



Issues Note for Theme 1

Investing in people in LDCs: eradicating poverty and building capacity to leave no one behind

Issues Note

Human development has been placed at the heart of the United Nations since its inception. Article 55 of the Charter set the achievement of "higher standards of living, full employment, and conditions of economic and social progress and development" as a fundamental aspect for "peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote". The 2030 Agenda for Sustainable Development renewed this commitment with the overarching principle of leaving no one behind. The idea of equality among nations and among peoples justifies placing the special needs of the Least Developed Countries as a priority, illustrated by the focus received by LDCs since the creation of the category in 1971.

The pathways to overcome the structural constraints of the LDCs have become narrower since the establishment of the category. Human development, an end in itself rooted in the Charter of the United Nations and the Universal Declaration of Human Rights, is key to achieve prosperity and stability for all. Fast progress in human development in the LDCs is a requisite to achieve the Sustainable Development Goals and other international development objectives.

The promise of human development is the cornerstone of the international efforts to support the LDCs in overcoming their structural constraints. The success of the UN development agenda lies in the delivery of this promise in the LDCs.

Recovering from COVID-19

The World Bank estimates that global extreme poverty rose in 2020 for the first time in 20 years and expects a total rise of 150 million people living in extreme poverty by the end of 2021. Before the pandemic, the extreme poor in the LDCs as a share of the world poor was growing. Estimates for 2018 show that the 334 million people living in extreme poverty in LDCs

represented 46.3% of all people living in extreme poverty in World¹. The impact of COVID-19, in addition to the already compounding effects of climate change and conflict, will likely accelerate this trend.

One of the constraints faced by Governments of LDCs to mitigate the impact of the pandemic lies in weak health systems. In LDCs, health systems are characterized by chronic underfunding and limited resources, struggling to provide essential public health interventions for the entire population. If not substantial support is provided, the consequences of the pandemic for the people living in LDCs will be devastating. The containment measures taken to limit the spread of the epidemic and the ensuing economic crisis have resulted in a decrease in economic activity. It will have long-lasting adverse effects on the economic fabric of LDCs for workers and small and medium businesses operating in the informal economy. A protracted recession for the LDCs will have a lasting impact from a human development perspective. In addition to the loss of income, the adoption of coping strategies by the poorest will adversely affect various dimensions of human development. Vulnerable populations with limited income sources will resort to more affordable calories, substituting food high in micro-nutrients and vitamins for alternatives with higher caloric content. Remote learning opportunities for students impacted by lockdowns are limited in LDCs, where schools in the most impoverished areas lack the minimal infrastructure equipment, not to mention the ability to broadcast classes for remote learning. Gender equality will suffer a setback, with girls falling behind, or in cases, not returning to schools after prolonged lockdowns, and there are reports of increased gender violence across the globe.

The impact of COVID-19 cannot be solely attributed to the pathogenesis, structure or epidemiological profile of the disease, but to social and economic factors. The underlying structural features that constraint the abilities of LDCs to promote sustainable development are the elements amplifying the devastating impact of the pandemic in the LDCs. Addressing underlying causes of vulnerability and scaling up the resources available to implement a new Programme of Action will build resilience against COVID-19, or other future shocks, promote structural transformation, and support wellbeing and prosperity.

Eradicating poverty in the LDCs

The COVID-19 crisis highlights the relevance of overlapping dimensions of poverty. In addition to low income, people living in poverty experience limited or no access to education, higher mortality rates, undernourishment and malnutrition, or lack of access to opportunities to gain income through decent employment. They live in underserved areas with poor infrastructure and limited access to water or sanitation and are excluded from social safety nets. The multiple challenges faced by the poor across multiple areas of human development combined with the limited institutional capacities of LDCs underscore the need for a multifaceted approach oriented towards tackling these deprivations simultaneously. Intersecting inequalities among groups and individuals through overlapping characteristics and identity, such as gender, age, disability, sexual orientation, ethnicity, or class)amplify deprivation.

Gender equality and the empowerment of women and girls

Reducing the gap between economic opportunities of men and women, promoting political participation; eliminating all forms of violence against women; ensuring the right to sexual and reproductive health; and eliminating all forms of discrimination against women are rooted in the foundational values of the United Nations and constitute a goal in itself.

¹ Population data obtained from the United Nations Population Division. Poverty data obtained from the United Nations Statistics Division. Data accessed on March 19 2021.

Empowering women and girls can lead to significant societal gains. Countries that have experienced the integration of women into formal employment have seen an enormous increase in economic output and prosperity. For LDCs, achieving the SDGs and other internationally agreed development goals passes through the empowerment of women and girls in all spheres of social, economic, and political life. Multilateral and bilateral partners should support LDC efforts to develop and implement policies that promote gender equality; allocate resources to prevention and response, and invest in women's rights organizations.

Investing in youth

Current demographic projections indicate that by 2030 one in five of the youth in the world will be born in an LDC. Providing access to skills, training, and quality education are essential to help fulfilling fundamental human needs that expand the individual's agency, capabilities, and ability to participate as a full member of society. Access to education opportunities constitutes an essential aspect for structural transformation in the LDCs, which has become even more relevant with the rise of the digital economy.

Although efforts on promoting more training opportunities and better education are essential, one key challenge lies in increasing job opportunities for young people in LDCs through labor-intensive manufacturing or services, support to access to technology and innovation, infrastructure development, and legislation protecting the rights of young workers. Increasing the absorptive capacities of economies of LDCs to integrate the cohorts of young people in the economy is closely related to productive capacity development and inclusive economic growth, particularly in urban and semi-urban areas. Fostering entrepreneurship, particularly in the services sector and taking advantage of the opportunities offered by the digital economy and measures to support entrepreneurship require scaled up support and resources.

Education

Before the pandemic, LDCs have attained higher enrollment rates at the primary level, although challenges remain as illustrated by the 16.2% of children in primary school age out of school in the LDCs in 2019. Access to quality education is a requisite to promote better human development outcomes and a crucial factor in addressing the long-term limitations preventing economic growth through higher value-added activities. Greater focus on increasing training opportunities and the acquisition of skills for teachers at all levels as well as better access to electricity, adequate Internet connectivity, and equipment, such as personal computers, constitutes the next step in supporting LDC efforts to provide a future for their youth.

Enrollment rates in secondary and tertiary education remain stubbornly low. Facilitating access to secondary and tertiary education is key to creating a skilled workforce that can support higher and more inclusive growth. For women and girls, higher participation in political and economic life starts with access to higher education. The share of girls out of school in primary education was 17.89% in 2019 in LDCs, almost double the world average of 8.96%, which calls for greater efforts to ensure that all girls have adequate equal access to education opportunities at the primary, secondary and tertiary levels.

Social Protection

Social protection levels are lower in LDCs than in other developing countries, and only a low share of those living in extreme poverty can access it. Existing programmes are underfunded and provide limited support that does not cover the needs of those that reach. The weight of the informal sector in the economies of the LDCs, which constitutes the source of the

majority of employment, limits the expansion of social safety nets, which tend to focus mostly on workers in the formal economy and their families.

The COVID-19 pandemic has shown the importance of social protection systems. The instruments used in advanced economies to limit the spread of COVID-19 through lockdowns and mobility reduction measures were possible thanks to strong social safety nets that were either existing or put in place through large public support packages. A comprehensive public response of similar magnitude is not available to LDCs, where the brunt of the shock is borne by the poorest communities. The function of social protection programmes, such as cash transfers, food distribution programmes or fee waivers to support citizens, particularly those employed in the informal sector, is a vital tool for mitigating the impact of the pandemic and accelerating the recovery. While in the short term the focus should be on assisting LDCs in addressing the most immediate effects of the pandemic, supporting them to expand social protection programmes should be the priority in the medium- and long- term. The levels of social protection required to end poverty in the LDCs cannot be achieved through the mobilization of domestic resources alone but needs to be complemented by external support.

Human settlement and urbanization

Urbanization has characterized the development path of advanced and emerging economies. The LDCs, with a large share of their population in rural areas, have also seen a growth of urban areas. However, this urbanization process has not been accompanied by high levels of growth or the structural transformation that characterized the experience of other developing and developed countries.

The rapid urbanization in a context of high poverty and limited adaptive capacity characterizes the vulnerability profile of many cities in LDCs. The rapid growth of cities overwhelms local systems, creating dense pockets of marginalized populations concentrated in informal settlements and increasing risks for poor households. A key aspect of reducing vulnerability alongside the development of social protection programmes is to increase the capacity of national and local authorities to establish preparedness programmes and address critical gaps in disaster response mechanisms. Alongside building capacity at the local level, policy coherence at all levels of governance is key.

Cities can serve as a platform for growth in LDCs. Establishing better linkages between rural and urban areas, through, for example, the development of agribusiness to better connect rural producers with urban consumers and infrastructure development can improve the lives of urban and rural communities. They can serve as innovation poles, supporting entrepreneurship and contributing to develop the productive sector in key areas for the structural transformation of the economies of the LDCs.

Sustainability of municipal funding is key to support the investment needs of growing cities in LDCs. In addition to grant-based support there are a variety of mechanisms, such as pooled financing mechanisms, blended finance, green municipal bonds, and land-based finance instruments⁴, that could be leveraged, but technical and financial constraints of most local governments, need to be taken into account.

Promoting health and wellbeing

High maternal mortality in LDCs reflects the challenges health systems face to provide quality health services to vulnerable groups. Access to professionals, medication and basic hygiene can reduce maternal mortality substantially. In addition, preventing early pregnancy can contribute to reduce maternal mortality as complications in pregnancy and childbirth are higher among adolescent girls.

Despite significant progress, the human toll caused by the infant mortality rate remains disproportionately high at 44.8 per 1000 live births, 62% higher than the world average of 28.2. In 2019, 1.4 million children died before reaching one year of age in the LDCs, many from preventable or treatable conditions, such as pneumonia, diarrhea and malaria. It is expected that the health and socio-economic impact on the pandemic may undo years of progress. Reducing child mortality can be achieved by establishing preventative and curative interventions that target the leading age-specific causes of death and the most vulnerable populations. This entails access to vaccination to prevent infectious diseases, better nutrition, and improved quality of health services².

Access to sexual and reproductive health is key to achieve the SDGs, the goals agreed in the Programme of Action of the International Conference on Population and Development and other internationally agreed goals. Meeting the need for modern contraception, and sexual and reproductive health services and ensuring sexual and reproductive health care of the best quality, based on scientific evidence and made available to all is central for poverty reduction and the achievement of the SDGs in the LDCs.

Non-communicable diseases are responsible for a large share of deaths globally³. These include cardiovascular diseases, cancer, respiratory diseases, and diabetes, among others. LDCs need more resources to build up their health, education and social protection systems to address the double burden of disease from high maternal mortality or elevated levels of undernourishment with a simultaneous rise of obesity, diabetes and other diseases more common in more developed countries.

Overlapping dimensions of human development underscores the important role of health systems in achieving the SDGs and other internationally agreed development goals. COVID-19 has added to the urgency of supporting LDCs in accessing resources and technical capacities to strengthen their health systems and enhance their health response at the national and local levels. Addressing the resource constraints should be prioritized by multilateral and bilateral donors.

COVID-19 has brought to the forefront the interconnectedness of all people, regardless of their position, geographical location, nationality or belief. At the time of writing this note, 10.7 million vaccines has been administered for the nearly billion people living in the 46 LDCs⁴. Achieving herd immunity⁵ in the LDCs requires vaccinating a higher share of the adult population since their demographic structure is characterized by a younger population than other country groups. In fact, 61% of the population is over 15 years old and requires access to 647 million full vaccinations (647 million one dose vaccines or 1294 million two doses vaccines). As vaccines are tested and authorized for younger populations, LDCs should be given access to vaccinate younger cohorts, otherwise they won't be able to inoculate a share of the population consistent with achieving herd immunity.

The roll-out of vaccination campaigns worldwide has also laid bare the inequalities between groups of countries, as illustrated by the meager number of vaccines administered in LDCs. At the core of this problem lies a supply constraint. The case for expanding the production of effective vaccines is clear. Supporting the production of vaccines or essential medical supplies and equipment in LDCs should be a vital component of the global response against COVID-19. Countries that already possess the necessary capabilities to produce vaccines should be provided with access to relevant technologies to accelerate the production of COVID-19 vaccines immediately. In the medium term, countries that do not possess the necessary capabilities to produce vaccines or essential medical equipment should be supported to develop them domestically or in concert with partners at the regional level.

² <https://www.who.int/en/news-room/fact-sheets/detail/noncommunicable-diseases>

³ <https://www.who.int/en/news-room/fact-sheets/detail/noncommunicable-diseases>

⁴ <https://www.economist.com/graphic-detail/tracking-coronavirus-across-the-world> - Accessed on April 17 2021.

⁵ <https://www.who.int/news-room/q-a-detail/herd-immunity-lockdowns-and-covid-19>

Water, Sanitation and Hygiene

Access to safe drinking water and basic sanitation is connected to multiple dimensions of human development and wellbeing. Preventable illnesses such as diarrhea are the result of poor access to a safe drinking water source. Frequent hygiene is one of the most important tools to prevent contagious diseases, such as COVID-19. In the LDCs, 35.5% of the population lacked access to basic drinking water services, compared to 10.4% for the world. More strikingly, 65.25% of the population were not using safely managed drinking water services in 2017. The situation is worse in rural areas, where 73.84% of the population did not use safely managed drinking water, and 72.35% did not have access to basic handwashing facilities on-premises.

Building peace for sustainable development

According to the UCPD/PRIO database, 24 of the 46 LDCs had active conflicts in 2019⁶. The 2030 Agenda for Sustainable Development emphasizes the indissociable link between peace, security, stability, and sustainable development. Peace, security, development, human rights, and humanitarian efforts are complementary and need to reinforce one another. In the case of conflict-affected countries, this interrelationship represents the nexus between short-term challenges and long-term structural factors impeding sustainable development. Supporting peace and security requires robust support in the short-term and sustained and predictable resources in the medium and long term. The need to prioritize international support to and partnerships with conflict-affected LDCs remains a critical step in achieving peaceful and inclusive societies. The increase in violent conflicts in recent years risks increasing poverty and marginalization. The importance of supporting prevention policies emphasizes the need for an integrated approach that effectively links addressing instability and conflict with sustainable development. Preventing the eruption of conflicts requires addressing structural issues, strengthening institutions, scaling up resources in support of the LDCs and linking prevention and development investments as part of an overall strategy.

Governance

The advancement of the Rule of Law at the national and international levels is crucial for inclusive economic growth and the realization of the SDGs and other internationally agreed development goals. Corruption adversely impacts economic performance, reducing investment by the private and public sector, reducing tax revenue and limiting opportunities to education. Countries with higher levels of corruption display worse development outcomes, show lower literacy rates and higher mortality among other adverse effects⁷. Corruption disproportionately affects the poorest, thus increasing inequality and potentially creating the basis for instability and unrest. Increasing transparency and supporting national institutions to become more effective at analyzing, detecting, and ultimately preventing corruption can reduce or eliminate corruption. Many LDCs have already embarked on initiatives to improve the effectiveness of national institutions. These efforts should be supported with an adequate and predictable level of resources. The rise of ICT provides opportunities to develop e-government services and contribute to increase transparency, facilitate the interaction of citizens with the public administration and enhance the efficiency of national institutions. LDCs will, however, require better capabilities in the development of the necessary infrastructure, back end services and technical capacities to manage an effective and secure public digital infrastructure.

⁶ Petterson, Therese & Magnus Öberg (2020) Organized violence, 1989-2019. *Journal of Peace Research* 57(4)

⁷ Ndikumana, L. (2006). Corruption and Pro-Poor Growth Outcomes: Evidence and Lessons for African Countries. *Political Economy Research Institute, University of Massachusetts at Amherst, Working Papers*, 2006, 120. [https://doi.org/10.1016/0014-2921\(87\)90063-8](https://doi.org/10.1016/0014-2921(87)90063-8)

Increasing the voice and representation of LDCs in international fora, including international financial institutions and multilateral agencies, is essential to ensure an inclusive and responsive international economic governance system. The participation of representatives from LDCs in international fora ensures that their special development needs are taken into account and is consistent with the principle of sovereign equality upon which the United Nations was built.

Guiding questions

- What actions by different stakeholders could contribute to the elimination of extreme poverty in the LDCs?
- How can the impact of the COVID-19 pandemic be mitigated in LDCs?
- What are successful strategies to reduce the vulnerability of the population associated to external shocks?
- How can be promoted the achievement of gender equality and the empowerment of women and girls in the LDCs?
What are successful strategies to improve the participation of women in economic and political life?
- How can job opportunities for young people in LDCs be enhanced? How can youth be leveraged to maximize the impact of the demographic dividend in LDCs?
- How can education systems in LDCs deliver better outcomes for girls and boys?
- How can social protection programmes be designed to reach the most vulnerable and marginalized in LDCs while at the same time being financially sustainable?
- How to attend to the needs of a growing urban population and harness opportunities with rising urbanization?
- How can national health systems in LDCs be strengthened?
- What are the actions that can support accelerated progress towards better sanitation, access to safe drinking water and hygiene?
- How can institutions supported in LDCs deliver better accountability and transparency?
- How can the voice and representation of LDCs in international fora, including international financial institutions be increased?