

ECONOMIC PROBLEMS OF THE LEAST-DEVELOPED AND LAND-LOCKED OIC COUNTRIES

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This report monitors the recent developments in the economies of the OIC least-developed member countries (OIC-LDCs) and examines the trends in their major economic indicators during the five-year period 2000-2004. In the process, it highlights a number of socio-economic issues of concern to those countries, such as the external financial flows, the official development assistance and the external debt, thereby pointing to the need for special actions in their favour particularly in financial, commercial and technical cooperation areas. In this connection, the paper also sheds light on the UN Programme of Action for LDCs for 2001-2010 and puts forward a set of suggestions for its implementation with respect to the OIC LDCs.

1. INTRODUCTION

The least-developed countries (LDCs) are a group of countries that have been officially identified by the UN as “least-developed” in terms of low Gross Domestic Product (GDP) per capita, weak human resources and high degree of economic vulnerability. In 1971, the General Assembly of the UN approved the first list of LDCs, which at that time included 24 countries. In the following years, the number of countries included in the list increased steadily, reaching 48 in 1994. It was of course hoped that as development efforts made an impact, countries would, one by one, graduate from the LDCs group as their level of development rose. However, since 1971, only one country has succeeded in doing so (viz. Botswana in 1994). The official inclusion of Senegal in 2001 and Timor-Leste in 2003 brought the total of those countries to 50¹.

¹ For details on the criteria and thresholds for the inclusion in and graduation from the list of LDCs, see UNCTAD, The Least-developed Countries Report, 2004, p. xiv.

With a combined population of almost 745 million, or 11.5 percent of the world's total population, the current 50 LDCs represent the poorest and weakest segment of the international community. The distinctiveness of this group of countries lies in the weakness of their economic, institutional and human resources, often compounded by geophysical handicaps. The regional distribution of those countries may also be viewed as having a large bearing on their economic growth and development performance. While the majority of the LDCs (34 countries) are located in Africa, particularly in the sub-Saharan region, 16 are land-locked and 11 are island countries (mostly small islands). Moreover, 30 LDCs have recently been classified as Heavily Indebted Poor Countries (HIPC) and 28 as non-oil (mostly agricultural) commodity exporters (see Table A.1 in the Annex).

Given this state of affairs, the development needs of the LDCs exceed the capacities of their economies and domestic resources. Therefore, the economic and social development of those countries represents a major challenge not only for themselves but also for their development partners as well as the international community as a whole. Indeed, the LDCs receive particular attention in the development efforts of the UN. Over the last three decades, the UN has been regularly monitoring the developments in those countries and thereby pointing to the need for special concessions in their favour, particularly in the finance, trade and technical cooperation areas. Those efforts have led to an increasing awareness by the international community of the special and specific needs of the LDCs to break out of the vicious circle of underdevelopment that causes economic stagnation and poverty.

Out of the current 50 LDCs, 22 are OIC members. As is the case with the other LDCs, the economic and social development of the OIC least-developed countries (OIC-LDCs) represents a major challenge for themselves, their development partners as well as the OIC community as a whole. In this connection, this Report aims at monitoring the developments in the economies of this group of OIC members and highlighting their specific problems, thereby pointing to the need for special actions in their favour, particularly in the financial, commercial and technical cooperation areas. It examines the trends in their major

economic indicators in the latest five-year period for which the data are available and compares them with those in the groups of all LDCs, OIC countries and developing countries. It also sheds light on some developmental issues of concern to those countries such as external financial flows, official development assistance, external debt, human development and poverty eradication.

2. OIC-LDCs: RECENT ECONOMIC TRENDS

2.1. Overview

The original list of LDCs in 1971 included 8 OIC member countries². Subsequently, this number increased steadily to reach 21 in 1997. This was due both to the countries that were LDCs and joined the OIC (6 countries)³, and the countries that were OIC members and became LDCs (7 countries)⁴. The official placement of Senegal in the category of LDCs in 2001 brought the total of OIC-LDCs to 22 countries.

The current 22 OIC-LDCs account for a substantial part of the performance of all LDCs in many respects. With a total population of 382.34 million in 2004, or 51.3 percent of the total population of all LDCs, they accounted for 59.8 percent of the total output (GDP) of all LDCs and 43.8 percent of their total merchandise exports, both in terms of current US dollars⁵. Yet, as is the case with the other LDCs, the structural weakness of the economies of most OIC-LDCs and the lack of capacities related to growth and development hamper those countries' efforts to improve effectively the standards of living of the majority of their populations.

The regional distribution of the OIC-LDCs, which is often compounded by some geophysical handicaps, may be viewed as a factor that has a large bearing on their economic growth and development performance. In this context, it is worth noting that the majority of the OIC-LDCs (18

² Afghanistan, Chad, Guinea, Mali, Niger, Somalia, Sudan and Yemen.

³ Benin, Burkina Faso, Maldives, Mozambique, Togo and Uganda.

⁴ Bangladesh, Comoros, Djibouti, Gambia, Guinea Bissau, Mauritania and Sierra Leone.

⁵ See Tables A.2, A.3 and A.8 respectively in the Annex.

countries) are located in the region of sub-Saharan Africa and 4 in Asia. Six others are land-locked and two are small islands (Table A.1 in the Annex).

The OIC-LDCs, especially those in sub-Saharan Africa, are particularly less-equipped to develop their domestic economies and ensure a sustainable and adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks and natural disasters where 12 of them are still classified as non-oil commodity exporters, depending for their growth and development on producing and exporting a few commodities, mostly agricultural. Moreover, 10 OIC-LDCs have recently been classified as severely-indebted and 5 as moderately-indebted countries. Overall, 17 of them are also classified as Heavily Indebted Poor Countries (HIPCs) (Table A.17 in the Annex).

Therefore, as the rest of this Report will show, the group of OIC-LDCs constitutes the weakest and poorest segment of the OIC community. With a 27.1 per cent share in the total OIC population in 2004, the 22 OIC-LDCs accounted for only 7 per cent of the total OIC countries' output (GDP) and 3.2 per cent of their total exports, both in terms of current US dollars. Their average per capita GDP (\$415) was less than one third of that of the group of OIC countries (\$1528).

2.2. Structure of the Economy

This sub-section sheds light on the overall structure of the economies of the OIC-LDCs in terms of the shares of the main economic sectors in their total output (GDP). Table 1 below, which is derived from the data supplied in Table A.5 in the Annex, displays the average shares of the main economic sectors in the GDP of the OIC-LDCs as a group. The average of the five-year period (1999-2003) was computed in order to avoid the problem of missing data in some countries and the effects of year-to-year cyclical fluctuations in others.

As is the case in all LDCs, the figures in Table 1 indicate that the services sector, with the highest share in GDP (47 per cent), plays a major role and constitutes an important source of income in the group of

OIC-LDCs. This also holds for both the OIC and developing countries as groups. At the individual country level, the services sector retains the highest share of GDP in 16 OIC-LDCs. This share varies from 22 per cent in Sierra Leone to 80 per cent in Djibouti (see Table A.5 in the Annex).

Table 1: Structure of Output
(Value added as % of GDP, average 1999-2003)

	Agriculture	Industry:	of which Manufacture	Services
OIC-LDCs	28	25	12	47
All LDCs (*)	33	22	11	45
OIC countries	15	38	15	47
Developing Countries (*)	12	33	20	55

Source: Table A.5 in the Annex. (*) Average 2002.

Agriculture constitutes the second major economic activity in the OIC-LDCs as a group. However, although the average share of this sector in GDP (28 per cent) is significantly higher than that in the OIC countries (15 per cent) and the developing countries (12 per cent), it remains below the average of all LDCs (33 per cent). Yet, agriculture is still widely believed to be the primary economic activity and assumed to play a major role in the economies of many OIC-LDCs. At the individual country level, agriculture accounts for more than 30 per cent of the GDP in 13 OIC-LDCs, and dominates in 5 of them (Table A.5 in the Annex). Notwithstanding this importance, agricultural production in many OIC-LDCs remains largely underdeveloped both for the domestic market and for export. Therefore, the incidence of poverty and food insecurity continued to be high in most of those countries⁶.

On the other hand, with an average share of 25 per cent in GDP, industry constitutes the third major economic activity in the OIC-LDCs as a group. Yet, although this share is slightly higher than that in all LDCs (22 per cent), the role of industry gains importance in only a few OIC-LDCs. These include Yemen (41 per cent of GDP) due mostly to oil production, and Guinea, Sierra Leone and Mozambique due to the production of minerals. However, since the share of industry in the GDP

⁶ See SESRTCIC (Ankara Centre), "Poverty and Food Insecurity in the OIC Least-developed and Low-income Countries", October 2003.

of any economy does not fully reflect the level of its industrialisation, the performance of the manufacturing sector in the OIC-LDCs must also be considered.

With an average share of 12 per cent in GDP, manufacturing constitutes a minor economic activity in the OIC-LDCs. Although this share is slightly higher than that in all LDCs (11 per cent), it still indicates the weak performance and the limited role of the manufacturing sector in the economies of almost all OIC-LDCs. It varies from 3 per cent in Djibouti to 16 per cent in Bangladesh (Table A.5 in the Annex).

Overall, the structure of the economies of the OIC-LDCs in terms of the composition of their output (GDP) reflects the structure of their export earnings. In this context, 14 OIC-LDCs are classified as non-oil commodity exporters (10 of them are agricultural exporters and 4 mineral exporters). In addition, two countries (Yemen and Sudan) are classified as oil exporters and only one, namely Bangladesh, as manufactures exporter (see Table A.5 in the Annex). It is then clear that the economies of most OIC-LDCs are commodity-dependent, mostly on agricultural commodities. There is, therefore, no doubt that the exports of those commodities play a critical role in the prospects of growth and development in those countries. Yet, the large share of primary commodities in output and exports brings about a significant exposure of the economy to the risks of external shocks, such as the fluctuating trends in international prices and/or adverse seasonal factors and, thus, affects economic growth and long-term policy making.

2.3. Production and Growth

As shown in Table 2, the combined GDP of the OIC-LDCs, for which the data are available (20 countries), amounted to \$142.6 billion in 2004, corresponding to 59.8 per cent of that of all LDCs. On average, during the five-year period under consideration (2000-2004), the total GDP of the OIC-LDCs accounted for 59.6 percent of that of all LDCs with the highest share (60.1 percent) recorded in 2003. Considering the average share of the OIC-LDCs in the total population of all LDCs (51.4 per cent) during the same period, it seems that, as a group, they performed quite better than the group of all LDCs.

In contrast, during the said period, the combined GDP of the OIC-LDCs accounted, on average, for only 7.1 percent of that of all OIC countries, with the highest share (7.3 percent) recorded in 2001 and 2002. Yet, considering the average share of the OIC-LDCs in the total population of the OIC countries (27.1 percent), it is clear that they still need to make more efforts to attain a higher level of economic progress. The total GDP of the OIC-LDCs is even less than that of some individual OIC countries such as Turkey, Saudi Arabia, Indonesia and Iran. This, of course, reflects in the low levels of their average per capita GDP. Moreover, it is observed that the bulk of the total output, of the OIC-LDCs, in terms of GDP, is still concentrated in a few countries. In 2004, only 3 countries (Bangladesh, Sudan and Yemen) produced 63.3 percent of the total GDP of the OIC-LDCs (calculated using the figures in Table A.3 in the Annex).

Table 2: GDP and Per Capita GDP (Current prices)

	2000	2001	2002	2003	2004
<u>GDP (Billion US \$)</u>					
OIC-LDCs	101.7	104.0	111.5	125.8	142.6
As % of:					
All LDCs	59.0	59.4	59.6	60.1	59.8
OIC countries	6.9	7.3	7.3	7.1	7.0
<u>Per capita GDP (US \$)</u>					
OIC-LDCs	327	326	341	375	415
All LDCs	271	268	278	304	338
OIC countries	1191	1131	1181	1341	1528
Developing countries	1215	1215	1222	1357	1566

Source: Tables A.3 and A.4 in the Annex.

During the period under consideration, the OIC-LDCs maintained the highest average per capita GDP of \$415 in 2004. In the same year, this average amounted to \$338 in all LDCs, \$1528 in the OIC countries and \$1566 in the developing countries. It is observed that while the per capita GDP of the group of developing countries remained at the same level in 2001, the year of slowdown and unfavourable conditions in the world economy, its average decreased in the other groups. Yet, the slightest decrease was recorded in the group of OIC-LDCs. This may indicate that, on average, these countries were less

affected by the slowdown and unfavourable situation in the world economy in 2001.

However, in order for a country to maintain the same level of living standards for its population, the economy of that country must, at least, be able to grow (in terms of real GDP) by the same level of growth in total population. To investigate this relation in the case of the OIC-LDCs during the period under consideration, the figures on the average real GDP and real per capita GDP as well as population growth rates are displayed in Table 3.

Table 3: Real GDP, Per Capita GDP and Population
(Average annual % change)

	2000	2001	2002	2003	2004
<u>Real GDP</u>					
OIC-LDCs	4.6	5.6	5.1	5.4	5.5
All LDCs	4.8	5.6	5.1	5.3	5.9
OIC countries	5.5	1.8	4.1	5.9	5.7
Developing countries	5.8	4.2	4.7	6.4	7.2
World	4.6	2.5	3.0	4.0	5.1
<u>Real per capita GDP</u>					
OIC-LDCs	2.1	2.9	2.4	2.9	3.0
All LDCs	2.1	2.7	2.3	2.8	3.3
OIC countries	3.4	-0.3	1.9	3.6	3.6
Developing countries	4.3	2.7	3.2	4.9	5.7
<u>Population</u>					
OIC-LDCs	2.5	2.6	2.6	2.4	2.5
All LDCs	2.6	2.9	2.7	2.4	2.5
OIC countries	2.0	2.1	2.1	2.2	2.0
Developing countries	1.4	1.5	1.4	1.4	1.4

Source: Derived from Tables A.2 and A.6 in the Annex.

Overall, when the average real GDP growth rates are considered, it seems that the OIC-LDCs and all LDCs as groups performed quite better than the groups of OIC and developing countries in the years of the slowdown in the world economy. This is clear, for instance, in 2001 when the world economic activity witnessed a sudden slowdown. However, unlike the developing and OIC countries, the LDCs, including the OIC-LDCs, were not able to benefit enough from the strengthening

of the world economic activity, which started in 2002 and continued until 2004.

During the period under consideration, the groups of OIC-LDCs and all LDCs achieved the highest average real GDP growth rate of 5.6 percent in 2001, the year of slowdown and unfavourable conditions in the world economy. This rate was higher than that of the OIC and developing countries as well as the world average. However, the real GDP growth rates of the two groups (OIC-LDCs and all LDCs) decreased in the following year to reach 5.1 percent before increasing again to 5.5 and 5.9 percent, respectively, in 2004. In contrast, the two groups achieved the lowest average real GDP growth rates of 4.6 and 4.8 percent, respectively, in 2000, the year of the most favourable conditions in the world economy during the period under consideration. Although these two rates were comparable to the world average, they were quite lower than those attained by the OIC and developing countries (Table 3).

The economic growth performance of the OIC-LDCs and all LDCs, in terms of average real GDP growth rates, was reflected, to a large extent, in their real per capita GDP growth rates. The two groups recorded the lowest rate of 2.1 percent in 2000, a rate which was quite lower than that of each of the OIC and developing countries in the same year. In contrast, when the groups of the OIC and developing countries recorded a significant decrease in their real per capita GDP growth rates in 2001, the OIC-LDCs and all LDCs recorded an increase by 2.9 and 2.7 percent, respectively. In 2004, the two groups of OIC-LDCs and all LDCs recorded the highest average real per capita GDP growth rates of 3 and 3.3 percent, respectively. Yet, these two rates were lower than the rates maintained by the OIC and developing countries in the same year.

Overall, considering the average rates of growth in population during the period under consideration, it is clear that the developing countries, as a group, did quite better than all LDCs, including the OIC-LDCs. This means that, unlike the developing countries, the LDCs, including the OIC-LDCs, were not able to grow economically enough over the level of their average population growth and, consequently, attain the same level of living standards achieved by the developing countries.

2.4. Inflation

Price stability and low levels of inflation rates are essential for and important indicators of macroeconomic stability in the economy. The governments of many developing and least-developed countries paid special attention and applied different fiscal and monetary policies to control inflation and maintain price stability in their economies over the last two decades. As a result of those efforts, the average rates of inflation fell significantly in those countries, particularly in the second half of the 1990s⁷.

Table 4: Average Inflation Rates
(Annual % change in consumer prices)

	2000	2001	2002	2003	2004
OIC-LDCs	4.2	3.7	5.4	5.8	6.6
All LDCs	36.0	22.9	14.5	13.1	9.4
OIC countries	10.5	11.5	10.6	7.3	6.0
Developing countries	7.1	6.7	6.0	6.0	5.7

Source: Table A.7 in the Annex.

When considering the average inflation rates in the OIC-LDCs, the figures in Table 4 show that during the period under consideration, the performance of those countries was quite better than that of all LDCs. The OIC-LDCs managed to curb the average inflation rate and bring it down to 3.7 percent in 2001. This rate was significantly lower than it was in all other groups. Yet, it slightly increased in the following three years to reach 6.6 percent in 2004 and stand slightly higher than that of the OIC and developing countries. At the individual country level, the highest inflation rates in 2004 were recorded in Guinea (17.5 percent) and Gambia (14.6 percent). In contrast, a deflation in the average consumer prices was recorded in Chad (-4.8 percent), Mali (-3.1 percent) and Burkina Faso (-0.4 percent) (Table A.7 in the Annex).

2.5. Exports and Imports

During the period under consideration, the highest level of total merchandise exports of the OIC-LDCs (\$24.2 billion) was recorded in 2004 compared to its lowest level of \$15.5 billion in 2000. While this performance accounted for 43.8 percent of the total merchandise exports

⁷ IMF, WEO Database, April 2005.

of all LDCs, it made up only 3 percent of that of the OIC countries (Table 5). It is also observed that, while the share of OIC-LDCs in the total exports of the OIC countries fluctuated around 3 percent, their share in that of all LDCs decreased slightly during the period under consideration. When the average rates of change in merchandise exports are considered, it seems that the year 2000 witnessed a strong recovery in the export performance of all groups as they registered quite high average rates of change in their merchandise exports.

Table 5: Merchandise Exports

	2000	2001	2002	2003	2004
OIC-LDCs (Billion US \$)	15.5	15.8	15.7	18.7	24.2
<u>As % of:</u>					
All LDCs	45.6	45.4	42.6	44.0	43.8
OIC countries	2.9	3.2	3.1	3.1	3.0
<u>Annual % change</u>					
OIC-LDCs	32.3	1.6	-0.5	19.5	29.0
All LDCs	33.9	2.1	6.0	15.8	29.5
OIC countries	33.3	-7.5	1.7	20.7	31.5
Developing countries	23.9	-5.6	7.5	19.5	27.5
World	12.7	-3.8	4.7	16.7	21.3
<u>World Trade Prices</u> (*)					
Oil	57.0	-13.8	2.5	15.8	30.7
Non-oil primary commodities	4.5	-4.1	0.8	7.1	18.8

Source: Table A.8 in the Annex. (*) Annual % change in US dollar, IMF: *World Economic Outlook*, April 2005.

In contrast, the export performance of all groups deteriorated sharply in 2001. This was particularly clear in the groups of OIC and developing countries which experienced negative rates of growth in their merchandise exports. However, although the export performance of these two groups and, to a lesser extent, the group of all LDCs started to recover in 2002, that of the OIC-LDCs deteriorated again before the remarkable recovery maintained in the following two years, particularly in 2004.

The deterioration of export performance in the OIC-LDCs and the other groups in 2001 can be explained, in part, by the negative effects of the sudden slowdown of the world economic activity. However, it can also

be explained, particularly in the case of all LDCs including the OIC members, by the fall in world commodity prices in the same year. In contrast, the export performance of all groups, except for the OIC-LDCs in 2002, was positively affected by the improved situation in the world economy and world commodity prices which started in 2002 and continued until 2004.

However, as may be observed from the figures in Table 5, the OIC-LDCs were, in general, unable to benefit enough from the expansion of world trade, particularly in the years 2000, 2002 and 2004 and, consequently, were unable to increase their share in the total exports of the groups of countries to which they belong. It is also observed that the exports of the OIC-LDCs are still heavily concentrated in a few countries. For example, only Bangladesh, Yemen and Sudan accounted for 64 percent of the total OIC-LDCs exports in 2004 (calculated using the data in Table A.8 in the Annex).

Table 6: Merchandise Imports

	2000	2001	2002	2003	2004
OIC-LDCs (Billion US \$)	23.8	24.9	26.4	34.3	43.3
<u>As % of:</u>					
All LDCs	51.3	52.7	51.8	53.2	53.6
OIC countries	6.0	6.3	6.0	6.6	6.2
<u>Annual % change</u>					
OIC-LDCs	5.5	4.6	6.1	29.7	26.3
All LDCs	9.4	1.9	8.0	25.3	25.2
OIC countries	12.8	-0.6	11.3	18.7	34.3
Developing countries	18.8	-2.2	6.6	18.4	28.7
World	13.2	-3.1	3.9	16.8	22.1

Source: Table A.9 in the Annex.

On the other hand, the total merchandise imports of the OIC-LDCs reached their peak of \$43.3 billion in 2004 (Table 6). While this figure accounted for 53.6 percent of the total merchandise imports of all LDCs, it made up only 6.2 percent of that of the OIC countries. The figures in Table 6 show that the deterioration in the import performance of the OIC-LDCs in 2001 was significantly lesser than that of all other groups. However, the opposite situation was observed in 2002 when the world oil prices increased sharply compared to the slight increase in non-oil commodity prices. Like exports, the imports of the OIC-LDCs, albeit to

a lesser extent, are also heavily concentrated in a few countries. For example, Bangladesh, Yemen, Sudan and Senegal accounted for 56.2 percent of the total OIC-LDCs imports in 2004 (calculated using the data in Table A.9 in the Annex).

2.6. Trade Balance, Current Account and Reserves Position

The figures on trade balance in Table 7 show that both the OIC-LDCs and all LDCs recorded trade balance deficits in all the years over the period 2000-2004. The highest trade deficit of those two groups was recorded in 2004 and amounted to \$19.1 billion in the OIC-LDCs and \$25.5 billion in all LDCs. It is, of course, obvious that the volume of those deficits reflects the performance of both the export and import sectors of the two groups. In contrast, the groups of both OIC and developing countries recorded trade balance surpluses in all the years over the same period, with a peak in 2000.

Table 7: Trade Balance, Current Account and Foreign Reserves
(Billion US \$)

	2000	2001	2002	2003	2004
<u>Trade Balance</u>					
OIC-LDCs	-8.3	-9.1	-10.7	-15.6	-19.1
All LDCs	-12.4	-12.6	-14.3	-21.9	-25.5
OIC countries	139.4	101.6	65.5	87.9	101.1
Developing countries	141.8	60.0	84.4	127.0	129.2
<u>Current Account Balance</u>					
OIC-LDCs	-4.3	-5.3	-4.5	-5.5	-6.3
All LDCs	-5.8	-9.9	-8.1	-9.2	-8.7
OIC countries	84.0	60.6	42.4	80.1	130.2
Developing countries	88.2	40.8	85.0	149.1	246.6
<u>Foreign Reserves</u> (*)					
OIC-LDCs	8.9	9.7	12.2	15.6	18.0
All LDCs	15.4	16.4	20.1	24.7	30.3
OIC countries	206.8	220.8	258.3	316.3	380.7
Developing countries	1172.5	1281.5	1530.4	1937.5	2461.3

Source: Tables 5 and 6 above and Tables A.10 and A.11 in the Annex.

(*) Excluding gold.

Similarly, the figures on the current account balance show that both the OIC-LDCs and all LDCs recorded current account deficits in all the years of the period under consideration. The highest current account deficit of the OIC-LDCs (\$6.3 billion) was recorded in 2004 while that

of all LDCs (\$9.9 billion) was recorded in 2001. On the other hand, the total foreign exchange reserves excluding gold in the OIC-LDCs increased steadily during the period under consideration from \$8.9 billion in 2000 to \$18 billion in 2004. Similar trends were also observed in all the other groups.

However, as may be observed in Table 7, although many of the OIC-LDCs had to cope with deficits in their current account balance and, thus, deterioration was in general expected in their foreign exchange reserves, the actual picture did not conform to this expectation. This implies that many OIC-LDCs managed to finance their current account deficits through external financial channels, an issue that we attempt to investigate in the following section.

3. TRENDS IN EXTERNAL FINANCIAL FLOWS

The small size of the economies (in terms of GDP) of most OIC-LDCs and their high vulnerability to external shocks translate into very low levels of income and, consequently, low levels of domestic savings and investments. With such limited domestic financial resources, it becomes difficult for most OIC-LDCs to finance new investments where the provision of the necessary physical and human infrastructures to keep pace with population growth becomes a constant problem. Education, health and other public services, which form the foundations of modern economic development, are held back by serious domestic financial constraints. Under the circumstances, most OIC-LDCs are trapped in a vicious circle of underdevelopment in which domestic resources fall short of development needs, and high population growth rates and increasing poverty mutually reinforce each other.

Yet, although most of those countries are constantly faced with difficult choices to supplement their meager domestic financial resources, there is doubtlessly room for improvement through access to external financial resources which can play a key role in their economic growth and development. In fact, external financial flows are already of major importance to all LDCs where the budgetary and financial processes are still dominated by external resources, particularly official financial aid

inflows. Given this state of affairs, this section attempts to shed light on the importance of external finance to all LDCs, including the OIC members, by examining the recent trends in external financial flows to them.

Table 8: Net External Financial Flows

	1990	2000	2001	2002	2003
<u>Total Financial Flows</u>					
All LDCs (Billion US \$)	15.2	12.9	16.3	22.4	25.4
All LDCs as % of DCs	15.8	5.9	7.8	12.2	11.1
OIC-LDCs (Billion US \$)	7.5	6.4	7.4	9.6	9.7
OIC-LDCs as % of:					
All LDCs	49.3	49.3	45.4	43.1	38.0
Developing countries	7.8	2.9	3.5	5.3	4.2
<u>Official Financial Flows</u>					
All LDCs (Billion US \$)	13.1	9.2	9.7	12.4	17.7
All LDCs as % of DCs	24.2	27.4	27.5	53.0	60.7
OIC-LDCs (Billion US \$)	7.1	4.8	5.0	6.5	6.2
OIC-LDCs as % of:					
All LDCs	54.4	52.4	51.6	52.2	35.4
Developing countries	13.2	14.3	14.2	27.6	21.5
<u>Private Financial Flows</u>					
All LDCs (Billion US \$)	1.0	3.7	6.6	5.7	7.7
All LDCs as % of DCs	2.3	2.0	3.8	3.6	3.9
OIC-LDCs (Billion US \$)	0.4	1.5	2.4	3.2	3.4
OIC-LDCs as % of:					
All LDCs	39.6	41.5	36.0	55.5	44.2
Developing countries	0.9	0.8	1.4	2.0	1.7

Source: Tables A.12, A.13 and A.14 in the Annex.

The net external financial flows to all LDCs amounted to \$12.9 billion in 2000, corresponding to only 5.9 percent of the total flows to the developing countries against \$15.2 billion, or 15.8 percent in 1990 (Table 8). Although the financial flows to all LDCs increased in the following three years to reach almost \$25.4 billion in 2003, they still accounted for only 11.1 percent of the total flows to the developing countries. It is also observed that the external financial flows to the LDCs were concentrated in a few of them. For example, in 2003, the financial inflows

to 8 countries⁸ only accounted for 61 percent of the total flows to 46 LDCs.

A similar situation is also observed in the case of the OIC-LDCs. Their share in the total financial flows to all LDCs declined from 49.3 percent in 1990 to 38 percent in 2003. As is the case in all LDCs, the financial inflows to OIC-LDCs are also concentrated in a few of them. In 2003 for instance, the total financial inflows to only 5 OIC-LDCs⁹ accounted for 63.2 percent of the total flows to 21 OIC-LDCs.

The figures in Table 8 show that while the official financial flows to all LDCs declined during the 1990s, private flows rose significantly. In nominal terms, the official financial flows to all LDCs amounted to \$9.2 billion in 2000 compared to \$13.1 billion in 1990. Private financial flows amounted to \$3.7 billion in 2000 compared to only \$1 billion in 1990. Yet, while the share of all LDCs in the total official financial flows to the developing countries increased by 3.2 percentage points in 2000 over 1990, their share in private financial inflows decreased by 0.3 percentage points in the same period.

Moreover, it is reported that the bulk of private financial flows to the LDCs went to a few countries where the amount of those flows to only 4 countries (namely Angola, Tanzania, Sudan and Bangladesh) reached in 2000 \$1.8 billion, or 48.1 percent of the total private financial flows to all LDCs (World Bank, Global Development Finance, 2005). It is also observed that although private financial flows to all LDCs more than doubled during the period 2000-2003, official financial flows still constitute the bulk of the total financial flows to those countries. In 2003, while official financial flows to all LDCs amounted to \$17.7 billion, or almost 70 percent of their total financial flows, private financial flows amounted to only \$7.7 billion or 30 percent of that total (Table 8). Moreover, while official financial flows to all LDCs in 2003 accounted for 60.7 percent of the total official financial flows to developing countries, the same proportion concerning the private financial flows amounted to only 3.9 percent.

⁸ The Democratic Republic of Congo, Angola, Sudan, Tanzania, Ethiopia, Mozambique, Chad, and Bangladesh (World Bank, Global Development Finance, 2005).

⁹ Sudan, Mozambique, Chad, Bangladesh and Uganda (Table A.12 in the Annex).

Similar trends were also observed in the OIC-LDCs. In nominal terms, the official financial flows to those countries amounted to \$4.8 billion in 2000 compared to \$7.1 billion in 1990. In contrast, private financial flows to them amounted to \$1.5 billion in 2000 compared to only \$0.4 billion in 1990. Yet, while the share of those countries in the total official financial flows to the developing countries increased by 1.1 percentage points in 2000 over 1990, their share in private financial inflows to the said group decreased by an 0.1 percentage point in the same period.

Moreover, it is worth noting that the bulk of the total private financial flows to the OIC-LDCs is still concentrated in a few countries. For example, in 2003, those flows to only 4 OIC-LDCs¹⁰ amounted to \$2701 million or 79.2 percent of their total to all OIC-LDCs. It is also observed that although private financial flows to the OIC-LDCs more than doubled during the period 2000-2003, official financial flows still constitute the bulk of their total financial flows. In 2003, while official financial flows to those countries amounted to \$6.2 billion or 63.9 percent of their total financial flows, private financial flows amounted to only \$3.4 billion or 35.1 percent of that total (Table 8). Yet, in the same year, while official financial flows to those countries accounted for 35.4 percent of the total official financial flows to all LDCs, their private financial flows accounted for 44.2 percent of the latter's total to all LDCs.

On the other hand, though they declined in the 1990s, official development assistance (ODA) flows to the LDCs still constitute a significant part of the total net financial flows to those countries and play a key role in their economic growth and development. According to UNDP data (Table 9)¹¹, net ODA disbursements to all LDCs from all donors amounted, in nominal terms, to \$12.4 billion in 2000 against \$16.6 billion in 1990. Net ODA per capita in all LDCs also decreased to reach \$18 in 2000 compared to \$25 in 1990. Yet, the share of all LDCs in the total net ODA flows to the developing countries amounted to 38.9

¹⁰ Sudan, Chad, Mozambique and Uganda (Table A.14 in the Annex).

¹¹ It should be noted that due to the inclusion of grants and technical cooperation, UNDP figures on ODA in Table 9 surpass the World Bank figures on official financial flows in Table 8.

percent in 2000 compared to 28.5 percent in 1990. However, although ODA flows to all LDCs, as well as their ODA per capita, increased steadily after 2000 to reach almost \$25 and \$33, respectively in 2003, the share of all LDCs in the total net ODA flows to the developing countries decreased to 32.1 percent.

Table 9: Official Development Assistance (ODA)^(*)
(Net disbursements)

	1990	2000	2001	2002	2003
All LDCs (Million US \$)	16554	12399	13629	17840	24936
All LDCs as % of DCs	28.5	38.9	30.9	32.0	32.1
OIC-LDCs (Million US \$)	9565	6171	6574	8513	9299
OIC-LDCs as % of:					
All LDCs	57.8	49.8	48.2	47.7	37.3
Developing countries	16.4	19.3	14.9	15.3	12.0
<u>Net ODA Per capita (US \$)</u>					
OIC-LDCs	28	17	18	23	24
All LDCs	25	18	19	25	33
Developing countries	11	6	8	10	14

Source: Table A.15 in the Annex.

(*) From all sources, including grants and technical cooperation.

Similar trends were also observed in the OIC-LDCs where the net ODA disbursements to them amounted to \$6.2 billion in 2000 against \$9.6 billion in 1990. Their net ODA per capita also decreased to reach \$17 in 2000 compared to \$28 in 1990. Yet, while their share in the total net ODA flows to the developing countries increased by 2.7 percentage points in 2000 over that of 1990, their share in all LDCs decreased by 8 percentage points in the same period. However, although ODA flows to the OIC-LDCs, as well as their ODA per capita, increased steadily after 2000 to reach \$9.3 billion and \$24, respectively, in 2003, their share in the total net ODA flows to both all LDCs and the developing countries decreased during the same period to 37.3 and 12 percent, respectively. It is also observed that ODA flows to the OIC-LDCs are still concentrated in a few countries where only 4 countries (Bangladesh, Afghanistan, Mozambique and Uganda) received 50 percent of those flows in 2003 (Table A.15 in the Annex).

In contrast, net foreign direct investment (FDI) flows to all LDCs have been increasing over the past decade. In nominal terms, they reached \$4 billion in 2000 compared to only \$295 million in 1990 (Table 10). They peaked at \$7.2 billion in 2003, however they accounted for only 4.8 percent of their total to the developing countries in that year. Moreover, it is worth noting that FDI flows to the LDCs are concentrated in a few countries. In 2003, 5 countries¹² only accounted for 73.9 percent of the total FDI flows to all LDCs.

Table 10: Net FDI Flows

	1990	2000	2001	2002	2003
All LDCs (Million US \$)	295	4073.5	6371.1	6119.9	7260.5
All LDCs as % of DCs	1.2	2.5	3.6	4.0	4.8
OIC-LDCs (Million US \$)	146	1535.6	2125.4	3090.1	3435
OIC-LDCs as % of:					
All LDCs	49.5	37.7	33.4	50.5	47.3
OIC countries	2.4	16.7	15.6	19.0	17.5

Source: Table A.16 in the Annex.

Similar trends were also observed in the OIC-LDCs. In nominal terms, net FDI flows to those countries in 2000 (\$1.5 billion) were more than 10 fold their level in 1990 (\$146 million). They increased in the following three years to reach \$3.4 billion in 2003 representing 47.3 percent of the flows to all LDCs and 17.5 percent of those to the OIC countries (Table 10). Yet, as is the case for other types of financial flows, it is also observed that the FDI flows to the OIC-LDCs are highly concentrated in a few countries. In 2003, 3 countries only (Sudan, Chad and Mozambique) accounted for 73.4 percent of the total FDI inflows to all OIC-LDCs (Table A.16 in the Annex).

4. EXTERNAL DEBT

Despite the serious efforts so far made by the international community and the LDCs themselves to reduce the burden of their external debt, the severe indebtedness of the majority of them, including many OIC members, still constitutes a serious obstacle to their development efforts and economic growth. Debt service takes up a large part of the scarce

¹² Equatorial Guinea, Angola, Sudan, Chad and Mozambique (World Bank, Global Development Finance, 2005).

budgetary resources of those countries that could be directed to productive and social sectors, and the debt overhang harms their internal and external investment climate. This situation is often aggravated by the effects of the volatility of external financial flows and export earnings and increases in the prices of their essential imports, particularly oil.

As shown in Table 11, the total external debt stock (EDT) of all LDCs increased from \$124.7 billion in 1990 to \$142.3 billion in 2000, corresponding to a 1.3 percent increase per annum during the 1990s. After decreasing to \$137.7 billion in 2001, the external debt of all LDCs increased again in the following two years to reach \$158.5 billion in 2003, corresponding to a 3.7 per cent increase per annum during the period 2000-2003.

Similar trends were also observed in the case of the OIC-LDCs where total external debt increased from \$62.3 billion in 1990 to \$72.6 billion in 2000, corresponding to a 1.5 percent increase per annum during the 1990s. Though it slightly decreased to \$69.2 billion in 2001, it increased again in the following two years to reach \$80.3 billion in 2003, corresponding to a 3.4 percent increase per annum during the period 2000-2003. In 2003, the total external debt stock of the OIC-LDCs still accounted for more than 50 percent of that of all LDCs and more than 11 percent of that of the OIC countries.

Table 11: Total External Debt (EDT) and Total Debt Service (TDS)

	1990	2000	2001	2002	2003
<u>Total External Deb (EDT)</u>					
All LDCs (Billion US \$)	124.7	142.3	137.7	146.5	158.5
All LDCs as % of DCs	9.3	6.2	6.1	6.3	6.2
OIC-LDCs (Billion US \$)	62.3	72.6	69.2	74.5	80.3
OIC-LDCs as % of:					
All LDCs	50.0	51.0	50.3	50.8	50.7
OIC countries	15.0	11.5	11.3	11.5	11.6
<u>Total Debt Service (TDS)</u>					
All LDCs (Billion US \$)	4.4	5.0	4.6	5.2	4.6
OIC-LDCs (Billion US \$)	2.3	2.2	1.9	1.8	1.9
OIC-LDCs as % all LDCs	51.4	42.8	42.8	34.8	40.6

Source: Tables A.17 and A.18 in the Annex.

However, while the accumulated amount of external debt stock in the group of all LDCs increased the liability of their total debt service (TDS) payments in the 1990s, the OIC-LDCs have succeeded in decreasing their debt service liabilities slightly in the same period (Table 11). In 2003, while the total debt service of all LDCs amounted to \$4.6 billion, a level which is higher than that in 1990, the total debt service of the OIC-LDCs amounted to only \$1.9 billion compared to \$2.3 billion in 1990. Accordingly, the share of the OIC-LDCs in total debt service of all LDCs decreased from 51.4 percent in 1990 to 40.6 percent in 2003.

The composition of the external debt stock is an important factor in debt analysis since it has a direct bearing on the process of debt repayment, rescheduling and relief. As Table 12 shows, total external debt stock is made up, in general, of three categories of debt: long-term debt (LDOD), short-term debt (STD), and the use of IMF credits (IMF CR). It is also worth noting that LDOD is made up of private non-guaranteed debt and public and publicly guaranteed debt.

Table 12: Composition of Total External Debt Stock (% of total)

	1990	2000	2001	2002	2003
All LDCs					
Long-term Debt (LDOD)	85.2	83.3	84.3	85.0	85.7
Short-term Debt (STD)	10.5	12.6	12.9	10.9	10.4
Use of IMF Credits (IMF CR)	4.3	4.1	4.0	4.1	3.9
<i>Public and Publicly Guaranteed Debt as % of LDOD</i>	99.2	98.0	96.5	98.2	98.2
OIC-LDCs					
Long-term Debt (LDOD)	82.6	82.3	82.3	82.7	83.8
Short-term Debt (STD)	12.7	13.4	13.4	13.3	12.3
Use of IMF Credits (IMF CR)	4.8	4.3	4.3	4.1	3.8
<i>Public and Publicly Guaranteed Debt as % of LDOD</i>	98.4	96.2	96.2	96.6	97.1

Source: Tables A.19 to A.22 in the Annex.

The figures in Table 12 indicate that long-term debt remained the largest component of the external debt of the group of all LDCs, including the OIC members. In 2003, the share of long-term debt in the total external debt stock was 85.7 percent in all LDCs and 83.8 percent in the OIC-LDCs. Although the share of short-term debt in the total external debt

stock of the two groups increased slightly in 2000 and 2001 over its level in 1990, it decreased again in the following two years to reach only 10.4 percent in all LDCs and 12.3 percent in OIC-LDCs in 2003. With a share of almost 4 percent in 2003, the use of IMF credits constitutes the smallest component of total external debt stock in the two groups. It is also worth noting that more than 95 percent of the long-term debt stock of the LDCs, including the OIC members, are still in the form of public and publicly guaranteed debts.

On the other hand, examining the levels of indebtedness and repayment burden is also an important factor in monitoring and analysing the external debt situation in the LDCs. In general, the capacity of a debtor country for the repayment of its external debt and debt service obligations depends largely on its own production capacity and, ultimately, its export earnings of foreign exchange. In the literature, a ratio analysis approach is commonly used for measuring a country's indebtedness level and repayment capacity. This is usually done by calculating ratios that provide measures of the cost of serving the debt in terms of foreign exchange or output foregone through relating the volume of external debt and debt service to the gross national income (GNI) and exports of goods and services (XGS). In this context, the commonly used ratios, as shown in Tables 13 and 14, are: debt-GNI ratio (EDT/GNI), debt-export ratio (EDT/XGS), debt-service ratio (TDS/XGS), and interest-service ratio (INT/XGS). The indebtedness level is measured by the debt-GNI ratio and debt-export ratio while the debt repayment burden is measured by the debt-service ratio and interest-service ratio.

The debt-GNI ratio (EDT/GNI) of a particular country estimates the burden of that country's external debt on its productive capacity and gives an indication of the degree of its solvency. A high ratio signifies that the rate of growth in external debt is higher than that of GNI, implying that the debt burden is heavy. This suggests a deterioration of creditworthiness as the country is supposed to sacrifice an increasing part of its total production capacity to pay back its debt. On the other hand, since the repayment of external debt is mostly financed by export earnings, it follows that the capacity of a debtor country for repayment is indicated by external debt as a percentage of its total exports of goods and services, i.e. by the debt-export ratio (EDT/XGS). The debt-export

ratio gives an estimate of the equivalent number of years of exports required to repay a country's total outstanding external debt.

In the light of this understanding, the figures in Table 13 show that although the average debt-GNI ratio of all LDCs as a group showed a slightly decreasing trend since 1990, it was still higher than the critical limit of 80 percent¹³ defined by the World Bank for severe indebtedness. Following a similar trend, the average debt-GNI ratio of the OIC-LDCs as a group was significantly lower than that of all LDCs and the critical limit of 80 percent, implying quite a better performance than the group of all LDCs. However, the average debt-GNI ratios of the two groups were still significantly higher than those recorded by the OIC countries and the developing countries in the same period. It is also observed that the debt-GNI ratio of 9 OIC-LDCs in 2003 was still higher than the critical limit of 80 percent (Table A.23 in the Annex).

Table 13: Indebtedness Ratios (%)

	1990	2000	2001	2002	2003
Debt-GNI Ratio (EDT/GNI)					
All LDCs	94.3	90.6	85.6	85.8	82.7
OIC-LDCs	78.7	72.9	68.6	68.5	64.7
OIC countries	53.9	59.0	58.8	58.3	54.0
Developing countries	36.1	40.2	39.2	39.8	38.6
Debt-Export Ratio (EDT/XGS)					
All LDCs	443.0	288.8	277.3	273.3	268.0
OIC-LDCs	348.1	267.0	250.0	252.2	242.9
OIC countries	189	134.2	137.4	136.5	127.4
Developing countries	178.3	121.4	120.6	114.7	104.7

Source: Tables A.23 and A.24 in the Annex.

The figures in Table 13 also show that although the averages of the debt-export ratios of both all LDCs and OIC-LDCs as groups decreased steadily since 1990, they were still significantly higher than those recorded by the two groups of OIC and developing countries and the critical limit of 220 percent¹⁴ defined by the World Bank for severe indebtedness. In 2003, the debt-export ratio of both all LDCs and OIC-LDCs reveals that more than two years' exports earnings would have

¹³ World Bank, Global Development Finance 2005, p. xxxi.

¹⁴ Ibid.

been required to repay the external debt of each group. At the OIC-LDCs individual country level, the debt-export ratio in 2003 reached more than 700 percent in Guinea-Bissau and Sierra Leone, more than 400 percent in Sudan, and more than 300 percent in Burkina Faso, Guinea, Mozambique and Uganda (Table A.24 in the Annex).

In contrast, the figures on debt payment burden ratios in Table 14 indicate quite a better performance by the LDCs, particularly the OIC members, when compared with that of the OIC and developing countries. While the debt-service ratio (TDS/XGS) of all LDCs decreased from 15.7 percent in 1990 to 7.8 percent in 2003, it decreased from 12.7 percent to only 5.7 percent in the OIC-LDCs in the same period. In fact, the debt-service ratio is a traditional indicator of creditworthiness that reflects the ability of a country to continue borrowing. The higher the debt-service ratio, the greater will be the likelihood that, in case of a severe decline in exports earnings, the country will no longer be able to meet its debt service obligations and will seek a rescheduling of its external debt payments.

Table 14: Debt Payment Burden Ratios (%)

	1990	2000	2001	2002	2003
Debt-Service Ratio (TDS/XGS)					
All LDCs	15.7	10.2	9.2	9.7	7.8
OIC-LDCs	12.7	7.9	7.0	6.1	5.7
OIC countries	22.9	16.5	16.8	18.3	17.7
Developing countries	19.7	20.0	19.5	18.3	17.2
Interest-Service Ratio					
All LDCs	6.0	2.7	2.2	2.7	2.4
OIC-LDCs	5.0	2.6	2.1	2.2	2.0
OIC countries	8.9	6.1	5.6	4.5	4.4
Developing countries	8.5	6.4	5.9	4.7	4.1

Source: Tables A.25 and A.26 in the Annex.

The figures in Table 14 show that the LDCs, particularly the OIC members, also performed quite better than the OIC and developing countries in terms of interest-service ratio (INT/XGS). This ratio decreased from 6 percent in 1990 to 2.4 percent in 2003 in all LDCs and from 5 percent to only 2 percent in the OIC-LDCs in the same period. In this context, it is worth mentioning that the interest-service ratio is

perhaps a better indicator of the debt-servicing capacity than the debt-service ratio, because creditors are more concerned with the debtor country's ability to service its interest obligations than to pay back the principal amount of debt.

However, behind those aggregate statistics, there is a much more mixed situation at the individual country level. In this connection, it is worth noting that 10 OIC-LDCs have recently been classified as severely-indebted, 5 others as moderately-indebted and 6 as less-indebted countries. Moreover, 17 out of the 22 OIC-LDCs are currently classified as heavily-indebted poor countries (HIPC) (Table A.17 in the Annex).

In fact, the slight improvements in the external debt situation of the LDCs, including the OIC members, in the two-year period of 2000-01 were due to debt relief grants and other actions taken in 1999 in the context of the HIPC initiative. Since most of the external debt of the LDCs is owed to multilateral official creditors in the form of official loans, the HIPC initiative is vital to the LDCs, particularly those with unsustainable external debt levels. Reaffirming and accelerating the international community's support regarding aid and debt relief is, therefore, an important requirement for promoting economic growth and poverty reduction in the LDCs, including the OIC members.

The serious debt problems of the LDCs, including the OIC members, necessitate a comprehensive solution, including the full, speedy and effective implementation of the enhanced HIPC initiative and other multilateral official debt relief measures, with a view to addressing the structural causes of indebtedness and provision of ODA. The actions and measures taken by the donor community, particularly by the members of the Paris Club and other bilateral creditors, to provide faster, deeper and broader debt relief for the HIPC, including a moratorium on debt service payments by the LDCs, are useful steps towards solving the serious debt problems of those countries.

On the other hand, the efforts of the debtor LDCs will aim at maximising benefits from debt relief by creating a conducive national framework, including fiscal reforms, a budgetary framework, sectoral adjustment, contributing to poverty eradication and faster economic

growth, export growth, increased savings and investment, enhanced productive capacities, employment and international competitiveness.

5. HUMAN DEVELOPMENT AND POVERTY ERADICATION

The social dimension of the development process has gained special importance in recent decades on the grounds that people should be actively involved in the process with greater access to better social services, mainly education and health. Human development through more investment in people leads to a more efficient and productive resource allocation and, thus, acts as a growth generating mechanism. In fact, human development contributes directly to the well-being of the people through raising their living standards and eradicating poverty in the society. Indeed, like many developing countries, the LDCs, including the OIC members, paid special attention to human development and eradicating poverty over the last decade. However, their experience in this regard shows that although a few of them have made a relatively remarkable progress in human development, including poverty alleviation, many others have met serious setbacks.

The recent overall picture of human development in the OIC-LDCs can be seen in Table A.27 in the Annex which displays those countries in terms of their UNDP's Human Development Index (HDI)¹⁵ in 2004. As shown in the said Table, out of the 20 OIC-LDCs for which the HDI was calculated in 2004, only 6 are classified as medium human developed countries (MHDCs) while the remaining 16 as low human developed countries (LHDCs). Moreover, the figures on HDI ranks indicate that 8 OIC-LDCs were ranked within the lowest 20 globally. The negative figures in the last column of the said Table (adjusted HDI or real GDP per capita rank minus HDI rank) indicate that the real GDP per capita rank is better than the HDI rank in 14 OIC-LDCs. This implies the need for more investment in human resources and the provision of more and better social services in those countries.

¹⁵ An attempt to quantify the social dimension of the development process. It is a composite index of life expectancy at birth as a proxy for longevity, adult literacy rate and gross enrolment ratio as a proxy for knowledge, and real GDP per capita as a proxy for income.

To gain a better understanding of the OIC-LDCs' human development performance in terms of their HDI, Table A.27 presents also the figures on the main elements of this Index in those countries. For example, life expectancy at birth in 8 OIC-LDCs was lower than the average in all LDCs (52.5 years). In fact, this is one of the most important aggregate indicators on human development since it reflects the level of access to health services in the society. On the other hand, the access of people to knowledge through education and training plays a central role in human development which in turn contributes to standards of living through boosting economic growth. Overall progress on this front can be evaluated roughly through examining two major indicators on access to knowledge: adult literacy rate and gross enrolment ratio. As shown in Table A.27, the adult literacy rate in 15 OIC-LDCs was lower than the average of all LDCs (54.2 percent). It was less than 30 percent in Burkina Faso, Niger, Mali, Chad and Sierra Leone. To a lesser extent, a similar situation was also observed in the case of the gross enrolment ratio which was lower than the average of all LDCs (45 percent) in 10 OIC-LDCs and less than 30 percent in Niger, Burkina Faso and Sudan.

On the other hand, the problem of poverty in many OIC-LDCs seems to emanate in general from the fact that large segments of their populations still have insignificant access to the basic social and human needs and do not possess sufficient resources to improve their income. It is a complex multi-dimensional phenomenon associated with poor economies and human resources, inadequate social services and inadequate economic and social policies. In this context, the UNDP Human Poverty Index (HPI) is an attempt to quantify the human dimension of poverty. It is a composite index based on three essential aspects of human deprivation: longevity measured by the probability at birth of not surviving to age 40; knowledge measured by adult illiteracy rate; and a decent standard of living measured by the percentage of population not using improved water sources and the percentage of underweight children under age 5 (see Table A.28 in the Annex).

According to the HPI figures for 2004 as given in Table A.28, an average of 44.8 percent (149.8 million) of the total population of 19 OIC-LDCs suffered from human poverty. The HPI was higher than 50 percent in Niger, Burkina Faso, Mali, Chad and Sierra Leone which

means that more than half of the population of those countries suffered from human poverty. Moreover, it is also observed that in terms of the HPI ranks calculated for 103 countries, 7 OIC-LDCs were ranked within the lowest 10. When the progress of the OIC-LDCs in terms of the main indicators of human poverty is considered, the figures in Table A.28 show that many of those countries are still lagging behind the average of all LDCs. The percentage of the population without access to improved water sources was, for example, higher than the average of all LDCs (39 percent) in 11 OIC-LDCs and still higher than 50 percent in 4 of them.

Since poverty is one of the world's greatest challenges and a major obstacle to economic and social development, the international community has considered its reduction and improving access to basic health and education services as major goals for development. In this respect, the international community agreed at the World Summit for Social Development in 1995 on the need for time-bound goals and quantitative targets for reducing poverty, and put a special emphasis on elaborating definitions, indicators and measurements of poverty. Afterwards, the Millennium Development Goals (MDG) were set at the Millennium Summit in 2000. The main targets were to halve the proportion of people suffering from hunger, achieve universal primary education, reduce infant and child mortality rates by two thirds, and halve the proportion of people without access to improved water sources by 2015.

Following the approach proposed by the UNDP for monitoring progress in terms of those targets, the performance of the countries is classified into five categories according to the progress they made in the 1990s (Table A.29). These are "Achieved" (the country has already achieved the target or 95 percent of it); "On-track" (the country has attained 95 percent or more of the rate of progress needed to achieve the target); "Lagging" (the country has achieved 75-94 percent of the required rate of progress to achieve the target); "Far behind" (the country has achieved 0-74 percent of the required rate of progress to achieve the target); and "Slipping back" (the country's level of achievement is at least five percentage points worse in 1999 than in 1990).

Accordingly, 9 out of the 16 OIC-LDCs for which the relevant data are available were on track in achieving the goal of halving the proportion of people suffering from hunger, 6 were far behind and one was lagging. As for achieving net primary enrolment ratio, 3 out of the 10 OIC-LDCs for which the relevant data are available were still on track, 6 were far behind and one was slipping back. For the target of reducing infant and child mortality rates by two thirds, 4 out of the 20 OIC-LDCs for which the relevant data are available were on track, 15 were far behind and one lagging. Lastly, 5 out of the 13 OIC-LDCs for which the data are available were on track in achieving the goal of halving the proportion of people without access to improved water sources, only two have achieved this goal and the rest were far behind. All in all, this actual picture reflects clearly the slow progress made so far by the majority of the OIC-LDCs in their efforts towards achieving the MDGs of human development.

6. CONCLUSION AND RECOMMENDATIONS

With more than 700 million people, the current 50 LDCs represent the poorest and weakest segment of the international community. They are particularly less equipped to develop their domestic economies which are extremely vulnerable to external shocks and natural disasters. The structural weakness of their economies and the lack of capacities relating to growth and development, often compounded by geophysical handicaps, impede the continuous efforts they make to improve effectively the standards of living of their populations. Therefore, the economic and social development of those countries represents a major challenge for themselves and their development partners as well as the whole international community.

Out of the current 50 LDCs, 22 are OIC members who account for a substantial part of the performance of all LDCs in many respects. With a total population of 382.34 million in 2004, or 51.3 percent of the total population of all LDCs, they accounted for 59.8 percent of the total output (GDP) of all LDCs' and 43.8 percent of their total merchandise exports, both in terms of current US dollars. Yet, as is the case with the other LDCs, the structural weakness of the economies of most OIC-LDCs and the lack of capacities related to growth and development

hamper those countries' efforts to improve effectively the standards of living of the majority of their populations.

The majority of the OIC-LDCs (18 countries) are located in the region of sub-Saharan Africa and 4 in Asia. 6 others are land-locked and two are small islands. The OIC-LDCs, especially those in sub-Saharan Africa, are particularly less-equipped to develop their domestic economies and ensure a sustainable and adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks and natural disasters where 12 of them are still classified as non-oil commodity exporters, depending for their growth and development on producing and exporting a few commodities, mostly agricultural. Moreover, 10 OIC-LDCs have recently been classified as severely-indebted and 5 as moderately-indebted countries. Overall, 17 of them are also classified as Heavily Indebted Poor Countries (HIPC).

The economic performance of the LDCs as a group, including the OIC-members, in terms of real GDP growth rates, remained solid during the latest five-year period (2000-2004) for which the data are available. This is clear, for example, in the year 2001, the year of slowdown in world economic activity, when the average annual real GDP growth rate of both all LDCs and OIC-LDCs (5.6 per cent) exceeded those of the world and the developing countries. The encouraging growth performance of the LDCs, particularly in the two-year period 2003-2004, was underpinned by a significant increase in the aggregate net resource flows to them. This increase was driven particularly by increased private financial flows, including FDI, and net ODA during the said period. Progress was also made in terms of increasing exports.

However, despite this overall encouraging picture of economic growth performance, there still is a tendency for increasing divergence amongst the LDCs. In this context, it is observed that the bulk of output, exports and resource flows is still concentrated in a limited number of countries. Indeed, some important issues regarding sustainable development in the LDCs continue to be a cause for concern. These include, among others, the high dependency on external aid inflows and primary commodity exports with volatile world prices, the heavy

external debt burden and the slow progress in human development and poverty eradication fronts.

Considering those vulnerabilities and constraints, the group of LDCs receives special attention in the development efforts of the UN since their development needs are greater than those of any other group of developing countries (DCs). In this connection, it was recently recognised that commitment to provide more effective international support for the LDCs is required. To this end, the Third UN Conference on the LDCs adopted, in May 2001, the Programme of Action for the LDCs for the decade 2001-2010. The Programme articulates policies and measures to be undertaken by the LDCs, on the one hand, and their development partners, on the other, to promote the sustainable economic growth and development of the LDCs and their beneficial integration into the world economy.

The States and Governments participating in the Third UN Conference on LDCs committed themselves to working together to assist one another gain access to financial resources and continue paying special attention to the specific needs of the LDCs and small island developing states. Therefore, the developed countries, particularly the development partners of the LDCs, i.e. the creditors and donors, should do their best to fulfil their commitments to the agreed targets, policies and measures, and extend adequate support for their implementation, including financial and technical support. In particular, they should make concrete efforts towards meeting the internationally-agreed levels of ODA and debt relief for the LDCs.

The implementation and follow-up of the Programme of Action for the LDCs for 2001-2010 are of primary importance. Indeed, effective mechanisms and arrangements for the implementation, follow-up, review and monitoring of those policies and measures are to be established at the national, regional and international levels. At the national level, the OIC-LDCs may undertake this task within their respective national development plans and with the involvement of the civil society, including the private sector. At the OIC-regional level, the OIC countries may continue and accelerate their cooperation efforts to extend technical, financial, alimentary and other forms of aid to the least-developed members.

In this connection, the following broad policy recommendations can be made under each of the seven priority areas set out in the Programme of Action for the LDCs for 2001-2010:

(1) Fostering A People-Centered Policy Framework

At the OIC-LDCs National Level:

- Empowering people living in poverty and developing their capacities to enable them improve their access to and utilization of productive opportunities and basic social services.
- Adopting sound socio-economic policy reforms with a view to attaining sustainable levels of economic growth, particularly in the areas of fiscal and financial sectors and promoting micro-credit schemes for the poor.
- Developing efficient linkages between different economic activities, particularly between agriculture and micro and small enterprises, and promoting the efficiency of markets through an effective institutional, regulatory and supervisory integrated mechanism.
- Promoting an equitable distribution of the benefits of growth and development in favour of the poor with a view to increasing their opportunities of participation in economic activity.

At the Intra-OIC Cooperation Level:

- Supporting joint sectoral policy programmes in a manner that helps achieving an appropriate balance between economic objectives, such as the strengthening and diversification of the OIC-LDCs economies and social development goals.
- Assisting the OIC-LDCs development efforts, through providing financial and other resources, in setting up effective social safety nets to mitigate the insecurity and vulnerability of those countries.

- Facilitating an external supportive OIC environment to increase the involvement and benefit of the OIC-LDCs in the international financial institutions and other multilateral development organisations.
- Encouraging and supporting the OIC-LDCs in gaining access to information and communications technologies, necessary physical infrastructure and capacity building that would help them derive benefits from globalisation and mitigate its negative consequences.

(2) Good Governance at the National and International Levels

At OIC-LDCs National Level:

- Establishing an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law and foster the effective participation of and close cooperation among all relevant stakeholders at the national and local levels in the development process.
- Strengthening efforts to fight corruption, bribery, money laundering, illegal transfer of funds and other illicit activities by strengthening anti-corruption laws and regulations and their effective applications.

At the Intra-OIC Cooperation Level:

- Supporting the full and effective participation of the OIC-LDCs in international and regional dialogues and actions on development, peace and security and standards setting in all areas affecting their development.
- Providing adequate and appropriate response, including financial and technical assistance, to the requests of the OIC-LDCs for human and institutional capacity building for governance functions.

(3) Building Human and Institutional Capacities

At the OIC-LDCs National Level:

- Enhancing the effectiveness of social sector investment through increasing budgetary allocations in favour of social infrastructure and basic social services such as education and training, health and sanitation, etc.
- Improving access to high quality education through assigning high priority in development budgets to education, particularly basic education and vocational training.
- Developing adequate national health systems in which special attention is given to the poorest segment of the population through strengthening the provision of healthcare services, including nutrition, disease prevention, immunization, safe water and clean sanitation.
- Encouraging private sector involvement to complement the public sector provision of social infrastructure and social services within an appropriate regulatory framework.
- Encouraging and supporting, through appropriate legislation, the efforts of the civil society, including traditional and community organisations, to invest in building social capital and social networks, particularly for the poor and vulnerable groups.
- Improving appropriate national policies and strategies consistent with the internationally agreed goals and objectives in the areas of education and training, health and nutrition, family planning and social integration.

At the Intra-OIC Cooperation Level:

- Providing technical and financial support for institutional and human capacity building programmes in the OIC-LDCs, particularly in the education and health sectors in those countries that face significant challenges such as complex crises and natural disasters.

- Assisting the OIC-LDCs, through providing technical, financial or any other forms of support, to set up effective health infrastructures and increase their access to healthcare services, necessary medicines and vaccines, particularly those related to communicable diseases such as HIV/AIDS, malaria and tuberculosis.
- Supporting and assisting the OIC-LDCs in developing effective safety nets and swift response mechanisms to cope with natural disasters and economic shocks, including those resulting from economic reform programmes and fiscal adjustment.

(4) Building Productive Capacities to Make Globalisation Work for the LDCs

At the OIC-LDCs National Level:

- Upgrading and strengthening critical areas of physical infrastructures such as transportation, energy, telecommunications, information and communications technologies.
- Facilitating the acquisition and development of appropriate and sustainable technologies and enhancing the innovation capacity by increasing investment in national R&D activities.
- Enhancing national entrepreneurship through creating efficient public-private sector dialogue and partnership in order to increase coherence between trade, investment and enterprise policies, particularly in small and medium-sized enterprises.
- Facilitating the availability of affordable energy through, *inter alia*, the introduction and promotion of new financing schemes in rural areas, such as micro-financing and cooperative arrangements for credit and licensing agreements.
- Increasing public and private investment in agriculture and rural development programmes and promoting agro-based industries as a means of improving agricultural technology, raising rural incomes and fostering stronger linkages between agriculture and industry.

- Encouraging and enhancing investment with a view to supporting the sustainable development of the manufacturing sector and fostering domestic and foreign private investment in processing and value adding sectors.
- Adopting coherent plans and programmes for the development of a sustainable tourism industry and encouraging private investment in the tourism sector.

At the Intra-OIC Cooperation Level:

- Providing technical and financial support to upgrade and develop critical areas of physical infrastructures in the OIC-LDCs in order to facilitate bilateral and regional OIC complementarities and enhance OIC trade, at the national, regional and international levels.
- Supporting the OIC-LDCs efforts, through financial, technical and/or other assistance, to achieve appropriate levels of investment in infrastructure for R&D, education and training that are consistent with building local technological capabilities and promoting linkages between R&D institutions in those countries and other OIC countries.
- Encouraging public and private joint venture capital funds and partnerships to support programmes in the OIC-LDCs to improve the access of small and medium-sized enterprises to financial and business services.
- Supporting the OIC-LDCs in their efforts to develop energy resources through financial assistance and by facilitating private sector joint venture investment, as well as addressing their concerns in coping with increases in prices of energy imports.
- Supporting the OIC-LDCs efforts to improve agricultural productivity through, *inter alia*, facilitating the free access of their agricultural products to the OIC markets, providing appropriate agricultural technologies and practices and developing their

irrigation infrastructure to reduce desertification and dependence on rainfall.

- Providing technical support for geological mapping and the compilation of basic data on mineral-rich areas in the OIC-LDCs with a view to stimulating public/private joint venture investment in mining projects.
- Providing financial, technical and/or other forms of assistance to support the OIC-LDCs efforts to strengthen their national capacities in the field of tourism.

(5) Enhancing the Role of Trade in Development

At the OIC-LDCs National Level:

- Integrating trade policies into the national development strategies with a view to eradicating poverty and improving capacity building in trade policy and related areas such as tariffs, customs, competition, investment and technology.
- Removing procedural and institutional bottlenecks that increase transaction costs through, *inter alia*, improving efficiency and transparency, implementing trade facilitation measures, improving standards and quality control and promoting the competitiveness of major exports, particularly primary commodity exports.
- Accelerating the accession process for the OIC-LDCs that are in the process of accession to the WTO and ensuring that the said process is more effective and less onerous and tailored to their specific economic conditions by, *inter alia*, streamlining the WTO procedural requirements.
- Taking appropriate account in regional integration arrangements of the particular constraints faced by the LDCs and making use of the flexibilities provided for in multilateral trade rules relating to regional trade arrangements with the aim of fostering a smooth and beneficial integration into the world economy.

At the Intra-OIC Cooperation Level:

- Supporting and assisting through, *inter alia*, financial, technical and/or other forms of assistance, the OIC-LDCs efforts in capacity building in trade policy and related areas such as tariffs, customs, competition and investment, removing procedural and institutional bottlenecks that increase transaction costs, implementing trade facilitation measures and improving standards and quality control.
- Facilitating market access for the OIC-LDCs major exports through adopting special preferential trade measures in their favour with a view of working towards the objective of duty-free and quota-free market access for all OIC-LDCs products.
- Continuing to provide adequate and predictable assistance to the OIC-LDCs for their accession process to the WTO, including technical, financial or other forms of assistance, as well as strengthening technical assistance for the implementation of multilateral trade agreements, mainly those of the WTO.
- Providing contingency and short-term emergency financial assistance, including balance-of-payments support through appropriate institutions, with a view to assisting the OIC-LDCs cope with the consequences of serious external shocks.

(6) Reducing Vulnerability and Protecting the Environment***At the OIC-LDCs National Level:***

- Identifying the special vulnerabilities and possible adaptation measures that need to be fully integrated into the country's development strategies.
- Increasing efforts to reverse trends in the loss of national environmental resources and ensure integrated responses to the environmental and economic constraints, in the light of country-

specific environmental conditions and profiles of poverty and vulnerability and through, *inter alia*, implementing the relevant legislation and environmental management plans.

- Pursuing and intensifying efforts to develop and strengthen national disaster mitigation measures and early warning and forecasting mechanisms.

At the Intra-OIC Cooperation Level:

- Providing assistance, through financial, technical and/or other forms of assistance, to the OIC-LDCs efforts in environmental protection in the context of sustainable development through, *inter alia*, facilitating and financing access to and transfer of environmentally sound technologies and the development of human resources and institutional capacities and environmental databases.
- Accomplishing the principles of the Rio Declaration on Environment and Development by, *inter alia* and where appropriate, granting special priority to the OIC-LDCs in international support as well as facilitating the strengthening of those countries' capacity to participate in international environmental negotiations.
- Providing assistance for disaster mitigation and improving the capacity of the OIC-LDCs to identify mitigation scenarios and establishing protective measures and contingency plans through, *inter alia*, supporting and facilitating the participation of those countries in and their benefit from regional and international early warning and disaster mitigation and response networks.

(7) Mobilising Financial Resources

At the OIC-LDCs National Level:

- Developing efficient and adequate national financial systems to stimulate domestic savings through, *inter alia*, enforcing prudential

regulations governing banks and other financial institutions and promoting innovative financial mechanisms such as micro-credit financial schemes.

- Ensuring that aid and debt relief measures support rather than undermine domestic resource mobilisation efforts through, *inter alia*, monitoring the use and effectiveness as well as the fiscal implications of external resources, including ODA, and giving special attention to the productivity and sustainability of investments financed through those resources.
- Sustaining and intensifying efforts to improve debt management capability by, *inter alia*, regularly consulting with creditors and development partners on the debt problem and using resources released by debt relief as well as other sources of development finance in a manner that fully takes into account the interests of the poor.
- Strengthening the enabling environment for the private sector development and attracting FDI inflows; of particular importance is a supportive regulatory and legal framework for FDI along with the necessary institutional and capacity building to implement and maintain it in building the supply capacity.

At the Intra-OIC Cooperation Level:

- Supporting and assisting the efforts of the OIC-LDCs in the areas of financial sector development and reforms.
- Supporting and encouraging the participation of the OIC-LDCs in discussions on international aid policy at the regional and international levels as well as urging the donor countries to fulfill their commitments in this regard as set out in the POA.
- Initiating debt relief action at the OIC regional level on the debt situation of the OIC-LDCs, including a comprehensive assessment of their debt problems and considering debt relief measures for OIC-LDCs which are not included under the HIPC Initiative.

- Encouraging increased non-official flows, including investment flows, to the OIC-LDCs through supporting initiatives at the OIC level of joint public and private ventures of capital investment in those countries.
- Assisting the OIC-LDCs establish foreign investment advisory bodies in their own countries as a one-stop shop which would be responsible for providing information, services and administrative support to potential foreign investors.

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ANNEX

Table A.1: Regional Distribution of the World LDCs (*)

<u>A F R I C A</u>		<u>A S I A</u>
Angola	Benin ^{(3) (4)}	Afghanistan ^{(1) (4)}
Burundi ^{(1) (3) (4)}	Burkina Faso ^{(1) (3) (4)}	Bangladesh
Cape Verde ⁽²⁾	C. Africa Rep. ^{(1) (3) (4)}	Bhutan ^{(1) (4)}
Comoros ^{(2) (3)}	Chad ^{(1) (3) (4)}	Cambodia
Djibouti	Congo, Dem. Rep. ^{(3) (4)}	Lao PDR ^{(1) (3)}
Eritrea ⁽⁴⁾	Equatorial Guinea	Maldives ⁽²⁾
Ethiopia ^{(1) (3) (4)}	Gambia ⁽³⁾	Myanmar ⁽³⁾
Guinea ^{(3) (4)}	Guinea-Bissau ^{(3) (4)}	Nepal ⁽¹⁾
Lesotho ⁽¹⁾	Liberia ^{(3) (4)}	Yemen
Madagascar ^{(2) (3)}	Malawi ^{(1) (3) (4)}	<u>P A C I F I C</u>
Mali ^{(1) (3) (4)}	Mauritania ^{(3) (4)}	Kiribati ^{(2) (4)}
Mozambique ^{(3) (4)}	Niger ^{(1) (3) (4)}	Samoa ⁽²⁾
Rwanda ^{(1) (3) (4)}	Sao Tome Principe ^{(2) (3) (4)}	Solomon Islands ^{(2) (4)}
Senegal ⁽³⁾	Sierra Leone ^{(3) (4)}	Tuvalu ⁽²⁾
Somalia ^{(3) (4)}	Sudan ⁽³⁾	Vanuatu ⁽²⁾
Tanzania ^{(3) (4)}	Togo ^{(3) (4)}	Timor-Leste ⁽²⁾
Uganda ^{(1) (3) (4)}	Zambia ^{(1) (3) (4)}	<u>C A R I B B E A N</u>
		Haiti ⁽²⁾

Source: UNCTAD, The Least-developed Countries Report 2004.

Notes: (1) Land-locked country.

(2) Island country.

(3) Heavily Indebted Poor Countries (HIPC).

(4) Non-oil commodity exporters.

(*) Countries in bold are OIC-LDCs.

Table A.2: Total Population (Millions)

	2000	2001	2002	2003	2004
Afghanistan	26.55	27.26	27.99	28.27	28.86
Bangladesh	137.95	140.88	143.81	146.48	149.21
Benin	6.30	6.48	6.66	7.04	7.23
Burkina Faso	11.27	11.55	11.85	12.14	12.44
Chad	7.48	7.66	7.86	8.05	8.25
Comoros	0.57	0.58	0.60	0.62	0.63
Djibouti	0.74	0.77	0.79	0.81	0.84
Gambia	1.33	1.36	1.40	1.43	1.47
Guinea	8.27	8.51	8.76	9.01	9.27
Guinea-Bissau	1.20	1.22	1.29	1.31	1.35
Maldives	0.29	0.30	0.31	0.32	0.32
Mali	11.14	11.39	11.66	11.92	12.20
Mauritania	2.65	2.71	2.78	2.84	2.91
Mozambique	17.21	17.65	18.08	18.54	19.00
Niger	10.78	11.12	11.46	11.81	12.18
Senegal	9.39	9.62	9.85	10.13	10.41
Sierra Leone	4.79	4.92	5.05	5.18	5.31
Somalia	8.72	9.02	9.32	9.51	9.78
Sudan	31.10	31.91	32.74	33.59	34.46
Togo	4.80	4.95	5.10	5.26	5.42
Uganda	22.59	23.36	24.17	25.00	25.86
Yemen	21.16	22.05	22.97	23.92	24.91
OIC-LDCs	346.27	355.27	364.46	373.19	382.34
All LDCs ^(*)	671.65	690.86	709.62	726.93	744.97
OIC countries	1296.21	1323.24	1351.54	1380.88	1409.17
Developing countries	5096.00	5168.00	5241.00	5315.00	5390.00
OIC-LDCs as % of:					
All LDCs	51.6	51.4	51.4	51.3	51.3
OIC countries	26.7	26.8	27.0	27.0	27.1

Source: SESRTCIC, Annual Economic Report on the OIC Countries, 2005.

(*) Derived from IMF, WEO Database, April 2005.

Table A.3: GDP at Current Prices (Billion US dollars)

	2000	2001	2002	2003	2004
Bangladesh	47.048	47.194	49.551	52.519	56.155
Benin	2.277	2.374	2.705	3.482	4.085
Burkina Faso	2.612	2.857	3.275	4.300	5.130
Chad	1.395	1.669	2.001	2.604	4.321
Comoros	0.204	0.220	0.248	0.318	0.368
Djibouti	0.553	0.574	0.592	0.625	0.663
Gambia	0.421	0.418	0.370	0.352	0.406
Guinea	3.112	3.039	3.210	3.630	3.774
Guinea-Bissau	0.215	0.199	0.204	0.239	0.281
Maldives	0.624	0.625	0.641	0.691	0.753
Mali	2.674	3.018	3.343	4.428	4.928
Mauritania	0.956	0.966	0.988	1.164	1.346
Mozambique	3.628	3.435	3.600	4.321	5.548
Niger	1.803	1.947	2.177	2.736	3.141
Senegal	4.495	4.564	4.998	6.422	7.627
Sierra Leone	0.634	0.806	0.936	0.990	1.070
Sudan	12.191	13.618	15.374	17.791	21.270
Togo	1.333	1.301	1.449	1.698	2.032
Uganda	5.929	5.681	5.860	6.299	6.841
Yemen	9.561	9.533	9.985	11.211	12.903
OIC-LDCs	101.665	104.038	111.507	125.820	142.642
All LDCs ^(*)	172.34	175.213	186.913	209.402	238.673
OIC countries	1470.023	1424.780	1519.896	1763.233	2049.589
Developing countries	6190.910	6277.087	6406.932	7211.902	8442.469
OIC-LDCs as % of:					
All LDCs	59.0	59.4	59.7	60.1	59.8
OIC countries	6.9	7.3	7.3	7.1	7.0

Source: SESRTCIC, Annual Economic Report on the OIC Countries, 2005.

(*) IMF, WEO Database, April 2005.

Table A.4: Per Capita GDP (Current US \$)

	2000	2001	2002	2003	2004
Bangladesh	341	335	345	359	376
Benin	361	366	406	495	565
Burkina Faso	232	247	276	354	412
Chad	187	218	255	323	523
Comoros	359	378	413	517	582
Djibouti	744	750	751	770	793
Gambia	318	307	265	246	276
Guinea	376	357	367	403	407
Guinea-Bissau	180	163	159	182	208
Maldives	2168	2105	2095	2191	2318
Mali	240	265	287	371	404
Mauritania	361	357	356	409	462
Mozambique	211	195	199	233	292
Niger	167	175	190	232	258
Senegal	479	474	507	634	733
Sierra Leone	132	164	185	191	201
Sudan	392	427	470	530	617
Togo	278	263	284	323	375
Uganda	263	243	242	252	265
Yemen	452	432	435	469	518
OIC-LDCs	327	326	341	375	415
All LDCs ^(*)	271	268	278	304	338
OIC countries	1191	1131	1181	1341	1528
Developing countries	1215	1215	1222	1357	1566

Source: Derived from Tables A.2 and A.3.

(*) IMF, WEO Database, April 2005.

Table A.5: Structure of Output (% of GDP, average 1999-2003)

	Agriculture	Industry:	of which Manufacture	Services
Afghanistan ⁽¹⁾	53	24	18	23
Bangladesh ⁽⁴⁾	25	26	16	49
Benin ⁽¹⁾	37	14	9	49
Burkina Faso ⁽¹⁾	34	17	12	49
Chad ⁽¹⁾	39	15	13	46
Comoros ⁽⁵⁾	40	11	4	49
Djibouti ⁽⁵⁾	4	16	3	80
Gambia ⁽⁵⁾	31	13	5	56
Guinea ⁽²⁾	24	37	6	39
Guinea-Bissau ⁽¹⁾	60	13	10	27
Maldives ⁽⁵⁾	16	16	7	68
Mali ⁽¹⁾	41	22	4	37
Mauritania ⁽¹⁾	23	30	9	47
Mozambique ⁽²⁾	28	27	13	45
Niger ⁽²⁾	40	17	7	43
Senegal ⁽⁶⁾	18	21	13	61
Sierra Leone ⁽²⁾	48	30	5	22
Somalia ⁽¹⁾
Sudan ⁽³⁾	40	18	9	42
Togo ⁽¹⁾	40	21	9	39
Uganda ⁽¹⁾	37	20	10	43
Yemen ⁽³⁾	16	41	7	43
OIC-LDCs	28	25	12	47
All LDCs ^(*)	33	22	11	45
OIC countries	15	38	15	47
Developing countries ^(*)	12	33	20	55

Sources: SESRTCIC, Annual Economic Report on the OIC Countries, 2005.

UNCTAD, The Least-developed Countries Report 2004.

(1) Agricultural exporters (10 countries).

(2) Mineral exporters (4 countries).

(3) Oil exporters (2 countries).

(4) Manufactures exporters (only Bangladesh).

(5) Services exporters (4 countries).

(6) Mixed manufactures and services exporters (only Senegal).

(*) Average 2002.

Table A.6: Real GDP Growth Rates (In percentage)

	2000	2001	2002	2003	2004
Bangladesh	5.6	4.8	4.9	5.4	5.4
Benin	5.8	5	6	4.8	3
Burkina Faso	3.1	6.7	5.2	8	4.8
Chad	-0.6	9.9	9.9	11.3	30.5
Comoros	2.4	2.3	2.3	2.1	1.9
Djibouti	0.7	1.9	2.6	3.5	3
Gambia	5.5	5.8	-3.2	6.7	7.7
Guinea	1.9	4	4.2	1.2	2.5
Guinea-Bissau	7.5	0.2	-7.2	0.6	4.3
Maldives	4.8	3.5	6.5	8.4	8.8
Mali	-3.2	12.1	4.3	7.4	2.2
Mauritania	5.2	4.4	4.1	6.6	5.2
Mozambique	1.6	13	7.4	7.1	7.8
Niger	-1.4	7.1	3	5.3	0.9
Senegal	3	4.7	1.1	6.5	6
Sierra Leone	3.8	18.1	27.5	8.6	7.4
Sudan	6.9	6.1	6	6	7.3
Togo	-0.4	0.6	4.5	4.4	2.9
Uganda	5.6	4.9	6.8	4.7	5.9
Yemen	4.4	4.6	3.9	3.1	2.7
OIC-LDCs	4.6	5.6	5.1	5.4	5.5
All LDCs ^(*)	4.8	5.6	5.1	5.3	5.9
OIC countries	5.5	1.8	4.1	5.9	5.7
Developing countries	5.8	4.2	4.7	6.4	7.2
World	4.6	2.5	3.0	4.0	5.1

Source: SESRTCIC, Annual Economic Report on the OIC Countries, 2005.

(*) IMF, WEO Database, April 2005.

Table A.7: Average Annual Inflation Rates
(% Change in annual average consumer price indices)

	2000	2001	2002	2003	2004
Bangladesh	2.2	1.5	3.8	5.4	6.1
Benin	3	4	2.4	1.5	2.6
Burkina Faso	-0.3	4.9	2.3	2	-0.4
Chad	3.8	12.4	5.2	-1.8	-4.8
Comoros	4.6	5.9	3.3	4.4	4.3
Djibouti	2.4	1.8	0.6	2	3
Gambia	0.9	4.5	8.6	17	14.6
Guinea	6.8	5.4	3	12.9	17.5
Guinea-Bissau	8.6	3.3	3.3	3	3
Maldives	-1.2	0.7	0.9	-2.9	6.4
Mali	-0.7	5.2	2.4	-1.3	-3.1
Mauritania	3.3	4.7	3.9	5.5	10.4
Mozambique	12.7	9	16.8	13.4	12.6
Niger	2.9	4	2.7	-1.8	0.4
Senegal	0.7	3	2.3	0	0.5
Sierra Leone	-0.9	2.6	-3.7	8.2	13.7
Sudan	8	4.9	8.3	7.7	8.4
Togo	1.9	3.9	3.1	-0.9	1.2
Uganda	4.5	-2	5.7	5.1	5.9
Yemen	10.9	11.9	12.2	10.8	12.5
OIC-LDCs	4.2	3.7	5.4	5.8	6.6
All LDCs ^(*)	36.0	22.9	14.5	13.1	9.4
OIC countries	10.5	11.5	10.6	7.3	6.0
Developing countries	7.1	6.7	6.0	6.0	5.7

Source: SESRTCIC, Annual Economic Report on the OIC Countries, 2005.

(*) IMF, WEO Database, April 2005.

Table A.8: Merchandise Exports (FOB, Million US \$)

	2000	2001	2002	2003	2004
Afghanistan	142	90	89	211	185
Bangladesh	5590	5736	5443	6229	7586
Benin	196	591	242	277	357
Burkina Faso	171	173	173	247	370
Chad	86	75	63	91	1110
Comoros	16	38	29	33	34
Djibouti	137	198	155	196	250
Gambia	41	27	31	18	41
Guinea	617	543	828	629	560
Guinea-Bissau	112	125	96	75	116
Maldives	76	77	91	113	123
Mali	234	153	162	215	323
Mauritania	368	362	401	424	539
Mozambique	364	704	682	1044	1504
Niger	196	162	169	200	223
Senegal	693	784	949	1159	1269
Sierra Leone	126	55	105	140	185
Somalia	62	71	108	144	241
Sudan	1625	1755	1887	2609	3774
Togo	190	220	249	416	554
Uganda	400	451	465	532	687
Yemen	4077	3370	3271	3740	4144
OIC-LDCs	15516	15757	15684	18741	24174
All LDCs	34002	34713	36792	42604	55191
OIC countries	536730	496564	505076	609684	801668
Developing countries	2354300	2223400	2391100	2857500	3643100
World	6384900	6140400	6427500	7498700	9099300
OIC-LDCs as % of:					
All LDCs	45.6	45.4	42.6	44.0	43.8
OIC countries	2.9	3.2	3.1	3.1	3.0
Developing countries	0.7	0.7	0.7	0.7	0.7
Annual % change:					
OIC-LDCs	32.3	1.6	-0.5	19.5	29.0
All LDCs	33.9	2.1	6.0	15.8	29.5
OIC countries	33.3	-7.5	1.7	20.7	31.5
Developing countries	23.9	-5.6	7.5	19.5	27.5
World	12.7	-3.8	4.7	16.7	21.3

Source: IMF, Direction of Trade Statistics, Yearbook 2005.

Table A.9: Merchandise Imports (CIF, Million US \$)

	2000	2001	2002	2003	2004
Afghanistan	633	578	1040	1608	2002
Bangladesh	9001	9011	7848	9672	11590
Benin	563	622	721	1803	2028
Burkina Faso	497	509	650	859	1019
Chad	139	366	463	351	409
Comoros	63	82	97	126	115
Djibouti	617	642	677	820	987
Gambia	334	399	412	506	575
Guinea	533	499	877	694	1114
Guinea-Bissau	106	108	102	159	176
Maldives	389	393	391	471	645
Mali	1285	1390	1383	1523	1858
Mauritania	652	711	882	1000	1124
Mozambique	1046	1063	1270	1740	2035
Niger	774	325	396	495	588
Senegal	1463	1727	1958	2403	2834
Sierra Leone	316	418	496	602	531
Somalia	326	347	371	427	576
Sudan	1479	1894	2196	2723	4086
Togo	324	355	397	563	1720
Uganda	955	1005	1029	1372	1452
Yemen	2323	2466	2777	4365	5844
OIC-LDCs	23817	24908	26429	34281	43308
All LDCs	46391	47285	51049	64495	80738
OIC countries	397301	394926	439530	521797	700565
Developing countries	2212500	2163400	2306700	2730500	3513900
World	6595300	6392000	6640300	7757500	9470000
OIC-LDCs as % of:					
All LDCs	51.3	52.7	51.8	53.2	53.6
OIC countries	6.0	6.3	6.0	6.6	6.2
Developing countries	1.1	1.2	1.1	1.3	1.2
Annual % change:					
OIC-LDCs	5.5	4.6	6.1	29.7	26.3
All LDCs	9.4	1.9	8.0	26.3	25.2
OIC countries	12.8	-0.6	11.3	18.7	34.3
Developing countries	18.8	-2.2	6.6	18.4	28.7
World	13.3	-3.1	3.9	16.8	22.1

Source: IMF, Direction of Trade Statistics, Yearbook 2005.

Table A.10: Current Account Balance (Million US \$)

	2000	2001	2002	2003	2004
Afghanistan	-	-	-	-	-
Bangladesh	-678	-391	157	50	-670
Benin	-183	-159	-242	-296	-349
Burkina Faso	-319	-291	-300	-298	-435
Chad	-251	-586	-1037	-1043	-764
Comoros	-4	2	-10	-20	-11
Djibouti	-40	-33	-55	-55	-71
Gambia	-13	-11	-10	-17	-18
Guinea	-200	-81	-137	-119	-185
Guinea-Bissau	-12	-45	-23	-2	4
Maldives	-51	-59	-36	-32	-89
Mali	-268	-314	-104	-205	-234
Mauritania	-26	-105	15	-112	-290
Mozambique	-701	-735	-802	-727	-687
Niger	-111	-93	-142	-164	-187
Senegal	-230	-212	-296	-421	-472
Sierra Leone	-96	-131	-45	-75	-97
Somalia	-	-	-	-	-
Sudan	-1840	-2116	-1472	-1457	-1446
Togo	-140	-169	-140	-219	-253
Uganda	-383	-317	-347	-388	-129
Yemen	1265	507	535	128	126
OIC-LDCs	-4281	-5339	-4491	-5472	-6257
All LDCs	-5771	-9874	-8144	-9219	-8665
OIC countries	83955	60584	42368	80099	130248
Developing countries	88200	40800	85000	149100	246600

Source: IMF, WEO Database, April 2005.

Table A.11: Reserves Excluding Gold (Million US \$)

	2000	2001	2002	2003	2004
Afghanistan					
Bangladesh	1486	1275	1683.2	2577.9	3172.4
Benin	458.1	578.1	615.7	717.9	640
Burkina Faso	243.6	260.5	313.4	752.2	669.1
Chad	110.7	122.37	218.7	187.1	221.73
Comoros	43.21	62.32	79.94	94.3	103.74
Djibouti	67.8	70.31	73.71	100.13	93.94
Gambia	109.43	106.01	106.88	59.31	83.77
Guinea	147.91	200.23	171.4		
Guinea-Bissau	66.73	69.47	102.71	32.9	73.09
Maldives	122.8	93.07	133.14	159.49	203.58
Mali	381.3	348.9	594.5	952.5	860.7
Mauritania	279.9	284.5	396.2	415.3	---
Mozambique	725.11	715.57	819.19	998.45	1130.35
Niger	80.4	107	133.9	260.1	258
Senegal	384	447.3	637.4	1110.9	1386.4
Sierra Leone	49.2	51.3	84.7	66.6	125.1
Somalia					
Sudan	247.3	117.8	440.9	847.5	1626.1
Togo	152.3	126.4	205.1	204.9	359.7
Uganda	808	983.4	934	1080.3	1308.1
Yemen	2900.3	3658.1	4410.5	4986.9	5664.8
OIC-LDCs	8864.09	9677.65	12155.17	15604.68	17980.6
All LDCs	15426.5	16429.47	20065.45	24674.95	30352.69
OIC countries	206819	220852.5	258347.2	316258.9	380714.6
Developing countries	1172525	1281525	1530431	1937481	2461354

Source: IMF, International Financial Statistics, Yearbook 2005.

Table A.12: Total Financial Flows (Net Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	1644	1251	1295	899	1030
Benin	274	195	267	210	262
Burkina Faso	219	298	331	357	375
Chad	256	195	580	1216	1060
Comoros	33	13.1	22.8	22	15.5
Djibouti	149	30.5	27.6	55.7	56.2
Gambia	48	73.2	62.6	105.1	105.4
Guinea	211	101	185	173	213
Guinea-Bissau	96	55.3	30.2	40.8	124.9
Maldives	24	22.7	30.7	48.5	39.5
Mali	348	359	393	575	582
Mauritania	138	233	303	442	466
Mozambique	948	931	973	2240	1097
Niger	358	183	218	249	410
Senegal	692	331	314	395	339
Sierra Leone	79	222	276	279	257
Somalia	372	87	120	178	156
Sudan	603	564	730	1031	1910
Togo	204	112	119	104	56
Uganda	485	880	851	743	1005
Yemen	333	224	274	283	100
OIC-LDCs	7514	6361	7403	9646	9660
All LDCs	15226	12914.6	16322.4	22356.5	25389.4
Developing countries	96163	219610	209742	183641	228544
OIC-LDCs as % of:					
All LDCs	49.3	49.3	45.4	43.1	38.0
Developing countries	7.8	2.9	3.5	5.3	4.2

Source: World Bank, Global Development Finance, 2005.

Table A.13: Official Financial Flows (Net Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	1585	933	988	763	943
Benin	212	131	223	169	211
Burkina Faso	219	278	322	348	364
Chad	248	79	127	187	223
Comoros	33	13	21.7	21.6	14.5
Djibouti	149	27.2	24.2	52.2	44.8
Gambia	56	30.2	27.5	62.5	45.4
Guinea	212	91	184	143	134
Guinea-Bissau	95	54.6	29.5	39.2	122.8
Maldives	17	9.6	18.5	21.5	15.7
Mali	344	276	258	333	453
Mauritania	133	195	214	320	248
Mozambique	913	822	748	1918	783
Niger	308	176	198	249	387
Senegal	649	259	234	310	260
Sierra Leone	42	183	266	277	254
Somalia	366	86	120	178	155
Sudan	603	171	156	300	560
Togo	182	64	54	44	37
Uganda	468	721	696	551	803
Yemen	303	218	126	169	189
OIC-LDCs	7137	4817.6	5035.4	6456	6247.2
All LDCs	13113	9199.6	9749.9	12369.8	17669.2
Developing countries	54140	33605	35452	23357	29100
OIC-LDCs as % of:					
All LDCs	54.4	52.4	51.6	52.2	35.4
Developing countries	13.2	14.3	14.2	27.6	21.5

Source: World Bank, Global Development Finance, 2005.

Table A.14: Private Financial Flows (Net Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	59	318	308	136	86
Benin	62	64	44	41	51
Burkina Faso	0	20	9	9	11
Chad	9	115	452	1029	837
Comoros	1	0.1	1.1	0.4	1
Djibouti	-1	3.3	3.4	3.5	11.4
Gambia	-8	43	35.1	42.6	60
Guinea	-1	10	2	30	79
Guinea-Bissau	2	0.7	0.7	1.6	2.1
Maldives	7	13	12.2	27	23.7
Mali	5	83	135	242	129
Mauritania	5	38	89	121	218
Mozambique	35	109	225	323	313
Niger	51	7	20	0	23
Senegal	43	73	80	85	79
Sierra Leone	36	39	10	2	3
Somalia	6	0	0	0	1
Sudan	0	392	574	713	1349
Togo	22	48	65	60	20
Uganda	16	159	155	192	202
Yemen	30	6	148	114	-89
OIC-LDCs	379	1541.1	2368.5	3172.1	3410.2
All LDCs	958	3713.8	6574.4	5717.7	7717.2
Developing countries	42023	186004	174289	160283	199445
OIC-LDCs as % of:					
All LDCs	39.6	41.5	36.0	55.5	44.2
Developing countries	0.9	0.8	1.4	2.0	1.7

Source: World Bank, Global Development Finance, 2005.

Table A.15: Official Development Assistance (ODA) ^(*)
(Net Million US \$)

	1990	2000	2001	2002	2003
Afghanistan	131	143	141	408	1285
Bangladesh	2095	1172	1024	913	1393
Benin	268	239	273	220	294
Burkina Faso	331	336	389	473	451
Chad	314	131	179	233	247
Comoros	45	19	28	33	24
Djibouti	194	71	55	78	78
Gambia	99	49	51	61	60
Guinea	293	153	272	250	238
Guinea-Bissau	129	80	59	59	145
Maldives	21	19	25	28	18
Mali	482	360	350	472	528
Mauritania	237	212	262	355	243
Mozambique	1002	876	935	2058	1033
Niger	396	211	249	299	453
Senegal	818	424	419	449	450
Sierra Leone	61	182	334	353	297
Somalia	494	115	104	150	194
Sudan	822	225	172	351	621
Togo	260	70	47	51	45
Uganda	668	819	783	638	959
Yemen	405	265	426	584	243
OIC-LDCs	9565	6171	6574	8513	9299
All LDCs	16554	12399	13629	17840	24936
Developing countries	58161	31911	44056	55708	77663
OIC-LDCs as % of:					
All LDCs	57.8	49.8	48.2	47.7	37.3
Developing countries	16.4	19.3	14.9	15.3	12.0
Net ODA per capita (Current \$)					
OIC-LDCs	28	17	18	23	24
All LDCs	25	18	19	25	33
Developing countries	11	6	8	10	14

Source: UNDP, Human Development Report, various issues.

(*) From all sources, including grants and technical cooperation.

Table A.16: Net Foreign Direct Investment Flows (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	3	280	79	52	102
Benin	62	64	44	41	51
Burkina Faso	1	23	8	9	11
Chad	9	116	453	1030	837
Comoros	0	0.1	1.1	0.4	1
Djibouti	0	3.3	3.4	3.5	11.4
Gambia	0	43.5	35.5	42.8	60
Guinea	18	10	2	30	79
Guinea-Bissau	2	0.7	0.7	1	2.1
Maldives	6	13	11.7	12.4	13.5
Mali	6	82	122	244	129
Mauritania	7	40	92	118	214
Mozambique	9	139	255	348	337
Niger	41	9	26	8	31
Senegal	57	72	38	80	78
Sierra Leone	32	39	10	2	3
Somalia	6	0	0	0	1
Sudan	0	392	574	713	1349
Togo	18	42	64	54	20
Uganda	0	161	151	187	194
Yemen	-131	6	155	114	-89
OIC-LDCs	146	1535.6	2125.4	3090.1	3435
All LDCs	295	4073.5	6371.1	6119.9	7260.5
OIC countries	5978	9190.6	3649.4	6295.1	19613
Developing countries	24033	166190	174833	153952	151776
OIC-LDCs as % of:					
All LDCs	49.5	37.7	33.4	50.5	47.3
OIC countries	2.4	16.7	15.6	19.0	17.5
Developing countries	0.6	0.9	1.2	2.0	2.3

Source: World Bank, Global Development Finance, 2005.

Table A.17: Total External Debt (Million US \$)

	1990	2000	2001	2002	2003
Afghanistan	-	-	-	-	-
Bangladesh ⁽³⁾	12439	15682	15255	17061	18778
Benin ^{(2) (4)}	1292	1591	1661	1836	1828
Burkina Faso ^{(2) (4)}	834	1457	1540	1630	1845
Chad ^{(1) (4)}	524	1119	1108	1285	1499
Comoros ^{(1) (4)}	187	232	243	270	288
Djibouti ⁽³⁾	205	262	263	335	396
Gambia ^{(1) (4)}	369	483	487	573	629
Guinea ^{(1) (4)}	2476	3388	3254	3401	3457
Guinea-Bissau ^{(1) (4)}	692	804	668	699	745
Maldives ⁽¹⁾	78	206	235	272	281
Mali ^{(3) (4)}	2468	2980	2917	2834	3129
Mauritania ^{(2) (4)}	2113	2488	2291	2269	2360
Mozambique ^{(3) (4)}	4650	7046	4564	4766	4930
Niger ^{(2) (4)}	1726	1686	1590	1798	2116
Senegal ^{(3) (4)}	3736	3606	3665	4121	4418
Sierra Leone ^{(1) (4)}	1197	1229	1295	1448	1612
Somalia ^{(1) (4)}	2370	2562	2563	2689	2838
Sudan ^{(1) (4)}	14762	15741	15414	16389	17496
Togo ^{(1) (4)}	1281	1432	1406	1587	1707
Uganda ^{(2) (4)}	2582	3497	3731	3991	4553
Yemen ⁽³⁾	6352	5075	5087	5225	5377
OIC-LDCs	62333	72567	69237	74479	80282
All LDCs	124736	142327	137721	146516	158488
OIC countries	414265	628589	610377	647914	694575
Developing countries	133703	228255	226051	233647	255413
	3	0	6	2	8
OIC-LDCs as % of:					
All LDCs	50.0	51.0	50.3	50.8	50.7
OIC countries	15.0	11.5	11.3	11.5	11.6
Developing countries	4.7	3.2	3.1	3.2	3.1

Source: World Bank, Global Development Finance, 2005.

- (1) Severely indebted.
- (2) Moderately indebted.
- (3) Less indebted.
- (4) Heavily indebted poor country (HIPC).

Table A.18: Total Debt Service (TDS) (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	749	799	676	727	672
Benin	38	75	50	58	60
Burkina Faso	34	51	42	49	52
Chad	12	26	23	25	46
Comoros	1	3	2	5	3
Djibouti	15	14	11	12	16
Gambia	38	22	14	17	20
Guinea	169	155	105	125	131
Guinea-Bissau	8	20	23	11	15
Maldives	9	20	22	22	21
Mali	68	94	81	83	77
Mauritania	146	85	75	54	55
Mozambique	79	90	91	76	88
Niger	99	27	28	26	34
Senegal	325	224	213	219	244
Sierra Leone	21	47	96	22	25
Somalia	11	0	0	0	0
Sudan	50	61	56	23	34
Togo	86	30	32	13	16
Uganda	145	74	50	71	84
Yemen	169	243	259	171	176
OIC-LDCs	2272	2160	1949	1809	1869
All LDCs	4419	5048	4553	5193	4600
OIC countries	49878	74958	73410	83213	91369
Developing countries	147932	376546	365518	372586	419774

Source: World Bank, Global Development Finance, 2005.

Table A.19: Long-Term Debt (LDOD) (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	11658	15171	14746	16418	18088
Benin	1218	1442	1505	1689	1726
Burkina Faso	749	1260	1360	1449	1651
Chad	468	1012	995	1153	1371
Comoros	175	202	218	240	260
Djibouti	155	238	236	305	367
Gambia	308	438	434	504	561
Guinea	2253	2940	2844	2972	3154
Guinea-Bissau	630	716	627	662	713
Maldives	64	185	181	223	255
Mali	2337	2671	2642	2518	2910
Mauritania	1806	2142	1945	1944	2084
Mozambique	4231	6262	3871	4195	4381
Niger	1487	1527	1470	1658	1945
Senegal	3003	3205	3214	3575	4023
Sierra Leone	940	1006	1121	1262	1419
Somalia	1926	1825	1795	1860	1936
Sudan	9651	9143	8984	9539	10065
Togo	1081	1230	1203	1337	1489
Uganda	2160	3051	3305	3576	4168
Yemen	5160	4059	4277	4497	4746
OIC-LDCs	51460	59725	56973	61576	67312
All LDCs	106263	118620	116127	124522	135765
OIC countries	348116	511686	499552	524506	557399
Developing countries	099227	906754	863304	919840	7045215

Source: World Bank, Global Development Finance, 2005.

Table A.20: Short-Term Debt (STD) (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	156	334	361	572	617
Benin	55	65	79	74	29
Burkina Faso	84	84	63	54	68
Chad	30	29	23	26	23
Comoros	12	28	24	30	28
Djibouti	50	11	12	10	9
Gambia	16	27	27	37	33
Guinea	172	335	287	289	166
Guinea-Bissau	57	64	18	14	12
Maldives	14	21	54	49	26
Mali	62	134	104	151	50
Mauritania	238	248	242	212	172
Mozambique	345	564	497	371	339
Niger	154	85	39	34	40
Senegal	421	147	203	294	156
Sierra Leone	148	49	22	16	23
Somalia	285	591	627	677	735
Sudan	4155	5974	5879	6277	6832
Togo	113	133	146	198	176
Uganda	140	129	151	158	148
Yemen	1192	699	436	341	229
OIC-LDCs	7899	9751	9294	9884	9911
All LDCs	13075	17908	17761	15963	16531
OIC countries	59220	93391	79629	84287	94912
Developing countries	203155	317931	321931	320823	3202058

Source: World Bank, Global Development Finance, 2005.

Table A.21: Use of IMF Credits (IMF CR) (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	626	216	149	71	74
Benin	18	84	77	73	73
Burkina Faso	0	112	117	126	125
Chad	30	78	89	107	106
Comoros	0	1.5	0.8	0.6	0.2
Djibouti	0	13.4	15.5	20.5	20.4
Gambia	45	18	26	32	35
Guinea	51	113	123	139	136
Guinea-Bissau	5	25	23	23	21
Maldives	0	0	0	0	0
Mali	69	176	171	166	169
Mauritania	70	98	105	113	104
Mozambique	74	219	196	200	209
Niger	85	74	81	106	131
Senegal	314	255	248	253	240
Sierra Leone	108	174	152	169	169
Somalia	159	146	141	152	166
Sudan	956	625	551	573	599
Togo	87	70	57	52	42
Uganda	282	316	275	257	236
Yemen	0	317	374	386	401
OIC-LDCs	2979	3131	2971	3019	3057
All LDCs	5397	5839	5559	6031	6190
OIC countries	6928	23726	31585	39473	42561
Developing countries	34652	58448	75281	95809	06865

Source: World Bank, Global Development Finance, 2005.

Table A.22: Public and Publicly Guaranteed Debt (Million US \$)

	1990	2000	2001	2002	2003
Bangladesh	11658	15171	14746	16418	18088
Benin	1218	1442	1505	1689	1726
Burkina Faso	749	1260	1360	1449	1651
Chad	468	1012	995	1153	1371
Comoros	175	202	218	240	260
Djibouti	155	238	236	305	367
Gambia	308	438	434	504	561
Guinea	2253	2940	2844	2972	3154
Guinea-Bissau	630	716	627	662	713
Maldives	64	185	181	223	255
Mali	2337	2671	2642	2518	2910
Mauritania	1806	2142	1945	1944	2084
Mozambique	4211	4545	2321	2683	2992
Niger	1226	1459	1408	1604	1904
Senegal	2943	3192	3163	3541	3983
Sierra Leone	940	1006	1121	1262	1419
Somalia	1926	1825	1795	1860	1936
Sudan	9155	8647	8488	9043	9569
Togo	1081	1230	1203	1337	1489
Uganda	2160	3051	3305	3576	4168
Yemen	5160	4059	4277	4497	4746
OIC-LDCs	50623	57431	54814	59480	65346
All LDCs	105409	116201	112068	122272	133365
OIC countries	329401	402472	398841	422903	451694
Developing countries	039220	363432	325664	375430	450089

Source: World Bank, Global Development Finance, 2005.

Table A.23: Debt-GNI Ratio (EDT/GNI) (%)

	1990	2000	2001	2002	2003
Bangladesh	40.4	32.1	31.4	34.3	34.3
Benin	71.5	71.0	70.7	68.8	53.0
Burkina Faso	26.8	56.1	54.8	51.0	44.2
Chad	30.7	81.6	67.3	65.0	64.2
Comoros	71.5	113.2	109.4	109.1	89.0
Djibouti		46.1	44.8	55.7	61.8
Gambia	126.7	120.7	123.7	164.9	170.1
Guinea	92.9	111.6	109.3	107.3	96.1
Guinea-Bissau	296.7	396.1	365.0	358.6	326.6
Maldives	40.2	34.7	40.1	44.9	41.3
Mali	102.6	124.6	118.4	91.3	75.3
Mauritania	196.4	259.4	238.9	201.3	203.6
Mozambique	200.4	204.1	145.8	139.8	120.0
Niger	71.2	94.6	82.4	83.8	77.9
Senegal	68.0	84.2	81.0	84.9	69.0
Sierra Leone	206.4	199.5	177.9	192.6	211.3
Somalia					
Sudan	119.2	152.8	126.6	115.7	107.0
Togo	80.2	110.0	109.7	111.3	100.5
Uganda	61.1	60.8	67.3	69.5	73.8
Yemen	132.6	58.8	57.5	56.7	53.5
OIC-LDCs	78.7	72.9	68.6	68.5	64.7
All LDCs	94.3	90.6	85.6	85.8	82.7
OIC countries	53.9	59.0	58.8	58.3	54.0
Developing countries	36.1	40.2	39.2	39.8	38.6

Source: World Bank, Global Development Finance, 2005.

Table A.24: Debt-Export Ratio (EDT/XGS) (%)

	1990	2000	2001	2002	2003
Bangladesh	427.9	169.9	169.3	173.1	168.5
Benin	277.8	249.8	264.5		
Burkina Faso	164.8	465.5	482.8	493.9	397.6
Chad	192.7				
Comoros	389.0				
Djibouti					
Gambia	217.5				
Guinea	294.4	446.4	381.0	414.8	398.7
Guinea-Bissau	2553.9		862.3	879.1	794.2
Maldives	42.4	44.1	49.7	54.2	47.5
Mali	449.5	408.8	297.3	234.8	
Mauritania	433.0				
Mozambique	1550	916.3	425.3	433.3	388.2
Niger	304.9				
Senegal	229.7	229.5	212.1	218.4	188.2
Sierra Leone	568.8	1765.0	1413.8	1168.5	788.9
Somalia					
Sudan	2574.9	635.5	626.1	531.9	459.6
Togo	177.2	303.4	277.9	253.1	203
Uganda	1450.6	366.6	353.3	359.2	385.8
Yemen	209.9	93.2	101.6	100.2	95.7
OIC-LDCs	348.1	267.0	250.0	252.2	242.9
All LDCs	443.0	288.8	277.3	273.3	268.0
OIC countries	189	134.2	137.4	136.5	127.4
Developing countries	178.3	121.4	120.6	114.7	104.7

Source: World Bank, Global Development Finance, 2005.

Table A.25: Debt-Service Ratio (TDS/XGS) (%)

	1990	2000	2001	2002	2003
Bangladesh	25.8	8.6	7.5	7.4	6.0
Benin	8.2	11.8	8.0		
Burkina Faso	6.7	16.3	13.2	14.8	11.2
Chad	4.4				
Comoros	2.3				
Djibouti					
Gambia	22.2				
Guinea	20.1	20.4	12.3	15.2	15.1
Guinea-Bissau	31.0		30.1	13.8	16.2
Maldives	4.8	4.2	4.6	4.4	3.6
Mali	12.4	12.9	8.3	6.9	
Mauritania	29.9				
Mozambique	26.3	11.7	8.5	6.9	6.9
Niger	17.5				
Senegal	20.0	14.3	12.3	11.6	10.4
Sierra Leone	10.0	67.1	104.3	17.7	12.3
Somalia					
Sudan	8.7	2.5	2.3	0.7	0.9
Togo	11.9	6.4	6.3	2.1	1.9
Uganda	81.5	7.8	4.7	6.4	7.1
Yemen	5.6	4.5	5.2	3.3	3.1
OIC-LDCs	12.7	7.9	7.0	6.1	5.7
All LDCs	15.7	10.2	9.2	9.7	7.8
OIC countries	22.9	16.5	16.8	18.3	17.7
Developing countries	19.7	20.0	19.5	18.3	17.2

Source: World Bank, Global Development Finance, 2005.

Table A.26: Interest-Service Ratio (INT/XGS) (%)

	1990	2000	2001	2002	2003
Bangladesh	6.9	2.2	2.0	1.8	1.6
Benin	3.9	3.1	2.7		
Burkina Faso	3.2	4.8	4.4	5.5	4.1
Chad	1.8				
Comoros	1.7				
Djibouti					
Gambia	7.2				
Guinea	7.0	7.5	4.3	4.5	3.9
Guinea-Bissau	22.5	--	12.8	4.8	4.8
Maldives	1.5	1.3	1.3	1.1	0.9
Mali	4.4	3.7	1.9	2.1	
Mauritania	9.6				
Mozambique	12.7	4.2	1.8	2.1	2.1
Niger	6.4				
Senegal	7.9	4.9	3.8	4.0	3.4
Sierra Leone	4.3	17.1	12.0	7.3	5.4
Somalia					
Sudan	5.9	0.1	0.1	0.0	0.1
Togo	5.9	2.1	2.2	0.5	0.2
Uganda	20.2	2.7	1.7	2.3	2.3
Yemen	2.9	1.7	1.5	1.2	1.0
OIC-LDCs	5.0	2.6	2.1	2.2	2.0
All LDCs	6.0	2.7	2.2	2.7	2.4
OIC countries	8.9	6.1	5.6	4.5	4.4
Developing countries	8.5	6.4	5.9	4.7	4.1

Source: World Bank, Global Development Finance, 2005.

TABLE A.27: UNDP HUMAN DEVELOPMENT INDEX 2004

	Life expectancy at birth 2003 (years)	Adult literacy rate 2003 (%) (1)	Gross enrolment ratio 2002/03 (%) (2)	GDP per capita 2003 (3)	HDI rank (4)	Adjusted HDI (5)
MHDCs:						
Maldives	66.6	97.2	75		96	2
Comoros	63.2	56.2	47	1714	132	13
Bangladesh	62.8	41.1	53	1770	139	-1
Sudan	56.4	59	38	1910	141	-6
Togo	54.3	53	66	1696	143	3
Uganda	47.3	68.9	74	1457	144	6
LHDCs:						
Djibouti	52.8	65.5	24	2086	150	-18
Yemen	60.6	49	55	889	151	15
Mauritania	52.7	51.2	45	1766	152	-13
Gambia	55.7	37.8	48	1859	155	-19
Guinea	53.7	41	41	2097	156	-26
Senegal	55.7	39.3	40	1648	157	-10
Benin	54	33.6	55	1115	162	-5
Mozambique	41.9	46.5	43	1117	168	-12
Guinea-Bissau	44.7	39.6	37	711	172	-1
Chad	43.6	25.5	38	1210	173	-19
Mali	47.9	19	32	994	174	-10
Burkina Faso	47.5	12.8	24	1174	175	-20
Sierra Leone	40.8	29.6	45	548	176	1
Niger	44.4	14.4	21	835	177	-8
All LDCs	52.5	54.2	45	1328		
DCs	65	76.6	63	4359		

Source: UNDP, Human Development Report, 2005.

- (1) % of age 15 and above.
- (2) Combined ratio for primary, secondary and tertiary schools.
- (3) In PPP US dollars.
- (4) Calculated for 177 countries.
- (5) Real GDP per capita (PPP US \$) rank minus HDI rank: a positive figure indicates that the HDI rank is better than the real GDP per capita rank, a negative the opposite.

TABLE A.28: UNDP HUMAN POVERTY INDEX 2004

	Probab. at birth of not surviving to age 40 (%)	Popul. without access to improved water sources (%)	Under- weight children under age 5 (%)	HPI rank (1)	HPI value (%) (2)	Popul. (miln) 2004	Suffering from human poverty (miln)
MHDCs:							
Maldives	11.4	16	30	37	16.6	0.32	0.05
Comoros	15.5	6	25	57	31.2	0.63	0.20
Sudan	27	31	17	59	32.4	34.46	11.17
Uganda	41.6	44	23	66	36	25.86	9.31
Togo	31	49	25	76	39.5	5.42	2.14
Bangladesh	15.9	25	48	86	44.1	149.2	65.8
LHDCs:							
Djibouti	30.6	20	18	53	29.5	0.84	0.25
Yemen	18.8	31	46	77	40.3	24.91	10.04
Mauritania	30.5	44	32	79	40.5	2.91	1.18
Senegal	26.6	28	23	87	44.2	10.41	4.60
Gambia	27.8	18	17	88	44.7	1.47	0.66
Guinea	30	49	23				
Guinea- Bissau	42.9	41	25	93	48.2	1.35	0.65
Benin	30	32	23	95	48.4	7.23	3.50
Mozambique	50.9	58	24	96	49.1	19	9.33
Sierra Leone	47	43	27	98	54.9	5.31	2.92
Chad	45.2	66	28	100	58.8	8.25	4.85
Mali	37.3	52	33	101	60.3	12.2	7.36
Burkina Faso	38.9	49	34	102	64.2	12.44	7.99
Niger	41.4	54	40	103	64.4	12.18	7.84
				OIC-LDCs		334.39	149.82
All LDCs		39	41	% of OIC-LDCs			44.8
DCs		21	27				

Source: UNDP, Human Development Report, 2005.

- (1) Calculated for 103 developing countries.
(2) % of total population.

TABLE A.29: PROGRESS TOWARDS MILENNIUM DEVELOPMENT GOALS

Target	Halve the proportion of people suffering from hunger	Ensure that all children can complete primary education	Reduce under-five and infant mortality rates by two thirds	Halve the proportion of people without access to improved water sources
Indicator	Under-nourished people (% of total population)	Net primary enrolment ratio (%)	Under-five mortality rate (per 1000 live births)	Population using improved water sources (% of total population)
MHDCs:				
Maldives			On track	On track
Comoros			On track	Achieved
Bangladesh	Far behind		On track	Achieved
Sudan	On track		Far behind	On track
OIC-LHDCs:				
Togo	On track	On track	Far behind	Far behind
Uganda	Far behind		Lagging	Far behind
Yemen	Far behind		Far behind	Far behind
Mauritania	On track		Far behind	Far behind
Djibouti		Far behind	Far behind	On track
Gambia	On track		Far behind	
Senegal	Far behind	On track	Far behind	On track
Guinea	On track	Far behind	On track	Far behind
Benin	On track	On track	Far behind	
Chad	On track	Far behind	Far behind	
Mozambique	On track	Slipping back	Far behind	
Guinea-Bissau			Far behind	
Mali	Far behind	Far behind	Far behind	On track
Burkina Faso	On track	Far behind	Far behind	
Niger	Far behind	Far behind	Far behind	Far behind
Sierra Leone	Lagging		Far behind	

Source: UNDP Human Development Report, 2003.