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**Regional preparations for the Fifth United Nations Conference
on the Least Developed Countries****Summary**

Following the end of the term of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020, in order to support Arab States in participating in the drafting of the next action plan for the decade 2021-2030, to be adopted at the end of the Fifth United Nations Conference on the Least Developed Countries to be held in Doha in January 2022, the United Nations Economic and Social Commission for Western Asia (ESCWA) has launched a regional process to demonstrate the progress made over the past decade by its least developed member States, Mauritania, Somalia, the Sudan and Yemen, and the difficulties that continue to face these States. This process focused on vulnerabilities resulting from conflicts, political instability, institutional fragility and other factors preventing them from graduating from the category of least developed countries.

The regional review and preparedness process included the issuance of a report and policy paper titled "Arab LDCs: Development Challenges and Opportunities" and meetings attended by representatives of these countries and representatives of donor countries from the region and beyond, resulting in foundational elements towards a common vision of the Arab region for 2021-2030, contained in section II of this document.

The Executive Committee is invited to take note of ESCWA's efforts to support its least developed country member States and the foundational elements of the resulting vision, and to give opinions and observations.

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Introduction

1. The Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 has developed an ambitious plan adopted by the international community to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve sustainable development goals and enable them to graduate from the category of LDCs. This plan covered eight key areas: productive capacity; agriculture, food security and rural development; trade; commodities; human and social development; addressing multiple crises and other emerging challenges; mobilizing financial resources for development and capacity-building; and good governance at all levels.
2. Following the end of the term of the Istanbul Programme of Action, in order to support Arab States in participating in the drafting of the next action plan for the decade 2021-2030, to be adopted at the end of the Fifth United Nations Conference on the Least Developed Countries to be held in Doha in January 2022, ESCWA has launched a regional process to demonstrate the progress made over the past decade by its least developed member States, Mauritania, Somalia, the Sudan and Yemen, and the difficulties that continue to face these States, with an emphasis on vulnerabilities resulting from conflicts, political instability, institutional fragility and other factors preventing them from graduating from the category of least developed countries.
3. To make recommendations that will achieve results in the next decade and to avoid the stumbling blocks of the previous decade, the process has also sought to learn from the lessons of the Istanbul Programme of Action, monitor the status of bilateral and multilateral development financing flows in the Arab region aimed at achieving the goals related to the eight priority areas mentioned above, assess the feasibility of these flows, build on the lessons learned from attempts to increase the effectiveness of foreign direct investment and official development assistance and enhance the ability of the institutions of the four countries to attract such assistance and investment.
4. The present document presents the most prominent stages and outcomes of ESCWA's preparatory process in the Arab region and highlights in particular the founding elements of the Arab vision for 2021-2030 which resulted from this process. The Executive Committee is invited to take note of this process and provide comments and observations thereon.

I. Events and outcomes of the regional preparatory process

5. As part of its regional process to support the Arab region, from LDCs to Arab donor countries and regional and international donors, in preparing for the Fifth United Nations Conference on the Least Developed Countries, ESCWA organized the events in the following table:

Events organized by ESCWA to support the LDCs

Participants	Event title	Date and venue
The meeting was attended by representatives of ESCWA, the Saudi Development and Reconstruction Program for Yemen, the League of Arab States and the Ministry of Finance of Saudi Arabia, as well as representatives of the Governments of ESCWA least developed country member States: Mauritania, Somalia, the Sudan and Yemen.	Assessment of the Istanbul Programme of Action to contribute to the development of the next decade's action plan for the least developed countries	Online, 18 February 2021

Participants	Event title		Date and venue
Representatives from a group of funds and regional and international development organizations also attended the meeting.			
The meeting was attended by representatives of ESCWA and the Minister of State for Foreign Affairs of Qatar, as well as representatives of the Governments of Mauritania, Somalia, the Sudan and Yemen. Representatives of a range of funds (including the Qatar Fund for Development, the Saudi Development and Reconstruction Program for Yemen, the Kuwait Fund for Arab Economic Development, the Islamic Development Bank and the Arab Fund for Economic and Social Development) also attended the meeting.	Virtual side event on the sidelines of the first Preparatory Committee meeting of the Fifth United Nations Conference on the Least Developed Countries		Online, 25 May 2021
The meeting was attended by representatives of ESCWA as well as the Undersecretary of the Ministry of Planning and International Cooperation of Yemen, the Director of the Planning Department of the Ministry of Planning of Somalia and the Adviser to the Minister of Economic Affairs and Promotion of Productive Sectors of Mauritania.	A preparatory meeting between ESCWA and least developed country member States: Mauritania, Somalia and Yemen		Online, 28 July 2021
The meeting was attended by representatives from Iraq, Lebanon, Mauritania, Somalia, Yemen, the Saudi Development and Reconstruction Program for Yemen and the Qatar Fund for Development, as well as a large group of relevant United Nations agencies and regional and international institutions and experts in the field of sustainable development, humanitarian relief and peacebuilding.	Expert Group Meeting Operationalizing the Triple Nexus Approach in conflict and fragile settings: Reinforcing national Institutions and Governance systems to respond to and resolve humanitarian crises in ways that lay the foundation for sustainable development and peacebuilding		Amman, 1-2 December 2021

6. ESCWA's regional preparatory process also resulted in a report and policy brief on the Arab least developed countries: Development challenges and opportunities, launched in November 2021. The report and policy brief, which were prepared in cooperation with the Saudi Development and Reconstruction Program for

Yemen, addressed the progress made in the implementation of the Istanbul Programme of Action in Mauritania, Somalia, the Sudan and Yemen over the past decade, and addressed the common challenges among these countries as well as the challenges for each country, and the most prominent lessons learned and opportunities, particularly in adopting an approach that combines relief and peacebuilding approaches with the medium- and long-term development process, as well as in the formation of a single triple nexus approach that will enable them to graduate from the category of least developed countries in the next decade.

II. Results of the evaluation process: Development challenges in the context of fragility and chronic crises

7. LDCs are among the most vulnerable and marginalized countries in the world. These countries suffer from structural weaknesses that hinder growth, such as low per capita income and low levels of social and human development, as well as a sometimes problematic geographical location. LDCs' contribution to global trade and economic activity have been quite limited. Four member States of ESCWA are classified as LDCs: Mauritania, Somalia, the Sudan and Yemen. Somalia, the Sudan and Yemen are experiencing protracted conflicts and face chronic challenges to achieving the criteria set out in the Istanbul Programme of Action for graduation of LDCs. Their Governments are making great efforts to build sound systems of governance that increase the resilience of their economies, but those efforts continue to be undermined by external conflicts and shocks; weak human, technical and institutional capacities; inadequate technology transfer mechanisms; lack of local resources; and widespread inequality. These efforts have however been rendered ineffective due to the social and economic impacts of the COVID-19 pandemic. These factors together induce a vicious cycle of low productivity and investment and ultimately low levels of human development.

8. Arab LDCs face significant socioeconomic challenges that have been exacerbated by the spread of COVID-19. Prior to the pandemic, the economies of Arab LDCs were expected to grow at a rate of 0.8 and 1.6 per cent in 2020 and 2021, respectively. However, the outlook has been revised and seems unfavourable. Economic growth was expected to contract by 3 per cent on average in 2020 (-5.5 per cent in the pessimistic scenario) and to stabilize in 2021. In 2019, the economy witnessed a contraction of 0.6 per cent on average, marking the second consecutive year of negative growth, largely attributed to an economic deceleration in the Sudan, which represents the largest economy in this group of countries. The Sudanese economy contracted in 2019 by an estimated 2.5 per cent. Political uncertainty has hampered growth in the services sector and investments in real estate and business sectors, while agriculture suffered from shortages of inputs, notably fuel. GDP was projected to decline further by 3.3 per cent in 2020 (-6.2 per cent decrease due to declining domestic demand and weak private sector investment).

9. Despite key developmental efforts, the outlook for Mauritania, Somalia, the Sudan and Yemen remains relatively subdued due to multiple challenges. These include the recent global recession due to COVID-19, in addition to the continued adjustment to low oil and raw material prices and regional conflicts. While these countries share some common features, they also have their own specificities in terms of development opportunities and challenges. COVID-19 has exacerbated existing structural weaknesses in health care, social protection and other critical services in Arab LDCs. However, the pandemic is not the only crisis these countries are facing; environmental challenges, such as the Sudanese floods, have added further strain on crisis management systems and resources. Yemen was already a fragile State full of systemic vulnerabilities prior to the current ongoing conflict, in contrast with other LDCs. Furthermore, Mauritania, Somalia and the Sudan all underwent recent transitions of power in the last two or three years.

10. The economic slowdown caused by COVID-19 is expected to negatively impact jobs, incomes, business and the flow of remittances in the Arab region, resulting in a shrinking middle class and an estimated 8.3 million people falling into poverty in the region. The consequences of this crisis are particularly severe for vulnerable groups and those working in the informal sector who have no access to social protection or unemployment insurance. A recent ESCWA report on the impact of COVID-19 in the Arab region highlighted that “the economic downturn is expected to intensify existing food insecurity in the region, specifically for the poor,” leading to an estimated “additional 1.9 million people becoming undernourished.” In Arab LDCs, 88

per cent of the urban population and only 50 per cent of the rural population have access to electricity. In the absence of electricity, many basic life-saving interventions cannot be performed safely in health facilities, particularly those involved in combating the spread of the pandemic. Special support is needed for Arab LDCs to bridge the energy gap in health facilities. This will require decision makers from the energy and health sectors to work closer together to ensure that the energy needs of health facilities are adequately prioritized.

11. When the conflict in Yemen ends and it is possible to better understand the resulting damages, the status of the country will need to be reassessed to determine whether it is still a least developed country. The case of Yemen is a clear example of how armed conflict affects development trajectories and can reverse development gains that took decades to achieve. Despite international donors' efforts for Yemen in the political, economic, humanitarian and development spheres, Yemen was not able to prevent the conflict or the ensuing humanitarian crisis, as shown by the humanitarian response plans of Yemen even before 2014. Addressing the negative impacts of conflicts and the increasing number of crises requires a greater focus on conflict prevention, including addressing the root causes of conflicts that often lie in structural weaknesses that hinder sustainable development.

12. Mauritania, Somalia, the Sudan and Yemen have been making some progress in implementing the priority areas of the Istanbul Programme of Action. However, the productive capacities of these countries remain very low, as the value added from manufacturing and agriculture has not increased significantly during the current Programme of Action. Progress in human development indicators remains slow. Despite all these formidable structural challenges and emerging crises in the Arab LDCs, these four countries have been exerting sustained efforts to achieve sustainable economic growth, build human capital, combat poverty and reduce chronic unemployment, through several Government measures, including diversifying their national economies. The report also proposes mechanisms to build resilience and address the chronic multifaceted issues faced by Arab least developed countries on the path of sustainable and comprehensive development, which require increased financial assistance and improved social and economic support.

13. It should be noted that ESCWA's work with Mauritania, Somalia, the Sudan and Yemen covers different pillars of the IPoA and the upcoming plan of action to be adopted in Doha. Each country has benefited from different kinds of assistance and has partaken in intergovernmental processes. These include supporting institution building, poverty measurement, analysis of women's status, implementation of e-government strategies and competition policy.

14. The following are the foundational elements of the common Arab vision for the decade 2021-2030, which will be included with the documents of the Fifth United Nations Conference on the Least Developed Countries.

Annex

Arab LDCs: Development Challenges and Opportunities

Foundational elements towards a common vision for the decade 2021-2030

Based on the discussions and outcomes of the regional meeting organized by ESCWA on 18 February 2021 to monitor the development challenges and opportunities of the decade 2021-2030, the virtual side meeting of 25 May 2021 on the sidelines of the first meeting of the preparatory committee for the Fifth United Nations Conference on the Least Developed Countries, which brought together representatives of the Governments of the four Arab least developed countries, Arab donor countries and a number of regional and international institutions, and the preparatory meeting between ESCWA and the Arab least developed countries (Mauritania, Somalia and Yemen) on 28 July 2021, foundational elements were prepared for a common vision of beneficiary and donor countries, which read as follows:

(a) **Strengthening institutional coordination mechanisms between the Arab least developed countries, donors and regional partners, and establishing a monitoring, follow-up and evaluation mechanism.** This aims to continuously follow up on the implementation of the next 10-year programme and conduct a periodic assessment to identify achievements and existing challenges and difficulties. It also aims to strengthen coordination and integration mechanisms between organizations, in a way that prevents duplication of efforts and allows harmonization of work according to the national priorities of each country. ESCWA will organize, coordinate and monitor the work of this mechanism, and will establish a transparent platform for exchanging information and sharing the work undertaken by each institution to coordinate development operations;

(b) **Ensuring national ownership, achieving integration and coordination between comprehensive development visions, supporting reform programmes emanating from the countries themselves,** and working to ensure that the programme for the next decade, to be presented at the fifth United Nations Conference on the Least Developed Countries to be held in early 2022, meets the aspirations and expectations of the Arab least developed countries, to remove them from the category of least developed countries and fast track them towards achieving the SDGs;

(c) **Developing a clear and effective plan to mobilize sufficient resources to finance the programme and close the resource gap,** while taking into account the specificities of each country, and giving priority to countries that suffer from conflict and war. Innovative initiatives must be developed that galvanize support for these countries and close development gaps. For example, it is useful to consider various options to solve financing problems, and to help these countries repay late fees that limit the possibility of using grants that international donors have pledged to these countries, and which prevent them from being converted into projects to serve citizens. A good method to achieve this is the initiative to suspend debt service payments, which was launched at the G20 Summit hosted by Saudi Arabia;

(d) **Transitioning from relief work to development work, and a triple nexus approach to relief, development and peace;** and working to guide all interventions implemented in the three Arab LDCs suffering from major humanitarian crises and protracted conflicts. While emergency humanitarian aid is necessary, it must be delivered within a long-term sustainable framework that leads to direct and rapid investment in development, contributes to peace and focuses on providing security, health, education, communication, infrastructure and other services in conflict-affected areas. Work must be done to secure the safe return of internally displaced persons and refugees to their homes and cities, and ensure that plans related to security, humanitarian issues and development are mutually supportive in the pre- and post-peace phases;

(e) **Stressing that ending conflicts and addressing their roots is a priority for alleviating increasing humanitarian needs,** and reducing the effects of conflict not only on the unity and effectiveness of State institutions and infrastructure, but also on the social fabric and social cohesion in general;

(f) **Providing support to the least developed countries emerging from conflict and those in transition**, by implementing reconstruction and recovery programmes at various levels, including strengthening infrastructure and public institutions and rebuilding human capital. The process of reconstruction and recovery should be led by national institutions, which are accountable to citizens and the law for their results and for building partnerships with private sector institutions, donors and international organizations;

(g) **Focusing on building the capacity of institutions and increasing their resources**, and on implementing institutions' capacity-building programmes, to effectively contribute to the process of economic recovery and development between partners, donors and international and United Nations organizations, supporting State institutions and developing national mechanisms to enable Governments to benefit from this support;

(h) **Providing technical support and capacity-building for data and statistics collection and analysis**. The Arab least developed countries suffer from a lack of data that can help in economic planning. Therefore, capacity-building workshops and programmes should be implemented in this field;

(i) **Strengthening public health and primary care systems and structures**. This is of great importance, especially in view of the COVID-19 pandemic and its effects on society;

(j) **Developing the monetary sector and monetary policies**; addressing the external debt crisis; **developing sources of financing of various kinds, such as joint financing (public and private) or integrated financing; and strengthening self-financing capabilities, such as tax reform**, financial sector development and financial markets, to **finance development plans to ensure sustainability** and human security. Training courses should be organized in these various fields; and technical assistance should be provided to countries to develop local capital markets, and implement programmes to finance development and establish partnerships between the public and private sectors;

(k) **Focusing on sustainable and green economic development**, infrastructure development, strengthening growth, creating green job opportunities, valuing the capacity of productive sectors and accelerating self-sufficiency in the field of food security. The private sector, both formal and informal, should be supported, given the importance of its role in transferring technical expertise. Since most of the Arab least developed countries have agricultural, livestock and fishery wealth, but are not linked to global production chains in a way that enhances opportunities for establishing profitable and sustainable production sectors, there is a need to support them in supply chains, from fields to markets, taking into account the importance of green and considerate economic development to mitigate the effects of climate change.
