

The important role of Science, Technology and Innovation (STI) in the development of LDCs is highlighted in various international agreements. In 2001, the Human Development Report stressed that “technologies are tools of human development that enable people to increase their incomes, participate more in their communities and lead more creative lives.”

The COVID-19 pandemic has highlighted the central role of STI in addressing the health crisis to new and innovative ways of learning, working, communicating and the growing importance of e-Commerce.

The section highlights key STI challenges that LDCs were facing prior to the COVID-19 pandemic and highlights the increasing role played by STI during the pandemic, including

F.1 STI CHALLENGES IN LDCs

REFERENCES

G. FINANCING TO ADDRESS THE COVID-19 CRISIS AND PREPARE FOR A SUSTAINABLE RECOVERY

7i "Z[i YhX[Z"d"i [Y]_ed"; \$9EL? #/"^W"Wj^"i Wc []_c [" led to increased needs for spending to address the health, social and economic crisis as well as sharply reduced domestic revenues due to a decline in economic activity, including a Z[Ybd["d[nf eh]TfI [dk[i "kh^ [hf ZkY_d] j^ [hVb[VZobc j[Z" i YVb fVW[\$

7j]j^ [i Wc []_c ["d emi "e\ [nj [hdWb dVdY["m^Y^ehB: 9i " fVb^WVWj [h"eLj j^Vd^eh^e^ [h] h"ekfi "h bVj []_e] j^ [h" =: F" especially FDI and remittances, have also declined sharply. In fact, the combined losses of domestic revenue, remittances, FDI and receipts from tourism alone due to the COVID-19 effects are estimated to outpace ODA that LDCs received d"(& . \$J^_ "c [Vdi j^Vj^j^ [" dVdY_d] "j Vj^e^VW^ []_j^ [" I : =i " ^W "kh^ [hm_Z [d [Z^VdZ [nj [hdWb dVdY_d] "d [Zi "VW" fhe [Yj [Z] j^ " ^W ["c eh [j^Vd^ZekXj Z "d" (& "Yec fVW [Z] j^ averages in previous years. Thus, LDCs would need support by development partners—both bilateral and multilateral—to avoid an increase in poverty and the destruction of several years of development gains. In addition, they need new c [VVkh [i j^e^VZj [i i j^ [h"e^j [d^] ^"q [i [b "e\ [nj [hdWbZ [Xj" hE; 9: " (& Z T > khj o [j Vb (& VdZ "KD" (& ' Zb

G.1 FDI EXPERIENCED SHARP DECLINES

For many LDCs FDI plays an important role as a source of dVdY []_e^ei j [h [Yedec_Y] hemj^ " ^ [b^ "Yh Vj ["eXi "VdZ "h - duce poverty levels. It can be an important channel through which the private sector in LDCs can become integrated in] b^XWbI Vb ["Y^Wdi "Zh ["Z [[h _ YVj_ed "VdZ "fheI_Z []_j [Y^d_ cal know-how. Independent of the COVID-19 crisis, there are febyo^h [Wedi [nf bVd_d] j^ ["h bVj [[b^c j [Z^dkc X [h"e^<: ? h [Y []_ [Z^XoB: 9i \$Feeh^dl [i jc [dj^Ybc Vj ["YedZ_j_edi "VdZ^d- vestment promotion capabilities resulting in lower investment competitiveness and the perception of higher political risk as m [bVW b^m [h^j [i b "e^Yed Z [dY ["Xo^dl [i jeh "eh^<: ?_d^B: 9i " hamper many LDCs in their ability to attract FDI (G20, 2020a). However, LDCs receive only a small share of global FDI, and the COVID-19 crisis has further reduced global FDI activities d" (& VdZ [nVW [hXVj [Z i [i [hVb^e^] ^ [Fh # n_j_d] "VdZ i jhkY- jkHbI kbl [hVX_bj [i "e^B: 9i \$<: ?_d emi "d^B: 9i m [h [Vb [VZo" on a declining trend since 2015, with a small uptick in 2018.

