

CHECK AGAINST DELIVERY



**United Nations Office of the High Representative for the Least
Developed Countries, Landlocked Developing Countries and
Small Island Developing States (UN-OHRLS)**

**Opening statement by Ms. Rabab Fatima
Under-Secretary-General and High Representative**

At HLPF Side Event

***Beyond Survival: Mobilizing Finance towards Ending
Inequalities, Addressing the Climate Crisis, and Building an
Inclusive and Sustainable Future in LDCs, LLDCs and SIDS***

08:00 – 09:30, Thursday 13 July, 2023

Conference Room B

Dr. Arjun Karki, Ambassador Luteru, Distinguished Panelists,

Excellencies,

Distinguished Colleagues,

I am very pleased to see you all here today and it is so good to see many friends around the table.

Apologies again for my late entry.

I thank the LDC Watch for inviting my office to co-organize this important event and for providing me with the opportunity to say a few words about the three groups that my office supports– the LDCs, LLDCs and SIDS. I take this opportunity to commend and thank LDC Watch for their dedication and untiring efforts to keep the LDCs issues on our agenda. Your work on the ground is so critically important.

The range of challenges laid out by Dr. Karki, including illicit financial flows, rising debt burdens, and vulnerability to climate change and other external shocks are real. Each of the 92 vulnerable countries that my office represents feels them in some way or another.

Because of this, we are working with partners across the spectrum to ensure that the right ideas to tackle these challenges are identified and mainstreamed in the programmes of action. And most importantly to mobilize necessary political will and momentum to implement them.

I would like to share with you three key areas of action that I believe will be of utmost importance for the members of LDCs, LLDCs and SIDS:

- 1) Tackling Climate Change

2) Access to Affordable Finance

3) Capacity-Building

First, on Climate Change.

Our 92 members are all deeply affected by climate change, even though their contribution to the problem is insignificant.

Despite some SIDS having upper middle-income status, their entire economies and critical infrastructure could be wiped out with one terrible storm, not to mention the long-term challenge posed by sea-level rise. The LDCs and LLDCs are reliant on climate sensitive industries, such as agriculture, which makes them incredibly vulnerable to climate shocks.

The Loss and Damage Fund that was agreed at COP27 opens a window of justice to most vulnerable countries, including LDCs,

LLDCs and SIDS, suffering the impacts of climate change. The capitalization and operationalization of the fund is an urgent test to realizing its promise.

As we wait for our development partners to take serious action on their climate mitigation commitments, we are exploring the feasibility of a comprehensive multi-hazard crisis mitigation and resilience-building measures for the LDCs, which was one of the ‘deliverables’ agreed in the Doha Programme of Action for the LDCs.

We are looking forward to further agreements on climate change at COP28 and at the upcoming SIDS4 and the LLDC3 conferences, both taking place in May/June 2024 in Antigua and Barbuda and Rwanda, respectively.

Second, on Access to Affordable Finance

Access to affordable finance for LDCs, LLDCs and SIDS is critical for all aspects of their development and for tackling the effects of climate change. According to the 2023 Financing for Sustainable Development Report¹, ODA to LDCs increased by 2.6 per cent in real terms in 2021, LLDCs increased by 4.3 per cent, and ODA to SIDS increased by 21.4 per cent, (but ODA to SIDS started at a very low base). However, if you remove COVID-19 related aid from the 2020 figures, bilateral ODA fell for all developing countries other than upper middle-income countries. We expect this trend to continue.

The reality is that many of our members are forced to borrow at higher-than-market rates in order to finance their development. And that leaves LDCs, LLDCs and SIDS with significant debt burdens that threaten the development they were borrowing for in the first place. The Common Framework and other recent agreements are not enough to provide sustainable relief our members and the

¹ <https://financing.desa.un.org/post-news/2023-fsdr-report-now-available>, page 81

international community must do more to holistically address the problems of high borrowing costs and management of debt in LDCs, LLDCs and SIDS.

We recently concluded a project, with support from the Government of Canada, that explores Improving LDCs' Access to Finance, including Climate Finance. Some of the recommendations include:

- increasing capacity-building support for LDCs,
- expanding the roll-out of the Integrated National Financing Frameworks, or INFFs, in LDCs,
- critically evaluating and enhancing LDC-specific funding windows to better match LDCs' needs and capacities

You can find this report on our website. I believe the findings in the report are applicable not just to the LDCs, but to many LLDCs and SIDS as well. We are co-organizing a side event with Canada on July 19th to present this report and I hope to see many of you there.

My office, in its role as Secretariat, has been supporting the work of the High-Level Panel on a Multidimensional Vulnerability Index. The MVI hopes to highlight the existential challenges faced by SIDS and therefore facilitate additional concessional finance and other measures that would support SIDS and other vulnerable countries including some LDCs and LLDCs. However, broad political support is vital for this to happen.

The scaling-up of affordable financing for adaptation and mitigation efforts from both public and private actors is of utmost importance, and development partners must offer predictable financing to support these three groups effectively.

Finally, on Capacity-Building

The idea that the most vulnerable countries require capacity-building support as a key part of their development assistance is not news to anyone in this room. The need for capacity-building support is applicable in nearly all areas, including capacity-building to prepare project documents for climate finance applications, to coordinate across government ministries, to work with neighboring nations to facilitate trade and access to ports, to plan for climate-resilient infrastructure, to develop strategies to attract SDG-aligned investments, and much more.

The DPoA called for action towards the development of an international investment support center for the LDCs and recently graduated countries, which would include capacity-building support for Investment Promotion Agencies. As such, my office is exploring the feasibility of investment support centre and we expect the Secretary-General to make recommendations on its feasibility next summer.

(Conclusion)

With the negotiations of the outcome documents of the LLDC3 and SIDS4 Conferences ahead of us, let us use this opportunity to ensure the new programmes of action for these two groups call for bold action on climate change, on access to finance and on capacity-building.

I hope that LDC Watch and other civil society networks and organizations will be involved in the preparations of both conferences, to ensure that the voices and needs of people on the ground are adequately woven into the next ten years of action. We will do our part to help ensure meaningful participation in the preparation processes and in the conferences themselves, and we know that you will bring the strong commitment and the calls for an

equitable, sustainable future for the LLDCs and SIDS, as well as your continued work for the LDCs.

I thank you all for your attention and your commitment to the sustainable development of the LDCs, LLDCs and SIDS.