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## INTRODUCTION

As the Istanbul Programme of Action (IPoA) is coming to an end, various assessments of its implementation are being conducted in the lead up to the Fifth UN Conference on the Least Developed Countries (LDC5). It is clear that progress in achieving the IPoA goals and objectives was slow and uneven among the 46 Least Developed Countries (LDCs), even before the COVID-19 crisis.

The United Nations (UN) defines the LDCs as the group of currently 46 Member States facing multiple, long-standing structural impediments to sustainable development and characterized by low human development and high vulnerabilities. These multifaceted impediments to sustainable development include remoteness from markets and smallness (with many being landlocked or small islands), low productivity, including in agriculture, and high burden of communicable disease as well as high prevalence of natural disasters. Quite a few are suffering conflict or emerging from one. The effects of these structural disadvantages do not just add up but are often mutually reinforcing.

In addition, LDCs have been facing challenges with respect to access to dedicated international support measures. For example, only few LDCs have been able to benefit from preferential market access and many continue to face obstacles in accessing development finance instruments. While LDCs make up 14 percent of the global population they account for only about 1.3 percent of global Gross Domestic Product (GDP) and around 1 percent of global trade and 1.4 percent of global Foreign Direct Investment (FDI).

Nevertheless, LDCs also achieved progress in various areas such as health, education, gender, access to information and communications technology (ICT), sustainable energy, export concentration and governance. However, such progress has often not been sufficient to narrow the gap vis-a-vis more advanced countries, especially in areas that are crucial for accelerating progress, such as tertiary education and broadband subscriptions. In addition, LDCs continue to be disproportionately affected by the climate crisis, with cascading effects of different shocks, often at the same time.

While LDCs did not fully meet the IPoA objective of half of them reaching the graduation thresholds, progress accelerated considerably. By 2011 only 2 LDCs had graduated from the category, while 4 others graduated between 2011 and 2020.

In addition, 16 LDCs are meeting the graduation thresholds in 2021 and are at different stages in the graduation process. However, they remain highly vulnerable to economic and environmental shocks.<sup>1</sup>

The COVID-19 pandemic directly and indirectly affected LDCs in all priority areas of the IPoA. COVID-19 has not only taken a toll on health and livelihoods but also significantly affected international trade, through collapsing commodity prices, disruption of regional and global value chains for manufacturing and a virtual standstill of international tourism, leading to a sharp reduction in GDP growth and a rise in poverty, food and nutrition insecurity, and inequality. The pandemic has laid bare and further exacerbated pre-existing inequalities within and between countries. The digital divide between the connected and not connected has widened. Fragile education systems in LDCs have struggled tremendously while limited social protection could only partially compensate for the loss in income. The agricultural sector was also affected by the disruption of markets. Together with the widening fiscal deficit, the drop in FDI, portfolio investments, remittances as well as high illicit financial flows and unsustainable debt levels, it is expected that the effects of COVID-19 will jeopardize LDCs' progress towards sustainable development for years to come.

The group of LDCs has called for a global stimulus package for the least developed countries to be funded and implemented rapidly to address the impacts of COVID-19 and build back better. The underlying components of the stimulus package include, in the short run, (1) Emergency public health package for the LDCs; (2) Support for social protection systems; (3) Education support for students; (4) 0.15 percent of gross national income of DAC donors as ODA to LDCs; (5) Full debt cancellation; (6) Lifting trade barriers and scaling up aid for trade; (7) increased SDR allocations for LDCs; and (8) Protection of migrants of least developed countries and promotion of their remittances.<sup>2</sup> However, there is a need to develop measures to enhance sustainable resilience to various future shocks to lay the foundation for accelerated graduation from the category.

As the international community gathers around preparations for the Fifth UN Conference on the LDCs in the midst of continued uncertainties surrounding the pandemic duration, building back better has now become a central policy objective as a shared responsibility requiring strong global solidarity. The

<sup>1</sup> See UN document E/2021/33.

<sup>2</sup> See UN document A/74/843.