



THE PRESIDENT
OF THE
GENERAL ASSEMBLY



THE PRESIDENT
OF THE ECONOMIC AND
SOCIAL COUNCIL

27 July 2021

Excellency,

We have the honour to share herewith the summary of the half-day joint thematic event of the General Assembly and the Economic and Social Council (ECOSOC) on Least Developed Countries (LDCs) convened on Friday, 18 June and Monday, 21 June 2021, pursuant to General Assembly resolution 74/232 B of 11 August 2020, entitled “Follow-up to the Fourth United Nations Conference on the Least Developed Countries”.

The summary highlights key messages and discussions from Member States, the United Nations system and other stakeholders. We sincerely hope the summary will shed a light on the importance of financing in the LDCs as well as provide substantive input to the Fifth United Nations Conference on the Least Developed Countries to be held from 23 to 27 January 2022.

Please accept, Excellency, the assurances of our highest consideration.

Volkan BOZKIR
President of the seventy-fifth session of
the General Assembly

Munir Akram
President of the Economic and Social
Council at its 2021 session

All Permanent Representatives
and Permanent Observers to the United Nations
New York



Joint Thematic Event of the General Assembly and the Economic and Social Council

**Diversifying the Financing Toolbox to Enhance Investment
in Least Developed Countries**

18 and 21 June 2021

Summary

I. Introduction

Pursuant to General Assembly resolution 74/232B of 11 August 2020, entitled “Follow-up to the Fourth United Nations Conference on the Least Developed Countries”, a half-day joint thematic event of the General Assembly and the Economic and Social Council (ECOSOC) on Least Developed Countries (LDCs) was held on Friday, 18 June 2021, from 10 a.m. to 1 p.m. and Monday, 21 June 2021 in the General Assembly Hall as part of the preparatory process for the Fifth United Nations Conference on LDCs (LDC5) to be held from 23 to 27 January 2022.

The joint event was held under the theme “Diversifying the Financing Toolbox to Enhance Investment in Least Developed Countries”. The discussion sought to build common ground on strengthening national and global financing mechanisms to ensure a smart and modern risk-informed and resilient financing toolbox for Least Developed Countries (LDCs) aiming at accelerated implementation of the Sustainable Development Goals (SDGs), while building back better from the pandemic and resilience against future crises. The objectives of the dialogue were to:

- Strengthen national and global financing mechanisms to ensure a smart and modern risk-informed and resilient financing toolbox for LDCs aiming at accelerated implementation of the SDGs, while building back better from the pandemic and resilience against future crises.
- Engage with various stakeholders including governments, IFIs, private sector, foundations and other stakeholders in addressing the new and emerging challenges and seizing the opportunities offered by innovative financing for SDGs.
- Invest in sustainable infrastructure as a tool to foster growth, address inequality and build resilience against shocks.

The event consisted of an opening segment, a fireside chat, and a high-level plenary. Heads of State and Government, Ministers, intergovernmental organizations, the UN system and stakeholder representatives engaged in the joint thematic event via pre-recorded statements, livestream or in-person statements. 16 member states delivered statements during the plenary that highlighted the need for action to strengthen national and global financing mechanisms. The interventions from the participants demonstrated their strong commitment and reaffirmed the need to ensure a smart and modern risk-informed and resilient financing toolbox for the LDCs to accelerate implementation of the SDGs, while building back better from the pandemic and build resilience against future crises.

II. Opening Segment

During the opening segment (please find programme [here](#)), statements were made by H.E. Mr. Volkan BOZKIR, President of the General Assembly, H.E. Mr. Collen Vixen Kelapile, Vice President of the Economic and Social Council, H.E. Mr. António Guterres,

United Nations Secretary-General, H.E. Mr. Lazarus McCarthy Chakwera, President of the Republic of Malawi and Minister for Defense, H.E. Sheikh Mohammed bin Abdulrahman bin Jassim Al-Thani, Deputy Prime Minister and Minister for Foreign Affairs of Qatar, and Ms. Fekitamoeloa Katoa 'Utoikamanu, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

Speakers highlighted the impact of the pandemic on LDCs, pushing them further off track on their development trajectory, deeper into the cycle of poverty, hunger, unsustainable debt and austerity, and wiping out gains made over the last decade in poverty reduction. It was pointed out that over 32 million people now live in extreme poverty in the LDCs and that it will take them at least 5 years to return to their pre-COVID status and achievement of the 2030 Agenda is severely at risk. LDC5 offers a chance to recover lost ground on the SDGs as a result of the pandemic. This presents the opportunity to scale up the twin ambition of building back better and leaving no one behind.

The new 10-year Programme for Action to be ambitious and bold and forward-looking with concrete commitments to ensure LDCs are not left behind. Member States were urged to seize this opportunity to build a better, more equitable, more sustainable and more resilient world not only for the LDCs but for all. They called for a new global deal for LDCs, built on a new generation of global partnerships that will assist LDCs to recover faster from the pandemic while accelerating sustainable development.

The need for greater financial support for the LDCs to meet the SDG targets and finance their recovery from the pandemic, including timely access to vaccines and treatment was underscored by the presenters. They called for a comprehensive financing mechanism for LDCs to better manage risk and provide support in times of crisis, and an international financial system to provide better and targeted support for LDCs. Important steps must be taken to mobilize finance for development from all sources, strengthen domestic resource mobilization of LDCs and close international tax loopholes. Official Development Assistance (ODA providers were urged to meet the financing gap of the Access to COVID-19 Tools (ACT) Accelerator and more aggressive and comprehensive debt relief measures for LDCs, including graduating LDCs, to sustain their development trajectory. Additionally, they called for: (i) reversal in the decline in ODA and step-up South-South and triangular cooperation; (ii) extend the G20's Debt Service Suspension Initiative (DSSI) into 2022 to all highly indebted countries; (iii) achieve the goal to mobilize US \$100 billion dollars in climate finance annually for developing countries; and (iv) urgently allocate 50% of total climate finance to adaptation and resilience to LDCs.

III. Fireside Chat

The joint event featured a fireside chat which focused on the mobilization of adequate stimulus packages for LDCs to recover from the COVID-19 pandemic and make progress

on the implementation of the SDGs. Panelists highlighted the challenges faced by LDCs in managing the public health crisis and recovery with limited fiscal space and declining tax revenues, leading to competing financial needs¹.

The importance of the G20 DSSI and other efforts by the international community were underscored as important steppingstones for building back better. Despite DSSI, quick debt relief and restructuring is still required as more than half of the LDCs are at risk of high debt distress or already in debt distress. Due to their structural constraints, borrowing additional funds remains a costly exercise for LDCs.

In addition to critically needed ODA, private, and domestic capital are equally important and need to be leveraged better and supported by incentives such as guarantees, public-private-partnerships, etc. to synergize with public funding.

All panelists stressed the need for additional financing as the priority for recovery in LDCs. The need to move towards greener investments and design financing programmes around green bonds and other financial instruments was also discussed.

IV. High-Level Plenary

The plenary comprised statements by Heads of States/Governments and Ministers, representing regional groups, outlining national and regional challenges, policy responses and commitments, and announced initiatives and partnerships for future action.² Additionally, statements were heard from major groups and stakeholders.

On the recovery from the COVID-19 pandemic and resilience building, speakers highlighted the importance of not leaving the LDCs behind in the context of the health and economic crisis and underlined the urgent need to increase vaccination efforts and support to the COVAX Facility for populations in LDCs. The risk of losing decades of development gains due to the COVID-19 pandemic in the LDCs was mentioned.

The limited progress made towards the 2030 Agenda, the Addis Ababa Action Agenda, and the Istanbul Programme of Action was discussed. Speakers underscored that LDCs are constrained by limited resources and fiscal space, which needs to be factored into SDG programming. Ultimately, the achievement of the SDGs in LDCs will be dependent upon scaled up international financial and technical support.

Speakers recalled the devastating multiple effects the climate crisis and the COVID-19 pandemic, which is disproportionately felt by the LDCs. Development partners as the major GHG-emitters were urged to show global solidarity and lead the climate action and

¹ Fireside Chat participants were :Mr. Achim Steiner, Administrator, United Nations Development Programme, Ms. Carmen M. Reinhart, Vice President & Chief Economist, World Bank Group, Mr. Liu Zhenmin, Under Secretary-General for Economic and Social Affairs, and Ms. Vera Songwe, Executive Secretary, United Nations Economic Commission for Africa, moderated by Ms. Melissa Fleming, Under-Secretary-General for Global Communications

² National remarks submitted to 'E-Statements' are on:

<https://journal.un.org/en/meeting/officials/d204a596-6bc3-eb11-911f-0050569e8b67/2021-06-18/statements>

calls were made for robust means of implementation to address climate change, including a clear roadmap on delivery of \$100 billion per year to address the needs of developing countries. The US for example announced its intention to double its climate finance commitments by 2024 and triple the amount dedicated to climate adaptation, including multilateral adaptation financing.

Speakers stressed the need for development partners to honor their Official Development Assistance (ODA) and other commitments and suggested a doubling of the share of aid for trade. Calls were made for a fair international trade regime, technology transfer in building research and development capabilities in LDCs, and country-specific economic and development policies and strategies, developed by the respective country with support from development partners.

On creation of an enabling environment for investment, speakers stated that development finance should be provided together with improvements in the overall investment environment in LDCs and with policy dialogue requiring principles of good governance as a critical factor for increasing domestic resource mobilization, optimizing efficiency, and strengthened stability.

Speakers expressed concern about LDC's dependency on external finance, and declining rates of FDI and stressed the need for LDCs to create enabling environments for investments, such as refining their tax systems, strengthen domestic tax capacities, and improving governance in revenue collection.

The need to support LDCs in establishing conducive financial and macroeconomic frameworks that enable inclusive long-term growth, ensure macroeconomic stability and reduce within country inequality, as well as to reduce the cost of sending remittances, was described. In addition, the need to take decisive steps to fight illicit financial flows and tax evasion were underlined as key to increase fiscal space in many LDCs.

On innovative financial instruments, the importance of honoring ODA and other financial commitments was raised, speakers also underlined the importance of using blended finance, green finance, and other innovative financial instruments in LDCs to support achievement of the SDGs and the new programme of action for the LDCs.

The use of financial instruments should be tailored to the specific needs of LDCs in their recovery and resilience building. Blended finance was reiterated as the most effective way to mobilize additional financing for the LDCs. An increased focus on green investments and digital transitions was stated as an opportunity to create jobs and reduce inequality. The need to protect migrant workers and foster orderly migration, reduce the costs of remittances and establish increased South-South cooperation fora were highlighted, as well.

Speakers also highlighted the need to make use of all available and relevant financing tools to tackle the structural funding gap faced by many LDCs, stressing debt support and debt relief beyond the DSSI as one important tool. The World Bank, African

Development Bank, and other stakeholders were called upon to provide urgently needed liquidity support to LDCs.

On Fifth UN Conference on LDCs in Doha, speakers called for ambitious commitments from all stakeholders to transform the lives of millions of people in a positive way were encouraged. The importance of a paradigm shift of the global partnership architecture for LDCs and increased international solidarity was stressed. Calls were made for enhanced international support to help overcome the structural challenges faced in the implementation of the Agenda 2030 and the SDGs and the importance of smooth transitions for countries graduating from the LDC category and supportive solutions ensuring that graduation is sustainable were stressed.

Microsoft expressed willingness to engage and partner with the UN and bring additional stakeholders to the LDC5. Microsoft also confirmed its participation at Private Sector Forum of the Conference and agreed to explore for additional commitments and concrete deliverables for a future that will have greater private sector engagement. Microsoft informed that it would focus on closing the digital divide and building multi-stakeholder action to advance human centered connectivity, empower every person and organization through affordable technology.
