decade, the new programme must take into account the extensive coverage of the Sustainable Development Goals and take care not to reiterate calls to action, commitments and aspirations that already exist.

The international community must also appropriately consider Agenda 2063. With the majority of the LDCs being African, and this proportion set to grow over the next decade, the addition of a third international plan of action where two high-profile international development agendas already exist would need to be carefully justified.

With all the above in mind, the question must be asked: What kind of Programme of Action for LDCs is needed for the decade 2021–2030? The current Programme of Action is in some respects superseded by the Sustainable Development Goals, and while in the next decade the LDCs will be mostly African, Africa already has a specific developmental strategy in Agenda 2063. The current Programme of Action’s structure in terms of focus on eight priority areas should not be replicated in a new programme, because the 17 Sustainable Development Goals already put sufficient focus on the targets and partnerships required for sustainable development.

The extent to which any new programme of action will need to change from the current one can be understood by looking at those targets in the current programme which have been subsumed into the Sustainable Development Goals. Consider the non-exhaustive list below:

- (a). The doubling of the share of LDCs’ exports in world trade has been included in the Sustainable Development Goals as target 17.11.
- (b). The Programme of Action target for flows of official development assistance to LDCs was included as target 17.2.

- (c). In terms of improving productive capacities, target 9.2 of the Sustainable Development Goals specifies improvements in manufacturing value added.
- (d). Target 8.1 of the Sustainable Development Goals is to achieve growth rates of at least 7 per cent in the LDCs, a target that was first set out in the Brussels Programme of Action for the LDCs.
- (e). Target 7.2 of the Sustainable Development Goals is to increase substantially the share of renewable energy in the global mix, also a part of the current Programme of Action.
- (f). The Sustainable Development Goals also included the target of establishing a technology bank, and this became the first Sustainable Development Goal target to be achieved, and is of course also an achievement of the current Programme of Action.

With the 2030 Agenda for Sustainable Development so comprehensively setting out a plan for the advancement of all nations, the upcoming discussions surrounding the programmes of action for the LDCs must consider what further targets or aspirations must be voiced. Considering the limited successes in the current Programme of Action, due consideration must also be given to what the LDCs themselves may be realistically called upon to achieve.

One of the more innovative aspects of the current Programme of Action was its clear call to development partners to take action to assist the LDCs to accelerate their progress towards sustainable development. As made most clear by section I.G of this document, some development partners, too, have had limited successes in meeting the commitments they made to the LDCs. The limited advantages and assistance provided to the LDCs through the international system appears to have achieved relatively little in terms of ensuring the movement of African LDCs out of poverty. In the lead-up to a new conference on the LDCs in 2021, stock should be taken of the current system of support for the LDCs and whether these support measures are actually providing the levels of assistance necessary for the LDCs to break down the structural barriers to advancement that they face.
