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The least developed countries are characterized by constraints such as low per capita income, low level of human development and high vulnerability. The overarching goal of the Istanbul Programme of Action (IPoA) is to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category. It calls for strengthening LDCs' productive capacity in all sectors, and overcoming their marginalization in international trade to achieve sustained, equitable and inclusive economic growth. It underscores that a more strategic, comprehensive and sustained approach is required to bring about structural transformation in least developed countries.

The 2030 Agenda and the IPoA have specific targets for LDCs including (sustaining at least 7) per cent GDP growth per annum, and doubling LDCs' share of global exports by 2030. The realization of the Sustainable Development Goals (SDGs) and targets of the IPoAs requires focused attention on structural transformation of LDCs, through increasing productive capacity and economic diversification. Limited productive capacity in LDCs directly contributes to their weak economic and social performance, (SDG 8.2) . 8 0 8 27(ad) 10

declined for the countries in Africa and increased only for those in Asia. Gross fixed capital formation has been generally constant, and accounted for only about a quarter of the economic activity in the least developed countries between 2000 and 2010.<sup>9</sup>

8 While LDCs need to strengthen development governance capacity, maintain macro-economic stability, adopt sound industrial and sectorial policies, LDCs also need international support in building productive capacity and overcoming structural impediments particularly through trade, foreign direct investment (FDI), official development assistance (ODA), and technology transfer.

FDI and ODA are important source of financing for LDCs to bring about structural transformation, improve technological capacity and promote private sector development which is a driving force of innovation, productive capacity building and employment creation. In 2010, both ODA and remittances were larger than FDI inflows to LDCs while FDI flows to LDCs decreased by 10 per cent, marking a third decline in the past 5 years.<sup>10</sup> The large gap between investment needs and available finance in LDCs is not being reduced as ODA has remained stagnant and FDI declined.

Trade can be an important engine to expand productive capacities.<sup>11</sup> However, LDCs are suffering from long-standing marginalization in international trade. The share of LDC exports of goods and services continued to decline to 6.7 per cent of world exports in 2010<sup>12</sup>, moving further away from the IPoA target of 10 per cent of global exports. LDCs need preferential market access through duty-free and quota-free regime and Aid for Trade to help them build productive capacity for trade. It is also needed to facilitate transfer of and access to technology and knowledge, which are crucial for developing productive capacities.

Promoting sustainable energy and the use of ICT such as broadband development offers LDCs tremendous opportunities for growth. Sustainable energy is a key development enabler, and energy transition in LDCs will have an important impact.

enrolment in tertiary education and several transport indicators.<sup>4</sup> ; ational statistical

The meeting will be attended by designated ; ational 9ocal Points of ! "s. @elevant A ; agencies including A ; "TA !, A ; !P, !B, A, regional commissions such as B " A and B , " AP, as well as the Partnership in , tistics for ! evelopment in the %0<sup>st</sup> " entury (PA@I, %0) are also invited to attend.