



Committee for Development Policy (CDP)'s input to the 2021 High-Level Political Forum

The CDP held its 23rd plenary session on February 22-26, 2021. The information below is based on the discussions held at the meeting and on the Committee's intersessional work, notably the comprehensive study on the impact of COVID-19 on the LDC category undertaken at the request of the Economic and Social Council (ECOSOC) (resolution E/2020/10), analysis of the 2020 voluntary national reviews and the policy note on "Development Policy and Multilateralism After COVID-19".¹ The CDP's consolidated recommendations to ECOSOC on the annual theme – ***"Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development"*** – are contained in the report to ECOSOC on the 23rd session (CDP, 2021a, forthcoming). Excerpts of the report are reproduced here, structured around the suggested template, along with conclusions of other relevant CDP documents and ongoing research. Unless otherwise stated, the excerpts in quotations are from the report, as yet unedited.

The Committee for Development Policy (CDP), a subsidiary body of the Economic and Social Council (ECOSOC), advises the Council on a wide range of development issues. Among other activities, it submits annual contributions on the Council's themes and is the body in charge of recommending the graduation of countries from the least developed countries (LDC) category. Its 24 members are nominated in their personal capacity by the Secretary-General. Membership is geared to reflect a wide range of development experience as well as geographical and gender balance. More information at <https://cdp.un.org>.

(a) Impacts of the COVID-19 pandemic on the implementation of the SDGs under review in the 2021 HLPF from the vantage point of your intergovernmental body, bearing in mind the interlinkages with other SDGs

Not only has the COVID-19 pandemic jeopardized the possibility of countries achieving the SDGs, but many of the gains achieved under the SDG banner are under threat. The crisis has exposed and exacerbated vulnerabilities and inequalities in both developing and developed countries, deepening poverty and exclusion and pushing the most vulnerable even further behind (CDP, 2020).

The CDP conducted, at the request of ECOSOC, a comprehensive study on the impact of COVID-19 **specifically on least developed countries (LDCs) (CDP, 2021b)**. The study concludes that while LDCs have not been particularly hard-hit by the disease itself, the socio-economic fallout of the pandemic has been severe. Among the SDGs under review in 2021, Covid-19 is reversing progress on SDGs 1, 2, 3, 8 and 10. The CDP's report highlights, in regard to the goals under review at the 2021 HLPF that:

"Limited export diversification has heightened the vulnerability of LDCs to the impact of the pandemic on global trade. International tourism remains at a standstill almost one year into the crisis, with severe impacts on employment in many LDCs. Manufacturing exports have improved more recently, but it is still too early to understand the resilience of the rebound. Unstable demand and falling prices of

¹ Committee for Development Policy (2020), "Development Policy and Multilateralism After COVID-19", https://bit.ly/CDP_After_COVID19

commodities such as oil and gas have led to balance of payments problems and other adverse impacts in several LDCs. (...)

The financial situation in LDCs has become more challenging, with a fall in foreign direct investment and remittances, and almost half of LDCs at high risk of, or already in, debt distress. Limited fiscal space meant the fiscal response to the pandemic of most LDCs was inadequate. The G20 Debt Service Suspension Initiative (DSSI) has alleviated financial pressures in some LDCs but is clearly insufficient. In their fiscal responses to date, developed economies have spent in per capita terms nearly 580 times more than LDCs. (...) (N)early all LDCs will experience a weaker medium-term growth than projected before the pandemic, leading to a setback in living standards.”

“After nearly twenty-five years of consistent poverty reduction, the pandemic is expected to reverse that global trend for the first time since 1996. In LDCs the aggregate poverty incidence is expected to have increased by 2.4 percentage points, to almost 39 per cent, in 2020. The economic downturn caused by the pandemic will also push those already in extreme poverty into deeper destitution. Therefore, the prospects of eradicating extreme poverty by 2030 are even slimmer than before the pandemic.”

“The pandemic is also expected to worsen inequalities. In LDCs, women and girls have been more affected by the economic and social fallout of COVID-19, as they rely more on the informal sector and are burdened by an increase in unpaid care work. The impacts are not just economic. The shift of funds to pandemic response is hampering women’s access to sexual and reproductive health, while violence against women, including domestic violence, has increased around the world.”

“The pandemic risks that health services in LDCs will be significantly disrupted, potentially reversing progress in combating diseases, malnutrition, and in reducing mortality rates. On education, COVID-19 has highlighted the great inequities in access to technologies that are required for remote learning and digital education, disproportionately impacting poorer communities. Overall, COVID-19 will stall progress towards achieving the SDGs or even reverse years of progress in many LDCs.”

The CDP’s comprehensive study on the impacts of COVID-19 on the LDC category (CDP, 2021b) will be available at <https://cdp.un.org>.

(b) Actions, policy guidance, progress, challenges and areas requiring urgent attention in relation to the SDGs and to the theme within the area under the purview of your intergovernmental body

In its consideration of the ECOSOC theme for this year, the CDP noted that the COVID-19 pandemic “found governments and the multilateral system unprepared to deliver on the fundamental objectives of protecting people’s lives and ensuring their economic safety, and thereby exacerbated already severe inequalities and vulnerabilities. Recovery from this unprecedented and multidimensional crisis should not aim to return to pre-crisis development patterns but to reframe the development paradigm towards equality, resilience and environmental sustainability”.

The CDP “recommends that the Council urgently take stock of the lessons learned from the shortcomings of the multilateral and regional responses to COVID-19 and, in line with the calls for an inclusive and networked multilateralism, put in motion an open and transparent process to identify and implement the changes that will ensure that the system supports equitable, sustainable and resilient development through structural transformation. In the context of the current pandemic, which threatens to stall and even reverse progress made over the past decade by developing countries, including LDCs, the Committee recommends that the Council call upon Member States and UN entities to consider the following priority areas:

The public health response

(i) *Rapid universal vaccinations and equitable distribution to ensure the most vulnerable countries are not once again left behind, as well as to ensure the rapid end of the COVID-19 pandemic. The protection enabled by universal vaccination, a global public good, demands not only financial support for procurement of vaccines but new multilateral arrangements to mobilize global production and ensure equitable access to critical global goods (vaccines, treatment, diagnostics), removing obstacles created by intellectual property rights, adopting measures to promote the sharing of technology, and mobilizing and expanding production capacities. In that respect, the CDP endorses the proposals submitted to the WTO TRIPS Council by India and South Africa for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19; these arrangements are urgently needed both in the context of the current pandemic, and to allow the necessary policy space for countries to prepare against future predicted threats of novel zoonotic diseases.*

(ii) *The need to disseminate the lessons of developing countries, including LDCs, that have had successful experiences in containing the spread of the virus through effective policy actions using public health measures.*

Finance and debt relief

(iii) *Effective debt relief for developing countries, particularly LDCs and those in debt distress, beyond debt servicing suspension, and including compulsory participation by all relevant bilateral and private creditors, as well as financial support from multilateral institutions to facilitate debt restructuring. Debt relief and restructuring should not come at the expense of credit ratings.*

(iv) *Supporting initiatives to create dedicated funds to address the economic consequences of COVID-19 and, more broadly, increased support from multilateral financial institutions on highly concessional terms to support sustainable development, enhancing the availability of resources and capitalizing all multilateral financial institutions.*

(v) *Doubling the resources for emergency support from the International Monetary Fund (IMF).*

(vi) *The issuance of new Special Drawing Rights (SDRs) and ensuring that unused SDRs are channelled for the benefit of developing countries and LDCs in particular. The Committee notes with satisfaction the progress in the deliberations on this matter and urges IMF members to conclude the associated negotiations.*

(vii) *The restoration of levels of ODA and the fulfilment of the commitments by developed countries of providing the equivalent of 0.7 per cent of their GNI in ODA.*

(viii) *The expansion and promotion of South-South cooperation.*

(ix) *Additional institutional investment that helps countries build more resilient infrastructure, consistent with the Paris Agreement and the objectives of the 2030 Agenda. Debt relief and restructuring should also be linked to these objectives.*

(x) *The creation of a global risk pooling reserve fund as an insurance mechanism against environmental and health risks across countries.*

Climate change

(xi) *Commitments by countries under the Paris Agreement that are commensurate with the Agreement’s ambition of limiting global warming to below 2, and preferably 1.5 degrees Celsius compared to pre-industrial levels.*

(xii) *A significant increase in financial assistance and support for investments in climate adaptation and resilience-building, including local initiatives.*

(xiii) *The adoption of improved measures to de-risk institutional investment for green and climate-resilient infrastructure in a way that ensures (a) the mobilization of private equity funds that would multiply the public funds invested; and (b) that the benefits of such investments are shared by local communities as well as both public and private sectors. Relying only on the funds available from multilateral sources will not be enough to meet the challenges of climate change adaptation, resilience-building, and mitigation.*

Social protection, including labour rights and education

(xiv) *The strengthening of labour rights and social protection for all, with special consideration of informal sector workers, unpaid workers in the care economy, workers in the gig economy, the lowest paid and most vulnerable in global value chains and those unable to work, including through the promotion of a global fund to ensure universal social protection floors. Multinational corporations have a responsibility towards workers at all levels of their global production chains and must respect labour rights and follow the UN Guidelines on Business and Human Rights.*

(xv) *Urgent action to reverse the dramatic effects of the pandemic on education, address digital inequalities, and take full advantage of the opportunities provided by the experiences with expanded and enhanced digital education during the pandemic.”*

Moreover,

“(T)he Committee underscores the need to strengthen, in the narrative and policy advice on meeting the SDGs, the link between production structure and human development. A country’s production structure is the strongest determinant of its level of income, its income distribution, the quality of employment, the quality of the environment, the development of its institutions, and its prospects for future growth and development. Although aspects of productive capacity are reflected in a small number of SDG targets, the importance of structural transformation as a path to sustainable development also needs to be reinforced. It is not enough for countries to ensure friendly business environments. They need to actively promote the development of productive capacities in a way that will ensure flexibility and resilience in a rapidly changing global industrial and technological context. Accordingly, the CDP advocates that productive capacity should be the framework for the next programme of action for LDCs.”²

“In their efforts to recover from the crisis, governments can steer the direction of economic growth. In a context in which many companies require public support, governments are especially well positioned to reshape public-private relations to produce a dynamic economic system where innovation and investment are geared at meeting people’s needs and the protection of the planet. Public support,

² See also Udovički, Kori, “Production structures for sustainable development: shaping them from the bottom up” in “Recover Better: Economic and Social Challenges and Opportunities”, A compilation of United Nations High-level Advisory Board on Economic and Social Affairs, New York, 2020. https://www.un.org/development/desa/en/wp-content/uploads/2020/07/RECOVER_BETTER_0722-1.pdf

including corporate bailouts, should contain conditions to ensure that beneficiaries advance public interest; it should be refused to companies that persist in collectively damaging behaviour. The financial benefits from research and development that is publicly funded should not be restricted to the firm doing the innovation; where the financing and risks are shared with the public, so must the rewards be. Vaccines and access to education-enabling technology are cases in point in the COVID-19 context.”³

“Policy space and support to the endeavours of countries to secure the kind of structural transformation that will enable them to meet the SDGs need to be at the core of multilateral priorities.”

The Committee continues to advocate for a reform of multilateral rules towards a system that promotes social and economic stability, shared prosperity and environmental sustainability; protects against capture by the most powerful players; is based on common but differentiated responsibilities in a multilateral system built to advance global public goods and protect the global commons; guarantees the right of states to policy space to pursue national development strategies; strengthens a dynamic international division of labour and prevents destructive unilateral economic actions that prevent other nations from realizing common goals; and where global public institutions are accountable to their full membership, are open to a diversity of viewpoints and new voices, and include balanced dispute resolution systems.⁴

Specifically in regard to the LDCs,

“The Committee recommends the Council to call upon Member States and international organizations to accord priority access to special modalities for LDCs within support measures proposed to address the impacts of COVID-19, including those outlined [above]. As priorities, this should entail:

(i) LDCs should be accorded access to vaccines at zero or minimal cost. Populations in LDCs should be accorded priority in the distribution and administration of vaccines, as placing their populations at the end of the queue violates the principle of ‘Reaching-the-furthest-behind-first’. Given the successful health policies adopted by many LDCs during the crisis, international support to their public health systems should include supporting shared learning activities.

(ii) Financial support to LDCs to address the pandemic should be provided mainly in the form of grants. Debt relief is essential and, for highly indebted LDCs, resources should also be provided for multilateral debt relief. LDCs should be given access to new global insurance mechanisms addressing the current and future pandemics and other global threats, particularly non-linear climate risks, at zero or minimal cost. ODA remains a critical source of finance for LDCs, requiring urgent steps by developed countries to provide 0.2 per cent of their GNI as ODA to LDCs. Access to climate change financing needs to be scaled-up and provided beyond possible graduations from the LDC category. The pandemic also underscores the urgency of extending the transition period under TRIPS Article 66.1 for least developed country members of WTO, as recently proposed by Chad on behalf of the LDC group.

(iii) Support should be provided for a sustainable and inclusive transformation of LDCs’ economies, including through building productive capacities in the health and education sectors, investments in digital infrastructure, development of science, technology and innovation capabilities, designing and implementing green industrial policies, and in pursuit of diversifying economic and export structures.”

³ See also Mazzucato, Mariana, “Capitalism After the Pandemic”, Foreign Affairs; New York Vol. 99, Iss. 6, (Nov/Dec 2020): 50; Institute for Innovation and Public Purpose (2020) Stakeholder capitalism during and after COVID-19, UCL IIPP Covid-19 Briefing Papers 01 (April 2020). https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/01_stakeholder_capitalism_during_and_after_covid-19.pdf

⁴ CDP (2020), “Development Policy and Multilateralism After COVID-19”; Kevin Gallagher and Richard Kozul-Wright (2019), A new multilateralism for shared prosperity – Geneva Principles for a Global Green New Deal.

Moreover,

“Considering the vulnerabilities of LDCs exposed by the COVID-19 crisis and the longer-term implications, international support will be essential not only in responding to immediate recovery needs, but also to accelerate structural transformation and the development of resilience towards external shocks. The upcoming LDC5 conference in Doha provides a timely opportunity to advance such support, but efforts are needed on all relevant international platforms. Four areas require particular attention:

First, a smooth transition for graduating countries from the LDC category, during and after the pandemic, requires special attention and additional support (...).

Second, as indicated by the United Nations Secretary-General, vaccines must be seen as global public good – people’s vaccines – available and affordable to all and ensuring that LDCs are not once again left behind.

Third, the provision of effective debt relief must be part of enhanced financial support for LDCs. The DSSI provided short-term relief and more fiscal space in LDCs but has proven insufficient, and suspending debt servicing merely postpones rather than addresses the challenge. Other financial and technical support to LDCs by bilateral and, particularly, multilateral development partners has been critical, but requires significant scaling-up.

Fourth, recovery from the pandemic must be accompanied by renewed efforts for sustainable and inclusive transformation of LDC economies. These efforts should be organized around the framework proposed by the CDP: “Expanding productive capacities for sustainable development” (...).”

(c) An assessment of the situation regarding the principle of “ensuring that no one is left behind” at the global, regional and national levels against of background of the COVID-19 pandemic in achieving the 2030 Agenda and the SDGs, within the respective area addressed by your intergovernmental bodies

The findings summarized above under item (a) on the LDCs provide an assessment of the situation on the concept of leaving no one behind at the global level. The recommendations summarized in item (b) are important components of a global response to ensure no country is left behind.

The CDP observed, in its analysis of the Voluntary National Reviews (VNR) presented in 2020, that increasing attention has been given to the issue of leaving no one behind. Almost all countries refer to the concept and most had a dedicated section, contrasting with the situation at the beginning of this first cycle of VNRs in 2016 and 2017. It is also noteworthy that some countries have reported on how they are identifying the groups most vulnerable to being left behind in their particular country contexts, through evidence-based and human rights-based approaches, which will enable them to better direct policy action. However, little has been said about the operationalization of the concept of reaching the furthest behind first and about any measures taken to avoid pushing people further behind. There has also been little connection in the VNRs between the concept of leaving no one behind and the transformative, cross-cutting policy areas that would significantly and sustainably enable social protection, generate employment, and provide resources for other areas more commonly and directly associated to leaving no one behind. There is, moreover, relatively little under “leaving no one behind” sections in the VNRs about the international dimensions of leaving no one behind.

(d) Cooperation, measures and commitments at all levels in promoting sustainable and resilient recovery from the COVID-19 pandemic

Please see the answer to question (b).

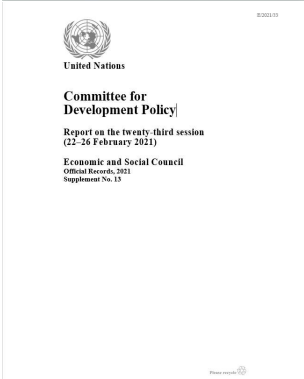
(e) Various measures and policy recommendations on building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development

Please see the answer to question (b) and refer to [CDP \(2020\)](#).

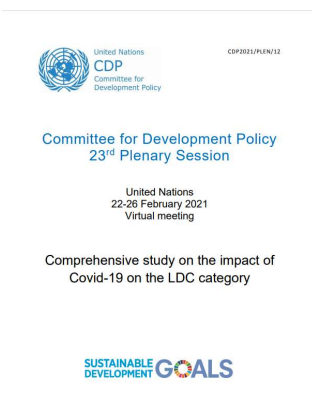
References



Committee for Development Policy (2020), “Development Policy and Multilateralism after COVID-19”, Policy Note, first published in May 2020. https://bit.ly/CDP_After_COVID19



Committee for Development Policy (2021a), Report on the twenty-third session (22-26 February 2021), Economic and Social Council, Official Records 2021, Supplement No. 13, E/2021/33 (currently being edited; expected to be available at <https://undocs.org/en/E/2021/33> and <https://cdp.un.org> in April 2021)



Committee for Development Policy (2021b), Comprehensive study on the impact of COVID-19 on the LDC category (currently being edited; will be available at <https://cdp.un.org>)