



ECOSOC High-Level Segment, 16 July 2021

Professor José Antonio Ocampo, Chair of the Committee for Development Policy

Mister President,

Excellencies,

Distinguished delegates,

I am honored to report on the twenty-third session of the Committee for Development Policy, that took place on 22 to 26 February. It addressed elements of the ECOSOC theme, “building an inclusive and effective path for the achievement of the 2030 Agenda”; several issues related to the least developed countries; and the 2020 voluntary national reviews.

On the ECOSOC theme, the Committee concentrated on policy issues required to overcome and recover from the pandemic. It recommended priority areas of action, of which I would like to highlight the following:

First, securing rapid universal vaccinations not only through financial support but also through new multilateral arrangements to mobilize global production, 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 Committee endorsed the proposal submitted to the World Trade Organization Council for Trade-Related Aspects of Intellectual Property Rights by India and South Africa for a waiver from certain provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights in relation to prevention, containment and treatment of COVID-19.

Second, increased financial support for developing countries to address the economic consequences of COVID-19 and secure sustainable, climate-resilient, development. This includes, among others, significantly increased support by multilateral financial institutions on highly concessional terms and increased ODA. Progress in deliberations on the issuance of new special drawing rights is encouraging but much remains to be done.

Third, effective debt relief for developing countries, particularly least developed countries and those in debt distress. This should extend beyond the suspension of debt service payments and include compulsory participation by all relevant bilateral and private creditors, as well as financial support from multilateral institutions to facilitate debt restructuring.

Fourth, and in the understanding that the aim of recovery from this unprecedented and multidimensional crisis should not be to return to pre-crisis development patterns but to reframe the development paradigm towards equality, resilience and environmental sustainability, the Committee underscored the importance of structural transformation for sustainable development and of governments actively promoting the development of productive capacities.

The multilateral system should be supportive of countries’ efforts to secure structural transformation, including by ensuring policy space. We continue to support the reform of multilateral rules to establish a system that promotes social and economic stability, shared prosperity and environmental sustainability, a prominent theme our report to ECOSOC in 2020. There is opportunity, as we emerge from a crisis that found the multilateral system unprepared, for an open and transparent process to identify and implement the necessary elements of reform.

The Committee also made recommendations on financial assistance for climate adaptation and resilience-building, measures to de-risk institutional investment for green and climate-resilient infrastructure and harness private equity funds; strengthening of social protection; and addressing setbacks in education and digital inequalities, among other issues.

Excellencies,

We are approaching the Fifth United Nations Conference on the **Least Developed Countries**. The programme of action that will be adopted at that conference will be critical for LDCs' recovery from COVID-19 and achievement of the SDGs. The CDP has stressed that **expanding productive capacity for sustainable development must be at the core of the programme of action** and serve as an organizing framework.

The complexity of the challenge facing LDCs was evidenced by the **comprehensive study on the impact of COVID-19 on the least developed country category** undertaken by the Committee as mandated by the Economic and Social Council.

The socioeconomic fallout of the pandemic has been devastating, with countries deeply affected by the impacts on global trade, foreign investment, tourism, remittances and other channels. Almost half of LDCs were at high risk of, or already in, debt distress. The Debt Service Suspension Initiative of the Group of 20 countries and the "Common Framework for Debt Treatment beyond the DSSI" have alleviated financial pressures in some least developed countries, but are insufficient. Because of their limited fiscal space, fiscal responses of LDCs have been a very small fraction of that of developed economies.

The pandemic was expected to reverse trends in poverty reduction, to worsen inequalities, including gender inequalities, and to significantly disrupt health services, reversing progress in combating diseases, addressing malnutrition and reducing mortality rates.

Four priority areas require particular attention at the international level: access to vaccines; effective debt relief; sustainable and inclusive transformation of LDC economies, particularly by expanding productive capacities; and enhanced support for a smooth transition of countries graduating from the LDC category.

Excellencies,

The Committee conducted its **Triennial review** of the list of least developed countries.

- It recommended the graduation of Bangladesh, the Lao People's Democratic Republic and Nepal, and called on developing and trading partners to support these countries in a smooth transition out of the category. Because of the COVID-19 pandemic, the Committee also recommended an extended preparatory period of five years. It will review the impacts of the pandemic during annual monitoring and at the 2024 triennial review, when it will also assess whether a further extension of the preparatory period would be necessary. I am very pleased that ECOSOC has already endorsed these recommendations.
- Cambodia, Comoros, Djibouti, Senegal and Zambia met the graduation criteria for the first time and will be reviewed again at the 2024 triennial review. The Committee is concerned about the risk that some of these countries may fail to reach the graduation thresholds at the 2024 triennial review.
- The decision on a recommendation of the graduation of Myanmar and Timor-Leste was deferred to the 2024 Triennial Review.

The Committee **monitored the development situation of four graduating countries – Angola, Bhutan, Sao Tome and Principe and Solomon Islands – and three graduated countries – Equatorial Guinea, Samoa and Vanuatu**. None of the graduated countries appeared to be at risk of falling back into the least developed country category but all were facing major challenges in addressing the social and economic consequences of

the COVID-19 pandemic and disasters, among others. Development and trading partners should increase support to these countries.

Efforts are under way to develop an improved monitoring system that is continuous and comprehensive, enhances country consultations and contains a dedicated crisis response process. While the proposal will be further developed in the context of the upcoming Fifth United Nations Conference on the Least Developed Countries, the call of ECOSOC to support these efforts by the CDP is highly appreciated.

The Committee also continued its work on **improving support for graduating countries** to ensure they transition smoothly beyond graduation, and reiterated calls for greater access to concessional development finance, including climate finance; fulfilment of ODA commitments; support for leveraging ODA flows to access additional public and private finance; increased coordination with international financial institutions; and facilitation of South-South and triangular development cooperation. It stressed the importance of a time-bound extension of preferential market access and LDC-specific special and differential treatment under the WTO for graduating countries and called for the use of the collective strength of the Groups of Least Developed Countries to amplify the voice and visibility of graduating countries.

The Committee welcomed progress of the development of a sustainable **graduation support facility**, which is currently being piloted by its secretariat and partners. The facility is a country-led global platform that delivers enhanced and integrated graduation-related capacity development support and advisory support services to graduating and graduated countries. We forward to a launch of the facility at the LDC5 conference.

Finally, the **CDP conducted, for the fourth consecutive year, an analysis of the voluntary national review reports**. While there are welcome advances, the reports seen collectively suggest that the necessary transformative and structural changes required to meet the Sustainable Development Goals by 2030 are not taking place with the necessary urgency. Issues related to environmental sustainability, action for structural transformation, and action to address the root causes of inequalities, including gender inequalities or the unequal and gendered impacts of COVID-19 are under-reported. Greater attention should be given to these issues, to ensuring that lessons learned during the voluntary national review process are fed back into national policymaking and to greater engagement of civil society, including the presentation of shadow reports.

The Committee for Development Policy remains committed to supporting the Economic and Social Council and its member states, particularly at this critical juncture in which effective development policy will be crucial to ensure countries are put on a path towards sustainable, resilient and equitable development.

Thank you.