

**Economic and Social Council**Distr.: General
8 April 2014

Original: English

Economic and Social Commission for Asia and the Pacific**Seventieth session**

Bangkok, 4-8 August 2014 (Phase II)

Item 2(c) of the provisional agenda*

**Special Body on Least Developed, Landlocked Developing
and Pacific Island Developing Countries: development
issues relevant to least developed countries****Summary of the status of implementation of the
Programme of Action for the Least Developed Countries
for the Decade 2011-2020 in the Asia-Pacific region****Note by the secretariat*****Summary*

The Fourth United Nations Conference on the Least Developed Countries adopted the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (also known as the Istanbul Programme of Action) on 13 May 2011. The overarching goal of the Programme of Action is to overcome the structural challenges faced by least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the status of least developed country.

Least developed countries in the Asia-Pacific region continue to have low per capita incomes and high population growth rates. They are the countries that lag furthest behind in terms of achieving the Millennium Development Goals, and are at the bottom of the Human Development Index rankings. These countries have been unable to overcome their economic vulnerability and structurally transform their economies or build resilience against internal and external shocks and crises. Their productive capacity is limited, and they have severe infrastructure deficits.

The present document contains a review of the progress made by the Asia-Pacific least developed countries in implementing the Programme of Action since the sixty-ninth session of the Commission. It shows that while some countries have made considerable progress, especially in enhancing transport connectivity both domestically and with neighbouring countries, much remains to be done. The present document also contains a description of some of the challenges they face as well as a summary of activities undertaken by the secretariat to assist these countries in implementing the Programme of Action.

The Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries may wish to review the progress made by the region's least developed countries in implementing the Programme of Action and provide further guidance to the secretariat in its future work in assisting these countries.

* E/ESCAP/70/L.1/Rev.1.

** The late submission of the document is due to the need to incorporate the latest economic and social data.

Contents

	<i>Page</i>
I. Introduction...	2
II. Asia-Pacific least developed countries: overview of challenges and prospects.....	3
III. Implementation of the Programme of Action	6
A. Progress made	6
B. Challenges encountered	10
C. Capacity development support provided by the secretariat	16
D. Ongoing and planned support	20
 Tables	
1. ESCAP least developed countries: rates of economic growth and inflation, 2010-2014.....	4
2. Contribution to growth in least developed countries	4
3. Key macroeconomic indicators in Asia-Pacific least developed countries.....	5
4. Progress in achieving Millennium Development Goals by Asia-Pacific least developed countries	7
5. Exports of Asia-Pacific least developed countries as a percentage of world exports.....	12
6. Share of population living on \$1.25 per day or less, and proportion of children under 5 that are underweight.....	14
7. Sample indicators of social development in Asia-Pacific least developed countries.....	14
8. Global Hunger Index scores for selected Asia-Pacific least developed countries.....	15
 Figure	
Share of official development assistance and total number of poor according to region.....	13

I. Introduction

1. The Fourth United Nations Conference on the Least Developed Countries adopted the Programme of Action for the Least Developed Countries for the Decade 2011-2020¹ on 13 May 2011. The overarching goal of the Programme of Action is to overcome the structural challenges faced by least developed countries. Its aim is to enable at least half of all least developed countries to meet the criteria for graduation by 2020.

2. The Programme of Action seeks to develop genuine partnerships, build solidarity and encourage recognition of the fact that least developed countries need effective national policies, enhanced global support and appropriate mechanisms at all levels in order to achieve the goals and objectives of the Programme of Action.

¹ *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9-13 May 2011 (A/CONF.219/7), chap. II.*

3. The Programme of Action contains eight priority areas for action, namely: (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; and (h) governance at all levels.

II. Asia-Pacific least developed countries: overview of challenges and prospects

4. More than 300 million people live in the Asia-Pacific least developed countries,² which represents nearly a quarter of the total population of low-income countries. These countries are marked by widespread poverty and hunger, and their social indicators reflect high deprivations. Also, the resources and technologies available to them are limited.³ Most of them suffer from natural handicaps: they are either landlocked, constitute far-flung small islands, or are plagued by repeated natural disasters, making economic growth and poverty reduction far more challenging.

5. There is a wide divergence in growth performance among the countries in question, with growth remaining significantly lower in some and large fluctuations in growth rates over time in almost all of them (table 1). Moreover, only a few countries have succeeded in achieving the threshold level of 7 per cent growth, as specified in the Programme of Action. Indeed, several Pacific island countries have witnessed falling growth rates due to the recent global economic crisis.

6. Most least developed countries in the region have also witnessed limited structural transformations and their vulnerability to external shocks has not been reduced. Changes in the sectoral composition of gross domestic product (GDP) have been slow — with the share of industry, including manufacturing, which is the driving force of diversification, rising only marginally (table 2). There has been rising inequality and the impact of growth on employment creation and poverty reduction has also been somewhat limited. Overall, economic growth in these countries needs further acceleration and that such growth needs to be more broad based and inclusive.

² Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao People's Democratic Republic, Myanmar, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu. Samoa graduated from the least developed country category on 1 January 2014.

³ Comparable international data indicate that, between 2000 and 2009, Asia-Pacific least developed countries' share of the total world population increased from 3.65 to 3.86 per cent, their share of gross domestic product increased from 0.22 to 0.25 per cent, their share of manufacturing value added increased from 0.16 to 0.58 per cent and their share of merchandise exports increased from 0.17 to 0.24 per cent, while their share of manufactured exports declined from 0.16 to 0.01 per cent. See United Nations, Economic and Social Commission for Asia and the Pacific, "Asia-Pacific least developed countries in the next decade: strategy and policy agenda for building productive capacities", MPDD Policy Briefs No. 8 (Bangkok, 2011).

Table 1
ESCAP least developed countries: rates of economic growth and inflation, 2010-2014
 (Percentage)

	Real GDP growth					Inflation ^a				
	2010	2011	2012	2013 ^b	2014 ^c	2010	2011	2012	2013 ^b	2014 ^c
Afghanistan	8.4	5.7	12.5	3.1	3.5	7.7	11.8	4.5	7.1	5.5
Bangladesh	6.1	6.7	6.2	6.0	5.7	7.3	8.8	10.6	6.8	7.0
Bhutan	11.8	11.7	8.5	6.9	7.1	6.1	8.3	13.5	11.0	9.2
Cambodia	6.0	7.1	7.3	7.6	7.0	4.0	5.5	2.9	2.9	3.4
Kiribati	1.8	3.0	2.5	2.0	2.3	-2.8	7.7	-3.0	1.5	3.0
Lao People's Democratic Republic	7.9	8.3	8.3	8.0	7.7	6.0	7.6	4.3	6.4	6.0
Myanmar	5.3	5.5	5.9	6.5	6.8	7.7	4.2	2.8	6.0	6.3
Nepal	4.0	3.8	4.5	3.6	4.5	9.6	9.6	8.3	9.9	8.3
Solomon Islands	7.1	10.6	4.8	2.5	4.0	1.0	7.4	5.9	5.5	4.0
Timor-Leste	9.5	12.0	8.3	8.1	8.0	6.9	13.5	10.9	10.6	9.5
Tuvalu	-0.5	1.0	1.2	1.3	1.5	-1.9	0.5	1.4	2.0	2.0
Vanuatu	2.2	4.3	2.0	3.2	3.4	2.8	0.8	1.4	2.0	2.0
Least developed countries	5.5	6.0	5.7	5.4	5.3	6.5	7.8	8.7	6.2	6.2

^a Changes in the consumer price index.

^b Estimates.

^c Forecasts (as of 10 February 2014).

Table 2
Contribution to growth in least developed countries
 (Percentage points)

Country	Agriculture			Industry			Services		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Afghanistan	-5.9	1.2	-	1.5	2.3	-	7.4	5.7	-
Bangladesh	1.0	1.0	0.6	1.9	2.4	2.6	3.1	3.0	2.8
Bhutan	0.0	0.2	0.4	5.5	1.8	3.7	4.5	5.7	4.9
Cambodia	1.1	0.8	1.1	3.4	3.9	2.6	1.3	1.1	1.6
Kiribati	-0.6	1.3	-	-0.8	0.9	-	0.9	-0.9	-
Lao People's Democratic Republic	1.0	0.8	0.9	4.2	3.8	3.1	2.7	3.1	3.5
Myanmar	1.9	-	0.7	4.2	-	2.2	3.6	-	4.7
Nepal	0.7	1.5	1.7	0.6	0.6	0.4	1.8	1.1	1.4
Solomon Islands	5.6	6.5	0.0	0.1	2.0	1.9	2.2	2.2	2.8
Timor-Leste	-0.1	-0.9	-	-3.4	6.7	-	1.9	-0.5	-
Tuvalu	3.1	0.1	-1.5	-6.2	3.8	-3.1	1.4	4.1	5.1
Vanuatu	0.9	1.2	-	1.3	-2.4	-	1.9	2.3	-

Source: Asian Development Bank, Statistical Database System. Available from adb.org/sdbs/index.jsp (accessed 3 March 2014).

7. Despite a modest increase, the participation of Asia-Pacific least developed countries in global trade still remains limited. Moreover, multiple global economic and financial crises, rising and fluctuating food, energy and other commodity prices, and global instability over the last decade have increased their vulnerability to global shocks. The investment-GDP ratio has remained depressed, while other key macroeconomic indicators improved slowly (table 3).

Table 3
Key macroeconomic indicators in Asia-Pacific least developed countries

Country	Investment-GDP ratio (%)		GDS/GDP ratio (%)		Export growth (%)		ODA received (millions of United States dollars)	
	2001	2010	2001	2010	2001	2010	2001	2009
Afghanistan	-	-	-	-	-	-	136	1 010
Bangladesh	23.1	23.8	18.0	19.2	12.4	4.1	1 172	381
Bhutan	59.2	39.5	33.9	41.4	-12.9	-23.7 ^a	53	57
Cambodia	18.5	21.8	11.6	-	15.4	-10.2	396	193
Kiribati	49.7	83.3 ^a	4.8	-59.4 ^a	-	-	18	6
Lao People's Democratic Republic	21.0	-	17.9	17.9 ^a	-4.0	39.2	281	123
Myanmar	11.6	15.5	11.5	17.2	32.6	-21.9 ^a	106	52
Nepal	22.3	38.2	11.7	9.4	4.5	-8.9	386	268
Solomon Islands	6.8	13.9 ^a	-12.7	-	-12.9	40.1	68	27
Timor-Leste	-	-	-	-	230.8	-28.6 ^a	231	28
Tuvalu	77.3	8.2 ^a	5.2	-72.8 ^a	-	-	4	1
Vanuatu	20.0	21.2	17.9	23.7 ^a	-33.6	18.7	46	15

Source: *Economic and Social Survey of Asia and the Pacific 2011* (United Nations publication, Sales No. E.11.II.F.2).

Abbreviations: GDS is gross domestic savings; and ODA is official development assistance.

^a Refers to data for 2009.

8. The progress in addressing the needs of these countries regarding financial and technical assistance, official development assistance (ODA), trade capacity, market access and debt relief was less than expected. The absolute amount of ODA received by almost all countries has declined. The aggregate amount declined from \$2,924 million in 2001 to \$2,174 million in 2009 (table 3).

9. The Development Assistance Committee's aggregate ratio of ODA to gross national income has increased slightly, but still remains well below the target of 0.15-0.20 per cent. As a result, Asia-Pacific least developed countries face a huge financing gap, despite some success in increasing domestic resource mobilization. Similarly, full realization of the commitments on duty-free and quota-free market access for products originating in least developed countries, in conformity with the Ministerial

Declaration adopted by the World Trade Organization on 18 December 2005,⁴ is yet to be fully achieved.

10. Although several of the least developed countries in the region made notable progress in some areas of the Millennium Development Goals, there are deficiencies in many other areas.⁵ There is a wide divergence in the performance of individual countries and with respect to overall status. For example, Bhutan and Nepal are early achievers, with the maternal mortality rate in Bhutan having been reduced from 1,000 per 100,000 live births in 1990 to 180 in 2010. Bangladesh, Cambodia, the Lao People's Democratic Republic and Timor-Leste are also on track as regards reducing maternal mortality. However, the region's least developed countries still lag behind other countries, and maternal mortality remains stubbornly high in some countries. Similarly impressive gains have been made in reducing infant mortality. The Lao People's Democratic Republic is an early achiever, while Bangladesh, Timor-Leste and Vanuatu are on track. Although least developed countries as a whole are still lagging behind in the region, for example those in South and South-West Asia, in some countries, such as Bangladesh, infant mortality is lower than in the whole subregion of South and South-West Asia (table 4).

11. Most of these countries are off track when it comes to areas of major deprivations such as hunger, health and sanitation. It thus appears that there will remain a significant unfinished agenda with respect to the Millennium Development Goals for the least developed countries in the period beyond 2015.

12. These countries also experienced the adverse impact of the economic, food, and fuel crises that began in 2007 through lower economic growth, lower government revenues, higher debt burdens, declining investment, increasing inflation, cost of living and job losses, and reduced remittances.⁶

III. Implementation of the Programme of Action

A. Progress made

13. Many least developed countries in the region have incorporated the Programme of Action into their development plans. For example, the 12th Plan (2010/11-2012/13) of Nepal adopted a vision to create a prosperous, peaceful and just Nepal by transforming it from a least developed country into a developing nation within a two-decade period. The Lao People's Democratic Republic announced its "2020 vision of graduating the country from the least developed country group list" in 1996. However, not until the turn of the millennium, when the 2020 Strategy was formulated, did the graduation process substantially move on.

⁴ Available from www.wto.org/english/thewto_e/minist_e/min05_e/final_text_e.htm.

⁵ See *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13* (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

⁶ See *Economic and Social Survey of Asia and the Pacific 2010* (United Nations publication, Sales No. E.10.II.F.10).

Table 4
Progress in achieving Millennium Development Goals by Asia-Pacific least developed countries

Goal	1	2	3	4	5	6	7														
	\$1.25 per day poverty	Underweight children	Primary enrolment	Reaching last grade	Primary completion	Gender primary	Gender secondary	Gender tertiary	Under-5 mortality	Infant mortality	Maternal mortality	Skilled birth attendance	Antenatal care (≥ 1 visit)	HIV prevalence	TB incidence	TB prevalence	Forest cover	Protected area	CO ₂ emissions per GDP	Safe drinking water	Basic sanitation
Afghanistan		▶				▶	■	◀	■	■	■	■	■	▶	▶		▶	▶	◀	●	■
Bangladesh	■	▶					●	■	●	▶	▶	■	■	▶	▶	●	◀	●	◀	■	■
Bhutan	●	■	▶	■	●	●	●	■	▶	■	●	▶	●	◀	●	●	●	●	●	●	■
Cambodia	●	■	●	■	▶	●	▶	■	■	■	▶	■	■	●	●	●	◀	●	◀	●	■
Kiribati			●		●	●	●		■	■		◀	▶		●	●	▶	●	◀	■	■
Lao People's Democratic Republic	▶	■	●	■	■	▶	■	▶	●	●	▶	◀	■	◀	●	●	◀	●	●	●	●
Myanmar		■		■	●	●	●	●	■	■	■	■	■	●	●	●	◀	●		●	▶
Nepal	●	■		■	■	▶	▶	▶	▶	■	●	■	■	●	▶	◀	◀	■	●	●	■
Solomon Islands			■			●	■		■	■	■	■			●	●	◀	●	●	■	■
Timor-Leste		◀	■		◀	●	●	◀	●	▶	▶	■	■		▶	●	◀	●	●	■	■
Tuvalu			●		●	●			■	■		◀			●	●	▶	●	●	●	■
Vanuatu		◀	●	■	◀	●	●		▶	▶	■	◀			●	●	▶	●	●	●	■
	● Early achiever	■ Slow	▶ On track	◀ Regressing/No progress																	

● Early achiever ■ Slow ▶ On track ◀ Regressing/No progress

Source: *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda*. Asia-Pacific Regional MDGs report 2012/13 (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

14. Many least developed countries in the region have taken initiatives to address agriculture and food security issues. In Bangladesh, the National Food Policy Plan of Action 2008-2015, the Country Investment Plan 2010, the Disaster Management Plan and the Food Safety Programme have recently been approved by the Government. These are aimed at addressing the key challenges of declining land resources, high population growth and density, continuing extreme poverty, the domestic impact of uncertainty surrounding global supplies, food price volatility and urban migration. Nepal, where 35 per cent of the population is considered food insecure, drafted an agriculture and food security three-year plan approach paper (2013/14-2015/16) to boost agricultural modernization, rural agriculture and livestock productivity. It focuses on targeting special assistance to the poorest farmers, increasing production through value chain activities and incentives for smallholders to focus on higher value-added crops, irrigation investments and targeted commodities. This strategy complements the Food and Nutrition Security Plan of Nepal.

15. Gender equality is receiving increasing attention from these countries. Afghanistan, Bhutan and Myanmar, for example, have national action plans pertaining to the advancement of women; while Bangladesh, Nepal and the Pacific least developed countries have sector-specific action plans concerning gender-related violence.

16. The female labour force participation rates of some countries range from 70 to 80 per cent, including those in Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal. Formal equality in employment is reflected in labour and employment laws — as exist in Bhutan and the Lao People's Democratic Republic — that prohibit sex-based discrimination in employment. Also women and men in countries like Cambodia, Myanmar and Nepal have equal rights to own land, other property and access bank loans. In Nepal, provisions in the Country Code that required daughters to return property after marriage have been removed.

17. The presence of political reservation systems has resulted in the proportional representation of women in national parliaments being higher than the global average of 19 per cent, for example: 33 per cent in Nepal; 27.7 per cent in Afghanistan; 25 per cent in the Lao People's Democratic Republic; 20.3 per cent in Cambodia; and 19.7 per cent in Bangladesh.

18. An increasing number of least developed countries in the region have started to implement social protection policies. While some countries have introduced cash-transfer programmes for vulnerable groups, several others have also introduced employment-generation programmes for poor population groups. Kiribati, Nepal and Timor-Leste have introduced a universal non-contributory social pension for older persons.

19. Bangladesh's employment-generation programme seeks to provide 100 days of employment per year for the rural poor, while aiming to alleviate "seasonal hard-core poverty" and intending to offset increasing food and other costs during non-productive agricultural periods. The Solomon Islands launched an employment project in 2010, targeting the urban poor in Honiara. The project aims to provide short-term employment, especially to youth and women. Cambodia is developing a unified social health protection system to

ensure effective access to quality health services and eventually attain universal coverage.⁷

20. Lao People's Democratic Republic has developed an ambitious master plan to construct modern rail infrastructure that will connect the country with the networks of China, Thailand and Viet Nam. The master plan covers the implementation of several projects that will complete Trans-Asian Railway routes in the Association of Southeast Asian Nations subregion.

21. Feasibility studies have been carried out on extending the Trans-Asian Railway network in order to overcome the current missing links. The missing links located in Myanmar require an investment of \$824 million. Constructing the missing links also requires considerable investment by neighbouring countries so that lines extend from border points to the nearest railheads.

22. Work is under way to extend the already completed line between Dali and Baoshan up to Ruili, which will expand the rail network in China up to the border with Myanmar. Meanwhile, in Myanmar, the missing link between its border with China and the railhead at Lashio is to be built as part of the project to construct an 868-km rail line from the border to the port city of Kyaukphyu, in the Bay of Bengal.

23. A project to provide a rail link between Jiribam (India), Moreh (India)/Tamu (Myanmar) and Kale (Myanmar) is currently being carried out by India and Myanmar. On the Indian side, work has already started on the 219-km missing link from Moreh, at the border with Myanmar, to the railhead at Jiribam.

24. The rail development master plan drawn up by Afghanistan comprises several key projects, including a northern east-west corridor covering a total distance of about 1,250 km from Shirkhan Bandar (on the border with Tajikistan) to Herat via Mazar-i-Sharif, with branch lines to Aqina and Towraghondi on the border with Turkmenistan.

25. India and Bangladesh are collaborating on construction of a 11-km rail line between Agartala, India, and Akhaura, Bangladesh, which will open a new corridor between the two countries. The link will also offer access to the port of Chittagong for businesses in the north-eastern states raising the profile of Bangladesh's main international container port.

26. In 2012, the Asian Development Bank and Bangladesh signed a loan agreement worth \$150 million to help improve the capacity, efficiency and safety of the country's railway system. The assistance will help complete double-tracking on the 64-km section between Tongi and Bhairab Bazaar, on the Tongi-Akhaura line. The assistance forms part of a \$430 million multi-tranche financial package agreed between the Bank and Bangladesh in 2006 to revamp the entire railway system.

27. Nepal has drawn up a plan to develop rail infrastructure in the country, the backbone of which would be a 917-km east-west line that would connect Kakarbhitta in the east to Mahendranagar in the west.

⁷ *The Promise of Protection: Social Protection and Development in Asia and the Pacific* (United Nations publication, Sales No. E.11.II.F.5).

28. The Intergovernmental Agreement on Dry Ports⁸ was opened for signature in Bangkok on 7 November 2013 during the second session of the Forum of Asian Ministers of Transport. A total of 14 member countries signed the Agreement, including Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal.

B. Challenges encountered

29. Productive capacities remain small in many least developed countries in the region. They lack the production sectors and infrastructure to export more diversified and complex products. Many of these countries perform well below average on the ESCAP Index of Productive Capacities.⁹ Afghanistan and Bhutan, for example, performed poorly while Bangladesh and Nepal have diversified faster and perform better in comparison with other least developed countries.

30. Issues in developing productive capacity cover a number of areas, such as infrastructure, energy, science, technology and innovation, and private sector development. While infrastructure, especially that pertaining to transport, is an essential element in the rapid growth and development of least developed countries, the sector is now at a crossroads in most of these countries. Rocketing demand for transport services is putting extreme pressure on existing infrastructure at a time when public budgets are constrained and awareness about the negative externalities of transport activities is growing. The challenge is to ensure that today's transport policies and investments will contribute to a sustainable and inclusive development path for these countries. The important issues facing them include: (a) integrating transport modes so as to optimize efficiency; (b) facilitating transport movements across borders; (c) devising creative approaches to financing infrastructure investment; and (d) upgrading mobility for sustainable and inclusive development.¹⁰

31. Although growth rates as regard road expansion in Asia-Pacific least developed countries are encouraging, the networks remain largely unpaved. For example, only 8.6 per cent of roads are paved in Cambodia (2011), 9.5 per cent in Bangladesh (2010), 13.9 per cent in the Lao People's Democratic Republic (2011), 21.8 per cent in Myanmar (2011), and 42 per cent in Nepal (2011). Moreover, expanding road networks should be considered in conjunction with road maintenance issues. Allocating sufficient resources for maintenance has hitherto proven to be a challenge for these countries.

32. Since the adoption of the Ministerial Declaration⁴ by the World Trade Organization in 2005, its members have made significant progress in providing duty-free and quota-free market access on a continuing basis for all products originating from all least developed countries. Nearly all developed-country members provide either full or nearly full duty-free and quota-free market

⁸ Commission resolution 69/7.

⁹ Productive capacities are "the set of capabilities available in a country to produce and market its output of goods and services. These capabilities include resource endowments (namely, labour, physical capital, human capital and land), total factor productivity, mechanisms for the allocation of these endowments to specific uses, and any other factor that contributes to maximizing the output of the economy, including trade and transport integration, institutions, policies and regulations. See United Nations, Economic and Social Commission for Asia and the Pacific, "Productive capacities in Asia and the Pacific", MPDD Working Papers WP/11/17 (Bangkok, 2011).

¹⁰ United Nations, Economic and Social Commission for Asia and the Pacific, *Review of Developments in Transport in Asia and the Pacific 2011* (ST/ESCAP/2623).

access, and a number of developing-country members also grant a significant degree of duty-free and quota-free market access to least developed country products. At the ninth session of the Ministerial Conference of the World Trade Organization in Bali, Indonesia, in December 2013, Ministers also decided that developed-country members that did not yet provide duty-free and quota-free market access for at least 97 per cent of products originating from least developed countries, defined at the tariff-line level, should seek to improve such access.

33. Nevertheless, developed countries in general protect goods that are of particular importance for Asia-Pacific countries, especially least developed countries. For example, this is true of agricultural products for most countries, and also textiles and clothing, which are important exports for countries like Bangladesh, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal. After the expiry of the World Trade Organization Agreement on Textiles and Clothing,¹¹ along with the quota system, there have only been modest reductions in the most-favoured-nations' average tariffs for textiles and clothing, while, for agricultural products, most-favoured-nations' tariffs have remained mostly unchanged.

34. Another issue of concern to Asia-Pacific least developed countries is the selective application of non-tariff barriers, especially in agricultural products, textiles and apparel. The non-tariff barriers restrict market access even more than tariffs, and in recent times, these have increased considerably with their impact equivalent to a tariff of 27 per cent. Moreover, the application of often complex rules of origin raises the costs of exports of some countries by 20 to 30 per cent.¹²

35. Not much progress has taken place in increasing the overall export shares of Asia-Pacific least developed countries (table 5). In part, this may be due to tariff and non-tariff barriers in their export markets, although these countries also have significant supply-side limitations. Aid for Trade¹³ was designed in 2005 to address supply-side limitations and productive capacity problems and to build up trade-related infrastructure, especially that of least developed countries, but the record so far has been rather poor.¹⁴ Asia-Pacific least developed countries have to highlight the gains of linking aid for trade with the Programme of Action, particularly through developing trade and transport infrastructure and implementing trade facilitation measures. This would require a wider ownership of the Aid for Trade initiative by these countries through mainstreaming trade into their national and regional development strategies.

¹¹ See www.wto.org/english/thewto_e/whatis_e/tif_e/agrm5_e.htm.

¹² *The Global Partnership for Development: Making Rhetoric a Reality. MDG Gap Task Force Report 2012* (United Nations publication, Sales No. E.12.I.5). Available from www.un.org/millenniumgoals/2012_Gap_Report/MDG_2012Gap_Task_Force_report.pdf.

¹³ One of the development-related outcomes of the Sixth World Trade Organization Ministerial Conference, which took place between 13 and 19 December 2005 in Hong Kong, China.

¹⁴ Although the share of the Asia-Pacific region in the flow of aid for trade has increased from an average of 7.1 per cent in 2002 to 12 per cent in 2010, this is still well below the level of other developing regions. Moreover, around two thirds of this has gone to just two countries, namely Afghanistan and Bangladesh. See *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13* (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

Table 5
Exports of Asia-Pacific least developed countries as a percentage of world exports

Country	2001	2011
Afghanistan	-	0.003
Bangladesh	-	0.145
Bhutan	-	-
Cambodia	0.025	0.038
Kiribati	-	0.000
Lao People's Democratic Republic	0.005	0.014
Myanmar	0.045	0.045
Nepal	-	0.005
Solomon Islands	0.001	0.003
Timor-Leste	-	0.001
Tuvalu	0.005	0.000
Vanuatu	-	0.002

Source: Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13 (ESCAP, ADB and UNDP, Bangkok, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

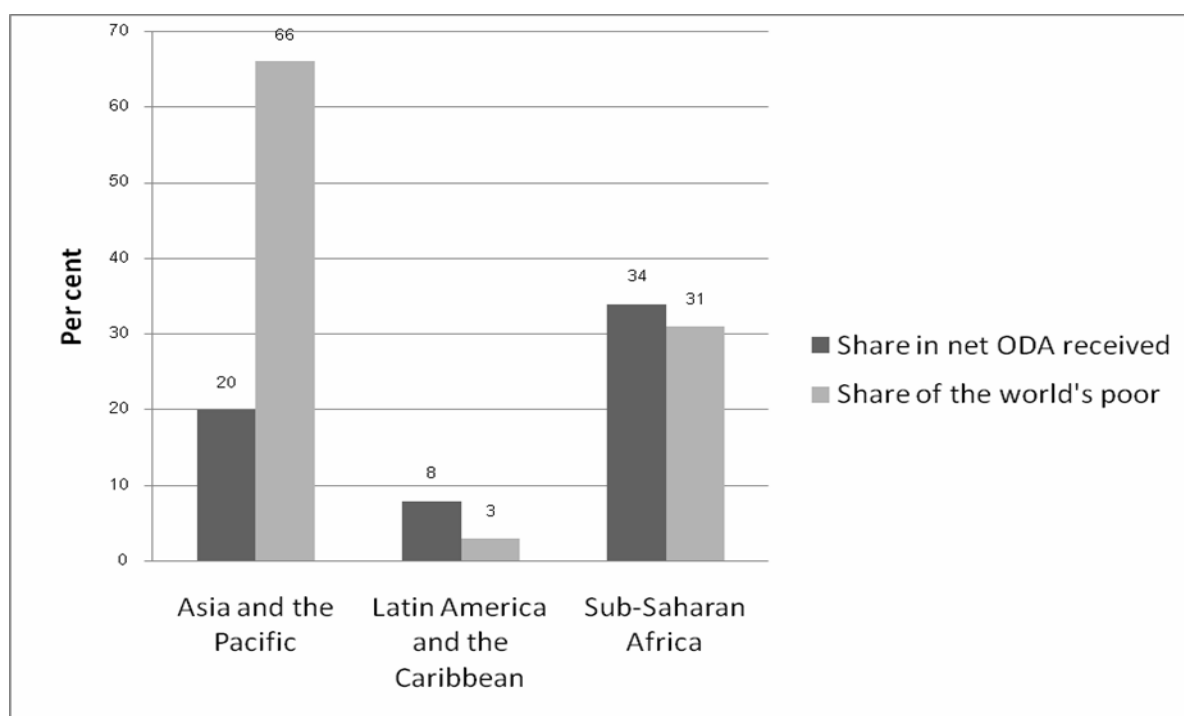
Note: Compiled from data from the International Trade Centre and Asian Development Bank database.

36. A major area for mobilizing financial resources for development and the capacity-building of Asia-Pacific least developed countries concerns the flow of ODA. One of the major commitments made by developed countries at the International Conference on Financing for Development in Monterrey,¹⁵ Mexico, in 2002 was to agree to devote 0.7 per cent of their GDP to aid. The levels of assistance, however, have remained well below the target for most of these countries. In 2011, Asia-Pacific least developed countries received a total of \$44.6 billion as ODA, slightly up from the \$43.8 billion received in 2010. Moreover, except in Afghanistan and Bangladesh, the overall growth of aid has been less than expected. In 2010, the principal least developed country recipients in the Asia-Pacific region were Afghanistan (\$6.3 billion) and Bangladesh (\$1.4 billion), followed by Cambodia (\$818 million) and Nepal (\$734 million). The region's other least developed countries received very little aid.⁵

37. One major concern for these countries is the highly uneven distribution of ODA in relation to the number of the poor and the deprived population in different regions. Although the Asia-Pacific region has 66 per cent of the world's poor, it received only 20 per cent of the total aid allocated during the period from 2008 to 2010. Sub-Saharan Africa, on the other hand, has 31 per cent of the world's poor but received 43 per cent of aid (see figure). Such regional disparities place Asia-Pacific least developed countries at a significant disadvantage, since most of them are low-income countries and domestic resources alone are unable to meet their development objectives.

¹⁵ See www.un.org/esa/ffd/monterrey.

Figure
Share of official development assistance and total number of poor according to region



Source: *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13* (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

38. Asia-Pacific least developed countries have some of the world's lowest human development indicators, with Afghanistan occupying 175th place (down from 172nd position in 2011). Bangladesh and Nepal maintained their rankings in 2012 (146th and 157th, respectively). The low levels of human development are strongly influenced by poor performance on health and education indicators.

39. Although the relative share of poor in the populations of Asia-Pacific least developed countries has declined at a reasonable rate, it still remains high in most of them (table 6). Levels of poverty (as measured by the percentage of the total population existing on less than \$1.25 per day) have fallen from 69.7 per cent in 1992 to 38.8 per cent in 2010. However, if the poverty benchmark is \$2 a day, the number rises significantly, revealing a high degree of vulnerability to personal misfortune, economic shocks or natural disasters. Another concern for these countries is increasing inequality. During the first decade of this century, while most of these countries enjoyed rapid economic growth, the benefits were distributed unevenly. The latest estimates show that income inequalities — as measured by the Gini index — for Asia-Pacific least developed countries have increased to 32.8 compared with 29.6 in the early 1990s.¹⁶

¹⁶ *Economic and Social Survey of Asia and the Pacific 2013: Forward-looking Macroeconomic Policies for Inclusive and Sustainable Development* (United Nations publications, Sales No. E.13.II.F.2).

Table 6
Share of population living on \$1.25 per day or less, and proportion of children under 5 that are underweight
 (Percentage)

Country	Share of population on \$1.25 per day or less		Proportion of children under 5 that are underweight	
	Earliest	Latest	Earliest	Latest
Afghanistan	-	-	44.9	32.9
Bangladesh	70.2	43.2	61.5	36.4
Bhutan	26.2	10.2	14.1	12.7
Cambodia	44.5	18.6	42.6	28.3
Kiribati	-	-	-	-
Lao People's Democratic Republic	55.7	33.9	39.8	31.6
Myanmar	-	-	32.5	22.6
Nepal	68.0	24.8	42.6	28.8
Solomon Island	-	-	22.7	11.5
Timor-Leste	-	-	40.6	45.3
Tuvalu	-	-	-	1.6
Vanuatu	-	-	10.6	11.7

Source: *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13* (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

40. Similarly, important indicators of social development for Asia-Pacific least developed countries still show significant deprivations (table 7). For example, while these countries have expanded children's access to basic education, there are major concerns about the quality of their education with drop-out rates remaining high after primary school.

Table 7
Sample indicators of social development in Asia-Pacific least developed countries

Country	Primary enrolment ratio, percentage	Under 5 mortality ratio, per 1,000 live births	Maternal mortality ratio, per 100,000 live births	Safe drinking water, percentage of the population	Basic sanitation, percentage of the population
Afghanistan	-	101.1	460	61	28
Bangladesh	-	46.0	240	83	55
Bhutan	89.35	53.7	180	97	45
Cambodia	98.25	42.5	250	84	59
Kiribati	99.61	47.4	-	66	39
Lao People's Democratic Republic	97.35	41.9	470	70	62
Myanmar	-	62.4	200	84	77
Nepal	71.13	48.0	170	88	35
Solomon Islands	87.50	21.6	93	79	29
Timor-Leste	90.93	54.1	300	69	39
Tuvalu	-	30.0	-	98	83
Vanuatu	98.91	13.2	110	91	58

Source: *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda. Asia-Pacific Regional MDGs Report 2012/13* (Bangkok, ESCAP, ADB and UNDP, 2013). Available from www.undp.org/content/rbap/en/home/library/mdg/asia-pacific-mdg-2012-2013.

Note: The figures refer to the latest year available in the database of Millennium Development Goals indicators.

41. Good nutrition depends not just on the quantity of food consumed but also on its quality, particularly on the extent to which it provides essential micronutrients. Deficiencies in micronutrients not only impair the mental and physical development of children, but also reduce the productivity of adults. Many Asia-Pacific least developed countries have medium to extreme levels of vitamin and mineral deficiencies, with serious social and economic consequences. Available evidence shows that, although scores on the Global Hunger Index have improved for Asia-Pacific least developed countries, these countries have a long way to go in order to ensure sustainable food security for their populations (table 8). For example in 2013, Bangladesh, Cambodia, the Lao People's Democratic Republic and Nepal had scores that reflected a serious situation, while the score for Timor-Leste depicted an alarming situation.

Table 8
Global Hunger Index scores for selected Asia-Pacific least developed countries

Country	1990	2000	2013
Bangladesh	30.7	24.0	19.4
Cambodia	32.2	27.8	16.8
Lao People's Democratic Republic	33.4	28.0	18.7
Nepal	28.0	25.3	17.3
Timor-Leste	-	-	29.6

Source: 2013 Global Hunger Index — The Challenge of Hunger: building resilience to achieve food and nutrition security (Cologne, Germany, International Food Policy Research Institute, Institute of Development Studies, Concern Worldwide, Welthungerhilfe, 2013) Available from www.ifpri.org/sites/default/files/publications/ghi13.pdf.

Note: For the remaining Asia-Pacific least developed countries, data are not available.

42. In most Asia-Pacific least developed countries, there have been some improvements in women's health, but, on average, women have shorter life expectancies. Another persistent problem they face is gender-based violence. Women are also less likely than men to own assets or participate in non-agricultural employment. They also tend to remain as informal workers, a consequence of their limited skills, restricted mobility and existing gender norms.

43. Asia-Pacific least developed countries are particularly susceptible to increases in commodity prices, especially due to their high dependence on agricultural activities and on exports of primary commodities. Initiatives to strengthen their capacity to manage natural resources and diversify the commodity base, along with strengthening effective marketing systems and frameworks for supporting small commodity producers, are crucial. However, little effort has so far been directed at addressing these concerns.

44. These countries are also hard hit by the effects of climate change, which have a significant impact on food and commodity production in these countries. For example, a recent report noted that the effects of climate change

could trigger a loss, by 2100, of up to 6.2 per cent in the GDP of Vanuatu and in that of the Solomon Islands by 4.7 per cent.¹⁷

45. Multiple crises and other emerging challenges have substantially increased the levels of risk faced especially by the poor and vulnerable households in these countries.¹⁸ These risks are often related to family or household events — such as death, disability or loss of employment of the breadwinner, or catastrophic expenditure resulting from the illness of a family member. Moreover, with ageing populations, there are now more elderly people whose lifetime savings are no longer adequate to cope with the rising costs of living and health care.

46. Households are increasingly exposed to external risks — particularly economic crises. Asia-Pacific least developed countries have been subjected, for example, to the Asian financial crisis of 1997-1998, and to the global financial crisis since 2008. Families across the region have also faced rising food prices. In addition, there are external risks to health. In 2003, they were at risk from severe acute respiratory syndrome; countries are continuously exposed to emerging and re-emerging public health threats. Economic insecurity is heightened in the absence of decent and comprehensive social protection systems. Public social security expenditure remains low at less than 2 per cent of GDP in Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, the Solomon Islands and Vanuatu.¹⁹ More than two thirds of the population in these countries remains without any social protection coverage.

C. Capacity development support provided by the secretariat

47. The Asia-Pacific Regional Workshop on Graduation Strategies from the Least Developed Country Category as Part of the Implementation of the Istanbul Programme of Action for the Least Developed Countries was organized by ESCAP in cooperation with the Department of Social and Economic Affairs and the Government of Cambodia in Siem Reap, Cambodia, from 4 to 6 December 2013. Over 47 senior policymakers and other stakeholders from Bangladesh, Bhutan, Cambodia, Kiribati, the Lao People's Democratic Republic, Myanmar, Nepal, the Solomon Islands and Timor-Leste attended. The participants agreed on a set of recommendations directed at least developed countries themselves, the private sector in least developed countries, development partners and the United Nations system to promote graduation of least developed countries in the Asia-Pacific region. ESCAP is encouraged to strengthen regional and subregional cooperation in graduation efforts and processes.

48. An assessment mission was undertaken to Cambodia, the Lao People's Democratic Republic and Myanmar in February 2014 for the smooth integration of these countries into the forthcoming Economic Community of the Association of Southeast Asian Nations.

49. Technical assistance was provided to Bangladesh and Myanmar to undertake prefeasibility studies on selected priority routes and promote

¹⁷ Asian Development Bank, *Pacific Economic Monitor* (December 2013).

¹⁸ United Nations, Economic and Social Commission for Asia and the Pacific and Office for Disaster Risk Reduction, *Reducing Vulnerability and Exposure to Disasters. Asia-Pacific Disaster Report 2012* (Bangkok, 2012). Available from www.unisdr.org/files/29288_apdr2012finalowres.pdf.

¹⁹ Asian Development Bank, *The Social Protection Index: Assessing Results of Asia and the Pacific* (Manila, 2013), Table 2.1.

investment in the Asian Highway. Workshops were also organized to build capacity in conducting prefeasibility and investment studies.

50. In conjunction with the fifth meeting of the Working Group on the Asian Highway, the Asian Highway Investment Forum was organized in Bangkok on 8 and 9 October 2013. The outcome of the prefeasibility studies in Bangladesh and Myanmar and other potential investment opportunities in the Asian Highway Network were presented. The Forum was attended by representatives of Afghanistan, Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal. A capacity-building session on new technology and good practices in highway construction, management, operation and maintenance was also arranged.

51. The third meeting of the Working Group on the Trans-Asian Railway Network, which was held in Bangkok on 5 and 6 November 2013, provided an opportunity to discuss issues related to rail connectivity. The meeting was attended by representatives of Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal.

52. The secretariat is implementing activities to enhance the capacity of least developed countries to plan, develop and operate dry ports and to implement the Intergovernmental Agreement on Dry Ports.

53. Under the Regional Strategic Framework for the Facilitation of International Road Transport,²⁰ the secretariat is supporting member countries and their development partners in undertaking projects aimed at facilitating international land transport.

54. The Regional Network of Legal and Technical Experts on Transport Facilitation was established to assist member States build the capacity of their officials to plan and implement transport facilitation initiatives in order to strengthen regional connectivity.

55. Policy dialogues were initiated to strengthen transport connectivity in South and South-West Asia, with a particular focus on Afghanistan, Bhutan and Nepal. The first dialogue took place in Dhaka on 26 and 27 June 2013. It endorsed a proposal to formulate a master plan for strengthening transport connectivity in the South-Asia subregion using tools developed by the secretariat, including the Regional Strategic Framework for the Facilitation of International Road Transport. The second policy dialogue, which took place in Lahore, Pakistan, on 9 and 10 December 2013, also reiterated the need for a master plan for strengthening transport connectivity for the subregion.

56. The secretariat, in collaboration with the Asian Development Bank, held a subregional workshop in October 2013 on a secure cross-border transport model in order to sensitise the key stakeholders about the potential benefits of using electronic vehicle-tracking systems, which would enhance the connectivity of least developed countries in the region by reducing inordinate delays at border crossings. A national workshop was held in January 2014 in Bhutan to discuss possible implementation of an electronic vehicle-tracking system in the country.

57. The Regional Capacity-building Workshop on Measurement of Inland Transport Carbon Dioxide Emissions and Mitigation Policies was held in Bangkok on 26 and 27 September 2013 in order to create awareness of how to

²⁰ Available from www.unescap.org/ttdw/Publications/TPTS_pubs/Booklet_A_Strategic_Framework.pdf.

measure and mitigate transport emissions, to introduce the For Future Inland Transport Systems model and to enhance the capacity of government officials. Representatives of Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal attended the workshop.

58. A regional expert group meeting was held in Incheon, Republic of Korea, in November 2013 to disseminate the findings of the study on policy options for sustainable transport. Senior officials from Governments and secondary cities in Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal benefited from the meeting through exchanging views and sharing knowledge, policies and best practices on key elements of sustainable transport development in other countries.

59. A regional expert group meeting on road maintenance was organized in Hanoi in May 2013. Representatives of Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal took part in the meeting in order to consider ways to finance road maintenance, as well as to discuss the contribution of roads, particularly rural roads, to sustainable development and poverty reduction.

60. The Expert Group Meeting on Progress in Road Safety Improvement in Asia and the Pacific, which was held in Seoul from 8 to 10 May 2013, focused on issues and challenges related to the road safety of vulnerable road users. The meeting adopted a joint statement²¹ on improving road safety. Representatives of Afghanistan, Bangladesh, the Lao People's Democratic Republic, Myanmar and Nepal took part in the meeting.

61. The Europe-Asia Road Safety Forum was organized in New Delhi between 4 and 6 December 2013 in collaboration with the Economic Commission for Europe. Representatives of Bangladesh, Bhutan, the Lao People's Democratic Republic and Nepal attended the Forum in order to discuss features, benefits and implementation of the major United Nations road-safety-related conventions, as well as to share interregional experiences and review national updates on road safety progress.

62. In collaboration with the International Maritime Organization, the Pacific Islands Forum Secretariat and the Secretariat of the Pacific Community, the High-level Meeting on Strengthening Inter-island Shipping and Logistics in the Pacific island Countries was organized in Suva from 23 to 25 July 2013. Representatives of Kiribati, Tuvalu and Vanuatu attended the meeting, which adopted the Suva Declaration on Improving Maritime Transport and Related Services in the Pacific.²² It is aimed at improving the economic feasibility of the provision of regular and predictable inter-island shipping services in the Pacific subregion.

63. The Policy Dialogue on Global Economic Turmoil and Asia-Pacific's Economic Prospects: Implications for Nepal was held in Kathmandu on 12 July 2013. The dialogue highlighted not only the challenges Nepal faced in the aftermath of the economic crisis, but also discussed a number of policy issues and development challenges, since Nepal was preparing to develop its least developed country graduation strategies.

64. In collaboration with the National Planning Commission and Economic Association of Nepal, a one-day event was organized on 30 September 2013 in Nepal; it discussed regional cooperation and inclusive development in South

²¹ Available from www.unescap.org/sites/default/files/EGM-Full-Report-2013.pdf.

²² E/ESCAP/FAMT(2)/6.

Asia, perspectives on the development agenda beyond 2015, food security and hunger, and the country's graduation strategy from least developed country status. It brought together over 50 national participants.

65. The high-level regional policy dialogue on regional cooperation for food security in South Asia was organized in New Delhi on 13 and 14 August 2013, with the participation of policymakers, planners and food policy experts. A 10-point agenda was adopted, which presented a milestone in shaping the secretariat's future work on regional cooperation on food security in South Asia.

66. In collaboration with the United Nations Conference on Trade and Development and the World Trade Organization, a capacity-building programme was started in 2012 to assist the bid of Afghanistan for membership of the World Trade Organization. It focuses on technical capacity-building in negotiations and implementation of World Trade Organization commitments. The programme brings together participants from the Government and private sector for workshops conducted on specific issues of World Trade Organization negotiations and rules. Three workshops have already been held in New Delhi; the latest one being in October 2013.

67. In collaboration with the International Labour Organization and national think tanks in South Asian countries, a regional network covering Bangladesh and Nepal along with other South Asian countries was launched in May 2013. The aim of the project is to generate applied and policy research capacity so as to create solutions for implementing a basic social protection floor and fostering employment-creating growth. The network has begun addressing capacity-building gaps with a number of training and policy advocacy workshops being held in 2013.

68. In partnership with the Secretariat of the South Asian Association for Regional Cooperation and the National Planning Commission of Nepal, an expert group meeting was organized in Kathmandu on 1 and 2 October 2013 to assist in capacity-building in order to ensure that the macroeconomic models used in development planning are consistent with the Millennium Development Goals. Planners from Afghanistan, Bangladesh, Bhutan and Nepal participated in the meeting.

69. A series of trainings and workshops to enhance the capacity of countries in disaster-related activities have been organized. These included: International Training Programme on Flood Risk Mapping, Modelling and Assessment Using Space Technology, Dehradun, India, from 22 to 26 July 2013; Regional Training Workshop on Applications of Space Technology for Disaster Risk Management and Sustainable Development, Hong Kong, China, from 5 to 9 August 2013; Subregional Training on Development of Geo-referenced Information System for Disaster Risk Management Using Space Technology, Dehradun, India, from 26 to 29 August 2013; Subregional Training Workshop on Application of Space Technology Systems for Pacific Countries, Cook Islands, from 2 to 6 September 2013; Capacity-building Programme on Space Technology and Geographic Information System Applications for Disaster Risk Reduction, Seoul, from 28 October to 16 November 2013; Technical Assistance on Implementation of Information Systems for Disaster Risk Management Using Space Technology, Bangkok, from 28 October to 1 November 2013; and Second Technical Assistance Training Programme on Implementation of Information Systems for Disaster Risk Management Using Space Technology, Kathmandu, from 11 to 14 February 2014.

70. The Regional Workshop on Eco-efficient Water Infrastructure towards Sustainable Urban Development and the Green Economy in Asia and the Pacific was held in Bangkok on 12 and 13 December 2013. Representatives of Bangladesh, Cambodia, the Lao People's Democratic Republic and Nepal attended the workshop.

D. Ongoing and planned support

71. The accession of Afghanistan to the World Trade Organization will continue to be supported by the secretariat, in collaboration with the International Trade Centre, through two more workshops to be held in New Delhi in March and October 2014.

72. A seminar on sustaining employment growth to deliver on labour market policies and capacity-building in the region, as well as South Asian employment and social protection workshops, are planned to be held in New Delhi in June 2014. These activities will cover least developed countries while also supporting the Maldives in its post-graduation period.

73. An expert group meeting on capacity development for disaster information management in South and South-West Asia is planned to be held in New Delhi on 10 and 11 April 2014.

74. A South Asian consultation on the development agenda beyond 2015 and sustainable development goals is planned to be held in New Delhi in April 2014.

75. An expert group meeting on South Asian Millennium Development Goals-consistent macroeconomic modelling is planned to be held in Kathmandu in June/July 2014.

76. A policy dialogue on promoting women's entrepreneurship in South Asia is to be held in New Delhi in October 2014.

77. A workshop on regional cooperation on food security is planned to be held in Bangladesh in October 2014.

78. During the 2014-2015 biennium, a United Nations Development Account project on South Asia-Central Asia transport connectivity, with a special focus on the region's least developed countries, will be implemented in collaboration with the Economic Commission for Europe. The project will seek to bolster the capacities of the region's member countries in order to strengthen transport connectivity and to facilitate access of least developed countries of the South to regional and global markets.

79. The United Nations Development Account project on Strengthening Capacities in Countries with Special Needs on Designing and Implementing Economic and Social Development Policies to Accelerate Progress Towards Achieving the Millennium Development Goals will be implemented during the 2014-2015 biennium. Focusing on Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar and Nepal, this project aims to accelerate the achievement of the Millennium Development Goals by strengthening government capacity to design and implement cross-sectoral policies that are cost-effective and have the greatest impact.

80. The United Nations Development Account project on Building Capacity and Facilitating Private Sector Involvement for Infrastructure Provision in Less Developed Countries is being implemented. The project

intends to support least developed countries in further involving the private sector in infrastructure projects, particularly using the public-private partnership modality. The project is designed to respond primarily to the specific needs of Bhutan, Cambodia, Myanmar and the Lao People's Democratic Republic.

81. The Intergovernmental Agreement on Dry Ports is expected to help integrate the Asian Highway and Trans-Asian Railway networks and further improve physical connectivity in the region. The secretariat will continue to promote such intergovernmental agreements, which form the basis of an international integrated intermodal transport and logistics system in the region.

82. The secretariat has developed various transport facilitation models to identify and propose solutions to mitigate delays at border crossings. A series of workshops are planned in least developed countries, involving key stakeholders in disseminating the advantages of these models and their practical implementation in the promotion of seamless international road transport and its positive effects on regional connectivity.

83. Capacity-building activities to promote sustainable and inclusive transport development, with a focus on least developed countries, and sustainable and inclusive urban transport in secondary cities are being planned.

84. In close collaboration with relevant United Nations agencies, as well as with regional initiatives such as the Asia-Pacific Space Cooperation Organization, the secretariat will continue its support for least developed countries in order to enhance their capacity as regards proactive applications of space technology and geographic information systems for disaster risk reduction.

85. As regards graduation issues, the secretariat plans to step up its activities, including holding a workshop on financing the graduation gap in least developed countries in Bangladesh in late 2014.

86. The Regional Midterm Review of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 is scheduled for 2015. ESCAP will work closely with all stakeholders in conducting this review.