



Heard during UN LDC5 preparations

By Alexa Sabatini

“We are in the midst of an unprecedented crisis. The severity of its impact is being felt globally. The LDCs are bearing its heaviest brunt. They have weak infrastructures, and a serious lack of capacity to cope with internal and external shocks.”

-- H.E. Rabab Fatima, Permanent Representative of Bangladesh and Co-chair of the Fifth UN Conference on LDCs (LDC5) Preparatory Committee

Ambassador Fatima’s remarks highlight the drastic consequences the COVID-19 pandemic has wrought on LDC countries. Referring to the scheduled process of LDC “graduation” out of that category, managed by the UN Committee on Development Policy, she underlined the way in which the pandemic has upended progress since the last LDC conference, 10 years ago in Istanbul, and its outcome document, the Istanbul Programme of Action:

“Since Istanbul, considerable progress has been made by many LDCs. Four countries have already graduated from the LDC category and 16 others are in different stages of graduation. However, the COVID-19 pandemic has jeopardized these decade-long development gains.”

On 24-28 May, Member States met for the [first Preparatory Committee](#) (PrepCom) for LDC5 to discuss priority issues for the draft outcome document to be adopted in January 2022 in Doha, Qatar. The [second PrepCom session](#), 26-30 July 2021, will further address preparations for the LDC5 conference and launch negotiations on the successor Programme of Action. Additionally, on 18 June, the Presidents of the General Assembly (PGA) and the Economic and Social Council (ECOSOC) initiated a joint event: [“Diversifying the Financing Toolbox to Enhance Investment in Least Developed Countries”](#).

These meetings served as inputs to the LDC5 Conference which [will aim to](#):

1. **Undertake** a comprehensive appraisal of the implementation of the IPoA;
2. **Mobilize** additional international support measures and action in favour of LDCs; and
3. **Agree** on a renewed partnership between LDCs and their development partners to overcome structural challenges, eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category.

Throughout preparations thus far, Member States have shared their main concerns. Among the concerns of LDCs include: the impact of COVID-19 on LDCs, financing mechanisms, the digital divide, graduation support, and domestic best practices to enable growth.

LDC Member States articulated that reaching these objectives will require greater support from the international community, including: debt cancellation, funding and investment in LDCs, innovative financing mechanisms, assistance for graduation transitions, and greater transparency and accountability from international partners. Additionally, developed countries also highlighted: the need to center efforts on SDG implementation, building productive capacities in LDCs, mobilizing greater domestic resources, reiterating LDC commitments within domestic policies, curbing corruption, and diversifying markets for structural transformation. They further recognized LDC challenges of COVID-19 recovery, climate change, and the LDC graduation transition.

LDC Graduation

- ❖ “Let me share our expectations for Doha...a new architecture of incentives-based graduation packages that will ensure that all LDCs graduate and a continuum of development to support those LDCs that have graduated.” –*Malawi on behalf of the LDC Group, 18 June*
- ❖ “Upon graduation, LDCs are likely to lose LDC specific support, potentially in addition to the impacts of the pandemic. Continued support is required to sustain the development trajectory.” –*President of the General Assembly, 18 June*
- ❖ “Also, graduating from the LDC category should be part of a holistic process, coupled with appropriate support, in view of a smooth economic transition and a sustainable path to development.” –*Portugal, 18 June*
- ❖ “We must take a cold, hard look at the UN processes related to LDCs, including... timelines and incentives associated with the graduation process.” –*New Zealand, May PrepCom*
- ❖ “And I think that graduation is something that we come back to quite often in relation to LDCs. So potentially something around support for smooth transitions and for countries graduating could be very impactful in terms of supporting LDCs as they make that transition.” –*UK, May PrepCom*

Vaccine Equity & Inequity

- ❖ “First, the new Programme of Action should come up with some concrete actions and support measures at national, regional and local levels to enable LDCs to recover from the pandemic fully and expeditiously, while access to vaccines at an affordable cost is the number one priority. We need much more to build a broken health system to deal with the public health issues.” –*Malawi on behalf of the LDC Group, May PrepCom*
- ❖ “...technology and technical know-how relating to the manufacturing of drugs and vaccines is key for a sustainable and resilient recovery in LDCs and should be given thorough consideration in the next Programme of Action.” –*Turkey, May PrepCom*
- ❖ “Official development assistance providers should meet the financing gap over the access to COVID-19 tools, accelerate and rally behind the efficient and equitable distribution of vaccines to ensure universal vaccination in LDCs.” –*President of the General Assembly, 18 June*

- ❖ “These challenges should strengthen our determination to give more priority to LDCs in our ongoing international response to COVID-19, including ensuring timely access to vaccines and strengthening public health systems, providing debt relief and scaling up financial support.” –*ECOSOC Vice President [Permanent Representative of Botswana], 18 June*
- ❖ “The first one is vaccines. When we look at the world today, we have over 30 people in every one hundred million who have been vaccinated. We have 2.6 on the [African] continent. So 30 people in the advanced economies, 2.6 [in developing] countries.” –*Economic Commission for Africa, 18 June*

Digital Technologies

- ❖ “Technology and renewable energy are urgently needed, for the pandemic has highlighted the importance of digital technologies and e-commerce as a tool for continuing economic activities during the crisis. Regrettably, LDCs are completely left out from this field.” –*Malawi on behalf of the LDC Group, May PrepCom*
- ❖ “Things like conflict, human rights, gender equality, governance or issues related to digital connectivity can have significant impact and must be part of these deliberations.” –*New Zealand, May PrepCom*
- ❖ “We also need new commitments to build productive capacities in the health and education sectors, investing in digital infrastructure, science, technology and innovation, designing and implementing green industrial policies and diversification of economic and export structures.” –*Botswana, 18 June*
- ❖ “...measures to build digital infrastructure, knowledge and technology-based societies in LDCs are critical to that 2030 trajectory and in closing the digital divide.” –*Malawi on behalf of the LDC Group, 18 June*
- ❖ “At the core of the 2030 Agenda is our declared goal to leave no one behind. We must work towards universal and equitable access, and this means investment in digital infrastructures and technologies. This investment in connectivity is a key ingredient to building back better and building resilience against future shocks,...extending digital technology to all, including remote areas to connect rural-urban supply chains can be done in cost effective ways and surely will contribute to alleviating poverty...” –*High Representative of LDCs, LLDCs, & SIDS, 18 June*
- ❖ “This is a moment where we can invest significantly together in a global digital, inclusive economy. These are unique moments that are both critical in terms of coping with a crisis, but also an accelerating recovery.” –*Achim Steiner UNDP, 18 June*

Trade

- ❖ “We want to see renewed and reinvigorated commitment of development partners and the countries of the South...in areas of trade.” –*Malawi on behalf of the LDC Group, May PrepCom*
- ❖ “Turkey strongly supports the inclusion of solid commitments to build productive capacities in LDCs to promote structural economic transformation, mobilizing domestic resources and creating enabling environments for private investment as the laws preventing unfair trade and financial rules, subsidies and other policies should be part of our discussions...” –*Turkey, May PrepCom*

- ❖ “...according to the latest reports, LDCs have not improved their participation in world trade during the Istanbul Programme of Action and faced numerous structural challenges for financial resources and capacity building.” –*Brazil, May PrepCom*
- ❖ “Financing and the implementation of suitable well-managed financing mechanisms are difficult to address and even more difficult to accomplish. Least Developed Countries are still marginalized from the decision-making processes including those pertaining to global trade and finance.” –*Eritrea, 18 June*
- ❖ “I encourage you to use this meeting to consider measures that will address the long-standing flaws in the prevailing multilateral trade and financial and debt architecture and bring the outcome of your discussions.” –*President of the General Assembly, 18 June*

Investment

- ❖ “The situation has worsened. Remittances have declined, while flows of foreign direct investment have decreased significantly and official development aid remains under pressure as donor countries themselves struggle with their own economic woes.” –*UN Secretary-General, 18 June*
- ❖ “The right policy and institutional frameworks must be put in place to facilitate an unprecedented investment push in the productive capacities of LDCs. The evidence has shown that LDCs with more productive capacities have been better equipped to withstand COVID-19.” –*President of the General Assembly, 18 June*
- ❖ “These countries are struggling to service their debts and have to make a painful choice at the expense of much needed investment in health, education, and social protection in the context of an unrelenting pandemic.... ..And as we work to recover from the impacts of the pandemic, the support by the international community is needed for LDCs to introduce new financing tools and investment products to overcome the challenges increasingly faced by these countries.” –*ECOSOC Vice President [Permanent Representative of Botswana], 18 June*
- ❖ “Almost half of the LDCs are now assessed at a high risk of debt distress or in debt distress. While we commend the Debt Service Suspension Initiative, a more aggressive and comprehensive debt relief measure is urgently needed for LDCs. Special Drawing Rights allocations of US\$650 billion can ease pressure on the current account balances of LDCs and reduce some financing gaps.” –*President of the General Assembly, 18 June*

Funding

- ❖ “As the means of implementation are critical, we want to see renewed and reinvigorated commitments of our development partners... these include...launching of different bonds and guarantee schemes for LDCs to address funding gaps and build resilience against future shocks.” –*Malawi on behalf of the LDC Group, 18 June*
- ❖ “LDCs have not improved their participation in world trade during the Istanbul Programme of Action and have faced numerous structural challenges for financial resources and capacity building...” –*Brazil, May PrepCom*
- ❖ “The risks to the achievement of the SDGs in LDCs from a lack of ambitious and transformative global development, finance and policy responses cannot be overstated. The annual financing

gap to achieve the SDGs by 2030 was US\$2.5 trillion before the pandemic. It is now US \$4.2 trillion, and ODA remains a key mechanism to support and support the LDCs.” –*President of the General Assembly, 18 June*

- ❖ “Debt cancellation is what is needed for the LDCs to avoid widespread defaults and to facilitate investment in recovery.” –*ECOSOC Vice President [Permanent Representative of Botswana], 18 June*
- ❖ “We must strengthen domestic resource mobilization of least developed countries too and close international tax loopholes. We must reverse the decline in official development assistance and step up...triangular cooperation. And we must put in place the incentives to reverse the decline in foreign investment and ensure that long term private international capital flows promote sustainable risk, informed, resilient and inclusive economies.” –*UN Secretary-General, 18 June*

Climate Change

- ❖ “Climate change and associated natural disasters are taking a heavy toll on the lives and livelihoods of LDCs. If we cannot build our coping capacity, LDCs will continue to lose decades of gains by recurring shocks and crises.” –*Malawi on behalf of the LDC Group, May PrepCom*
- ❖ The pandemic has demonstrated that all aspects of our planet, including ourselves, are inextricably linked. We will all suffer if LDCs cannot recover from COVID-19 and LDCs will suffer if we do not fulfill our international commitments, including on climate where they have the least capacity to absorb the costs of adaptation.” –*President of the General Assembly, 18 June*
- ❖ “Energy transition investment is the key driver to meet the net zero emission targets of the LDCs. It is an investment that can help transform and reinvigorate economies, support the recovery phase and create a wide range of jobs.” –*High Representative for LDCs, LLDC, & SIDS, 18 June*
- ❖ “Climate change induced disasters that are happening with high frequency and intensity are also a common phenomenon in LDCs. This has caused further loss in income and investment opportunities in these countries.” –*ECOSOC Vice President [Permanent Representative of Botswana], 18 June*
- ❖ “Most will likely take several years to reach the level of GDP per capita they had in 2019 and for some possibly five years or more. All of this is compounded by intensifying climate impacts, such extreme weather events which cripple communities and impede development....So we must ensure that the goal to mobilize US\$100 billion in climate finance annually for developing countries is met or exceeded before this year's United Nations climate conference.” –*UN Secretary-General, 18 June*

SDGs

- ❖ “Yet, in six years after the adoption of [the 2030 Agenda and the Addis Ababa Action Agenda on FfD] implementation is nowhere to be seen. How do we assure ourselves that the other goals and targets will not face a similar fate? How do we explain the failure to scale up collective action to match the collective ambition?” –*Nepal, 18 June*
- ❖ “Most importantly, it [DPoA] must outline that the 2030 Agenda presents the roadmap for more prosperous, peaceful, just and greener societies. Our focus should not be on reiterating these

goals and targets, but rather on identifying the specific issues and actions that will best support LDCs achieving them.” –*New Zealand, May PrepCom*

- ❖ “It is estimated that LDCs will take at least five years to return to their pre COVID status. Achievement of the 2030 Agenda is severely at risk.” –*President of the GA, 18 June*
- ❖ “With weak economic growth and existing inequalities and vulnerabilities rising, the prospects for achieving the 2030 Agenda become even more unlikely.” –*ECOSOC Vice President [Permanent Representative of Botswana], 18 June*
- ❖ “Poverty, hunger, malnutrition, maternal and child mortality and lack of capacity to develop sustainably present serious challenges which are directly linked to the fulfillment of the goals established in the Istanbul Programme of Action and in the 2030 Agenda.” –*Portugal, 18 June*
- ❖ “Our conversations have to address the international economic models, norms and institutions that are often rigged against the billions living in the developing world.” –*Eritrea, 18 June*

Social Watch

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