



CSO Perspectives on the LDC5 Programme of Action

By Elena Marmo & Alexa Sabatini

The Fifth United Nations Conference on the Least Developed Countries ([LDC5](#)) will be held in Doha, Qatar in January 2022. Preparations are already underway to negotiate the Outcome Document to be adopted in Doha, which will serve as a new 10-year Programme of Action (PoA) for the LDCs.

On 20 May 2021, Co-Chairs of the LDC5 Preparatory Committee bureau--Rabab Fatima, Permanent Representative of Bangladesh and Bob Rae, Permanent Representative of Canada--facilitated a [virtual consultation with Civil Society Organizations](#) (CSOs), designed to address policy prescriptions that LDC5 must deliver to meet the needs of people and planet.

The consultation took place a few days before the [First Preparatory Committee \(PrepCom\) meeting](#) 24-28 May, which signaled the beginning of the deliberations to shape the Outcome Document of LDC5. Member States and Civil Society also gathered for an event titled, "Diversifying the Financing Toolbox to Enhance Investment in LDCs" co-convened by the Presidents of the General Assembly and ECOSOC on 18 June. Discussions will continue during the Second PrepCom meeting 26-30 July.

Thus far, CSOs have highlighted a number of challenges and policy measures. In this compilation, their comments have been organized around the six PrepCom themes that were identified to guide Member State discussions and negotiations. They are:

- **Investing in people in least developed countries: eradicating poverty and building capacity to leave no one behind**
- **Leveraging the power of science, technology and innovation to fight multidimensional vulnerabilities and achieve the Sustainable Development Goals**
- **Structural transformation as a driver of prosperity Enhancing international trade of least developed countries and regional integration**
- **Supporting our climate, recovery from the coronavirus disease (COVID-19) pandemic and building a resilient society against future shocks**
- **Mobilizing international solidarity, reinvigorated global partnerships and innovative tools for risk-informed sustainable development: a march towards sustainable graduation.**

In their presentations the CSOs also addressed the interlinkages and gaps in the framing itself. These included more emphasis on the impacts of COVID-19 and the related opportunities to accelerate

transformative changes needed on issues of the trade regime, digital technologies, the chronic debt crisis, social protection, tax policy and worsening inequalities.

Engaging the process thus far, Civil Society members have made demands that span across the six PrepCom themes. This includes the call to move beyond siloed thinking and to consider a shift away from the status quo in the upcoming PoA. Yoke Ling Chee, Executive Director of Third World Network highlighted a need to consider growing inequality and policy coherence, saying: “we talk about transformation, the 2030 Agenda and need for it. But today we have deepening inequalities.” She emphasized the need for “aligning international policies to support international development. LDCs may have the right aspirations at the national level but if you don’t have coherent policies at the international level, you won’t achieve them.” She urged Member States to address policy changes not only in the LDC5 process, but in other global fora to usher in the much-needed transformation for LDCs.

This needed shift in the overall framing and orientation of the PoA was also cited by Demba Moussa Dembele, Chair of LDC Watch: “The pursuit of old and failed policies may only worsen the economic and social situation of LDCs in a way never seen before. Therefore, a radical change in approach to LDCs’ problems is required, both in terms of economic policies and international cooperation. Bold and decisive actions are needed as well as firm commitments and effective implementation.”

Dembele reiterated this observation, noting that: “the problem is that there is a gap between commitments and delivery”. He added:

“What LDCs need most is policy ownership and fiscal space to enable them to mobilize more domestic resources. They need the policies to help curb capital flight and tax evasion through international cooperation. In the concept note, it is said, I quote, 'The business-as-usual approach is not going to make any considerable change.' The logical conclusion is the need for radical change to approach both in terms of economic policies and international cooperation.”

Asad Rehman of War on Want called for a transition from rhetoric to action, specifically referencing: “the claim uttered by the richest countries in the world...that ‘no one is safe, until we are all safe’ rings as hollow as the unmet commitments to address the multiple crises facing many in the global South and in particular the LDC countries”.

Eradicating poverty & leaving no one behind

Emilia Reyes of Equidad de Género highlighted the importance of incorporating universal social protections in the proposed action plan: “We warn against promoting a private finance first approach...Human Rights Rapporteurs have shown the linkages to poverty and human rights violations. The Programme of Action must therefore be ambitious and structural in nature, under the human rights framework, gender equality and environmental integrity principles.”

Roberto Bissio of Social Watch challenged the ‘investing in people’ for profit framework: “...Health, education, access to water and to social security are human rights. And the Right to Development is part of

the HR architecture of particular relevance to LDCs. Depriving people of these rights is a human rights violation”.

Gershom Kabaso, National Coordinator for Zambia Social Forum (ZAMSOF) highlighted specific concerns regarding the rollback in education funding as governments’ fiscal space is constrained by debt servicing: “Reduced budget allocations towards education in order to focus on debt servicing and economic performance also detrimental... Imposition of user/school fees hit the poor at a time when cost of living is increasing and incomes reducing causing many to be left out and this has continually manifested – now there is no free education for all.”

This, Kabaso notes, is inextricably linked to economic policy. He states that “the neoliberal context mostly prioritises a ‘growing economy’ ideology over the holistic well-being of people's lives and this has been detrimental to LDC's. Globally, the rolling out of neoliberal policies has led to a additional of harmful socioeconomic consequences, including increased poverty, unemployment, unproductive labour force, and deterioration of income distribution.”

COVID-19 & Social Protection

Representing DAWN, Gita Sen highlighted the need to consider the ways in which COVID-19 has impacted the ability of LDCs to advance poverty eradication. Speaking during the thematic panel discussion at the First PrepCom, she noted: “critical thus far for LDCs have been the economic effects threatening to wipe out gains in poverty reduction, schooling and human development more generally. UNCTAD's December 2020 report warned that LDCs were likely to suffer the worst economic performance in 30 years. The CDP report's data show that key sectors, tourism, remittances and manufacturing have been hit very hard.”

Citing the disproportionate effects on already marginalized and vulnerable populations, particularly women, Sen said a focus on [social protection and health systems](#) is critical. This was echoed by Gabriela Bucher of Oxfam International, who called for a focus on investments in social protection, health and education— “those are the great equalizers that really are transformative and system transformative. And...we know that for LDCs on average, it will take 10 percent of GDP to invest in social protection to the level requirement to have a minimum social protection floor.”

Leveraging the power of science, technology and innovation

Speaking at the CSO consultation on behalf of the Just Net Coalition, Anita Gurumurthy observed: “If implemented in citizen-centric ways, digitalization of public service delivery can be a vital measure to address the multidimensional vulnerabilities of LDCs and LLDCs. However, most efforts in this direction are a slippery slope – hollowing out the public sector, transferring control of public data systems to opportunistic private entities, preventing local accountability for data and algorithms, and disregarding the human rights of citizens.”

Francisca Oladipo, coordinator of the Virus Outbreak Data Network, highlighted the need for digital capacity building for new opportunities: “Our youth needs such skills to fully participate in the new digital economy. But this requires that they have access to broadband.”

Digital Inequalities

However, embracing digital technologies also requires a careful consideration of data ownership. Oladipo stated: “The Ebola Outbreak in Liberia and West Africa taught us that digital tools are essential to solve a health crisis. Satellite equipment was flown in and data was used to get the crisis under control. However, today the Ministry of Health in Liberia does not have all the data generated in Liberia on the crisis. The data might be in many places but not in Liberia, where it was produced. The importance of data has become even more clear in the COVID-19 Pandemic. But who owns the data, and who has access to these?”

Oladipo added, “The Digital Economy is dominated by the US with 68 percent of market capitalization of the world’s largest digital platforms and China with 22 percent, and together the US and China hold 90% of the market. With data centres situated in the global north, data travel to the world’s economic powerhouses. This leaves LDCs in a weak negotiation position, with no benefits or economic opportunities returning from the data extracted from it.”

Structural transformation as a driver of prosperity

COVID-19 and Worsening Inequalities

Speaking at the first PrepCom, Gabriela Bucher outlined a need to address the deepening inequalities within and among countries as a result of the COVID-19 crisis: “it would take over a decade for the world’s poorest people to recover from the economic impacts of the pandemic in sub-Saharan Africa...On the other side, one thousand richest billionaires on the planet recoup their COVID-19 losses within just nine months and that’s the story at the top. So we are facing an inequality virus.” As such, “a radical pursuit of equality must define how we heal as people and as planet”.

This requires coordinated action by both donor countries and LDCs: “every country needs to set clear, time-bound and concrete targets and plans to reduce the gap between rich and poor. And donors need to give the fight against inequality the absolute priority”. And further, the PoA must address unequal COVID-19 recovery efforts. Bucher cites that “with fiscal space comes fiscal imagination to invest in people. We’ve seen rich countries unleash 9,836 dollars per person in stimulus spending, compared to 17 dollars per person spent by LDCs.”

Speaking at the CSO consultation, Roberto Bissio emphasized that global inequalities, particularly those of income, still existing between LDCs and developed nations six years after the adoption of the 2030 Agenda: “With so much attention devoted to income poverty, it should be mentioned that while a person earning less than US\$13,000 is considered poor in most rich countries, a person earning US\$5,000 a year is part of the top 5 percent in most LDCs”.

Bissio further reiterated: “Most LDCs have less domestic inequalities than other developing countries, but the depth of global inequalities should be highlighted. It is so extreme, and worsening, that it falls beyond the understanding of most of the public and yet it might explain many of the problems we want to deal with, including the problem of conflicts affecting more than half of the LDCs. While peace is essential, but all of the permanent members of the Security Council in charge of overseeing peace are major arms exporters. Investing in arms for the LDCs seems to pay more than investing in their people in the real world.”

Division of Labour & Extractive Industries

Speaking at the CSO Consultations, Emilia Reyes cited neocolonial dynamics are “reproducing a pervasive Global Division of Labor, splitting the world between those who extract and exploit resources, data, human labor, as well as environmental and biodiversity integrity, and those who endure the externalities of that exploitation”.

Asad Rehman of War on Want discussed the ‘building back better’ policy agendas created by the global North in response to the COVID pandemic: “... but [they] are prefaced on the same model of extraction of resources, exploitation and prioritisation of capital accumulation for the richest in the world that has led to a world of violent contrasts: colossal wealth and immense poverty, chronic hunger and plentiful food, a restrictive economic system, yet abundant possibilities”.

Enhancing international trade of LDCs and regional integration

Francisca Oladipo expressed some of the technological challenges facing LDCs: “Today, only one in five people in LDCs are online. Half of the world remains offline. Women are more without access to connectivity in LDCs than anywhere else. The inequality in digital connectivity is increasing rapidly. Not being connected, not having access to data, means missing out on the digital economy”.

COVID-19 & TRIPS Waiver

At the first PrepCom meeting, Gita Sen also highlighted the intersections between international trade policy and the ability for LDCs to provide adequate health outcomes, and as such, COVID-19 recovery must be a central focus of the forthcoming PoA. She noted:

“Health and economics are closely intertwined everywhere, but nowhere, perhaps more so than in LDCs. Neither tourism nor remittances are likely to improve unless people are vaccinated. The single most important issue, therefore, today is access to vaccines, as well as to diagnostics and therapeutics. And the single biggest barrier to help globally and LDCs, where almost nobody has been vaccinated thus far or are unlikely to be in the rest of 2021 and possibly 2022, the single biggest barrier is the World Trade Organization's (WTO) TRIPs Council.”

Given this reality, it is important for the WTO to approve the temporary TRIPS Waiver proposed by India and South Africa, which would waive the intellectual property protections on COVID-19 vaccines and therapeutics so that countries can afford to develop vaccines across the globe.

At the CSO consultation, Roberto Bissio stated: “Demanding support is not enough: the Conference should highlight that many LDCs have capacity to produce vaccines, for them and for the world, if only the TRIPS provisions were waived”. Gita Sen also advocated for a permanent extension to the TRIPS transition period, “so that it lasts for as long as the country is in LDCs and for a further 12 years for a smooth transition”.

Intersections of trade & digital technologies

During the CSO consultation, Anita Gurumurthy of IT for Change highlighted: “Global rules in digital trade and TRIPS-plus provisions in FTAs perpetuate the laissez faire regime of cross-border data flows, pushing for

unrestricted access of digital companies to LDC markets and preventing LDCs from developing their own technological capability”.

Supporting our climate, recovery from COVID-19 and building a resilient society

Emilia Reyes explained how the COVID pandemic has further strained LDC societies: “COVID 19 showed richer countries centralizing their efforts in their own recovery and profiting, including even with unethical hoarding of vaccines...LDC’s are already facing harsh conditions due to the climate emergency, and the debt crisis is worsening the conditions, even more for the most discriminated groups of population. In this regard, the usual dynamics of the financial and economic global architecture are the origin of the problem.”

Asad Rehman, speaking on the global inequities further exacerbated by the pandemic: “...Covid exposed the structural inequalities and injustices...between societies in the north and south. Rich countries responded by throwing away the neoliberal economic rule book that they imposed on others, directly intervening in their economies to safeguard their citizens and economies, whilst denying those very same tools and the financial means for countries in the global South to do the same.”

Rehman, emphasized the emerging threats of the changing climate: “The reality of the climate crisis... that threatens the lives and livelihoods of so many in LDC countries, is one we are all too aware of. Just last month the current policies in place were assessed...we are heading to a warming of the planet 2.9c that threatens the very existence of many in the global South.”

He further warned: “It is clear to us all that we are in decade zero where the decisions being made will determine who lives, who dies, whose lives don’t matter and who is sacrificed. As the UN special rapporteur on human rights and extreme poverty warned we face a climate apartheid where the rich will seek safety and the poor are left to die.”

Amanda Khozi Mukwashi of Christian Aid reiterated these concerns during a thematic panel at the first Preparatory Committee meeting. She noted: “It is critical that at the very least, rich countries deliver the 100 billion for climate finance that was promised. This should be through additional pledges. They must ensure this is evenly allocated to both mitigation and adaptation initiatives. Alongside this, it is also important that additional financing is needed through a separate mechanism to address the additional impacts of irreversible loss and damage, especially for the small island states.”

Rezaul Karim Chowdhury, Executive Director of COAST Bangladesh also highlighted the disparity in access to funding for LDCs: “LDCs adaptation demand is per year 70-80 billion USD, but they are getting less than 18 percent from GCF”. He also urged: “The arrangements in relation to Loss & Damage developed under UNFCCC and its Paris Agreements should be further enhanced and made operational. In particular clear and operational links to appropriate financial support mechanism.”

Mobilizing international solidarity

Emilia Reyes underlined the need for global support for LDCs: “The problems of the LDCs will not be solved with a micro, local or national approach: they are macro in nature, and these should be addressed with the entire global community, with the LDCs seated at the decision-making table. Articulating the economic and financial dynamics within the new partnership to be developed in LDC5 will be crucial.”

Further, she added: “The weak outcome of the recent Financing for Development process will have an even more negative effect in the LDC’s, given that they are unable to attend elitist forums of decision making... It is therefore crucial to promote in the lead to the General Assembly this year a Monterrey plus or FfD conference to transform the current global dynamics.”

Corporate Taxation & Illicit Finance

Roberto Bissio described the problems of illicit finance in LDCs: “The Mbeki panel has abundantly demonstrated how more money flows out of LDCs through illegal financial transfers, most of it by multinational corporations, that what flows in via ODA... productive investment is badly needed in LDCs. And it has not flowed in as the Istanbul declaration expected.”

Bodo Ellmers of Global Policy Forum called into question international policymaking on tax: “Global tax rules have been and are being negotiated, but the rules disadvantage LDCs, do not take their needs into account. Which is not surprising as they are being negotiated at the OECD, where LDCs have no stake.”

During the first Preparatory Committee meeting, Gabriela Bucher of Oxfam International called for “a system of progressive taxation that taxes at the highest levels of income and of course taxes corporations in LDCs. A critical component to advancing this requires the international community agree upon a global minimum corporate tax.”

She added that changes must be made to ensure progressive taxation: “the fairness and the equitability of the system relies on the poorest not being taxed for the sake of taxing, but rather a fair balance and a fair mix being applied to ensure that those who can afford pay and that there is a fair share of taxes paid”.

Roberto Bissio chimed in: “To not mention those allies of corruption and only point the finger to the existence of corruption in LDC countries adds damage to injury, as the reader easily concludes that LDCs are responsible for their fate and not the victims of a failed global order and the legacy of slavery and colonialism”.

Lending & Debt Cancellation

In his statement at the CSO consultation, Bodo Ellmers of Global Policy Forum outlined the limitations of the IMF’s Special Drawing Rights. Given the fact that IMF Member States determine quotas, only a fraction of the allocation will end up supporting LDCs: “A reallocation mechanism is needed that ensures that the whole SDRs allocation goes to developing countries, with a substantial share to LDCs. This mechanism must preserve the SDR as a financial instrument that does not come with harmful economic policy conditionality

attached. The use of SDRs should be determined by foreign actors but by LDCs themselves, in a democratic process.”

At a thematic panel during the official Preparatory Committee meeting, Gabriela Bucher cited the links between debt relief and increasing fiscal space for LDCs to advance social protection policies and the SDGs. She commented: “We need debt relief, canceling all payments, including to private creditors until the end of 2023. LDCs need to be paying for nurses and not paying back debt at the moment. We need to move now to deliver a first step.”

Others also commented on this, critiquing the inadequacy of the G20 efforts thus far. During the CSO consultation Ellmers noted: “The G20 have offered debt suspension to LDCs last year. But debt suspension is not debt reduction. The G20’s “DSSI” in practice just means kicking the can down the road. Many LDCs require actual debt cancellation. The G20’s Common Framework for Debt Treatments beyond the DSSI that was adopted in November has not achieved anything in this regard either.”

Amanda Khozi Mukwashi added, “since covid-19, the share of revenues spent on debt repayments has risen from 20 percent to 30 percent. The IMF estimates over half of these countries in the region are in debt, distress, or at least at high risk of it. The G20’s debt servicing suspension initiative falls far too short of what is needed. Almost half of all African government external debt is owed to commercial creditors who are outside the scope of the deal. Private creditors, including the multilateral development banks, must come to the table.”

Official Development Assistance (ODA)

Gabriela Bucher highlighted the role of ODA during the First Preparatory Committee meeting: “we need more aid. This is not charity, but justice. ODA matters to LDCs making up a full 1/4 of the external finance. So rich countries can do more as they’ve done at home in the pandemic, 0.32% of GNI spent on aid in 2020 is too little.”

This was echoed by Harpinder Collacott of Development Initiatives who called for a shift to thinking of ODA as instead, Global Public Investment: “moving away from the broken promises and the patronizing language of the current only system to assist a new system where all contributors approach public finance as a obligation that they all contribute to and they all receive from based on need.”

What’s missing? What gaps exist?

Gender Equality

Emilia Reyes underscored the gendered inequalities of the labour market, saying:

“We have seen the macro dimension of gender inequalities by realizing that while the larger global corporations’ last year profits rose to US\$10.2 trillion, estimations of the value generated by unpaid domestic and care work performed by women amounts to US\$10.8 trillion annually –three times the size of the world’s tech industry. The correlation in the extraction of value is quite clear. Add to that the precarious conditions women face in informal jobs, where they are majority. Women have

been at the frontline of the response, and yet Women’s human rights have seen a regression of almost 20 years.”

Human Rights

Asad Rehman took into consideration discriminatory policies:

“Be it the response to the Covid pandemic, the ongoing climate crisis, the crisis of economic inequality and the deliberate impoverishment of so many countries through unjust and unfair neoliberal economic policies , their continues to be an active denial of the universal truth that everyone, simply by being born into our world, has the right to a dignified life.”

Rehman additionally noted: “Just as with the response to the Covid pandemic that prioritizes the economic interests of the global North, through vaccine apartheid, countries in the global North are also basing their own recovery on a massive wave of resource extraction in the global South, whilst refusing to question the intense energy use of the wealthiest societies, or unequal energy distribution and access.”

He concluded: “This is because we have a world riven by deep imbalances of power, generated by historical injustices of recognition, distribution and exclusion. There are systems of injustice that have become entrenched over time, that as a result, we are not equal, neither in our exposure to violence or injustice, nor in our capacity to address it.”

Peace and Conflict

Amanda Khozi Mukwashi of Christian Aid emphasized: “Donors must reassess where their priorities are in order to deliver for least developed countries and stop focusing on security at the expense of peace, human rights and justice. While military expenditure is estimated to have accounted for 2.2 Percent of world gross domestic product in 2019, if even a fraction of this was invested in peacebuilding, we would see more transformative change.”

LDC Graduation

Many CSOs have [released an open letter](#), calling on the US Trade Representative and the European Commission to support the LDCs’ request to extend the TRIPS transition period. This notes that:

“With the Transition Period expiring on 1 July 2021, and with LDCs suffering disproportionately in the midst of the COVID-19 pandemic, we view with alarm the attempts to weaken and undermine the LDC request (IP/C/W/668) and the lack of progress so far.

According to UNCTAD’s LDC Report 2020, LDCs are now facing the worst economic crisis in 30 years as a result of COVID-19, and are expected to see falling income levels, widespread employment losses and widening fiscal deficits. At least 50 percent of the world’s extremely poor live in LDCs, and the current COVID19 crisis is estimated to have pushed at least 32 million more people into poverty in 2020.

The report informs that ‘at least 43 out of the 47 LDCs will likely experience a fall in their average income’ and that ‘the current account deficit of LDCs is forecast to widen from US\$41 billion (or 3.8% of their collective GDP) in 2019 to US\$61 billion (or 5.6% of their GDP) in 2020, the highest value ever’. Shockingly, the UN Inter-agency Task Force on Financing for Development’s 2021 report has found that ‘COVID-19 could lead to a lost decade for development - one most pronounced in the Least Developed Countries (LDCs).’

At this moment LDCs need maximum policy flexibility. Even before the COVID-19 crisis LDCs faced severe constraints, such as limited availability of skilled labour, productive capacities, access to secondary education, electricity, and internet access. The basic conditions to benefit from full TRIPS implementation are mostly absent in LDCs. They also lack affordable access to knowledge-based goods crucial for sustainable development such as access to health products including for COVID-19 such as ventilators, educational materials, green technologies.”

Demba Dembele pointed out that the Debt Service Suspension Initiative is not the right answer to LDCs needs. But in this time of commitment, what is needed is an unconditional debt cancellation for all LDCs as called for by dozens of countries, several international institutions, civil society organizations and eminent persons”.

Harpinder Collacott of Development Initiatives called for "questioning entrenched power relations to build a much more democratically accountable approach to governance" and to depart "from the insistence that countries graduate after achieving a relatively low level of per capita income to thinking...long term".

Roberto Bissio reiterated the purpose of designating LDCs as a distinct group: “The idea was NOT to set them apart, stigmatize, or imply that those countries should be treated WORSE, but this is in fact what happens, and is also evident in the conceptualization/ some of the background papers for this PrepCom, that need urgently to be revised.”

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