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**Statement by Ambassador Ilyasov, Chair of LLDCs
at the side event within the 2021 Financing for Development Forum**

Leaving no one behind: Financing Sustainable Recovery from COVID-19 in LLDCs

New York, 12 April 2021, 08.00-09.30, virtual platform

Time limit: 5 minutes

**Madam Under-Secretary-General,
Distinguished panelists and delegates,**

I am honoured to address you today on behalf of the 32 Member States of the Group of the Landlocked Developing Countries at this side event within the 2021 Financing for Development Forum. I would like also to express my gratitude to the Secretariat of the UN-OHRLLS and Government of Turkmenistan – the co-organizers of this important meeting.

Just a few days ago we had the high-level meeting of the heads of state and government together with the key IFIs convened by the Secretary-General and Governments of Canada and Jamaica. The President of Kazakhstan, Mr. Tokayev, in his capacity of the LLDC global Chair, had also an opportunity to voice the concerns of our vulnerable countries.

Now being already in the second year into the COVID-19 pandemic, we need to acknowledge that countries in special situations like LLDCs are facing enhanced vulnerabilities due to the global crisis.

LLDCs struggle with a significant fall in government revenue as well as foreign exchange earnings as a result of the COVID-19 crisis, making it difficult to meet their own development needs and external debt obligations.

Even before the COVID-19 pandemic, fiscal space was limited by rising public debt levels and servicing costs in some LLDCs. External debt amounted to over 58.1% of GDP of LLDCs, compared with the average for low- and middle-income countries of 25.9%. One third of the LLDCs is still classified as in debt distress or at high risk of debt distress.

The average total debt servicing is estimated at 28% of the export revenue of LLDCs in 2019, up from 18.4% in 2014.

High debt servicing not only cripples the much-needed investment in SDGs in LLDCs, it also hinders immediate response to COVID-19.

Thus more adequate financing is required to close the COVID-19-induced financing gap, increased debt burden and reduced financial liquidity.

In this regards, I would like to underscore five recommendations for the

international partners.

First, extension of debt moratorium for LLDCs, which are in debt, is critical. We need to urgently address multilateral debt, specifically for low-income countries and LLDCs. In this, we could consider exchanging or reprofiling debt for the most vulnerable highly indebted LLDCs.

Second, private and commercial creditors should join debt cancellation and debt moratorium to avoid the public sector bailing out private creditors. This would encourage them to improve private sector participation in debt moratoria and provide alternatives for LLDCs.

Third, meeting the ODA commitments and providing fresh concessional financing for developing countries, especially LLDCs, along with replenishing the capital of Multilateral Development Banks is needed.

Fourth, all these efforts will unlikely have any practical results unless we successfully curb the pandemic. In this regards, supporting the equitable distribution of COVID-19 vaccines through innovative finance, including blended finance, can be useful complements to traditional aid. Bilateral and regional financial resources could be pooled into a blended finance funding.

Last but not least, throughout the past year the COVID-19 response included a wide range of South-South cooperation activities. Regional mechanisms were activated, including by the Association of Southeast Asian Nations (ASEAN), South Asian Association for Regional Cooperation (SAARC) and African Union (AU). We firmly believe that our countries are also in a position to reassess the opportunities for mobilization of domestic resources to help in this process. The IFIs' expertise and technical assistance in this respect is vital.

Distinguished participants,

Convening this side event on the Day 1 of the FfD Forum has its own value added in mobilizing the international attention and resources to support the development efforts of our nations, including in achieving the goals of the Vienna Programme of Action as well as the special Roadmap on its accelerated implementation.

Thus adequate mobilizing of financial resources from ODA, private sources as well as South-South-led regional partners will directly impact the path towards the full implementation of the projects highlighted in the Roadmap.

Ladies and gentlemen,

To conclude, the LLDC Group calls on International Financial Institutions, UN system and development partners to prioritize the special needs of LLDCs in their recovery efforts.

I thank you.
