



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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African countries, Least Developed Countries and Landlocked Developing Countries:

Ensuring equal access to vaccines and resources in the poorest countries

Wednesday, 6 July 2022, 3:00 - 5:00 PM

Secretariat Background Note

Background

The planet faces the risk of a two-tiered COVID19 recovery, with many developing countries limited in their capacities to guarantee health protection to their respective populations, including access to vaccines, and to engage at the same time in economic recovery to overcome the devastating impact of the pandemic. The pressure that Governments face to deliver on both sides is particularly strong for Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs) given the weaknesses of their economies, their limited fiscal space and the structural obstacles and impediments they face in their efforts to engage in a sustainable development path. The on-going crises linked to climate change, the environment and conflicts compound their difficulties.

The African continent is particularly challenged: of the 46 countries classified as LDCs, 33 are in Africa, and so are half of the 32 LLDCs. In



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2021, COVID-19 was estimated to be the seventh major cause of death just below Malaria in Africa¹.



Despite the brutality of the pandemic, countries have learnt lessons on how to cope with the virus and progress has been made. Countries are accelerating efforts to conduct a more targeted response that provides access to vaccines and effective treatment. This requires assessing the vulnerability of the population to COVID-19 and identifying those that are most at risk. This is particularly challenging in the most vulnerable countries and requires that all actors, including development partners, ensure equitable access to vaccines and other health tools to close the vaccination gap. At present, vaccine inequity remains high, with the number of vaccines doses per 100 people in LDCs standing at just 23.9, and 77.5 in LLDCs² against 147.4 in developed countries.



The pandemic continues to have a devastating impact on economic performances of the poorest countries. The real GDP contracted by 3 per cent in Africa in 2020, the worst economic recession in half a century. According to UNDESA estimates, output losses for developing countries are to remain substantial compared to pre-pandemic trajectories, and many of the poorest countries are not expected to reach pre-pandemic income levels before the middle of the decade. While Manufacturing Value Added (MVA) per capita in Europe and Northern America reached their all-time high of \$5,006 in 2021, in LDCs it decreased to \$134, and the share of medium- and high-technology manufacturing in total manufacturing remains low (21.4% in sub-Saharan Africa and 10.5% in LDCs, compared to 47.7% in Europe and Northern America in 2019).

¹ <https://www.afro.who.int/news/covid-19-deaths-african-region-fall-nearly-94-2022-who-analysis>

² <https://ourworldindata.org/grapher/covid-vaccination-doses-per-capita?tab=table>



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Limited fiscal space has constrained the ability of Least Developed Countries to take stimulus measures, including enhanced social protection, and might be further reduced owing to the increasing costs of borrowing. Debt burdens and increasing debt servicing costs are becoming increasingly challenging for these countries, placing them at higher risk of debt distress.

Progress towards structural economic transformation that was already limited in most LLDCs for many years remained slow because of the COVID-19 pandemic. According to UNCTAD3, in 2020, the share of manufactured goods in merchandise exports remained below 20%, and LLDCs' services exports, particularly ICT exports, declined significantly as well amid the pandemic.

This situation is exacerbated by the war in Ukraine, whose repercussions on commodity prices and global trade will severely affect the most vulnerable countries. For example, at least 50 countries import at least 30% of their wheat from Ukraine or Russia, with 36 importing at least 50%, and most of them are African and least developed countries (SDG report – 2022). In Africa, the growth rate is projected to be reduced by 0.7 per cent due to fallout from the war in Ukraine, and inflation is expected to rise by an extra 2.2 per cent⁴. Countries are now facing the major brunt of the ongoing multidimensional crises of health, food, climate, finance, and energy, which will likely increase poverty. Landlocked countries - many of which also import wheat, maize, sunflower oil and other products directly from Ukraine and Russia - will also suffer disproportionately from these disruptions in global trade, given their reliance on foreign

³ <https://unctad.org/statistics>

⁴ Source: "Africa and the Ukraine crisis: Turning threats into opportunity", UN Sustainable Development Group, 3 May 2022.



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infrastructure and actors. Furthermore, due to rising fuel prices, contractor uncertainty and security issues, the already high trade and transportation costs for LLDCs are set to increase.

It is of a particular concern that these multiple shocks exacerbate inequalities not only among but also within countries. Low skilled and informal workers, in particular women, youth, and migrants, are particularly impacted. Women's participation in the labor force relative to men's decreased in many developing countries, due to their holding of less secure jobs and their being laid off. Including women and marginalized and vulnerable groups in national recovery strategies, supported by international cooperation, is key for sustainable progress, in line with the 2030 Agenda and the SDGs as well as the African Union's Agenda 2063.

National policies that are tailored to respond to the specific needs of a given country and society are central to recovery plans and strategies, and institutions should be strengthened when countries lack proper capacity. Coordination at the regional level also increases coherence in various policy sectors, even more so in the case of a viral pandemic.

Such efforts however need to be strongly backed by an enabling environment for development, strong international solidarity and increased access to financing and technology at the global level. In 2020 and according to preliminary figures in 2021, Official Development Assistance (ODA) rose in a year that saw all other major external resource flows for developing countries drop⁵. The record level of Special Drawing Rights (SDRs) and the Debt Service

⁵ Source: OECD DAC, ODA levels in 2021 – Preliminary data (<https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/ODA-2021-summary.pdf>).



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Suspension Initiative by the G20 were welcomed in this context. But we now see ODA being redirected towards humanitarian expenditure. Continued resilience of ODA will be key to support countries at a time when other sources of funding are lacking and when the war in Ukraine impacts economic performances and food security, energy access and people's health and well-being. Grants need to be favored to loans, especially for LDCs. It is also important to step up efforts to improve and implement the Common Framework for Debt Treatments, beyond the Debt Service Suspension Initiative, given the debt vulnerability of these countries.

In addition to appropriate levels of ODA and their allocation being expanded much beyond COVID related activities, other sources of public, private or blended financing are to be promoted, including for the purpose of financing for climate change, biodiversity and the ecological transition for which LDCs and LLDCs need a great share of support⁶. Partnerships will be key in the implementation of such activities.

In March 2022, the Doha Programme of Action for the Least Developed Countries was adopted at the Fifth UN Conference on LDCs. The Doha Programme of Action provides critical guidance on support to be provided to LDCs in achieving rapid job-rich and inclusive recovery from the pandemic, building resilience against future shocks, eradicating extreme poverty, mainstreaming tech driven-entrepreneurship, and enabling sustainable graduation from the LDC

⁶ Since 2015, renewable energy-generating capacity per capita have increased by 57.6%, but SIDS, LDCs and LLDCs lagged behind; according to the UN 2022 SDG report, it would take LDCs and LLDCs almost 40 years to reach the same progress as the developing countries reached on average in 2020.



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category. It also underscores the need to support sustainable and inclusive economic transformation, including by building productive capacities; investing in digital infrastructure; developing science, technology and innovation capabilities; diversifying economic and export structures; and integration into digital value chains. This Programme of Action will help the UN system and other development partners to scale up targeted support to those countries who need it most.

Proposed guiding questions:

- What are the economic and social impacts of limited access to vaccines in LDCs, LLDCs and African countries?
- How far have we progressed in ensuring equitable access to vaccines and enabling LDCs, LLDCs and African countries to sustainably recover from the pandemic?
- What are the most appropriate national policy frameworks to reverse the negative impact of the pandemic on the SDGs and engage in a sustainable and resilient development process?
- How can the international community best respond to these countries' needs for financial resources and other support?
- What new policy measures, means of implementation and support architecture are needed to implement the Doha Programme of Action for the LDCs in a timely manner?
- What kind of partnerships do LDCs, LLDCs and African countries need to operationalize global commitments?