



## COVID-19 & LDCs: Upcoming opportunities to address structural impediments

*By Elena Marmo and Barbara Adams*

The United Nations and Member States begin the 2021 calendar confronted with the need to address the ongoing COVID-19 crisis and growing global inequalities. Despite the WHO's efforts to make the COVID-19 vaccine "affordable and accessible for all" through the [ACT Accelerator](#) and calls by [CSOs](#) and [UN leadership and world leaders](#) for a People's Vaccine (a global public good free from Intellectual Property Rights), the global vaccine distribution/rollout has been dominated by wealthy, developed countries, with little if any vaccines available for small and medium developing countries.

LDCs have been hit particularly hard as a result of COVID-19. The 2020 UNCTAD Report stated: "The GDP per capita of least developed countries (LDCs) is projected to contract by 2.6% in 2020 from already low levels, as these countries are forecast to experience their worst economic performance in 30 years. At least 43 out of the 47 LDCs will likely experience a fall in their average income."

How will Member States and the UN Committee for Development Policy (CDP) factor this into their deliberations on the status of LDCs. The 22-26 February meeting of the CDP includes a Triennial Review regarding LDC graduation. The 5th United Nations Conference on the Least Developed Countries (LDC5), taking place in January 2022, is preceded in 2021 by a full calendar of preparatory and regional review meetings.

### **Committee for Development Policy**

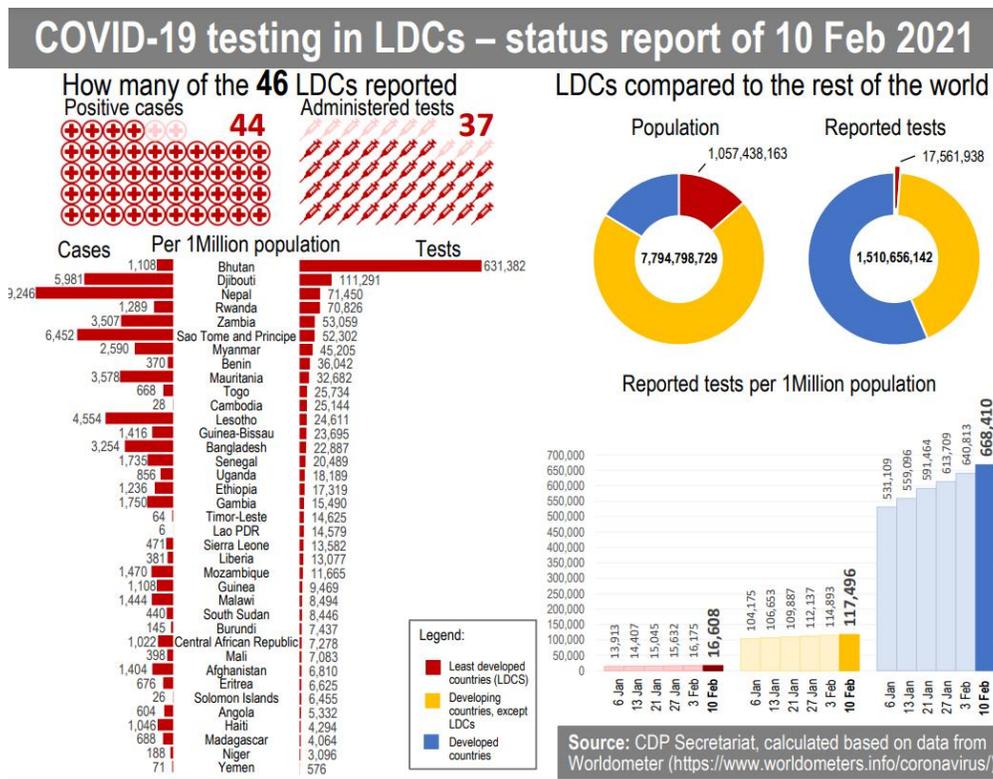
In its annual meeting from 22-26 February, CDP will hold its Triennial Review of the LDC category. Bangladesh, Lao People's Democratic Republic, Myanmar, Nepal and Timor-Leste are all eligible for graduation from the LDC category. In May 2020 the CDP [issued a statement](#) on COVID-19's effects on the prospects of graduation, emphasizing:

"Covid-19 threatens to have devastating effects on the least developed countries (LDC). Their public health systems are often underdeveloped and unable to cope with widespread pandemic. Lockdowns and social distancing measures to stop the spread are more difficult to implement and can have particularly debilitating impacts on livelihoods. Moreover, LDC economies have little resilience to shocks such as the collapse of global demand, exacerbating the socio-economic consequences of the crisis."

Graduation is recommended on the basis of LDC criteria (gross national income per capita, an index of education and health, and an economic and environmental vulnerability index) including data through the year 2019. As this method will not account for the impact of COVID-19 on the various countries eligible for graduation, the CDP has noted it will consider "additional information in the form of supplementary graduation

indicators and country-specific analysis” which “will include information on Covid-19 and its impacts”. The CDP has begun [tracking and compiling this information](#) with the latest figures detailing total COVID-19 testing and cases in all LDCs.

Figure 1.1 - 10 February CDP Report on LDC COVID testing & cases



### LDC5 Conference Preparations

LDC5 will take place in Doha, Qatar, 23 - 27 January 2022, at the level of Heads of State and Government. According to [A/RES/74/232B1](#), the main objective of this conference is to adopt a new 10-year Programme of Action (PoA). The [preparatory process](#) will be based on country-level, regional and global substantive reviews of the existing PoA priorities. These reviews will contribute to the May and July 2021 meetings of the Intergovernmental Preparatory Committee (PrepCom), whose mandate is to agree on elements of the new PoA. Additionally the General Assembly and ECOSOC will hold a joint thematic event in June on the theme: “Accelerated implementation of the 2030 Agenda in LDCs to leave no one behind in the context of COVID-19”.

Meeting	Dates
<a href="#">Organizational session</a>	8 February 2021
<a href="#">Africa Regional Review</a>	22-26 February 2021
Asia-Pacific Regional Review	(Dates TBC – tentative 18-22 April 2021)
PrepCom 1st session	24-28 May 2021
PrepCom 2nd session	26-30 July 2021
Joint thematic event (GA & ECOSOC)	18 June 2021
LDC5	23-27 January 2022

The President of the UN General Assembly (PGA) has announced that Bangladesh and Canada will co-chair the PrepCom, with a bureau made up of Qatar (LDC5 host), Malawi (African Regional Review host) and regionally representative co-chairs: Ethiopia and Uganda from the African States; Nepal from the Asia-Pacific States; Czech Republic from the Eastern European States; Haiti and Paraguay from the Latin American and Caribbean States; and Turkey from the Western European and other States.

PGA President Volkan Bozkir [cited](#) a range of structural impediments to economic development, notably foreign debt: “The latest available data suggests that 14 LDCs are at high risk of external debt distress. While the G20 Debt Service Suspension Initiative for the International Development Association countries and LDCs, and the IMF’s debt service relief for 28 LDCs for at least 12 months, are welcome initiatives, more needs to be done. This includes dedicated debt relief measures – if LDCs are to rebound from the COVID-19 shock without compromising their development spending and progress.”

The President of the Economic and Social Council [reinforced these concerns](#): “Even before the outbreak of the pandemic, LDCs were mostly off track in achieving the SDGs. The World Economic Situation and Prospects 2021 report estimates that LDCs saw their GDP shrink by 1.3 percent in 2020, which gets them even further away from the target of at least 7 percent growth, needed for sustainable development. This was mainly due to the disruption of international trade, a drop in oil prices, FDI, remittances and the collapse in tourism.”

### **LDC5 Regional Reviews**

Two regional review meetings will be held prior to the PrepComs. The [Africa Regional Review](#) will take place in a virtual format 22 - 26 February 2021 organized by the host country, Malawi and the UN Economic Commission for Africa. The Asia-Pacific Review is tentatively schedule for 18 - 22 April 2021, organized by host country Bangladesh and the Economic and Social Commission for Asia and the Pacific. Registration for the Africa Regional Review is now open for all stakeholders, including Civil Society [at this link](#).

It is crucial for these regional reviews to fully address pre-existing inequality-related conditions as well as the impact of COVID-19 on resulting and emerging inequalities—issues of debt, trade and the digital divide to name a few. The Africa Regional Review materials cite that for LDCs: “their structural constraints are compounded by new and emerging challenges, including those posed by ongoing conflict, the climate crisis, COVID-19 and their devastating impacts”. These inequalities will deepen without acknowledgement of the structural barriers to LDC development, and a plan to counteract them boldly in the upcoming Programme of Action and other intergovernmental fora.

These review processes will benefit from contributions, analyses and recommendations from a range of actors knowledgeable about and committed to LDC well-being and development. These include Civil Society Organizations (CSOs) from LDCs and many active in the development and rights arenas of health, trade, finance, ecological and gender justice and many others.

### **Extension on LDC Transition for Trade**

On 1 October 2020, the LDC Group submitted a [request to the WTO TRIPS Council](#) (IP/C/W/668) seeking an extension of the LDC transition period, for as long as a country remains an LDC and an additional period of 12 years as a country graduates from its LDC status to ensure smooth transition.

CSOs have also issued a [letter to the WTO](#) calling on WTO Members to grant the LDC Group the requested transition period, based on the many challenges LDCs face. The letter notes: “Extremely limited testing, health services and sanitation, makes curbing COVID-19 in LDCs a massive challenge. Moreover, because of the impact of COVID-19 on commodity markets and LDC economies, resources for development are even more constrained than before.”

The letter also cites the General Assembly precedent for this extension as resolutions 59/209 of 20 December 2004 and 67/221 of 21 December 2012 have called on WTO Members to consider extending to graduated LDC Members the existing special and differential treatment measures and exemptions available to LDCs.

### **UNCTAD Reporting on LDCs**

UNCTAD’s [The Least Developed Countries Report 2020: Productive Capacities for the New Decade](#) Report shares perspectives on counter-cyclical and preemptive policy measures for LDCs. It acknowledges the role of digitalization as a tool for development if carefully considered: “Advanced technologies offer ample scope for spillovers and productivity gains, but also risks deepening entrenched inequalities and technological divides”.

The report calls for “adequate financial resources, suitable policy space and more effective international support measures, notably in the area of technology transfer”. Among the policies promoted are investment for infrastructure and employment, science, technology and innovation policy framework; and brave industrial and sectoral policies to promote domestic value added and productive linkages.

In response to the report, Lazarus McCarthy Chakwera, President of the Republic of Malawi and host for the upcoming Africa Regional Review commented:

“It emphasizes the importance of comprehensive support for meso-level policies for productive capacity development in the context of addressing structural constraints and building the resilience of these countries. The international community should rally to the report’s call for greater solidarity and stronger international support to avert this crisis and build long-term resilience through fostering productive capacities. In this context, I also call on developed countries to understand that much like addressing the COVID-19 pandemic, **tackling the acute development challenges LDCs face is a multilateral issue par excellence**, and as such, should be a top priority for the international community.”

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