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Remarks

**UN-OHRLLS Side Event on
“Leaving no one behind: Financing Sustainable Recovery from COVID-19 in
Landlocked Developing Countries (LLDCs)”
Virtual, 12 April 2021**

Your Excellency, Ambassador ‘Utoikamanu,
Distinguished speakers,
Ladies and Gentlemen,

It is my honor to address this important Forum organized by the Permanent Missions of Kazakhstan and Turkmenistan.

Landlocked Developing Countries (LLDCs) were not spared from the devastating effects of the COVID-19 pandemic. In 2020, the economic output of LLDCs fell by 2.4 percent. Large fiscal stimulus – and other measures taken by advanced economies – were not available to LLDCs, due to an already dire fiscal situation before the onset of the crisis. This resulted in more severe shocks.

While developed economies directed 16 percent of GDP in fiscal responses to the crisis, LLDCs were only able to earmark an average of 3.8 percent of GDP to that end. For this reason, the 2030 Agenda was abruptly put on hold, and LLDCs lost some of their progress in achieving the SDGs.

The advanced economies have started to see the end of the COVID-19 pandemic. They are also starting to see recovery signs from the negative impacts experienced during 2020. However, this outlook is not shared with most developing countries, especially LLDCs, where vaccination is not only a matter of timing, but also of availability. Many LLDCs are dependent on international aid and have not been able to procure sufficient vaccines to overcome the pandemic. It is crucial to find the adequate mechanisms through which these countries can have access. But our task does not end with the procurement of vaccines.

LLDCs require support from the international community to develop effective National Deployment and Vaccination Plans. LLDCs were already facing structural issues of infrastructure and logistics. Thus, National Deployment and Vaccination Plans need to tackle the challenges of widespread distribution of the vaccines, in the general population.

The challenges we face now must serve as a wake-up call to recommit to solutions that can set the world back on track for a sustainable future. This is why countries are urged to maintain and, if possible, increase their Official Development Assistance (ODA) and climate finance commitments. Reducing these resources risk creating another lost decade of sustainable development.

In order to sustain net positive financing flows in highly concessional terms, we need:

- concessional financing,
- replenishment of the capital of Multilateral Development Banks, and
- the successful replenishment of IDA20.

Likewise, the extension of the Debt Service Suspension Initiative – and similar bilateral and multilateral frameworks – are critical to maintaining liquidity.

At this important juncture, LLDCs require special cooperation from their transit neighbors and South-South cooperation partners. The introduction of cross-border restrictions – aimed at combating the spread of COVID-19 by neighboring transit countries – affected the smooth flow of imported essential goods and services to LLDCs. This included medical and pharmaceutical products and food. This highlights the importance for LLDCs and their transit neighbors to enhance cross-border collaboration. Indeed, it is critical to ensure coordinated interventions between national border agencies. Moreover, the innovation of South-South cooperation should also be harnessed in support of LLDCs’ development goals. This can build on positive experiences from the COVID-19 response.

Dear Colleagues,

UN DESA can orient capacity-building efforts in line with country systems, and respond to the needs identified by LLDCs to realize structural transformations. Capacity support should be scaled up across all the technical areas outlined in the 2030 Agenda, the Addis Ababa Action Agenda, and the Vienna Program of Action. Such areas include data, statistics, and public financial management to support domestic resource mobilization.

Furthermore, international cooperation can be the catalyzer to mobilize domestic resources. We must work together with national governments in finding solutions tailored to the most pressing needs.

In a time where falling fiscal revenues and debt distress are major concerns, the most efficient use of resources is paramount. Indeed, bilateral and multilateral partnerships can be the key to steering the joint efforts in the right direction. Boosting investments will remain critical for accelerating recovery and building resilience to future shocks.

Finally, we cannot lose sight that the private sector is a key ally. LLDCs must seize this opportunity to revise how they plan, maintain, and leverage public infrastructure investments. The new UN Handbook, on *Managing Infrastructure Assets for Sustainable Development*, helps LLDCs mobilize the human, financial and material resources to ensure infrastructure is inclusive, accessible, and resilient.

The public sector can help businesses shift their incentives towards a business model that incorporates a long-term vision, by:

- pricing externalities,
- reforming corporate governance, and
- reorienting capital markets toward investing in SDG priorities.

I wish you a very productive discussion and look forward with interest to the outcome.

I thank you.
