LDC5
5TH UNITED NATIONS
CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES

High-level Thematic Round Table 7
Resource mobilization and strengthened global partnerships for sustainable development in least developed countries

Summary of proceedings

Excellencies, distinguished delegates, ladies and gentlemen,

On behalf of myself and H.E. Dr. Fitsum Assefa, Minister of Planning and Development of Ethiopia, as the co-chairs of Roundtable 7 on Resource mobilization and strengthened global partnerships for sustainable development in LDCs, I am honoured to be relaying this summary.

The following are some of the key takeaways from Roundtable 7.

What we have heard at Roundtable 7, and throughout this Conference in fact, is how the pandemic, weak global economy and multiple overlapping crises have left most LDCs in a situation where reaching the ambitious SDGs seems even more daunting now than ever before.

Many LDCs are faced with more limited domestic resources, higher debt burdens, and limited capacity to tap into financial markets. At the same time, their spending needs have grown significantly over the years, while most types of external financing, such as aid and foreign direct investment, are harder to come by.

Therefore, the question remains: how can the financing gap in LDCs be closed?

We heard about the need to strengthen capacity in LDCs in the areas of tax administration, effective and efficient use of domestic resources, fighting illicit financial flows, mobilization of local savings and local financial institutions. Digitalization of tax administrations was mentioned by several LDCs as good practice to be followed.

It was clearly emphasized that, in recognition of the domestic challenges that LDCs experience, more concessional financing to LDCs is critical, in particular for the most fragile and vulnerable. Calls were made for new and additional financing to be provided to multilateral and regional development banks for this purpose.

LDCs need greater access to finance, but also to greater variety of finance. We heard that new and renewed strategies for attracting foreign direct investment and private capital flows to LDCs are needed. This will require strengthening of LDCs' institutional, regulatory and policy environments and improving the enabling business climate to boost their attractiveness. Investment Promotion Agencies also need to be strengthened.

Local financial markets in LDCs should be developed and tapped into by small- and medium-sized enterprises so that they are able to access funding and grow their businesses. It was emphasized that financing, of any kind, needs to be channeled towards productive investments, in sectors such as infrastructure, agriculture and services, water or green energy. Access to data and capacity for evaluation was highlighted as key to measure progress and understand where to invest.

Innovative sources of finance, with strong transformational impact, like climate or social finance, or blended finance, are in particular important to explore if the financing gap in LDCs is to be closed.

Key topic of many interventions was the elevated debt vulnerabilities and risks in many LDCs. The international financial and debt architecture needs an urgent overhaul to make it more efficient, more sustainable and more favourable to LDCs.

As LDCs, we clearly do not seek just traditional aid anymore. Strengthened partnerships in support of LDCs in the spirit of solidarity are the way forward.

There needs to be greater alignment and adaptation to LDCs' national priorities to ensure that the scarce resources are allocated effectively and efficiently and support the implementation of the Doha Programme of Action priorities.

These are not new priorities, but they deserve continued attention if the Doha Programme of Action is to be fully implemented.