



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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Mobilizing international solidarity, accelerating action and embarking on new pathways to realize the 2030 Agenda and respond to COVID-19:

African countries, Least Developed Countries and Landlocked Developing Countries

Thursday, 9 July 2:00 PM - 4:00 PM

Secretariat Background Note

Advancing human well-being is at the heart of sustainable development. It is about upholding human rights, eradicating poverty and deprivations across multiple dimensions, closing opportunity gaps and expanding capabilities. The COVID-19 pandemic and the related global economic recession will cause a rise in poverty, global economic inequality and inequitable distribution of development gains within and among countries. The least developed countries, landlocked developing countries and African countries will bear the heaviest burden of these impacts. These countries are vulnerable due to the fragility of their health systems, limited coverage of their social protection systems, limited financial and other resources, vulnerability to external shocks, and significant dependence on international trade and financing. In many of these countries the effects of the pandemic are amplified by the ongoing conflicts, instability and the climate crisis. Challenges remain in ensuring that existing vulnerabilities are not exacerbated, by external economic and other factors.

The poorest and most vulnerable populations are disproportionately affected by COVID-19, including women, children, older persons, persons with disabilities, migrants and refugees and informal sector workers.¹

While the pandemic does not appear to have as yet hit these groups of countries in special situation as hard as other parts of the world, the available statistics do not reflect the true situation prevailing in these countries, given their lack of adequate testing kits and laboratories, know-how and reporting capacities.

¹ Report of the Secretary-General on Progress toward the Sustainable Development Goals, E/2020/...



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Covid-19 thus threatens to undo progress achieved towards sustainable development by LDCs, LLDCs and African countries over recent decades. Even before the current crisis, they were unlikely to achieve the SDGs. Further impacts posed by COVID-19 and the global economic recession may mean the 2030 Agenda for Sustainable Development will be missed in most of these countries without robust policy responses. The projected global recession will hit these countries hard for a protracted period of time.

Export earnings of LDCs and LLDCs are primarily based on light manufacturing, including garments, few commodities, remittances and tourism. All those areas have been severely affected by cancellation of export orders and mandated factory closures and lockdowns; travel restrictions; drop in demand in export markets; drastically reduced remittances due to loss of employment by migrant workers and reduced demand for migrant workers; and reduced demand and resulting price declines of commodities in the global market. Collectively these factors have caused serious damage to the already weak and vulnerable economies of LDCs, LLDCs and African countries.

Lack of structural transformation and diversification of economies have also exacerbated the devastating effects of the pandemic in LDCs, LLDCs and most African countries.

Investment in developing productive capacities, including in entrepreneurship, climate resilient infrastructure, energy, agriculture, science and technology and digitalization—is insufficient, hindering transformation. LDCs, LLDCs and African countries continue to face challenges in mobilizing commercial and other capital for investments in these areas. The proportion of people using the Internet in developed countries is more than four times that in the least developed countries and more than three times that in the LLDCs.

Net ODA flows stagnated at \$147 billion in 2019. Bilateral ODA to least developed countries recovered by 3 per cent in real terms from 2018, but remained far below the target of 0.15 to 0.20 per cent of gross national income committed by many developed countries. Aid to Africa rose by 1 per cent, but humanitarian aid fell by 3 per cent. ODA to LLDCs fell by 4.1% in real terms in 2018. The LDCs and LLDCs, already experiencing declining FDI inflows since 2011 will be negatively affected by significant decline in global FDI in 2020-2021.



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Recommendations for action: Mechanisms and partnerships to accelerate progress

Urgent decisive actions are needed now more than ever to halt the reversal of gains made by these most vulnerable groups of countries. Actions need to be taken by affected countries and by international development partners. They should include a package of international support measures, to protect these vulnerable countries' health and economic sectors. Also important is ensuring women's empowerment and climate resilience. Building back better and smarter would help economies of LDCs, LLDCs and African countries to recover in a healthier, more equitable, clean and safe environment.

The recovery requires emergency support for public health system, stronger and more inclusive social protection system, building technology-based education system for e-learning, scaling up official development assistance, debt relief and debt standstill, lifting trade barriers and increasing aid for trade support as well as fast-tracking access to emergency funding windows in the World Bank, IMF and other entities. Also important is protecting migrant workers, thereby promoting higher levels of remittances. There should also be improved access to climate finance to fund infrastructure for climate resilience and adaptation. Also critical are accelerated efforts to strengthen the capacities for governments in general, and sub-national governments in particular.

Scalable blended finance that address currency exchange risks, for example, can be made to work better for infrastructure investment and small and medium enterprises in these group of countries

The Fifth United Nations Conference on the Least Developed Countries², which was scheduled to take place in March 2021, offers an important opportunity to prepare a new programme of action for LDCs for the next decade, with a view to addressing the challenges of COVID-19, achieving the 2030 Agenda and realizing the ambitious principle of leaving no one behind.

Guiding questions

- How can the lessons from the COVID-19 pandemic and its effects be used as an opportunity for enhancing resilience and structural transformation in LDCs, LLDCs and African countries?

² <http://unohrlls.org/unldc-v/>



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- What structural and other changes are needed to address the impacts of COVID-19 such as rising external debt, drop in remittances and tourism or impact on food security? How can they be accelerated for realizing the decade of action for the SDGs?
- What specific policy measures and international support are needed to protect medium and small-scale enterprises and their role in the economies of some of these vulnerable countries?
- What strategies can we use to build back better, smarter and resilient in LDCs, LLDCs and African countries?
- What recommendations would you make for the next decade in the context of the future programme of action for LDCs?
- How can we resume and accelerate progress in achieving the SDGs and delivering on the programmes of action for LDCs and LLDCs and NEPAD?