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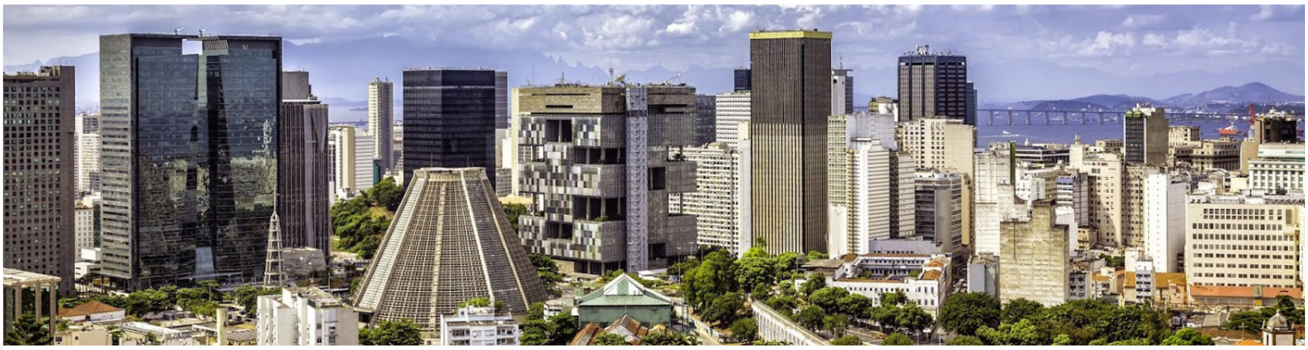

Post-2015 International Development Agenda in the Context of Interlocking Trade and Financing in the LDCs

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ABSTRACT

The adoption of the ambitious post-2015 agenda centring on the Sustainable Development Goals (SDGs) at the United Nations (UN) in New York in September marks an opportune moment to suggest development policy solutions for the least-developed countries (LDCs). The objective of this paper is to explore the compatibility of the financing instruments and modalities mentioned across the major documents of the UN and other international organisations related to the post-2015 agenda with LDCs' trade interests and concerns. It examines recent economic and financial trends in the LDCs and policy options related to the deployment of specific financial instruments for improving their trade performance. It argues that shaping the most appropriate finance mix will necessitate prioritising LDC-specific trade issues, in particular duty-free quota-free (DFQF) market access for LDCs, their accession to the WTO, trade facilitation, aid for trade, and regional integration.

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LIST OF ABBREVIATIONS

AfT	Aid for Trade
DFI	Development finance institution
DFQF	Duty-free, quota-free
FDI	Foreign direct investment
GDP	Gross domestic product
GMM	Generalised method of moments (GMM
GNI	Gross national income
ICT	Information and communication technology
IFC	International Finance Corporation
IPOA	Istanbul Programme of Action
LDCs	Least-developed countries
MDBs	Multilateral development banks
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
RoO	Rules of origin
S&D	Special and differential
SDGs	Sustainable Development Goals
SVEs	Small and vulnerable economies
UK	United Kingdom
UN	United Nations
US	United States
WTO	World Trade Organization

INTRODUCTION

The year 2015 is a turning point for international development policies in light of the ambitious post-2015 agenda centring on the Sustainable Development Goals (SDGs) endorsed at the United Nations (UN) in New York in September. The Third International Conference on Financing for Development in Addis Ababa in July provided guidance on financing and other means of implementation of the SDGs. The Conference of the Parties to the UN Framework Convention on Climate Change that will be held in Paris in December will have important implications for SDG implementation, as countries will try to achieve a legally binding and universal agreement on climate. The 10th Ministerial Conference of the World Trade Organization (WTO), which will also be held in December in Nairobi, may deliver some decisions defining the international trade regime that will enable achievement of the SDGs. From the perspectives of the least developed countries (LDCs), inputs for the mid-term review of the Istanbul Programme of Action (IPoA), which is to take place in Antalya in June 2016, will be generated during the coming months. As such, the upcoming period is an opportune moment to reflect and suggest development policy solutions for one of the most disadvantaged groups of countries, the LDCs.

These events form the backdrop for policy development that will affect the LDCs. This country group has been facing a less propitious external environment as the global economy continues to struggle following the 2008–09 global financial crisis. As the LDCs become increasingly integrated into the global economy, scrutiny of their trade-finance linkages should provide valuable perspectives on policy options. The objective of this paper is to explore the compatibility of the financing instruments and modalities mentioned across the major documents related to the post-2015 agenda with the trade interests and concerns of the LDCs. The paper is based on desk research, reviewing the relevant documents, literature, data, and statistics. It sequentially looks at recent economic and financial trends in the LDCs, documents of the UN and other international organisations related to the post-2015 agenda, and policy options related to the deployment of specific financial instruments for improving the trade performance of the LDCs.

RECENT TRENDS IN THE LDCS

In terms of economic growth, the LDCs have experienced a declining trend in recent years (see Table 1). During 2011–14, the country group experienced an average gross domestic product (GDP) growth rate of 4.8 percent, compared with 6.9 percent during the previous decade (2001–10). However, other macroeconomic indicators show upward trends. For example, total investment as a percentage of GDP increased from the decadal (2001–10) average of 22.6 percent to 25.2 percent (2011–14). This trend was underpinned by an upswing in private investment.

Table 2 outlines the structural change in LDCs over the past two decades. Within industry, the average share of the manufacturing sector in GDP increased slightly from 10.3 percent during 1991–2000 to 10.5 percent during 2001–10. The average share of the mining sector in GDP increased significantly over time from 6.7 percent in 1991–2000 to 13.6 percent in 2001–2010. However, the average share of agriculture in GDP declined from 32.5 percent to 24 percent between 1991–2000 and 2001–10. It is also evident that the share of the service sector as a percentage of GDP has also declined in recent years.

Table 3 presents trends in different sources of finance in LDCs (for more details, see Annex Tables A7–A10). Average tax revenue as a percentage of GDP increased steadily over time. From 2001 to 2010, tax revenue averaged 10.1 percent of GDP. It increased by a large extent over the period from 8.9 percent in 2001 to 16.1 percent in 2012 (see Table A2 in the Annex). The global financial crisis significantly impacted the average GDP growth (Table A1) and average export growth of LDCs (Table A3), with trends becoming inconsistent beginning in 2009. Prior to this shock, the LDCs experienced impressive GDP and export growth on average. Average exports as a percentage of GDP grew over time from 23.6 percent in 2001 to 28.2 percent in 2008, but became inconsistent beginning in 2009. This could be a plausible explanation for average GDP growth decreasing to 4.8 percent during 2011–14, despite most macroeconomic indicators increasing. For LDCs, average remittances received as a percentage of GDP increased from 4.6 percent in 2001 to 5.5 percent in 2004, afterwards experiencing decline and stagnation before somewhat recovering to 5.2 percent in 2013 (Table A4). Overall, average foreign direct investment (FDI) as a percentage of GDP fell from 3.7 percent in 2001 to 3.4 percent in 2013 (Table A5). The average net official development assistance (ODA) received as a percentage of GDP rose from 7.7 percent in 2001 to 10.9 percent in 2003, afterwards steadily declining to 5.8 percent in 2013 (Table A6).

Recent trends in the LDCs suggest that certain policy options may be viable under the post-2015 agenda:

- An evolving finance mix with domestic public finance at the core: Domestic resources and private capital are expected to play increasingly important roles in the financing of sustainable development.

- Using ODA to leverage other finance: ODA, or foreign aid, will likely play a greater role in facilitating the creation of institutions that help attract funding from other sources.

- Blended finance: The International Finance Corporation (IFC), the World Bank's private sector arm, recently formalised its "blended finance" approach, which subsidises investment in the private sector at lower-than-market rates by combining donors' concessional funds with the IFC's non-concessional funds. The IFC's blended finance instruments are designed "to catalyse investments with strong social and development benefits that would not otherwise happen" and to address "market barriers by investing in projects that are not considered commercially viable today but have the potential to be in the future." Section 5.1 provides more details on the role of blended finance.

- Better use of remittances: Reinvestment of remittances in infrastructure and the industrial and productive sectors can accelerate economic growth. Generally, LDCs

TABLE 1:

Macroeconomic Indicators of LDCs

Year	Average GDP growth (%)	Average total investment (as % of GDP)	Average private investment (% of GDP)	Average gross savings (as % of GDP)	Average gross domestic savings (as % of GDP)
2001–10	6.9	22.6	15.8	22.1	15.0
2004–08	8.0	22.9	15.8	23.4	16.2
2011–14	4.8	25.2	17.4	25.2	16.5

Source: Author's calculations based on United Nations Conference on Trade and Development (2015).

TABLE 2:

Structural Change in LDCs

Year	Average share of manufacturing sector in GDP (%)	Average share of mining sector in GDP (%)	Average share of agriculture sector in GDP (%)	Average share of service sector in GDP (%)
1991– 2000	10.3	6.7	33.9	44.6
2001–10	10.5	13.6	26.3	44.0
2011–13	10.6	12.5	24.2	41.8

Source: Author's calculations based on World Bank (2015).
Note: [a] and [b] denote averages for 2011–12 and 2011–13, respectively.

TABLE 3:

Sources of Finance

Year	Average GDP growth (%)	Average total investment (as % of GDP)	Average private investment (% of GDP)	Average gross savings (as % of GDP)	Average gross domestic savings (as % of GDP)
2001–10	10.1	25.7	4.8	3.3	8.0
2004–08	10.4	27.4	4.9	3.0	7.9
2011–14	14.6[a]	26.6	4.6[b]	3.2[b]	5.9[b]

lack sufficient investment and better use of remittances can be a solution in this context.

- Strengthening institutions and regulatory frameworks: Brownbridge and Kirkpatrick (2000) mention that "many LDCs have implemented reforms to strengthen the prudential regulation and supervision of their financial systems." Borrmann and Busse (2007) argue that "institutional quality plays a key role in successful trade liberalisation. In fact, only countries with high-quality institutions, partly in the form of good government regulation, are likely to benefit from trade."

- Reforming the international financial architecture: The international financial architecture has exposed its inadequacies. A lack of appropriate regulations for banks and other financial institutions (e.g., investment companies) has aggravated the risks and vulnerabilities of the international system, with the costs usually being borne by those who have the least ability. Thus, a reformed international financial architecture could contribute toward a more even distribution of available financial resources. Efficiency gains from reform would provide additional resources that could underwrite post-2015 efforts. Reform may also strengthen global economic stability and provide safeguards against external economic shocks, which may be considered public goods under the forthcoming agenda.

INTEGRATING LDC ISSUES INTO ONGOING GLOBAL DISCUSSIONS

LDCS ISSUES IN THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

In the finalised post-2015 agenda, LDC-related issues are mentioned in 25 targets under 12 of the 17 goals.[1] Of the 25 targets, 9 are trade related (for details see Table A11 in the Annex). Some of them are directly related to trade, and others are indirectly related. Increasing support through the Aid for Trade (AfT) initiative, implementing special and differential (S&D) treatment, prohibiting certain forms of fisheries subsidies, adopting investing promotion strategies, doubling LDCs' share of global exports by 2020 and realising duty-free, quota-free (DFQF) market access for LDCs are the directly related targets. Among the indirect targets, the most notable are expanding infrastructure and upgrading technology, promoting inclusive industrialisation, implementing investment promotion regimes, and enhancing capacity-building support. Finance issues for LDCs are mentioned in six targets: ensuring significant mobilisation of resources, increasing investment through enhanced international cooperation, facilitating resilient infrastructure development through financial and technical support, encouraging ODA and other financial flows, implementation of ODA commitments by developed countries, and enhancing capacity-building support. Evidently, there is some overlap, such as with enhancing capacity-building support, indicating the interlocking of trade and finance.

A review of these documents demonstrated that LDC issues were sequentially improved. For example, the zero draft mentioned countries in situations of conflict but not post-conflict situations under the category of countries facing specific challenges; the final agenda addresses this oversight. With respect to implementation, the finalised agenda underscores the importance of an adequately resourced, relevant, coherent, efficient, and effective UN system in supporting the achievement of the SDGs, an issue that was absent in the zero draft. Further, the finalised agenda emphasises not only quality disaggregated data, but also other data issues, such as accessibility, timeliness, and reliability, to gauge progress on the SDGs. It also fine-tunes the follow-up and review process by making it voluntary and country-led, which will take into account heterogeneous national realities, as well as people-centred and gender-sensitive issues.

LDC ISSUES IN THE ADDIS ABABA ACTION AGENDA

In the Addis Ababa Action Agenda, the term "least developed countries" is mentioned under 29 articles. Issues concerning the LDCs are as follows:

- Increasing ODA and technical assistance for tax and fiscal management capacity.

- Increasing ODA from developed countries with a view to implement by 2020 their commitment to allocate 0.7 percent of gross national income (GNI) as ODA to developing countries, with 0.15–0.20 percent of GNI being provided to LDCs.

1 The term "least developed countries" is not mentioned under five goals: Goal 5. Achieve gender equality and empower all women and girls; Goal 6. Ensure availability and sustainable management of water and sanitation for all; Goal 12. Ensure sustainable consumption and production patterns; Goal 15. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss; and Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.

- Increasing AfT to developing countries, particularly LDCs.
- Complementing national efforts with international support.
- Improving LDCs' investment climates significantly.
- Calling on regional development banks and multilateral development banks (MDBs) to provide non-concessional and concessional development finance to LDCs.
- Calling on WTO members to ratify the Trade Facilitation Agreement and implement the Bali Package, including the decisions taken in favour of LDCs and the work programme on small and vulnerable economies (SVEs).
- Calling for full and effective implementation of decisions regarding DFQF market access for products originating from the LDCs.
- Promoting information and communication technology (ICT) infrastructure development and capacity building in LDCs.
- Continuing efforts to upgrade technology for modern and sustainable energy services in LDCs.
- Committing to expeditiously establish and make fully operational the technology bank and science, technology, and innovation capacity-building mechanism for LDCs by 2017.
- Committing to enhance capacity-building support for developing countries, including LDCs and small island developing states, to significantly increase the availability of high-quality, timely, and reliable disaggregated data.

LDC ISSUES IN THE BALI PACKAGE AND ITS FINANCIAL IMPLICATIONS

The Ninth Ministerial Conference of the WTO in Bali in 2013 produced the Bali Ministerial Declaration with several decisions that are relevant to the LDCs.

With respect to DFQF market access, unless obligations are legally binding with concrete timeframes, LDCs, such as Bangladesh, will not receive any additional benefits. Laird (2012) reported that under full DFQF market access, LDCs' exports would expand by 2.9 percent. Bouët, Debucquet, Dienesch and Elliot (2010) analysed the situations of LDCs with 100 percent DFQF access to Organisation for Economic Co-operation and Development (OECD) countries and gains were noticed for all LDCs except Madagascar. Using partial equilibrium analysis, they found that total LDC exports could increase by as much as US$2 billion, or 17 percent. Reforms to global rules, such as providing DFQF market access for LDCs, may reduce the need for additional development finance. For instance, reform of trade policies would have a greater effect than AfT resources.

Some work has been done on the operationalisation of the services waiver. The issue related to the distinction between Mode 3 and Mode 4 for the purpose of the waiver should be resolved in a manner that addresses LDCs' concerns. Winters (2002) estimated the benefit of the removal of restrictions on the temporary movement of natural persons and reported that global welfare would rise by US$156 million (about 0.6 percent of total world income) if developed countries increased their quotas on inward movements of both skilled and unskilled labour by just 3 percent. In a high-level meeting of the WTO Services Council in February 2015, member states discussed measures that would provide preferential treatment to LDCs' services, which would support the growth of services trade (World Trade Organization, 2015).

Several studies have estimated the economic gains resulting from the Trade Facilitation Agreement. Hufbauer and Schott (2013) reported that it could raise global GDP by up to US$1 trillion and create 21 million jobs. Moïsé and Sorescu (2013) reported that comprehensive trade facilitation reform would reduce total trade costs by almost 14.5 percent for low-income countries, 15.5 percent for lower middle-income countries, and 13.2 percent for upper middle-income countries. However, meeting trade facilitation commitments would require investment, much of it capital-intensive. The United Nations Conference on Trade and Development (2013) indicated that the total cost of fully implementing the WTO Trade Facilitation Agreement is between US$1 million and US$15 million. The OECD (2012) reported that capital expenditure to introduce trade facilitation measures in selected countries[2] ranges from US$3.9 million and US$21.3 million,[3] with annual operating costs directly or indirectly linked to trade facilitation being less than US$2.8 million. Implementing the Trade Facilitation Agreement would be beneficial for all WTO members, because the associated costs are likely to be far less than the expected gains from improving the flow of goods across borders.

2 The four selected countries are Burkina Faso, the Dominican Republic, Kenya, and Mongolia.

3 Considering €1 = US$1.12 conversion rate. Retrieved from: http://www.oanda.com/currency/converter/ (accessed on 15 September 2015)

LINKS BETWEEN FINANCE AND POLICIES FOR DEVELOPING TRADE

IDENTIFICATION OF TRADE-FINANCE LINKAGES

After conducting a comparative analysis of the trade-finance linkages contained in the finalised post-2015 agenda, the Addis Ababa Action Agenda, the IPoA (see United Nations, 2011), and the Monterrey Consensus of 2002 (see United Nations, 2003), five linkages have been identified as relevant for the LDCs:

- DFQF market access: All the above agenda documents call for developed countries to implement DFQF market access for all LDCs and contain additional comments on the preferential rules of origin (RoO) applicable to imports from LDCs.

- Negotiations for the accession of LDCS to the WTO: The documents call for facilitations and accelerations of the accession of developing countries, especially LDCs, into the WTO, with the Addis Ababa Action Agenda highlighting the need for "strengthening, streamlining, and operationalizing of the guidelines" for the accession of the LDCs.

- Trade facilitation: All the agenda documents have items that stress the importance of trade facilitation from increased mobilisation of resources through multilateral and bilateral aid, technical assistance etc., with special emphasis for LDCs.

- AfT: All the agenda documents specifically highlight AfT as an important policy for trade expansion through increased resource mobilisation.

- Regional integration: Regional integration is emphasised in increasing world trade, and the Monterrey consensus calls for financial institutions to support projects that promote the regional integration of the developing countries in order to expand trade and productive capacity in these countries.

The above linkages are found in almost all of these documents. The only exceptions are the negotiations for the accession of LDCs to the WTO and regional integration, which are not included in the 2030 Agenda for Sustainable Development. For more details about the comparative analysis, please see Table A12 in the Annex.

DISCUSSION ON TRADE-FINANCE LINKAGES

This subsection provides a theoretical discussion on trade-finance linkages, which should facilitate the understanding of linkages between international trade and forms of finance, namely FDI, tax revenue, foreign aid, and remittances.

Trade and FDI

Several studies have investigated the interdependencies between international trade and FDI. Chaisrisawatsuk and Chaisrisawatsuk (2007) investigated the bidirectional effects between international trade and investment in developing countries. FDI inflows were found to be induced by trade facilitation. Bilateral FDI inflows were found to have feedback effects with exports of home and host countries as well as other trading partners. Similar results were found for bilateral FDI inflows and imports.

Further, Raff (2004) reported that tariff reduction promotes economic integration and eventually leads to greater FDI inflows. Eaton and Tamura (1994) found large and positive relationships between FDI outflows and exports, as well as imports, for both Japan and the United States (US). However, such relationships were not found in the case of FDI inflows. The OECD (1998) found trade-flows to be "FDI-induced," with bilateral trade flows increasing as FDI flows increased. Evidently, policy harmonisation with the objective of attracting FDI and particularly DFQF market access for LDCs should be areas of focus going forward, as interlocking finance and trade appears to have catalytic and accelerative effects.

Trade and tax revenue

There is an extensive body of literature that analyses the relationship between trade and tax revenue mobilisation. Applying the generalised method of moments (GMM) regression technique to panel data from 53 African countries covering the 1970–2000 period, Longoni (2009) found that there is some uncertainty about the relationship between trade liberalisation and revenues from taxes on imports and exports. Agbeyegbe, Stotsky, and WoldeMariam (2004) studying 22 countries in sub-Saharan Africa over the 1980–96 period found that trade liberalisation is generally not strongly linked to tax revenue.

Moreover, using time series data for the 1980–2010 period, Immurana, Rahman, and Iddrisu (2013) found that trade liberalisation had positive and significant effects on total tax revenue in the short and long term in Ghana. Mushtaq, Bakhsh, and Hassan (2012), using time series data for the 1975–2010 period, found a positive relationship between trade liberalisation and tax revenue, with trade openness being necessary if a country wants to increase tax revenue. Gaalya (2015) used fixed and random effects models to establish the determinants of tax revenue performance in

Uganda over the 1994–2012 period. The results showed that trade openness positively influenced tax revenue performance in Uganda. With the findings on trade liberalisation evidently being mixed, DFQF market access for LDCs should be given priority over free-trade agreements, though regional integration among developing countries by way of establishing free trade areas remains a promising avenue for boosting trade and finance.

Trade and Foreign Aid

Much work has also been done on the causal relationship between trade and foreign aid. Aid can have an impact on the international trade of an aid-recipient country by inducing general economic effects, which happens when aid is directly tied to trade or it reinforces bilateral economic and political links (Suwa-Eisenmann, and Verdier, 2006). The traditional macroeconomic view argues that aid augments domestic savings, which eventually leads to increased investment that contributes to higher economic growth (White, 1992). Lundsgaarde, Breunig, and Prakash (2010) found strong evidence in favour of the argument that bilateral aid disbursements are significantly influenced by bilateral trade between aid donors and recipients. Specifically, a 1 percent increase in bilateral trade leads to a 0.66 percent increase in bilateral aid allocations during the following year. Nowak-Lehmann, Martínez-Zarzoso, Cardozo, and Klasen (2010) using the gravity model found that the net effect of aid on recipient countries' exports is positive, and for every US$1, the average return for recipients' exports is US$1.5. Also using the gravity model, Johansson (2009) found that aid is positively related to recipient-donor exports, which indicates that aid increases bilateral trade flows in both directions. However, some studies have found no evidence of a relationship between foreign aid and trade. For instance, Lloyd, McGillivray, Morrissey, and Osei (1998) examined the impact of aid on trade flows for four European donors and 26 African recipients over the 1969–95 period, finding no evidence in support of the claim that aid creates trade. These mixed results do not negate the importance of developed countries fulfilling commitments to allocate 0.7 percent of GNI as ODA to developing countries, with 0.15–0.20 percent of GNI being provided to LDCs, but rather should inspire interest in the role of blended finance, which is outlined in section 5.1.

Trade, migration, and remittances

The relationship between trade and migration has remained ambiguous despite much study. There are two schools of thought on the relationship. One school argues that trade substitutes for migration, since increasing trade creates rising prosperity that can reduce the need to migrate. The other school of thought argues that the relationship is complementary, since increasing trade strengthens links between places and thus promotes migration. The conventional factor-price equalisation theorem — the Heckscher-Ohlin-Samuelson model — identifies a substitution type of relationship between trade and migration (Mundell, 1957). However, Markusen (1983) showed that complementarity between migration and trade can be achieved if one of the following assumptions of the model is relaxed: (i) constant returns to scale; (ii) identical technologies; (iii) perfect competition; or (iv) no domestic distortions. Further, on the basis of evidence from trade liberalisation policies in Asia and Latin America, Richards (1994) argued that trade induces migration — in other words, the relationship between trade and migration is complementary. It also has been argued that migration has a trade-creation effect (Head and Ries, 1998; Rauch, 2001). Girma and Yu (2002) investigated the impact of Commonwealth and non-Commonwealth immigrants to the United Kingdom (UK) on trade over the 1981–93 period. They found a robust trade-creating effect (both exports and imports) for non-Commonwealth immigrants, a negative impact for Commonwealth immigrants on imports, and no significant effect for Commonwealth immigrants on exports.

Several recent studies have mentioned conditions for a positive relationship between migration and remittances. For example, Foad (2010) identified that there must be a certain threshold of migration stock for migration to have a positive impact on trade. If the level of migration is lower than a certain stock in the receiving country, trade might not be profitable. Similar findings were identified by Egger, von Ehrlich, and Nelson (2011), who demonstrated that the trade-creation effect of immigrants stops functioning above an upper threshold of migration stock. The insights of the studies on the relationship between trade and migration matter, because migration that leads to increased trade necessarily increases migrant remittances. Given the scale of remittances, their growth, and their increasing importance as a source of development finance, policy options that recognise migration as an enabler of inclusive social development can also be considered economically supportive, especially if the associated remittances are reinvested in infrastructure and the industrial and productive sectors.

PUBLIC FINANCE AND CONCESSIONAL FOREIGN ASSISTANCE

A number of issues can be raised with respect to public finance and concessional foreign assistance.

The tax-GDP ratio does not depend on the level of income. There is heterogeneity in the tax-GDP ratios of LDCs. Several LDCs, namely Angola (18.8 percent), Liberia (20.9 percent), Mozambique (20.8 percent), and Tanzania (16.7 percent), had decent tax-GDP ratios in 2012 (World Bank 2015). Other LDCs had comparatively low tax-GDP ratios. For example, in 2012, the tax-GDP ratios of Bangladesh, Cambodia, and Sierra Leone were 10.5 percent, 11.6 percent, and 10.9 percent, respectively (World Bank 2015). This suggests that the income level of a country may define the potential for domestic resource mobilisation, but actual mobilisation depends on the tax effort exercised by relevant institutions. The importance of both tax capacity and effort underscores the need for institutional and policy reforms in this area.

Another critical issue is whether there is adequate financial surplus at the global level. Sometimes it can be unclear if financing problems are associated with resource deficits or resource allocation. The European Report on Development (2015) indicated that an overall shortage of funds will not be a constraining factor in implementing the post-2015 agenda. Instead, the way finance is mobilised and used will determine success in achieving goals under the agenda. What will be needed is improvement in the effectiveness of financing categories by drawing on their unique characteristics to support the enablers of poverty reduction and sustainable development. Exploration of how different flows can work together more effectively will also be required. Ultimately, the reform of national finance and policy frameworks, as well as concerted efforts at the international level, will be necessary.

Domestic resource mobilisation is increasingly becoming the most important source of finance in developing countries, including the LDCs. According to the European Report on Development (2015), since the Monterrey Consensus, developing countries have had access to an additional US$900 billion in private international finance, US$3 trillion in private domestic finance, and US$4 trillion in public domestic revenue in real terms (2011 dollars). Available public international finance increased by just under US$100 billion.

A question of significant policy interest is: how much tax revenue LDCs can generate with every 1 percent increase in the tax-GDP ratio. A 1 percent increase in tax revenue in LDCs will generate approximately an additional US$5.8 billion.[4] The European Report on Development (2015) identified various specific policies that help mobilise finance. For instance, regulatory reforms (e.g., clear property rights, land titles, or cutting bureaucratic red tape for licensing) help mobilise private-sector resources as well as investment in infrastructure, human capital, trade, and technology. The European Report on Development's Country Illustration Reports show that some developing countries have successfully increased tax revenue as a percentage of GDP by building institutions that limit rent-seeking and curtail the use of tax exemptions, enhancing compliance, renegotiating contracts with major foreign companies, computerising the customs-clearing process, and adopting a broad-based value-added tax with a reasonable threshold. In such ways, countries can use policy frameworks to mobilise domestic resources and address otherwise low and stagnant tax-to-GDP ratios. Low levels of domestic public finance are neither predetermined nor insurmountable and are to a large extent a question of public policy.

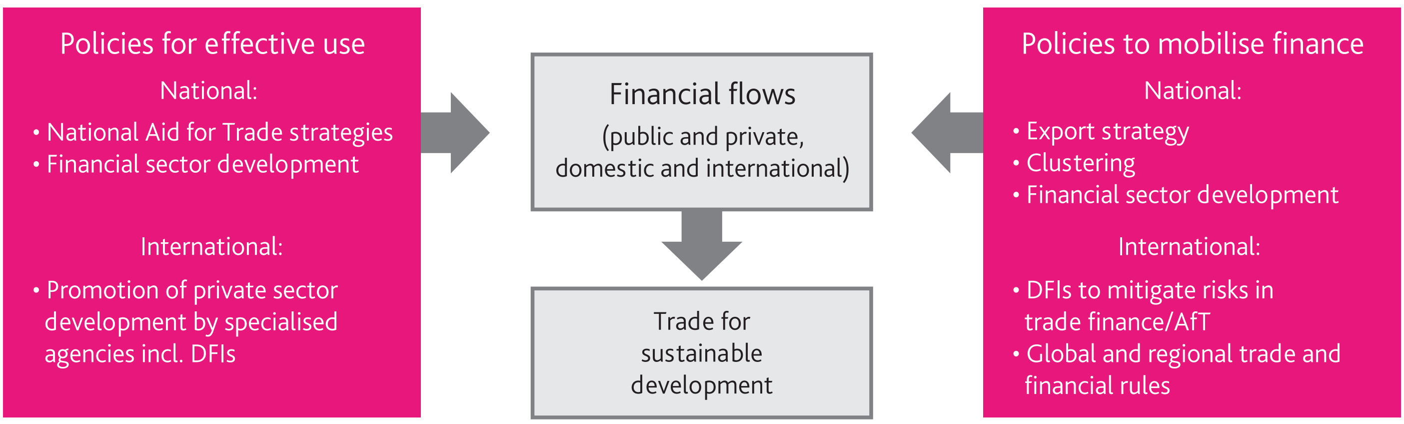
Notably, little is known about how much ODA currently goes to domestic resource mobilisation. As discussions about financing the post-2015 agenda progress, ODA that facilitates domestic resource mobilisation is gaining increasing attention. Donors are aiding tax reforms and there are calls to scale up such assistance. The role of ODA in individual reform efforts is well-documented, but little is known about the aggregate picture of international assistance in this area (Strawson and Ifan, 2014). The OECD (2008) estimated that in 2006 only US$88 million, or 0.073 percent of ODA, was dedicated to taxation and revenue-related activities, but how this figure was calculated

4 The calculation is the weighted average of 19 LDCs in 2012. The LDCs were selected on the basis of data availability.

FIGURE 1:

The Role of Policy Mobilisation and the Effective Use of Finance for Trade

Source: European Report on Development (2015).



is unclear. Notably, there is no specific purpose code for taxation and revenue activities in the OECD's comprehensive project-level database; the Creditor Reporting System and related assistance often comes as part of broader projects, making it difficult to accurately quantify (Strawson and Ifan, 2014).

Moreover, tax agendas should be reviewed and reinforced to curb illicit financial flows and retain capital for investment in local economies. More investment in local economies would complement both national and global enablers. In 2012, illicit final flows from developing countries reached a staggering new peak of US$991.2 billion, or 3.6 percent of the GDP of developing countries (Kar and Spanjers 2014).

PRIVATE FINANCE

Enhanced roles for development finance institutions (DFIs) and MDBs can mitigate the high risks associated with expanding trade and attracting FDI in LDCs. As shown in Figure 1 below, DFIs can promote private sector development and mitigate risks in trade finance and AfT. MDBs can play a useful catalytic and countercyclical role by helping to share risk with private investors in order to enhance the viability of investments. Because of their official statuses and financial structures, MDBs can absorb more risk, particularly default risk and political interference risk. They can also attract private capital to long-term projects in countries where the market perceives risks to be high (Chelsky et al., 2013).

Regional and bilateral trade and investment agreements may help mobilise FDI. For instance, Jaumotte (2004) reported that FDI was stimulated by the creation of a regional trade agreement between Algeria, Morocco, and Tunisia. Moreover, transparent institutional frameworks for FDI and financial sector development appear to be crucial. Aside from that, serious attention should be paid to reducing the costs of transferring remittances, which can yield benefits, such as sustaining the flow of remittances to LDCs.

POST-2015 POLICY OUTLOOK

ROLE OF BLENDED FINANCE

Since it appears that blended finance will take centre stage in the post-2015 period, special policy attention is required to clear up questions and ambiguities. Blended finance generally refers to the complementary use of grant and non-grant instruments from public and private sources to provide financing on terms that would make projects financially viable and/or financially sustainable. In a blended finance package, the size of grants tends to be comparatively small relative to the size of the total project cost. For example, the average grant share in the blended finance packages of the European Union–Africa Infrastructure Trust Fund is 2.28 percent (Gavas, Geddes, Massa, and te Velde, 2011). Further, concessional funds from the Global Environment Facility accounted for 1.5 percent of its blended finance package for the IFC's sustainable energy project in Peru in 2006 (IFC, 2012).

According to the World Economic Forum (2015), blended finance has three key characteristics:

- Leverage: The use of development finance and philanthropic funds can attract private capital to projects.
- Impact: Investments can drive social, environmental, and economic progress.
- Returns: Private investors see financial returns in line with market expectations and based on real and perceived risk.

There are many potential benefits associated with blended finance. First, blended finance can enable projects to access private finance by mitigating risks and/or increasing private returns. Second, blended finance provides financial additionality that helps to increase the net impact of donor funding. Third, projects with blended finance packages may have positive demonstration effects, which can lead market participants to change their behaviour. Fourth, ,since many blended finance packages involve more than one donor or DFI, blending can promote cooperation and coordination among donors and DFIs, which often facilitate the sharing of expertise, skills, best practices, and lessons learned.

The Intergovernmental Committee of Experts on Sustainable Development Financing mentioned several blended finance instruments, which are presented in Table 4 below.

One critical question that has been raised is whether blended finance should be classified as ODA or considered additional to ODA commitments. The relationship between blended finance and the formal definition of ODA is largely ambiguous. If the grant element of a loan is at least 25 percent of the value of the loan, the loan can be classified as concessional. For blended finance, the level of concessionality depends on how the grant and loan are linked. If a grant is given separately from a loan, even for the same project, the loan can be recorded as ODA only if it fulfils the concessional loan criterion with a grant element of 25 percent (Ferrer and Behrens, 2011). This critical question must be answered before moving into the post-2015 period.

WAY FORWARD

Interlocking trade and finance for the post-2015 period has remarkable potential, but it must be done with the perspectives of LDCs and results for this country group in mind. Shaping the evolving finance mix necessitates prioritising LDC-specific trade issues — DFQF market access for LDCs, their accession to the WTO, trade facilitation, AfT, and regional integration — following the adoption of the 2030 Agenda for Sustainable Development. To realise a transformative post-2015 development vision, the following will be needed:

- Enhanced flows and better quality of ODA for targeted and more effective use to promote specific enablers — social and economic institutions and infrastructure.

- Greater use of blended finance to leverage access to financial resources, specifically FDI and other private flows, by more targeted use of both international and domestic concessional finance.

- An enabling domestic environment for greater mobilisation and more efficient use of financial resources, gained by strengthening national capacity, building institutions, and accelerating domestic reforms, particularly in the financial sector, public expenditure system, and rule of law.

- Securing international complementary policies for ensuring global economic and financial stability that stop (i) illicit financial flows; (ii) transfer pricing; (iii) base erosion and profit shifting; and (iv) inadequate disclosure by banks.

TABLE 4:

Blended Finance Instruments

Source: Collated from (United Nations, 2014).

Category	Examples
Loans	• The majority of ODA-eligible bilateral loans are provided from government to government for investments in economic as well as water and sanitation infrastructure • Loans are most often provided to middle-income countries
Direct market interventions	• Viability gap funding • Challenge funds and innovation ventures • Equity • First-loss funding
Risk-based instruments	• Credit guarantees • Political risk insurance
Performance-based instruments	• Advanced market commitments • Social and development impact bonds
Public-private partnerships	Donors can facilitate public-private partnerships by: • providing technical assistance to both the government and private sector • directing multilateral organisations to bolster their efforts in facilitating public-private partnerships • providing financial incentives to make public-private partnerships more attractive

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ANNEX

TABLE A1:

Average GDP Growth (%)

Source: UNCTADSTAT (2015).

Group	Average 2001–10	Average 2004–08	Average 2011–14	2001	2008	2009	2010	2011	2012	2013	2014
LDCs	6.9	7.9	4.7	6.3	7.0	5.1	6.0	3.9	4.1	5.5	5.1

TABLE A2:

Average Tax Revenue (as % of GDP)

Source: World Bank (2015).

Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
LDCs	8.9	9.2	9.6	10.2	10.3	10.6	10.3	10.4	10.3	11.0	13.0	16.1

TABLE A3:

Average Export of Goods and Services (as % of GDP)

Source: World Bank (2015).

Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
LDCs	23.6	23.2	23.8	24.8	27.7	28.5	27.9	28.2	23.6	25.5	27.3	26.8	26.1	26.0

TABLE A4:

Average Remittances Received (as % of GDP)

Source: World Bank (2015).

Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
LDCs	4.4	5.3	5.3	5.3	4.8	4.9	5.1	4.4	4.5	4.5	4.5	4.2	5.2

TABLE A5:

Average Net FDI Inflow (as % of GDP)

Source: World Bank (2015).

Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
LDCs	3.6	3.2	4.4	3.2	2.1	2.7	3.0	3.1	2.9	2.8	3.1	2.8	2.5

TABLE A6:

Average Net ODA Received (as % of GDP)

Source: World Bank (2015).

Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
LDCs	7.7	9.0	10.9	10.0	8.7	8.0	7.6	7.2	7.2	7.2	6.5	5.7	5.8

TABLE A7:

Average Share of Manufacturing Sector in GDP (%)

Source: World Bank (2015).

Group	1991–2000	2001–10	2010–13	2001	2008	2009	2010	2011	2012	2013
LDCs	10.3	10.5	10.6	10.9	9.9	10.7	10.6	10.6	10.5	10.6

TABLE A8:

Average Share of Mining Sector in GDP (%)

Source: World Bank (2015).

Group	1991–2000	2001–10	2010–12	2001	2008	2009	2010	2011	2012	2013
LDCs	6.7	13.6	12.5	10.9	9.9	10.7	10.6	10.6	10.5	10.6

TABLE A9:

Average Share of Agriculture Sector in GDP (%)

Source: World Bank (2015).

Group	1991–2000	2001–10	2010–12	2001	2008	2009	2010	2011	2012	2013
LDCs	33.9	26.3	24.2	29.0	24.4	24.4	25.5	25.0	24.2	24.3

TABLE A10:

Average Annual ODA (Billions of Current USD)

Source: MDG report 2012 and 2013.

Group	1990	2005	2008	2010	2011	2012
All developing countries	52.8	107.8	122	128.5	133.5	125.6
LDCs	15.1	25.9	37.8	44.0	27.7	26

TABLE A11:

LDC Issues in Finalised Post-2015 Agenda

Source: United Nations (2015b).

Goal	Target	Indicator
Goal 1. End poverty in all its forms everywhere	1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular **least developed countries**, to implement programmes and policies to end poverty in all its dimensions	1.a.1. Resources mobilized and spent for poverty reduction, including government, private sector and development partners
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agri-culture	2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular **least developed countries**	2.a.1. Agriculture Orientation Index for Government Expenditures
Goal 3. Ensure healthy lives and promote well-being for all at all ages	3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in **least developed countries** and small island developing States	No indicator
Goal 4. Ensure inclusive and equitable quality edu-cation and promote life-long learning opportunities for all	4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular **least developed countries**, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	4.b.1. Volume of ODA flows for scholarships by sector and type of study
	4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially **least developed countries** and small island developing States	
Goal 7. Ensure access to af-fordable, reliable, sustain-able and modern energy for all	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular **least developed countries,** and small island developing States and landlocked developing countries, in accordance with their respective programmes of support	7.b.1. Rate of improvement in energy productivity (the amount of economic output achieved for a given amount of energy consumption).
		7.b.2. Percentage of international cooperation projects being implemented to facilitate access to clean energy
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the **least developed countries**	8.1.1. GDP per capita, PPP
		8.1.2. Inclusive Wealth Index
	8.a Increase Aid for Trade support for developing countries, in particular **least developed countries**, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries	8.a.1. Evolution in Aid for Trade Commitments and Disbursements

TABLE A11 CONTINUED

Goal	Target	Indicator
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in **least developed countries**	9.2.1. MVA (share in GDP, per capita, % growth)
		9.2.2. Manufacturing employment (share of total employment and % growth)
	9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, **least developed countries**, landlocked developing countries and small island developing States	9.a.1. Annual credit flow to infrastructure projects (in International Dollar)
		9.a.2. Percentage share of infrastructure loans in total loans
	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in **least developed countries** by 2020	9.c.1. Fixed and Mobile broadband quality measured by mean download speed
		9.c.2. Subscription to mobile cellular and/or fixed broad band internet (per household/100 people)
Goal 10. Reduce inequality within and among countries	10.a Implement the principle of special and differential treatment for developing countries, in particular **least developed countries**, in accordance with World Trade Organization agreements	10.a.1. Degree of utilization and of implementation of SDT measures in favour of LDCs
		10.a.2. List of government actions (by LDCs) that can be covered under the S and D of the WTO agreements, with a view to measuring the "policy space" available to them
	10.b Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular **least developed countries**, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes	10.b.1. FDI inflows as a share of GDP to developing countries, broken down by group (LDCs, African countries, SIDS, LLDCS) and by source country
		10.b.2. OECD ODA data, disaggregated by recipient and donor countries
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	11.c Support **least developed countries**, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials	11.c.1. Percentage of financial support that is allocated to the construction and retrofitting of sustainable, resilient and resource efficient buildings
		11.c.2. Sub-national government revenues and expenditures as a percentage of general government revenues and expenditures, including for buildings; own revenue collection (source revenue) as a percentage of total city revenue

TABLE A11 CONTINUED

Goal	Target	Indicator
Goal 13. Take urgent action to combat climate change and its impacts	13.b. Promote mechanisms for raising capacity for effective climate change-related planning and management in **least developed countries** and small island developing States, including focusing on women, youth and local and marginalized communities	13.b.1. # of LDCs that are receiving specialized support for mechanisms for raising capacities for effective climate change related planning and management, including focusing on women, youth, local and marginalized communities
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and **least developed countries** should be an integral part of the World Trade Organization fisheries subsidies negotiation	14.6.1. Dollar value of negative fishery subsidies against 2015 baseline
		14.6.2. Legal framework or tax/ trade mechanisms prohibiting certain forms of fisheries subsidies
	14.7 By 2030, increase the economic benefits to Small Island developing States and **least developed countries** from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	14.7.1. Fisheries as a % of GDP
		14.7.2. Level of revenue generated from sustainable use of marine resources
	14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and **least developed countries**	14.a.1. Number of researchers working in this area
		14.a.2. Budget allocated to research in the field of marine technology
Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.2 Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 percent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 percent of ODA/GNI to **least developed countries**; ODA providers are encouraged to consider setting a target to provide at least 0.20 percent of ODA/GNI to **least developed countries**	17.2.1. Net ODA, total and to LDCs, as percentage of OECD/ Development Assistance Committee (DAC) donors' gross national income (GNI)
		17.2.2. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)
	17.5 Adopt and implement investment promotion regimes for **least developed countries**	17.5.1. Adoption/ Implementation of sustainable development orientated targets by new or existing investment promotion agencies
		17.5.2. Number of policy changes in investment regimes incorporating sustainable development objectives
	17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for **least developed countries** by 2017 and enhance the use of enabling technology, in particular information and communications technology	17.8.1. Internet penetration
		17.8.2. Quality of internet access (bandwidth)

TABLE A11 CONTINUED

Goal	Target	Indicator
Goal 17. continued	17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the **least developed countries'** share of global exports by 2020	17.11.1. Monitoring the evolution of developing countries export by partner group and key sectors. Such as: a) Exports of high technological content as proportion of total exports, b) Labour intensive exports as proportion of total exports (pro-poor exports), and c) Export diversification (by product; by market destination)
		17.11.2. Value of non-oil exports from LDCs that are derived from sustainable management of natural resources
	17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all **least developed countries,** consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from **least developed countries** are transparent and simple, and contribute to facilitating market access	17.12.1. Average tariffs faced by developing countries and LDCs by key sectors
		17.12.2. Preferences utilization by developing and least developed countries on their export to developed countries
	17.18 By 2020, enhance capacity-building support to developing countries, including for **least developed countries** and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts	17.18.1. Number of countries that have national statistical legislation (that [a] enshrine statistical independence; [b] mandate data collection; and [c] secure access to national administrative data)
		17.18.2. Number of countries that have formal institutional arrangements for the coordination of the compilation of official statistics (at international, national and regional level)

TABLE A12:

Comparative Analysis of Trade-Finance Linkages

Sources: Author's compilation from the 2030 Agenda for Sustainable Development (United Nations, 2015b), Addis Ababa Action Agenda (United Nations, 2015d), IPoA (United Nations, 2011) and Monterrey Consensus (United Nations, 2003).

Issue	Monterrey Consensus (2002)	IPoA (2011)	Addis Ababa Action Agenda (2015)	2030 Agenda for Sustainable Development (2015)
DFQF market access	34. We call on developed countries that have not already done so to work towards the objective of duty-free and quota-free access for all least developed countries' exports, as envisaged in the Programme of Action for the Least Developed Countries adopted in Brussels.	C. Trade: Realize timely implementation of duty-free quota-free market access, on a lasting basis, for all least developed countries consistent with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005	85. We call on developed country WTO members and developing country WTO members declaring themselves in a position to do so to realize timely implementation of duty-free and quota-free market access on a lasting basis for all products originating from all least developed countries, consistent with WTO deci¬sions. We call on them to also take steps to facilitate market access for products of least developed countries, including by developing simple and transparent rules of origin applicable to imports from least developed countries, in accordance with the guidelines adopted by WTO members at the Bali ministerial conference in 2013.	17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access
Negotiations for the accession of LDCS to the WTO	30. We also undertake to facilitate the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization	C. Trade: Facilitate and accelerate negotiations with acceding least developed countries based on the accession guidelines adopted by the World Trade Organization General Council in December 2002	83. We urge WTO members to commit to continuing efforts to accelerate the accession of all developing countries engaged in negotiations for WTO membership and welcome the 2012 strengthening, streamlin¬ing and operationalizing of the guidelines for the accession of least developed countries to WTO.	No provisions

TABLE A12 CONTINUED

Issue	Monterrey Consensus (2002)	IPoA (2011)	Addis Ababa Action Agenda (2015)	2030 Agenda for Sustainable Development (2015)
Trade facilitation	36. To that end, we further invite bilateral donors and the international and regional financial institutions, together with the relevant United Nations agencies, funds and programmes, to reinforce the support for trade-related training, capacity and institution building and trade-supporting services.	G: Mobilizing financial resources for development and capacity-building: Promote strategic and regulatory frameworks for foreign direct investment and other resource flows in this sector that include vital policy areas such as infrastructure development, trade and trade facilitation, research and development and transfer of technology.	80. We call on members of WTO to fully and expeditiously implement all the decisions of the Bali Package, including the decisions taken in favour of least developed countries, the decision on public stockholding for food security purposes, and the Work Programme on Small Economies, and to expeditiously ratify the Agreement on Trade Facilitation. WTO members declaring themselves in a position to do so should notify commercially meaningful preferences for least developed country services and service suppliers in accordance with the 2011 and 2013 Bali decision on the operationalization of the least developed coun¬tries services waiver and in response to the collective request of those countries.	11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials
Aid for Trade	36. Special consideration should be given to least developed countries, landlocked developing countries, small island developing States, African development, transit developing countries and countries with economies in transition, including through the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries and its follow-up	C. Trade: Implement effective trade-related technical assistance and capacity building to least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework, as appropriate, and strengthening their capacity to access available resources, in support of the needs and demands of least developed countries expressed through their national development strategies	90. Aid for Trade can play a major role. We will focus Aid for Trade on developing countries, in particular least developed coun-tries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries. We will strive to allocate an increasing proportion of Aid for Trade going to least developed countries, provided according to development cooperation effectiveness principles. We also welcome additional cooperation among developing countries to this end.	8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries

TABLE A12 CONTINUED

Issue	Monterrey Consensus (2002)	IPoA (2011)	Addis Ababa Action Agenda (2015)	2030 Agenda for Sustainable Development (2015)
Regional integration	32. We urge international financial institutions, including the regional development banks, to continue to support projects that promote subregional and regional integration among developing countries and countries with economies in transition.	C. Trade: Support least developed countries' efforts to strengthen their human, institutional and regulatory capacities in trade policy and trade negotiations in areas such as market entry and access, tariffs, customs, competition, investment and technology, and regional integration	82. Whereas, since Monterrey, exports of many developing coun¬tries have increased significantly, the participation of least developed countries, landlocked developing countries, small island developing States and Africa in world trade in goods and services remains low and world trade seems challenged to return to the buoyant growth rates seen before the global financial crisis. We will endeavour to significantly increase world trade in a manner consistent with the sustainable devel¬opment goals, including exports from developing countries, in particular from least developed countries with a view towards doubling their share of global exports by 2020 as stated in the Istanbul Programme of Action.	No provisions

Implemented jointly by ICTSD and the World Economic Forum, the E15Initiative convenes world-class experts and institutions to generate strategic analysis and recommendations for government, business, and civil society geared towards strengthening the global trade and investment system for sustainable development.

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