

## UNGA78 Second Committee: Countries in Special Situations

Landmark conferences and next steps for LDCs, LLDCs and SIDS

### In This Issue

Two high-level conferences for countries in special situations are scheduled for 2024 and Preparatory Committees have begun their discussions at the UNHQ.

This Round Up focuses on central themes explored by the UNGA78 Second Committee (Economic and Financial)'s session on Groups of Countries in Special Situations, including debt distress and vulnerability, concessional funding and climate financing.

Deliberations addressed the follow-up to LDC5 and the lead-up to the 2024 conferences, SIDS4 and LLDC3 (see box).

### Upcoming: [SIDS4](#) & [LLDC3](#)

The [4th International Conference on Small Island Developing States \(SIDS4\)](#) is set to take place 27 - 30 May 2024 in St John's, Antigua and Barbuda, with the theme "Charting the course toward resilient prosperity". Two Intergovernmental Preparatory Committee (PrepCom) sessions have been scheduled: [PrepCom I](#) (22-26 January 2024) and [PrepCom II](#) (1-5 April 2024), both at UNHQ in New York.

The [3rd UN Conference on Landlocked Developing Countries \(LLDC3\)](#), dedicated to the needs and challenges of LLDCs, is scheduled from 8 to 22 June 2024 in Kigali, Rwanda. A main agenda item will be to establish the next iteration of the [Vienna Programme of Action \(VPoA\)](#), established in 2014, which targets challenges faced by [Landlocked Developing Countries \(LLDCs\)](#), emphasizing infrastructure development and trade facilitation. In preparation for LLDC3, there will be two sessions: [PrepCom I](#) (5 - 8 February 2024) and [PrepCom II](#) (29 April - 1 May 2024), both at UNHQ in New York.

See the [GPF briefing on LLDC3](#) for more information.

### Previous: [LDC5](#), 5-9 March 2023

The [Doha Programme of Action \(DPoA\)](#), adopted in 2022, serves as a vital framework addressing the needs of [Least Developed Countries \(LDCs\)](#), focusing on areas like trade, development assistance and debt relief. [LDC5](#) was held 5-9 March 2023, in Doha, Qatar, and launched the [Report of the Fifth United Nations Conference on Least Developed Countries](#).

See GPF's briefings on [highlights from LDC5's roundtable](#) discussions and the [Civil Society Forum](#).

### Resources/Links

#### Key Areas & Documents:

- [Second Committee \(Economic and Financial Committee\)](#)
- Agenda [Item 20 \(a\)](#): Follow-up to the Fifth UN Conference on LDCs
- Agenda [Item 20 \(b\)](#): Follow-up to the second UN Conference on LLDCs
- [The SDG Stimulus](#)
- [LDCs: The Doha Programme of Action \(DPoA\) | Report of LDC5](#)
- [SIDS: Barbados Programme of Action PDF \(BPoA\)](#)
- [LLDCs: The Vienna Programme of Action \(VPoA\)](#)
- [UNCTAD's Least Developed Countries Report 2023](#)

## Under Secretary-General and High Representative for the Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) (UN-OHRLLS), Rabab Fatima

- “The pandemic has had a dire impact, also on the fiscal and financial situation in LDCs, with 20 to 21 countries either in debt distress or at high risk of it. Making matters worse, **Foreign Direct Investment** (FDI) to LDCs decreased by 14% in 2022 compared to the previous year, 2021. Increasing investment will be key, to not just recovery but to also make progress to the Sustainable Development Goals (SDGs)....
- “My office conducted a comprehensive survey among UN development system (UNDS) entities and it found that although the UNDS entities recognize the LDC category, the **World Bank** still does not recognize the category in its operations....
- “Despite this, [the report \[on the functions of OHRLLS\]](#) finds that support for graduating and graduated countries, as well as the phasing out of **LDC-specific benefits**, have often been reviewed only on a case-by-case basis rather than through an established institutional approach.”

## Countries in special situations ask for international support in crafting tailored solutions for diverse development needs

- **Samoa, on Behalf of the Alliance of Small Island States (AOSIS):** “SIDS grapple with the existential threat of climate change due to their coastal locations, LDCs face deep-rooted poverty and developmental challenges, while LLDCs must contend with the complex issues of geographic isolation and limited access to global markets. Acknowledging the distinct circumstances of each group is vital to crafting effective solutions that address their **specific needs** and aspirations on the path to sustainable development.
- “...We call for urgent implementation of the newly adopted DPoA.... Through the work of this committee, we hope to unlock enhanced support for LDCs, particularly in priority areas

such as infrastructure development, capacity building, technology transfer and access to resources.”

- **Zimbabwe:** “LLDCs, including my own country Zimbabwe, face unique challenges that demand our collective attention and commitment if sustainable development is to be a reality. While some progress was made in the implementation of the Vienna Programme of Action (VPoA) for LLDCs, evidence abounds that this progress has not been enough for LLDCs to achieve the required transformation. The work of this Second Committee, should, therefore, acknowledge the urgent need to address the **multifaceted issues** affecting this group of countries, that equally require **multidimensional approaches.**”

## Angola addresses challenges in the path to graduation amidst macroeconomic structural challenges

- “According to [Resolution 75/259](#), the Republic of Angola was scheduled to complete its graduation process in February 2024. However, unstable oil prices and partial recovery from currency depreciation have led to a slow economic recovery. On the other hand, **macroeconomic and structural challenges** continue to hamper the economic and social development of the country. Angola’s Gross National Income (GNI) per capita has fallen below the graduation threshold of the income exception, although it has exceeded the normal income threshold.
- “...the country has not improved suitably on the other two criteria for LDCs, namely the **human resources index and economic** and the **environmental vulnerability index**. Based on these facts, Angola is no longer eligible to be recommended for graduation in 2024.”

## Sustaining progress: Bangladesh's call for extended LDC-specific support post-graduation

- “For graduating LDCs, like Bangladesh, there should be **incentives for graduation**. They should enjoy the LDC-specific support measures for an extended period of time to

build their productive capacities. There should be some innovative and transitional financing mechanisms tailored to their specific needs.”

### Inadequacy of GDP as a measure of development and vulnerability

- **Timor-Leste:** “GDP cannot be the primary criterion for measuring a country's wealth. It is critical to tailor a country's development based on long-term progressive transformation, including consideration on the economy and environmental progress, that is why Timor-Leste is supporting the elaboration of the **Multidimensional Vulnerability Index** tools to address GDP gaps...”
- **Cuba, on behalf of G77 & China:** “The LDCs process of graduation to a higher stage must be re-evaluated to ensure the **sustainability of the progress** achieved in each case. It is unreasonable for LDCs, once graduated, to stop receiving specific treatment when their vulnerability is still evident. This is in line with the **urgent need to measure sustainable development beyond GDP**. Graduated LDCs would not face this reality if developed countries were to fulfill their commitment to contribute 0.7% of their GDP to ODA.”

### LDCs advocate for reform of the international financial architecture to tackle debt distress in LDCs, LLDCs and SIDS

- **Sierra Leone** draws attention to “building on the imperative for implementation of the Doha Programme of Action (DPoA). Scaling-up to attain the 2030 Agenda should involve strategic partnership, collaboration and support from international financial institutions, including from Multilateral Development Banks, private sector investment and fulfillment of [Official Development Assistance](#) (ODA) commitments....”
- “[I]n acknowledging the contributions of the International Financial Institutions and Multilateral Development Banks, there is growing consensus on the need for the **reform of the international financial architecture** and its **governance system** to enable it work and be fit for purpose in serving the priorities and

needs of developing countries, particularly the groups of countries in special situations to ensure sustainable development for all.“

- **Sierra Leone** joins “Member States in the call for the allocation of [Special Drawing Rights](#) (SDRs) to developing countries, particularly LDCs, while considering debt cancellation, for groups of countries in special situations.
- “MDBs, IFIs and public and private lending agencies are not doing enough to address the **debt sustainability and debt distress** of the countries in special situations. Under the current global financial architecture, LDCs are often forced to pay **high borrowing costs** to access funds. Unsustainable loans often raise the possibility of debt default, which in turn affects creditworthiness, further limiting access to loans and funds, thereby creating a vicious cycle.“
- **Cuba on behalf of G77 & China** stresses: “We must confront the **unsustainable debt burden** in many LDCs and take urgent and necessary measures to reduce the debt situation if they are to return to normal. Immediate actions such as substantial debt relief and restructuring, reallocation of unutilized SDRs and a new allocation of SDRs are necessary....”
- “It is imperative that developed countries must meet their ODA commitments. These countries must fulfill their historic commitment to allocate between 0.15% and 0.20% of their GDP to ODA for the LDCs.”

### The Maldives and Zambia call for strengthening developing countries' voices

- **The Maldives** assert that their graduation from LDC status “continues to offer much for reflection. As just the third country in the world to have reached this milestone, we were able to alleviate our people from the hardships of developmental challenges. Yet, the bitter truth is that we have not fully realized the promised prosperity that was bound to come with graduation.
- “The central issue lies in the graduation process itself, which has downplayed the enduring **structural vulnerabilities** of SIDS....”

- “Despite three decades of targeted development plans for SIDS, for our pressing needs, lasting solutions have remained elusive.
- “The immediate and credible **reform** of the **international financial architecture** is crucial. This should include reform of the governance of the International Financial Institutions (IFIs) and Multilateral Development Banks (MDBs), to strengthen the voice and participation of developing countries.”
- **Zambia** recognizes that “[t]he Landlocked Developing Countries (LLDCs) voice must be strong.... The agreement on the **Loss and Damage Fund** agreed upon at COP27 must be enforced with the LLDCs having a proportionate share.... [A]llow me to make clear our asks:
  - “A spirited effort to support economic transformation to address the limitations brought on by **single commodity dependency**;
  - “Greater **climate financing**. No country should be made to choose between protecting the climate and uplifting livelihood. Extreme poverty remains a shame for humanity in the 21st century;
  - “The **development financing** landscape must recognize in practice the special circumstances of our countries. This means a scale up in **concessional financing**, better lending terms, especially for Africa and better access to climate funds.”

---

UNCTAD Least Developed Countries Report 2023

“...the LDCs exert little, if any, influence on the decision-making processes that shape the international financial architecture.... their voice in international financial institutions, such as the IMF, the World Bank and regional development banks, is marginal at best....

Such power imbalances result in the LDCs being frequently mentioned in the international discourse on issues essential for their development prospects... but the subsequent outcomes and decisions do not align with their specific needs and characteristics.”

---

### Nepal urges development partners to stay committed to FDI and ODA to relieve debt distress

- “Countries in vulnerable situations are facing severe **debt distress**. Over half of the LDCs are either in debt distress or at serious risk of debt default. Similar is the case with the LLDCs and SIDS. Our group of countries heavily rely on **FDI and ODA** in the recovery endeavors. But neither the ODA commitments by the development partners have been fulfilled nor has the FDI seen rise. Compared to 2021, the countries got 30% less FDI in the year 2022....
- “To address the multifaceted challenges including poverty and **vulnerability to external shocks** and build resilience, the countries in special situations urgently need unwavering global attention and support. Financing is the key to addressing the challenges faced by countries in special situations. Adequate **resource mobilization** is essential for us to contribute to our development endeavors and achievement of SDGs.”

### Lesotho brings attention to increased vulnerability as a consequence of rising trade costs and declining FDI and ODA

- “...declining FDI in our countries remains a challenge. This, coupled with the ODA as postulated by the Secretary-General's report, which notes that ‘half of LDCs and/or LLDCs are either in **debt distress** or at a serious risk of **debt default**,’ severely hamper our recovery efforts from the adverse impacts of COVID-19, climate change, geopolitical tensions - thus leading to high inflation, skyrocketing food prices, energy prices and those of agricultural inputs.”
- “A further disruption in trade logistics increases our **trade costs** due to our vulnerability and high dependence on transit countries to access international markets. It is therefore critically important that we add our voice in encouraging our development partners to fulfill all their respective ODA commitments to LLDCs and LDCs in order to enable them to overcome these myriads of challenges facing them.”

## Botswana on behalf of LLDCs calls for improved international debt mechanisms

- “We agree with the Secretary-General’s report under review, which underscores the severe financing deficit, in particular for infrastructure, limited data and technical capacity constraints which also undermined progress of LLDCs. Indeed, the **growing debt vulnerability** of LLDCs is a great concern. We therefore reiterate the call for improved international debt mechanisms that are fairer and more effective, to support LLDCs to address the emerging debt crisis.”

---

### UNCTAD Least Developed Countries Report 2023

“The general allocation of SDRs in the wake of the COVID-19 pandemic in 2021 has shown that these instruments can quickly boost global liquidity in a period of crisis. However, as SDRs are distributed according to a country’s quota of shares at the IMF, liquidity does not flow to where it is needed the most....

The LDCs jointly received just over 2 % of the US\$650 billion worth of SDRs in the 2021 general allocation. Reform of the rules for the distribution of SDRs is needed so that these instruments can be used to help respond to the pressing financial needs of the LDCs.”

---

## Financing Shortfalls: United States addresses need for improved assistance and financing for LDCs, LLDCs and SIDS

- “[T]he United States championed the launch of the G7’s Partnership for Global Infrastructure and Investment (PGI). Under this initiative, we intend to mobilize US\$600 billion by 2027 to help low- and middle-income countries, including LDCs, LLDCs, and SIDS.... This assistance alone will not be enough. Since last year, a broad and growing coalition of **shareholders** have been working to enact **multilateral development bank evolution**. Our administration is also working with Congress to unlock new lending capacity for the World Bank and International Monetary Fund (IMF) to provide more financing at better rates for investments in climate, public health, or other critical issues. We support partner countries’ efforts to improve **domestic resource**

**mobilization** along with other bilateral and multilateral members of the Addis Tax Initiative.

- “...the World Bank will soon enable countries to defer debt payments until after climate shocks and natural disasters, which will provide much-needed relief to countries in special situations.”

## Paraguay and Cuba on behalf of G77 & China urge international community to stay true to commitments and ensure no one is left behind

- **Paraguay** asks “the international community to be faithful to the principle of not leaving anyone behind, which would require **complying with the existing commitments** when it comes to ODA, expanding the financing of all the possible sources in order to invest in the implementation of the SDGs, to provide technical support and the capacity-building as well as undertake partnerships that would promote progress, adopting a united, cooperative approach in order to move towards a world with real development opportunities for all nations and in particular for the countries in special situations.”

## Urgent need for further international support and structural reform

- **Lao People’s Democratic Republic on behalf of ASEAN:** “The development of LDCs and LLDCs must be given top priority as their needs and challenges would hardly be overcome by themselves. Therefore, the support and assistance from the international community are essential for them to attain the objectives of their national development and implement the agreed global development agenda.”
- **Ethiopia:** “LDCs and LLDCs grapple with significant structural challenges.... The irresponsible global financial system and the current **geopolitical tensions** exacerbate these challenges, further hindering the implementation of the 2030 Agenda....
- “Progress toward graduation is slow, support for **structural transformation** is inefficient, and commitments for market integration, debt relief, development finance, and climate finance fall

short. The global economic system remains unfavourable to LDCs and LLDCs, with little indication for improvement.”

- “...the international community should unite to overcome these interlinkage challenges through renewed cooperation and partnerships. Our focus should be, among others, on creating an inclusive international financial system, fulfilling previous climate finance commitments, supporting the SDG Stimulus, encouraging FDIs, and building resilient infrastructures.”
- **The Maldives:** “Despite three decades of targeted development plans for SIDS, lasting solutions have remained elusive. As the co-chair of the Preparatory Committee for the conference, the Maldives has committed to bringing about constructive outcomes this time, with the support of the international community.”

### Malaysia: Bridging global inequalities through South-South and North-South cooperation

- “It is remarkable to note that the cooperative effort among **South-South** partners, which have spent over four decades, continue to hold relevance and importance in our collective pursuit of sustainable development. In addition, Malaysia strongly supports the efforts to bolster South-South cooperation to the involvement of northern countries under the triangular cooperation modality...”
- “It is Malaysia's steadfast belief that intensifying North-South cooperation guided by the principle of respect, equality and mutual benefits is crucial in addressing **global inequalities**.”

### Countries in Special Situations urgently call for Technology Transfer to boost resilience

- **Lesotho:** “Our countries, despite their minimal role, if any at all, in contributing to the current climate crisis, remain the most affected. Most sectors of our economies suffer greatly, including agriculture and food security, infrastructure development and many more. We therefore wish to underscore the importance of providing climate finance to LDCs, LLDCs and

SIDS in mitigating the adverse effects of climate change.

- “In order to meet up with the emerging 21st Century challenges, LDCs also need to invest immensely on **science, technology and innovation**. Therefore, we wish to echo the need for scaled up support in these areas to ensure technology transfer. Most importantly, this must be done in our pursuit of achieving the SDGs.”
- **Bangladesh:** “**Technology transfer** to LDCs needs to be tangible and meaningful. They need access to innovative new technologies, especially green technologies, that will help them combat the climate crisis while developing their various productive sectors.”

### Türkiye underscores significance of digital transformation as a strategy to bridge the digital divide

- “Digital transformation deserves our special focus in development efforts. COVID-19 has shown how far back LDCs are lagging in the field of Science, Technology and Innovation (STI). The **digital divide** is separating the LDCs from the rest of the world. The gap is widening.”
- “UN Technology Bank for LDCs hosted by Türkiye...stands as the first-ever sustainable development target achieved under the 2030 Agenda.... We encourage LDCs to make best use of the Bank's services....We also need greater support from new and potential development partners to increase the efficiency of the Bank.”

---

#### Pakistan. Ministry of Planning Development & Special Initiatives

“...Recent disasters illustrate the scale of funding needed for effective actions to address L&D. For instance, estimates of the costs of the damage from floods in Pakistan in 2022 amount to US\$14.9 billion, and economic loss is estimated to be US\$15.2 billion”

---

### Mongolia: importance of International Trade Transactions (ITT) for heightened global trade for LLDCs

- “Mongolia has still a lot to do in increasing its participation in **global trade**, has limited integration into regional and global value chains, lacks diversification of products and export markets, and relies significantly on just a few natural resources....
- “We need to put more efforts to develop the ITT into an excellence center for research and advocacy to enhance the capacity of LLDCs to benefit from international trade, improve human development, and reduce poverty.”

### Peace and security pressures hindering the progress of LDCs and undermining achievements towards the 2030 Agenda

- **Myanmar:** “The civilian government maintained Myanmar's development with strong socio-economic policies even when the COVID-19 pandemic hit. Yet, the illegal military coup on 1 February 2021 and the military junta's widespread atrocities destroyed all progress made earlier.
- “It is crystal clear that the military junta is not capable of governing the country or managing the economy and it is not capable of delivering durable peace and stability. Under this circumstance, Myanmar cannot be in a position to meet DPoA's targets and SDGs. In order to achieve those targets and goals, first and foremost we have to end the military dictatorship, restore democracy and then build a federal democratic union in Myanmar. In this regard, the people of Myanmar are so resolute. Therefore, I wish to reiterate our appeal to the international community to provide strong and effective support to the people of Myanmar. I also urge the UN and our fellow member states to listen attentively to the people and make sure that the UN does not fail Myanmar and not leave the people of Myanmar alone.”
- **Eritrea:** “There is an urgent need for LDCs to enjoy peace and stability. The report of the Secretary-General states that since 1991, two thirds of LDCs have experienced armed conflicts. The same report also confirms that lack of peace and stability poses a serious

obstacle to sustainable development in the LDCs.

- “Many millions in LDCs, including my own people, are also suffering from the imposition of politically motivated and **Unilateral Coercive Measures** (UCMs) that some powers use advance their foreign policies and objectives, thus the LDCs must enjoy peace and stability, and those of them, suffering from the UCMs need to get rid of the adverse impact of these illegal measures, this is a prerequisite for achieving sustainable development.”

Statements 4 October 2023

Under Secretary-General and High Representative for the LDCs, LLDCs and SIDS Rabab Fatima

Angola

Bangladesh

Botswana on behalf of Landlocked Developing

Cuba n behalf of Group of 77 & China

Eritrea

Ethiopia

India

Lao People's Democratic Republic On Behalf of ASEAN

Lesotho

Maldives

Mongolia

Myanmar

Nepal

Paraguay

Samoa On Behalf of Alliance of Small Island States

Sierra Leone

Timor-Leste

Türkiye

United States of America

Zambia

Zimbabwe