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What are the LDCs?

Since 1971, the United Nations has recognized the Least Developed Countries (LDCs) as the “poorest and weakest segment” of the international community. They are highly disadvantaged in their development process and risk, more than other countries, failure to come out of poverty. As such, the LDCs require special support from the international community.

How many countries are the LDCs?

Forty-nine countries are presently classified as LDCs by the United Nations. They are geographically distributed as follows:

**Africa:**

**Asia and the Pacific:**
- 15 countries – Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao Peoples Democratic Republic, Maldives, Myanmar, Nepal, Samoa, Solomon Islands, Timor-Leste, Tuvalu, Vanuatu, and Yemen.

**Latin America and the Caribbean:**
- 1 country – Haiti.

What qualifies a country to be an LDC?

The United Nations Committee for Development Policy (CDP) uses the following criteria to identify LDCs:

» Low-income, measured by an average income per person over three years. An average income of less than $745 per person per year is considered for inclusion, and above $900 for graduation.

» Weak human resources, as measured by indicators of nutrition, mortality of children aged five years or under; secondary school enrolment; and adult literacy rate.

» High economic vulnerability, measured by population size; remoteness; diversity of goods exported, share of agriculture, forestry and fisheries in the economy; instability of agricultural production; instability of exports of goods and services; and homelessness owing to natural disasters.
A country must satisfy all the three criteria to be added to the list of LDCs. In addition, its population must not exceed 75 million. A country under consideration has to give its consent before its status as an LDC is approved by the United Nations Economic and Social Council (ECOSOC).

What is required to graduate from the list of LDCs?
To cease being an LDC, a country must reach the threshold levels for graduation on at least two of the aforementioned three criteria, or its income per capita must exceed twice the threshold level. The likelihood that the level of income per capita is sustainable must be deemed high. There is a three year “smooth-transition” period to assist graduating countries adjust to the loss of benefits associated with being an LDC.

What benefits do LDCs receive?
The international support measures associated with LDC status are related to trade preferences, development financing, including Official Development Assistance, debt relief, technical assistance and other forms of support. LDCs that are members of the World Trade Organization (WTO) also benefit from special and differential treatment regarding WTO-related obligations.

Which countries have graduated from the list of LDCs?
Since the establishment of the category in 1971, only two countries have graduated. Botswana graduated in 1994 and Cape Verde in 2007. Maldives is set to graduate in 2010.

What is the Brussels Programme of Action for LDCs?
Adopted at the Third United Nations Conference on the Least Developed Countries in Brussels, Belgium, in May 2001, the Programme of Action sets out wide-ranging actions to be implemented by LDCs and their development partners for the sustainable development of the LDCs. The broad aim of the 10-year Programme is to significantly reduce extreme poverty and hunger through focused interventions in seven interlinked areas (see the next section). It sets targets for the achievement of 30 development goals, including the Millennium Development Goals, in the LDCs. The Fourth United Nations Conference on the Least Developed Countries to assess socio-economic progress in the LDCs and adopt measures for further action will take place in 2011.
Put the poorest first—end poverty and inequality in LDCs
FOSTERING A PEOPLE-CENTRED POLICY FRAMEWORK

Things to KNOW

» LDCs are off track to achieve the target of cutting by half the share of the population in extreme poverty (those living on less than $1 a day)

» 277 million or 36% of the population live on less than $1 a day

» 31% are undernourished compared to 17% in other developing countries

Things to DO

» Promote pro-poor and socially responsible growth, with sustained GDP growth of at least 7% per annum

» Establish effective social safety nets for the most vulnerable

» Empower people living in poverty, especially women, children and other marginalized groups, to participate in decision making

Actions by LDCs

» Support initiatives that help empower people living in poverty especially women and children

» Enhance economic management

» Ensure that benefits of growth favor the poor

» Increase access to social services and economic activity

» Increase links between agriculture and small enterprise

» Promote broad-based popular participation in development

Actions by Development Partners

» Increase LDC ownership and involvement in development strategies

» Extend substantial support to LDCs’ efforts in empowering people living in poverty

» Assist LDC efforts to establish effective social safety nets

» Undertake public information campaigns to raise awareness of development challenges facing LDCs
Good governance for greater efficiency and better delivery of goods and services
GOOD GOVERNANCE AT NATIONAL AND INTERNATIONAL LEVELS

Things to KNOW
» Since 2001, there have been fewer conflicts in LDCs
» Elections are almost universal
» Progress has been made in judicial and legal reform
» More attention is paid to the rule of law

Things to DO
» Strengthen the rule of law and social justice
» Combat corruption
» Promote and respect all internationally recognized human rights
» Enhance the role of LDCs in global decision-making

Actions by LDCs
» Strengthen the rule of law
» Strengthen efforts to fight corruption
» Promote and respect all internationally recognized human rights
» Foster transparent government, accessible and independent judicial system
» Pursue national policies to prevent conflict
» Promote gender equality and Women’s empowerment

Actions by Development Partners
» Support LDCs’ effective participation in international dialogue and action on development, peace and security, as well as in decision and rule-making
» Provide appropriate assistance to help the prevention and resolution of conflicts, as well as post conflict peace building
» Support efforts of LDCs to strengthen institutional capacity for preventing corruption, bribery and money laundering
Investing in the poor is not charity, it is good business for everyone
Things to KNOW

» Women in LDCs have a one in 16 chance of dying in childbirth compared to one in 3,500 in North America

» A child born in an LDC is 26 times more likely to die before its 5th birthday than a child born in a developed country

» In sub-Saharan Africa, there are currently 4.1 million people with AIDS who are in immediate need of life-saving anti-retroviral drugs

» Malaria kills an African child every 30 seconds

» 46% of girls in the world’s poorest countries have no access to primary education

» There are only 94.3 scientific researchers per million people in the LDCs, against 313 in other developing countries and 3,728 in rich countries

Things to DO

» Increase spending on health, education and job creation

» Ensure all children complete primary education of good quality

» Encourage private sector investment for job creation

» In partnership with civil society, undertake social mobilisation, training and empowerment to facilitate participation of the poor in economic activity

Actions by LDCs

» Spend more on basic social services

» Encourage private sector involvement in provision of social services

» Improve girls’ enrolment at primary and secondary levels in both urban and rural areas

» Promote appropriate legislation for greater social integration and social inclusion

» Promote diversification of income sources

» Establish and strengthen micro-credit

Actions by Development Partners

» Increase development assistance to LDCs for provision of social infrastructure and social services

» Assist LDCs in developing effective safety nets and swift response mechanisms to cope with natural disasters

» Provide donor support to genuinely strengthen LDCs’ national capacities and NOT replace them

» Provide financial and non-financial resources for research and development activities

» Support LDCs in gaining access to information and communication technologies

BUILDING HUMAN AND INSTITUTIONAL CAPACITIES
Expanding production is key to sustainable development in LDCs
BUILDING PRODUCTIVE CAPACITIES TO MAKE GLOBALIZATION WORK FOR LDCs

Things to KNOW

» LDCs have the worst stock of physical infrastructure in the world

» Electricity consumption per capita in LDCs was 7% of the level in other developing countries and 1.6% of the level in OECD countries

» Only 16% of LDC population have access to electricity compared to 53% in other developing countries

» 22% of roads are paved in LDCs compared with 43% in developing countries and 88% in OECD countries

» LDC current world market share of tourism is about 1%; the number of visitors to LDCs increased by 48% between 2000-2005

Things to DO

» Create an enabling environment for entrepreneurship and investment

» Increase private and public investment in agriculture and infrastructure

» Enhance the capacity of LDCs to produce and compete

» Give LDCs special treatment in acquisition, transfer and development of technology

» Increase access to modern tools of information and communication

Actions by LDCs

» Promote a bilateral, sub regional and regional approach to economic infrastructure development to gain economies of scale

» Facilitate the availability of affordable energy

» Increase public and private investments in agriculture and programmes for rural economic and social infrastructure

» Increase access of the poor, particularly women, to support services and productive resources

» Strengthen agriculture and rural development institutions

Actions by Development Partners

» Support LDC efforts to upgrade and develop physical infrastructure

» Promote linkages between research and development institutions in the LDCs and their development partners

» Provide support for LDCs’ undertakings to improve agricultural productivity and increase competitiveness

» Support LDCs’ efforts to increase public and private investment, and the transfer of environmentally sound technologies on favorable terms

» Assist LDCs’ efforts to boost food production to the benefit of the poor
Rural women in Senegal sell mango and potato jam
UN Photo, Evan Schneider

Make trade duty-free, quota-free and fair for all LDCs
ENHANCING THE ROLE OF TRADE IN DEVELOPMENT

Things to KNOW

» LDCs constitute a quarter of the number of countries in the world and they have a tenth of the world’s population but their share in world exports is less than 1%

» By driving down global prices, agricultural subsidies in the developed countries deprive LDCs of income and increase poverty among small holder farmers in the LDCs

» Products from the LDCs have preferential market access to the markets of the United States, the European Union and some developing countries. For most LDCs, exports to those markets have not significantly increased because of the exclusion of goods they are able to produce competitively, non-tariff barriers, and the lack of capacity to produce in the LDCs.

Things to DO

» Integrate trade into national development policies

» Provide barrier-free market access for all products from all LDCs

» Eliminate trade-distorting subsidies that affect the competitiveness of goods from LDCs

Actions by LDCs

» Improve economic openness and policy predictability

» Remove institutional bottlenecks that increase transaction costs

» Take advantage of market access opportunities

» Promote trade and the competitiveness of exports

» Enhance regional economic integration

Actions by Development Partners

» Provide full duty-free and quota-free market access for all products from all LDCs

» Assist LDCs in acceding to the WTO and in implementing multilateral trade agreements

» Assist LDCs in economic diversification and in enhancing their productive capacities

» Provide support to regional trading arrangements
Protect natural resources for future generations
Things to KNOW

» Despite their relatively low contribution to global warming, LDCs are disproportionately affected by climate change

» LDCs have largely rural-based populations and heavily depend on natural resources

» The main source of energy in the LDCs is wood fuel, which contributes to deforestation, desertification and indoor air pollution. Indoor air pollution is one of the world’s top 10 causes of premature death.

» The prevalence of land degradation in croplands, rangelands, and forest lands constrains economic growth, human development, and environmental sustainability

» Four of the LDCs have met the drinking water target – Guinea, Malawi, Nepal and Tuvalu. In another 15 of the poorest countries, progress is low – Bangladesh, Haiti and 13 African countries

Things to DO

» Fully integrate environmental sustainability in development policies, programmes and practices

» Sensitize the general public on environmentally safe practices

» Assist LDCs to protect the environment and adapt to the negative effects of climate change

Actions by LDCs

» Develop and implement national strategies for sustainable development

» Strengthen the institutional and technological capacity to promote sustained economic growth

» Strengthen the important role of women in land and forest management

» Build capacity to respond to environmental challenges

» Strengthen disaster mitigation policies and mechanisms

Actions by Development Partners

» Facilitate financing and transfer of environmentally sound technologies to LDCs

» Assist LDCs to adapt to climate change

» Share useful disaster information, including satellite data
Empowering women through micro-credit in Bangladesh
World Bank Photo, Shehzad Noorani

More aid, better use of aid
Things to KNOW

» Aid to LDCs increased from US $13 billion in 1996 to US $30 billion in 2006. However, a lot of the increase was attributable to emergencies and debt forgiveness.

» In 2006, only 6 of 22 donors met the target of giving 0.20% of their national income as aid to LDCs, just one more than in 2000

» Workers’ remittances more than doubled from an average of US $5 billion annually between 1995 and 1999 to US $13 billion in 2006. They contributed to more than 10% of national income in Haiti, Lesotho, Nepal and Gambia.

Things to DO

» Provide 0.15 to 0.20% of GNI to LDCs as Official Development Assistance (ODA) by no later than 2010

» Cancel all unsustainable debt owed by LDCs

» Give priority to LDCs in development assistance programmes at all levels.

» Enhance transparency and accountability in the use of aid

Actions by LDCs

» Establish stronger links between the financial sector and development goals and priorities

» Enact policies actively seeking to attract foreign capital and stem capital flight

» Prevent corruption, bribery and money laundering, illegal transfer of funds and other illicit activities by both public and private entities

» Strengthen mobilisation of domestic resources

Actions by Development Partners

» Provide support towards the enhancement of domestic resource mobilization in LDCs.

» Implement the commitments to untie aid to LDCs, which will significantly increase the value of aid

» Encourage increased non-official flows, including investment flows, to LDCs

» Make quick progress towards full cancellation of outstanding debt owed by highly indebted LDCs
Global Financial Crisis

The global financial crisis which began in 2008 is expected to have far-reaching effects on the world’s 49 Least Developed Countries. The expected projection of growth in the export sector fell miserably threatening to undo recently acquired gains in the LDCs.

Already, job losses are widespread signaling an up tick in poverty rates. As a result of the financial downturn and without the help of the international community, LDCs are likely to face deepening inequalities, which will undoubtedly lead to increased hunger, a spike in child and maternal mortality, and the further spread of diseases. LDCs represent the poorest and the weakest element of the global society and are thus the most vulnerable to financial shocks. Therefore, the path to successful recovery from current crisis lays in the mutual cooperation and partnership with the international community.

Climate Change

The LDCs remain the most vulnerable to climate change possessing the lowest level of adaptive capacity due to a lack of resources and poor infrastructure. The quality of life and the livelihoods of most in the LDCs will be compromised by the negative impact of climate change in the foreseeable future.

Adaptation to climate change in LDCs must become a key sustainable development goal within the international community. Some of the particularly important issues are the significance of research and development implementation of good adaptation strategies and practices, capacity building, and the development of international partnerships and coalitions. There is no time to lose.
Food Security

Although the quantity of food is increasing globally, a large number of LDCs, especially in South Asia and Sub-Saharan Africa, continue to suffer from decades of food crises. More than 300 million Africans are food insecure, nearly a third of the continent’s population. Many countries moved from being net food exporters in the 1970s to food importers in recent years. For example, African countries import around 25 per cent of their food, which translates into an annual food bill of $15 billion. The reason is that home-grown foods are more expensive compared to the imported ones. Local farmers cannot withstand the competition and are drawn out of business on the national market. They are forced to import their production abroad instead of selling it at home. Agricultural productivity remains low, outpaced by population growth, urbanization, income growth and changes in dietary patterns. The 2008 food crisis should be taken as a wake-up call. If action is not taken now, food insecurity in the LDCs will continue to persist.
» Togo
» Uganda*
» United Republic of Tanzania
» Zambia*

Asia and the Pacific
» Afghanistan*
» Bangladesh
» Bhutan*
» Cambodia

» Kiribati**
» Lao People Democratic Republic*
» Maldives**
» Myanmar
» Nepal*
» Samoa**
» Solomon Islands**
» Timor-Leste**
» Tuvalu**

» Vanuatu**
» Yemen

Latin America and the Caribbean
» Haiti**