

Committee: SOCHUM 1

Topic: The Question of Covid Recovery in LEDCs

Chair: Vama Kothari

School: Frankfurt International School

Summary

Over the past 2.5 years, the COVID 19 pandemic has caused massive disruption in the order and organization of our world. A lot has changed through mass lockdowns, high infection rates, and the challenge of a never-before-seen virus. According to the International Monetary Fund (IMF), from 2019-2020 the median global GDP dropped by 3.9%. However, some of the most significant impacts have been undoubtedly on Less Economically Developed Countries/ LEDCs (also known as Low-Income Countries- LICs). According to the President of the Economic and Social Committee (ECOSOC), Collen Kelapile, the countries which will take the longest to recover financially to their 2019 GDP are those that are the least developed, landlocked developing, small island developing, and middle-income countries. Furthermore, as of February of this year, in LEDCs less than 10% have received even a single dose of the vaccine. Healthcare systems have become overwhelmed in many regions as many of their beds are filled with patients suffering from HIV, TB, pneumonia, or other issues. Our next steps need to ensure the recovery of the economy, society, and health of all of these countries.

Definition of Key Terms

LEDC/LIC

Less Economically Developed Country or Low Income Country. Both terms pertain to a country with low socioeconomic development. (See definition below)

LMIC

A Lower Middle Income Country

GDP

Gross Domestic Product. This assesses the value of goods and services in a country and serves as an indicator of the level of its economic development.

Socioeconomic Issues

Issues that pertain to both society and the economy. These include disproportionate poverty or inequitable access to healthcare.

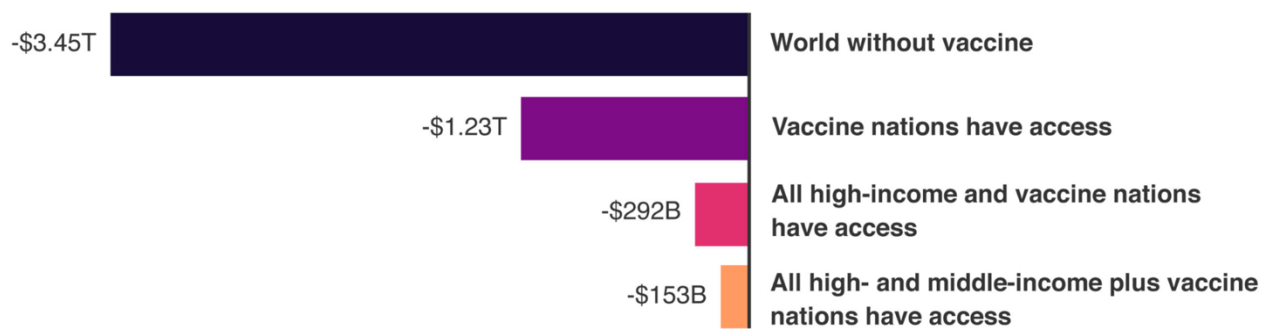
PPE

Personal Protective Equipment. Eg: masks, gloves, aprons...

Background Information

Economic Issues and Global Recession

By the end of 2020, the pandemic caused the loss of 255 million jobs with the regions of Latin America/Caribbean, Southern Asia, and Southern Europe being hit the hardest. This has resulted in a larger and less proportionate hit on lower-income countries with emerging economies. As stated by Kristaline Georgieva, Director of the International Monetary Fund (IMF), LEDCs will take the hardest hit as they have “less resources to protect themselves against this dual... health and economic crisis.” The President of the World Bank, David Malpass, further warns decades of progress could be set back by the global recession. This comes in terms of healthcare issues such as higher infant mortality rates or growth stunting. The UNDP predicts that LEDCs will lose at least \$220 billion and that by 2030, 207 million people could potentially enter the ranks of extreme poverty all due to the long-term repercussions of the pandemic. In 2020 alone, 95 million were expected to enter the classification of extreme poor (IMF). In total, by 2030 the number of those in extreme poverty could potentially equal over a billion. The debt of LEDCs could reach between 2.6-3.4 trillion USD by 2023 (UNCTAD) due to a loss of over 100 billion in 2020. Vaccine distribution failure has a large impact on the rate of economic recovery. If LEDCs had the same access to vaccines and the same rates of vaccination, \$38 billion could have been added to their GDPs in 2021. This diagram by Rand Corporation shows the economic repercussions in 4 scenarios:



Vaccine Distribution

Failure to distribute the vaccine equitably could cost our world 3 trillion which could cause an economic crisis worse than that in 2008. There are 3 main issues in terms of vaccine access, production, trade, and delivery. Although by the end of 2021 the global production of vaccines was at 12 billion doses this was hardly enough for our world population of 7.9 billion considering boosters. Furthermore, the distribution of these vaccines has been far from equal. High Income Countries purchased 70% of Pfizer's 4 billion planned doses for 2021. This is why even if vaccine production is boosted the issue of access is still prevalent. The development of such vaccines is also limited to only 20 countries. Furthermore, although trade to distribute vaccines is needed, policies and facilitations continue to cause issues. The main issues include regulatory framework differences and slow/complex procedures to actually trade vaccines internationally. From the start of the pandemic export curbs on medical products increased significantly. Around 50 now exist surrounding vaccines limiting their distribution. Since none of these curbs are discriminatory or not time-bound none of the implemented measures violate the rules of the World Trade Organisation. On top of all of this, testing and quality control further slow distribution rates, and due to this 50 million doses expired with a projected 200 million in the next 2 months.

Knowledge

Many LEDCs implemented similar actions to those of the rest of the world through declarations of states of emergency, stay-at-home orders, implementations of curfews, and shutdowns of various public areas. Different countries took different actions at different times, Ethiopia shut down schools and public gatherings in March 2020 and declared an emergency on April 8th. Nigeria implemented more state-level policies. In Malawi, there was an attempted stay-at-home order although it was overruled. However, a major factor in these decisions is the knowledge of the citizens. For example, in the case of Malawi, it seems as though individual citizens were more unaware of what their government was trying to curb. Alongside this knowledge is personal knowledge of personal prevention. In Malawi hand washing with soap is the main strategy used (80%) which is vastly different from Ethiopia, Nigeria, or Uganda which also implement methods such as social distancing. Knowledge of the effects of the virus itself also differs considerably. Misconceptions such as the virus being like the common flu or being unable to survive the warm are prevalent in some countries. This reveals the need for more clear and correct information about the virus to be spread to avoid misinformation or panic.

Basic Necessities and Education

Another major impact would be reduced access to necessities. Food security is a growing worry in countries where income is reducing due to job loss. Price changes, for example, in staple foods, have also had an impact on many families. With stay-at-home orders in some countries, new programs for access need to be implemented to ensure the availability of materials. Another significant impact will be education. With schools shut down and not every country able to afford to go online, many people miss out on their education. Reimplementing access to these key needs will be crucial in helping countries recover. Education, for example, is the key to many of the young citizens' futures in developing countries.

Furthermore, renewing access to these resources is the only way countries can return to the stage they were in before the pandemic.

Major Countries and Organizations Involved

Latin America and the Caribbean

The Covid-19 Pandemic is the cause of the biggest economic contraction in the history of the entire region with an economical decline of 6.7 % in 2020 and an expected growth of only 4.4% in 2021. This is also alongside the risk of 28 million being driven into extreme poverty with a potential 13.5% unemployment rate. However, there has been a brisk recovery for the region although this needs to speed up to resume its past growth. Many people need a “short-term shot” to get out of the Covid-related issues thrust at them to continue their growth. As the virus mutates and the risk increases, in Brazil, Paraguay, and Peru the combination of a resurgence and slow vaccine rollout slowed the progress they had made in the past. Brazil is predicted to gain recovery in 2022 and Mexico in 2023. As of now, Brazil is struggling to reimplement their educational programs and has been given aid by the World Bank. This will be a major step forward for Brazil to keep recovering to meet its predicted recovery period. Caribbean countries, whose economies were heavily dependent on tourism will need the longest to recover. The aid of the USA has been helpful for a lot of Central America Countries but presents a risk of long-term interest rate increases. A more specific and internal risk has been the unequal effects within countries. For example, in many countries (eg. Mexico) manufacturing has rebounded much quicker than other sectors which require contact. Furthermore, 2/3 of jobs have been restored but with reduced salaries since the pandemic's start. In addition, inequalities have arisen in terms of gender and education. The less educated (also due to the pandemic) and women face constant struggle. The 19 million potentially being thrust into poverty could also have long-term consequences on the development of the entire region. The most important task in this region would be controlling the pandemic itself by improving the healthcare industry.

Africa

According to the World Bank, for the first time in 25 years, the sub-Saharan region has experienced an economic recession with a 2% decline. Leaders of African Countries believe in resilience which is the ability to bounce back after struggle. This could not only protect any progress made socially or economically but also help shape a more sustainable future for many African countries. Countries confident in their ability to bounce back after difficulty implemented lockdowns relatively early on in the pandemic. An example is Ethiopia which shut down schools and public gatherings in March 2020 and declared an emergency on April 8th. Lockdowns were extremely beneficial to stop contain and slow the virus but caused disruptions in food services, education, and livelihoods. According to a study conducted by The American Journal of Tropical Medicine and Hygiene, the biggest impact of covid in this region was socioeconomic. The restrictions caused price changes in grains, fruits, pulses, and vegetables which disrupted the food system. Furthermore, 56% of essential healthcare services such as child, maternal, nutrition healthcare, HIV treatment, and various surgeries were disrupted within the continent. Schooling

and education were also severely disrupted. The mental effects of the pandemic were also shown with 20% of adults and 18% of healthcare workers reporting mild to high levels of psychological distress.

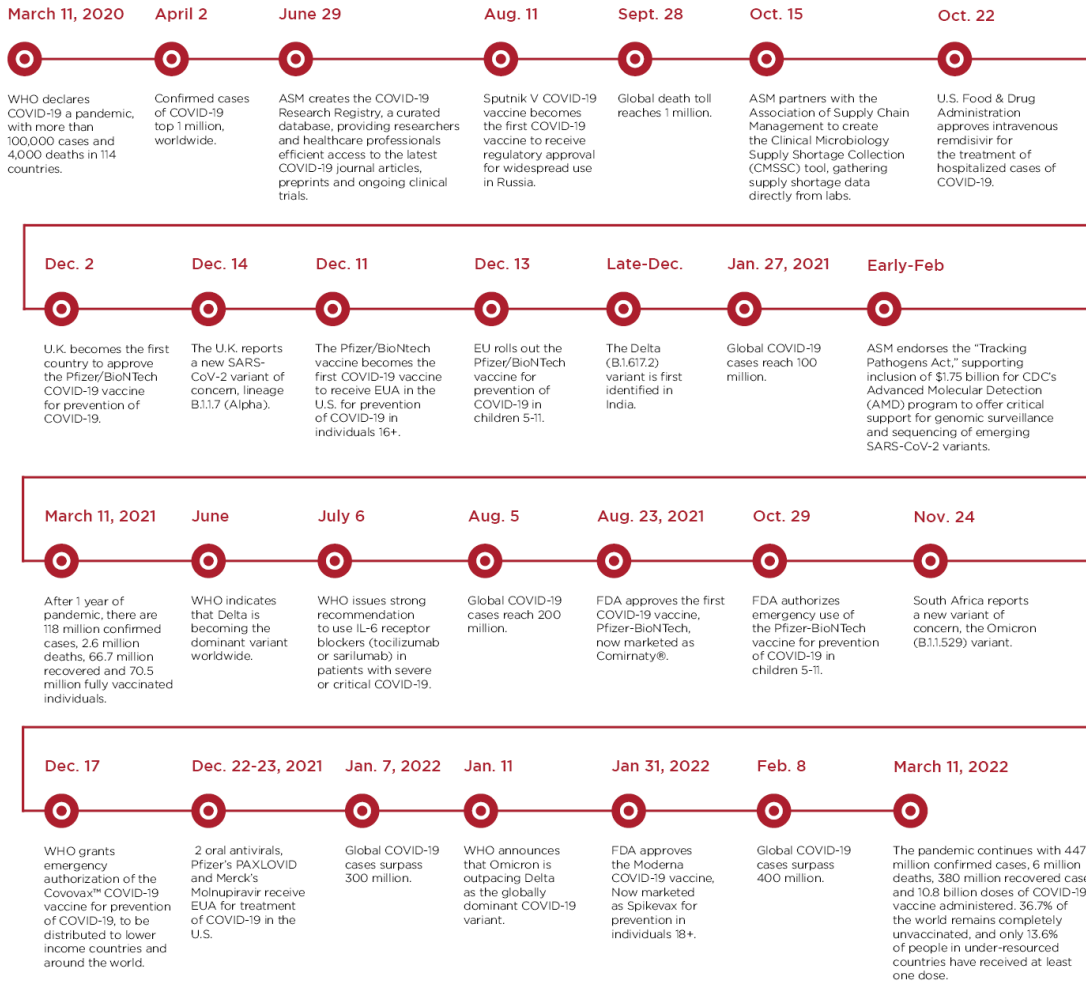
Asia

Although fast regrowth is needed in a lot of regions, moving too fast could also leave a type of scarring just as a wound not properly healed will do the same. For the ASEAN-5 countries (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) the projected 2024 income per person will be 6% lower than before the pandemic, with the Philippines having the worst at 12% lower. Furthermore, along with economical progress being set back, a lot of humanitarian and social progress has been setback as well. Issues such as poverty, human development, unemployment, and potential political issues are just below the surface. One of the main things that need to be done to help Asia is to control this virus. Although this is obvious, it is the only surefire way to limit more economic damage. Furthermore, as stated above, international trade of not only vaccines but also personal protection equipment (PPE) is crucial. However, there is yet another issue regarding the economic and social effects of this virus. Within Emerging Asian Countries (China, India, Indonesia, Malaysia, Philippines, Thailand, Viet Nam) those who were already financially disadvantaged have been hit the worst. In Southeast Asia alone 4.7 million people were pushed into poverty and 9 million jobs were taken away. This caused the population to lose access to credit and instead turn to the black market/unregulated vendors. This is primarily due to the payment model of buy now, pay later which is the only thing most can afford.

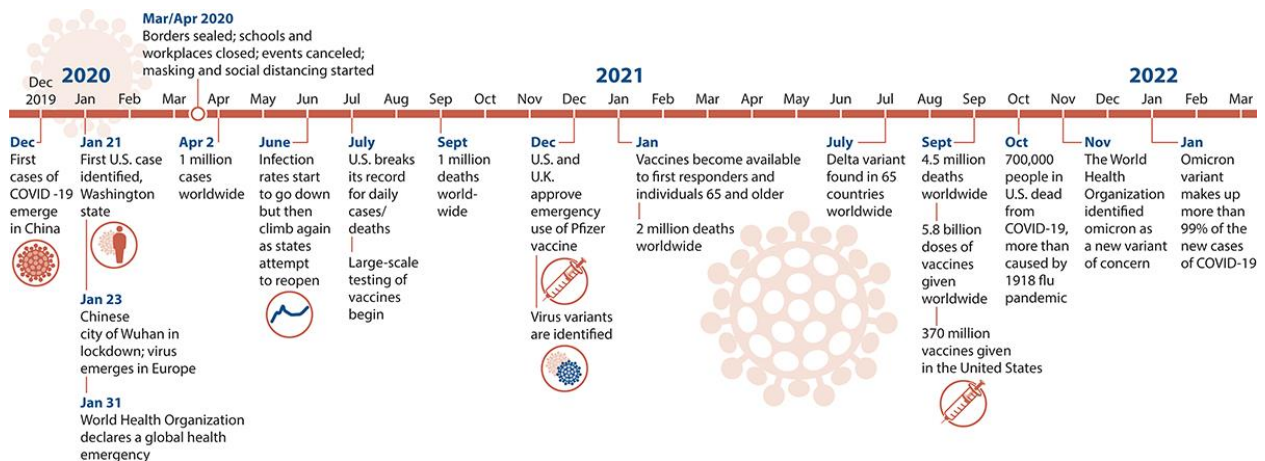
Organizations

Many organizations have provided aid and funding to LEDCs worldwide. Many of these organizations are mentioned in the Previous Attempts sections. Other organizations such as NGOs have also been assisting in Covid relief. The WHO is also working closely with the main UN body to provide aid and support. They provided both fundings but also worked to raise funds. This allowed them to send aid to affected regions. For more information, see the Relevant UN Treaties and Events section below.

Timeline of Events



Img Source: <https://asm.org/Resource-Pages/COVID-19-Resources>



Img Source: <https://covid19.macmillanlearning.com/>

For an extremely detailed timeline visit: <https://www.cdc.gov/museum/timeline/covid19.html>

Relevant UN Treaties and Events

UN Response and Recovery Fund

This fund focuses on meeting the three objectives put forward by the Secretary General's Call for Solidarity. This Call is a plea to take global action against the suffering caused by the pandemic. The three main objectives include “: (1) [Tackling] the health emergency; (2) [Focusing] on the social impact, and the economic response and recovery; and (3)[Helping] countries recover better. The plan also focuses on shared responsibility to help our shared world instead of individual countries. The use of these UN frameworks is in place to promote global solidarity. The finances needed for this fund will be \$2 billion with \$1 billion in the first 9 months. The fund will work in part with the WHO's Strategic Preparedness and Response Plan and the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Consolidated Global Humanitarian Appeal for COVID-19.

Humanitarian Action

This action was launched at a virtual press briefing by Secretary-General António Guterres, UN Humanitarian Coordinator Mark Lowcock, UN Children's Fund (UNICEF) Executive Director Henrietta Fore, and World Health Organization (WHO) Director-General Tedros Adhanom Ghebreyesus. It is a \$2 billion plan for a global humanitarian aid plan to help the most vulnerable parts of our world's population during this pandemic. The money will be allocated to humanitarian aid groups worldwide to help countries in need. Its main goal is a global response as according to the UN chief “COVID-19 is menacing the whole of humanity – and so the whole of humanity must fight back”, and “individual country responses are not going to be enough”. Should this be properly funded, it could arm many humanitarian agencies with the equipment they need to save many lives. The plan also focuses on the hidden victims of the pandemic. Namely, those suffering from the consequences of being unable to go to school, not having a strong healthcare system to back them up, or suffering violence or abuse.

WHO Covid 19 Solidarity Response Fund

This fund was closed at the end of 2021 but all the money raised was allocated to a variety of areas. Donations supported the work of the WHO and its partners to stop transmission of the virus, reduce exposure, protect vulnerable populations, stop the spread of misinformation, slow the mortality rate, and increase equitable access to resources to combat the virus. An evaluation of the fund finds it was “highly successful in meeting the moment early and positioning itself effectively to respond to the COVID-19 pandemic.”

ECOSOC Committee Meeting

This meeting brought together representatives from several banks, funds, and financial institutions in hopes to raise \$1.2 trillion for economic and humanitarian aid. It is also the Financing for Development Forum's second meeting. The Forum's role is to provide methods to increase financing of rapid response and sustainable recovery. The meeting was held under the ECOSOC Committee where the President, Mona Juul stated that **"We cannot let those that are less able to deal with this crisis fall further behind.** It is not only a moral obligation but also in our best interest to help the most vulnerable countries emerge from the pandemic stronger" and that "The risk of catastrophic economic failure is great. Funds, banks, and International Financial Institutions are opening up avenues for relief, so we want to put those with needs together with those who can help and facilitate the way forward." The project also focuses on multifaceted responses to focus on the underlying issues at hand as well.

Previous Attempts to solve the Issue

The main solutions utilized to help developing countries are sending them funding and vaccine aid. Here are some of the funds sent out:

- The World Bank's International Development Association (IDA) raised \$23.5 billion to give to the 74 poorest countries
- The EU created a goal in 2021 to share 200 million Covid 19 vaccines (by Sept 18 million had been shared)
- The EU has also given \$3.6 billion to COVAX to boost vaccine manufacturing in Africa
- The World Bank is also providing \$160 billion with \$ 20 for vaccine purchase/distribution
- The International Monetary Fund (IMF) provided emergency financial assistance to 85 countries and approved immediate debt relief to 29 LEDCs with a total of \$500 million donated
- The United States also pledged to donate at least 1.1 billion vaccines before 2023, as of now 581.6 M have been delivered with another 6.3 M being shipped
- African Development Bank was mobilizing \$13 billion

Possible Solutions

Improving Vaccine Equity

There are 3 major methods proposed by Brookings that could potentially help combat vaccine inequity. Firstly, implementing policies that support the production of more vaccines. This will require more government support to help firms expand. However, it will also mean brand competition may surface as a new issue. A proposed solution is a clearinghouse that would combine private and public sectors for more partnerships. An example would be Pfizer using Sanofi facilities in France. Other beneficial policies would be those that support trade. To increase production, better supply chains are crucial. Identifying regulatory bottlenecks is one way to begin. Ways to ensure there aren't too many restrictions are also essential. Finally, it needs to be ensured that all these newly created vaccines are delivered to the right

areas. Although 1.3 billion doses were donated for 2021-22 only a small amount has been released and less has gotten to the poor countries in need.

Financial Aid

This is a solution that has already been heavily implemented. However, the high debt and financial losses of LEDCs are still prevalent.

Practical Aid

Aid in terms of providing in-person support and assistance has mainly been an action taken by NGOs. The Lifebox Foundation, Gradian Health Care, and Smile Train, for example, provided 1650 pulse oximeters to countries in need. Pulse oximeters are examples of one of the many pieces of medical equipment needed by countries worldwide. Doctors without Borders can also provide education on personal healthcare and distribute PPE and soap.

Communications

In many nations, there are clear precise instructions on how to protect yourself and others, how to prevent spread, how to test yourself, and what to do in the case of infection. However, with the changing ages TV, Newspapers, and Newspapers are less used. Social Media in a lot of countries is the main method to carry the message. In LEDCs the problems extend to the fact that new and updated news is not as easily accessible. As stated in the Education section, providing citizens with up-to-date factual information is the best way to protect themselves.

Healthcare Advice

Larger Organizations and Countries should also share information in terms of medicine. This could range from ICU protocols to patient management in hospitals and clinics. Providing healthcare resources such as articles linked to reliable sources will also be crucial. Organizations such as the WHO or CDC provide detailed and accurate information.

Improving Access to Healthcare

Although this is a much larger issue outside of the pandemic itself it has also had an impact on Covid Treatment. Inequitable access due to discrimination, rural vs urban clinics, and healthcare insurance may prevent individuals from getting treatment. Although focusing too much on the debt would draw out from this issue it is an aspect to look into.

Bibliography

“Covid-19 Brief: Impact on the Economies of Low-Income Countries.” *USGLC*, 12 May 2022, <https://www.usglc.org/coronavirus/economies-of-developing-countries/#:~:text=Low%2Dincome%20countries%20saw%20more,pay%20more%20for%20imported%20goods.>

“Covid-19 Solidarity Response Fund for WHO.” *For WHO*, <https://covid19responsefund.org/en/>.

“Disruptions from Covid-19 in Sub-Saharan Africa Will Have Substantial Health Consequences.” *News*, 25 June 2021, <https://www.hsph.harvard.edu/news/press-releases/covid-19-disruptions-in-sub-saharan-africa-health-consequences/>.

The EU Promised 200m Vaccine Doses. How Many Has It Delivered?

<https://www.devex.com/news/the-eu-promised-200m-vaccine-doses-how-many-has-it-delivered-101551>.

Fox, Louise, and Landry Signé. “Key Strategies to Accelerate Africa's Post-COVID Recovery.” *Brookings*, Brookings, 9 Mar. 2022, <https://www.brookings.edu/blog/africa-in-focus/2021/10/26/key-strategies-to-accelerate-africas-post-covid-recovery/>.

Gill, Indermit, and Michele Ruta. “Why Global Vaccine Equity Is the Prescription for a Full Recovery.” *Brookings*, Brookings, 9 Mar. 2022, <https://www.brookings.edu/blog/future-development/2022/02/11/why-global-vaccine-equity-is-the-prescription-for-a-full-recovery/#:~:text=In%20low%2Dincome%20countries%2C%20fewer,where%205%20billion%20people%20live>.

“How Can Emerging Asia Escape a Post-COVID Inequality Trap?” *World Economic Forum*, <https://www.weforum.org/agenda/2022/05/emerging-asia-unequal-post-covid/>.

Josephson, Anna, et al. “Socioeconomic Impacts of COVID-19 in Low-Income Countries.” *Nature News*, Nature Publishing Group, 30 Mar. 2021, <https://www.nature.com/articles/s41562-021-01096-7>.

Published: Aug 09, 2022. “U.S. International COVID-19 Vaccine Donations Tracker – Updated as of August 9.” *KFF*, 9 Aug. 2022, <https://www.kff.org/coronavirus-covid-19/issue-brief/u-s-international-covid-19-vaccine-donations-tracker/>.

Rajah, Roland. “Southeast Asia's Post-Pandemic Recovery Outlook.” *Brookings*, Brookings, 9 Mar. 2022, <https://www.brookings.edu/blog/order-from-chaos/2021/03/15/southeast-asias-post-pandemic-recovery-outlook/>.

School, From the *Duke-NUS Medical. “The COVID-19 Pandemic: Effects on Low- and Middle-Income... : Anesthesia & Analgesia.” *LWW*, https://journals.lww.com/anesthesia-analgesia/fulltext/2020/07000/the_covid_19_pandemic__effects_on_low__and.13.aspx.

“Short-Term Shot and Long-Term Healing for Latin America and the Caribbean.” *IMF Blog*, 16 Apr. 2021, <https://blogs.imf.org/2021/04/15/short-term-shot-and-long-term-healing-for-latin-america-and-the-caribbean/>.

UN Covid-19 Response and Recovery Fund - United Nations Sustainable ...

<https://unsdg.un.org/sites/default/files/2020-04/COVID19-Response-Recovery-Fund-Document.pdf>.

“Un Launches Major Humanitarian Appeal to Keep Covid-19 from 'Circling Back around the Globe' || UN News.” *United Nations*, United Nations, <https://news.un.org/en/story/2020/03/1060222>.

“Un Meeting to Help Developing Economies Stricken by COVID-19 to TAP Emergency Relief Resources.” *United Nations*, United Nations, <https://www.un.org/en/desa/un-meeting-help-developing-economies-stricken-covid-19-tap-emergency-relief>.

World Bank Group. “Global Community Steps up with \$93 Billion Support Package to Boost Resilient Recovery in World's Poorest Countries.” *World Bank*, World Bank Group, 15 Dec. 2021, <https://www.worldbank.org/en/news/press-release/2021/12/15/global-community-steps-up-with-93-billion-support-package-to-boost-resilient-recovery-in-world-s-poorest-countries>.

“Banco Mundial Apoiará A Estratégia De Recuperação Da Educação No Brasil.” *World Bank*, <https://www.worldbank.org/en/news/press-release/2022/05/12/banco-mundial-apoiara-estrategia-de-recuperacao-da-educacao-no-brasil>.