



LDC5
5TH UNITED NATIONS
CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES



CONCEPT NOTE

High-level Asia-Pacific Regional Review Meeting on the Istanbul Programme of Action in preparation for the Fifth United Nations Conference on the Least Developed Countries

Geneva, 30 August to 2 September 2021

United Nations Office at Geneva (UNOG)
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INTRODUCTION

The General Assembly in its resolutions 73/242, 74/232A and B, and 75/227 decided to convene the Fifth United Nations Conference on the Least Developed Countries (LDC5), at the highest possible level, including Heads of State and Government, in Doha, Qatar, from 23 to 27 January 2022. The General Assembly has provided the following mandates for the LDC5:

- (a) To undertake a comprehensive appraisal of the implementation of the Programme of Action by the least developed countries and their development partners, share best practices and lessons learned and identify obstacles and constraints encountered as well as actions and initiatives needed to overcome them.
- (b) To identify effective international and domestic policies in the light of the outcome of the appraisal as well as new and emerging challenges and opportunities and the means to address them.
- (c) To reaffirm the global commitment to addressing the special needs of the least developed countries made at the major United Nations conferences and summits, including in the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Paris Agreement and the Sendai Framework.
- (d) To mobilize additional international support measures and action, in addition to domestic resources, in favour of the least developed countries and, in this regard, to formulate and adopt a renewed partnership between the least developed countries and their development partners, including the private sector, civil society and governments at all levels.

The LDC5 Conference provides a key opportunity to ensure that the successor to the Istanbul Programme of Action for Least Developed Countries (IPoA) mobilizes international support in favour of all LDCs to address their structural challenges as well as new and emerging ones.

LDC5 will be preceded by broad-based and inclusive substantive preparations at national, regional and global levels. The General Assembly resolution 73/242A and the ECOSOC resolution 2020/16 mandated that two regional preparatory meetings should be organized, one in collaboration with the Economic Commission for Africa (UN-ECA) and the other in collaboration with the Economic and Social Commission for Asia and the Pacific (UN-ESCAP). The General Assembly underlined that the regional meetings to be supported by broad-based and inclusive country-level preparations.

In line with the decision of the General Assembly, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS) jointly with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP) and the Government of Bangladesh will organize the Asia-Pacific Regional Review meeting, including Yemen, in Geneva, from 30 August to 2 September 2021.

BACKGROUND ON IPOA IMPLEMENTATION IN THE ASIA-PACIFIC REGION AND YEMEN

The Asia-Pacific Regional Review accords a special significance as 13 out of 47 LDCs during the implementation of the IPOA were located in the region. With the graduation of Vanuatu in December 2020, the number of Asia-Pacific LDCs was reduced to 12. The Asia-Pacific LDCs made considerable progress in their socio-economic development, particularly in reducing income poverty and investing in human resources and infrastructure, enabling most of the countries of this region to fulfil the graduation criteria.

Before the pandemic, the Asia-Pacific LDCs experienced a weighted average GDP growth rate of 7.2 per cent in 2019. Government revenue (excluding grants) increased from 19.1 per cent of GDP in 2011 to 22.8 per cent in 2019, driven primarily by the rise in tax revenue. Mobile cellular subscriptions surged remarkably from 38.1 per 100 people in 2010 to 89.5 in 2018. However, the internet penetration rate was only 47 per cent in 2019, against the 100 per cent target as set out in the IPOA.

Access to electricity in Asia-Pacific LDCs rose sharply from 55.4 per cent in 2010 to 87.3 per cent in 2018. Despite some progress in the area of trade, they missed the SDG target 17.11 of doubling the share of global exports by 2020. Access to health care continues to remain a key challenge, with an average of only 0.79 physicians per 1,000 people in 2017, compared to 2.79 in other developing countries of the region. Social protection systems are also inadequate as only 19 per cent of the population in the Asia-Pacific LDCs was covered by at least one social protection benefit in 2019, compared to 58 per cent for other developing countries in the region. As a result, this has left many workers, particularly those in the informal sector, vulnerable to external shocks.

Of the current 12 Asia-Pacific LDCs, 9 have met the criteria for graduation for at least two consecutive times at the latest triennial review of the CDP in 2021 and one met the graduation criteria for the first time, effectively placing 10 Asia-Pacific LDCs at some point in the graduation pipeline. Three countries from this region (Maldives, Samoa and Vanuatu) graduated from the LDCs category in the past decade. Hence, at the end of this decade, there may be almost no LDCs left in Asia and the Pacific. This would be a remarkable sign of progress and an achievement in line with Agenda 2030. Despite graduation progress made by the vast majority of the Asia-Pacific LDCs, two countries in the region are trapped in conflict and post-conflict situations, causing humanitarian crisis and severely impeding progress towards goals and targets of the IPOA.

Graduation signifies achievement of a considerable level of development as well as resilience against various shocks and crises. Graduation also symbolizes an overall strength of a country's economy and stability in its economic progress for a certain period of time. Despite considerable progress and opportunities associated with graduation, the fact remains that the many development challenges that the country faces as an LDC remain even after graduation. The graduated countries still remain far below the targets under most of the SDG indicators and continue to face insurmountable challenges and vulnerabilities to various shocks and crises.

Graduation is also associated with losing LDC-specific support. Graduated countries lose the LDC specific preferences in the areas of trade, especially market access; finance, including climate finance; technology transfer; intellectual property rights; aid for trade; travel support and many other special and differential treatment offered to LDCs. These losses may be quite significant as LDCs rely on these special support measures to remain competitive in the international market and finance their development needs.

The Asia-Pacific Regional Review meeting provides an opportunity to discuss and agree on a package of support, beyond existing smooth transition measures, to ensure that the graduated countries continue to enjoy LDC-specific support in some critical areas of their economy for a certain period of time consistent with their development situations and needs. They also need enhanced access to various sources of finances both traditional and new sources of finance, including blended finance of domestic and international resources. These can serve as a safeguard measure for the graduated countries to sustain their development path and thereby facilitating the achievement of the SDGs.



The massive outbreak of the COVID-19 pandemic has emerged as a colossal threat to Asia-Pacific LDCs. Although they might have largely avoided the catastrophic health impacts of the pandemic, its social and economic upshots are ruinous. The pandemic has triggered simultaneous demand and supply side shocks for LDCs. Lockdown and social distancing have caused serious disruptions in their domestic production, distribution, and value chain systems. They are particularly overwhelmed in terms of secondary and tertiary shocks – many of them coming from beyond national jurisdictions - in the form of a precipitous fall in external demand for their exports and often disruptions in their imports.

Thus, most if not all Asia-Pacific LDCs have experienced considerable reductions in economic growth, widespread unemployment, sharp contractions in international trade, a slowdown in the flow of external resources and an almost complete halt in the international travel and tourism sectors. The GDP growth rate of the Asia-Pacific LDCs has sharply declined and reached 2.1 per cent at a weighted average rate (with a simple average of -2.5 per cent) in 2020. The pandemic has also disrupted healthcare and education systems, impacted access to safe drinking water and sanitation and contributed to heightened food insecurity. Overall, ESCAP projections indicate that an additional 12 million people in the Asia-Pacific least developed countries could fall below the \$3.20 daily income poverty line owing to the COVID-19 pandemic.

All of the Asia-Pacific LDCs witnessed sharp drops in tourist arrivals when travel bans were imposed, leading to a 47 per cent decline in earnings from tourist arrivals in 2020 compared to 2019, with cascading impacts on tourism-related enterprises and services. Exports from LDCs dropped by 17.5 per cent during the second and third quarters of 2020 compared to the same period in 2019. Education systems have been severely disrupted by the pandemic as well. Many children and young people, particularly girls from poor households, have dropped out of schools, which adversely impacts school enrolment, literacy rates and future job prospects.

In light of rising spending needs and economic contraction due to the COVID-19 pandemic, public debt in most Asia-Pacific LDCs is estimated to have increased in 2020 by 5.9 percentage points of GDP, and a higher debt service burden is anticipated in the future. Personal remittances sent to the Asia-Pacific least developed countries have steadily grown. However, the average cost of sending remittances to Asia-Pacific LDCs, remains high, ranging from 4.4 per cent to 16.6 per cent of the amount transferred in 2017, which is much higher than the SDG target 10.c.

The economic and social impacts of the COVID-19 pandemic have exposed the high external dependency of the countries' economic performance and their limited fiscal space to deal with external shocks. The fiscal response was particularly small in the Asia-Pacific LDCs, as they could only manage to inject less than 2 per cent of GDP as support to their people and economies in response to COVID-19.

Due to the ongoing uneven containment of the disease and serious shortage of vaccines, the Asia-Pacific LDCs face the challenge of lopsided recovery from the economic effects of COVID-19. Thus, in addition to national efforts, external shocks of such magnitude require a collective response at regional and global levels to address the adverse impact of the pandemic on Asia-Pacific LDCs where capacities are generally lower, and vulnerabilities are higher.

OBJECTIVE

The key objectives of the Asia-Pacific Regional Review are to:

- Undertake a comprehensive appraisal of the implementation of the Istanbul Programme of Action in Asia-Pacific LDCs, share best practices and lessons learned and identify obstacles and constraints encountered in the context of the COVID-19 pandemic.
 - Generate political momentum in favour of global partnerships for development to accelerate graduation and to make the graduation sustainable, irreversible and a steppingstone to achieve the Sustainable Development Goals.
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- Identify a unique set of vulnerabilities that they face and come up with concrete recommendations on specific measures, both ex-ante and ex-post, to address the challenges in a holistic and coherent manner.
- Identify effective international and domestic policies in the light of the outcome of the appraisal as well as new and emerging challenges and opportunities and the means to address them.
- Formulate specific recommendations on strategies and policy measures at the national, regional and global levels to build back better, and increase resilience from the impacts of COVID-19 and accelerate the implementation of the Sustainable Development Goals by the Asia-Pacific LDCs.

PARTICIPATION

The participants will include Ministers of Foreign Affairs, Ministers of Finance/Planning, members of parliaments, and senior experts from all Asia-Pacific LDCs. Development partners, graduated countries, relevant UN entities, international financial institutions, regional development banks, the private sector, civil society, youth representatives and other stakeholders will also be invited to attend at the highest level possible.

FORMAT

The five-day meeting will consist of an opening session, interactive panel discussions and a closing session. The panel discussions will comprise presentations by experts, including government representatives from LDCs, partner countries and development practitioners to be followed by interactive dialogues among all meeting participants, including representatives of Member States and other stakeholders.

OUTCOME

The outcome will be a ministerial declaration negotiated by the Asia-Pacific LDCs. It will feature a strengthened and renewed partnership between the least developed countries and their development partners. This declaration will make important contributions to the outcome of the Fifth UN Conference on LDCs and its ongoing preparatory process.

The programme and other information about the Asia-Pacific Regional Review will be posted on the UN-OHRLLS website at <https://www.un.org/ldc5/>

The Asia-Pacific Regional Review meeting is organized with a generous contribution from the Government of Turkey.