

High-Level Meeting:

Achieving Sustainable Graduation for

Least Developed Countries

29-30 November 2017, Dhaka



Concept note
High-level Meeting on ‘Achieving Sustainable Graduation for the LDCs’,
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Dhaka, Bangladesh

I. Background and Introduction

The 2030 Agenda for Sustainable Development constitutes a bold and transformative step to achieve a sustainable and resilient path to socio-economic development. This holistic agenda marks a decisive turning point in global cooperation to address the greatest challenges that LDCs and other vulnerable countries face. It also offers a new approach to common and shared responsibilities to the vast majority of people residing in LDCs.

The Istanbul Programme of Action (IPoA) for the Least Developed Countries (LDCs) for the Decade 2011-2020, on the other hand, provides a comprehensive framework for sustainable development of LDCs. The Programme of Action sets an overarching goal to overcome the structural challenges of LDCs in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category.

Sustainable development is a key concept embedded in both the IPoA and the 2030 Agenda for Sustainable Development. It would be therefore, pertinent to explore a nexus - whereby serving the advancement of realizing the 2030 Agenda simultaneously also serves the IPoA. The 2030 Agenda, coupled with the IPoA, can provide a holistic, coherent, action-oriented policy framework enabling LDCs in pursuing their own national sustainable development to achieve the IPoA objectives, leading to sustainable graduation from LDC status. This revitalized nexus could deliver results based on the fundamental principles of “leaving no one behind” and “ensuring a life of dignity for all.” The Meeting on Achieving Sustainable Graduation for LDCs will give us scope to reflect on how LDCs can navigate through this nexus to their advantage improving coherence and avoiding duplication.

The international community has also reaffirmed their commitment to give special attention to LDCs in the implementation of the 2030 Agenda. In the Political Declaration of the Mid-term Review of the IPoA, the Member States reaffirmed their determination to mobilize the means required to implement the 2030 Agenda through a revitalized global partnership for sustainable development.

The IPoA has set the ambitious goal of enabling half of LDCs meeting the criteria for graduation by 2020. These criteria include per capita GNI, the human assets index and the economic vulnerability index. As graduation is one of the overarching goals of the IPoA, the agreed actions in the 8 priority areas are all geared towards enabling LDCs to structurally transform their economies and reach graduation. The IPoA recognizes that graduating countries should be on a sustainable development path, minimizing the risk of sliding back after graduation. In this context, sustainable graduation requires concrete strategies at 3 levels comprising pathways for pre-graduation – graduation process – and post-graduation scenarios.

Since the establishment of the category of LDCs, so far, five countries have graduated, namely, Equatorial Guinea, Samoa, Maldives, Cabo Verde and Botswana. In addition, there are 9 countries that have already met the criteria and are expected to graduate in the coming years. It is also expected that several other countries will meet the criteria for graduation in the upcoming review by the CDP, which will take place in March 2018. It is also encouraging that several LDCs have announced their intention to reach the status of graduation by or around 2020. They have set graduation as a goal in their national development strategies.

Graduation of a country is an epitome of its long-term socio-economic progress. This also marks the achievement of a solid and strong economic foundation of a country to be able to overcome mutually exacerbating vicious circles entangled by poverty-trap, commodity trap and low equilibrium trap.

Graduation is therefore not seen as an end in itself, but rather regarded as a means to achieve structural change, poverty eradication and economic diversification in the country. Graduation ultimately aims at a transformative change in their economies and in the lives of people and lays the foundations to enable the country to overcome potential drawbacks and external shocks.

Graduation also comes with new opportunities and potentials. Graduated countries will continue to have access to general support measures for developing countries in achieving the SDGs. In addition, the creditworthiness of graduated countries could increase and thus they would have the advantage of better access to international capital markets.

Despite all these positive factors associated with graduation, it is important to keep in mind that the graduated countries only cross the threshold by a limited margin in certain areas of their socio-economic development covered under the three criteria. In most cases, the graduating country may remain far below the benchmarks in terms of most of the SDG indicators. They also continue to face challenges and vulnerabilities to various shocks and crises.

As per the General Assembly guidelines (59/209 and 67/221), graduating countries are encouraged to develop their smooth transition strategy with a view to adapting to the phasing out of the advantages associated with the LDC status and identifying necessary safeguard measures and actions. It is the responsibility of the graduated country to negotiate with its development partners to ensure that some of the LDC-specific benefits and privileges would not be abruptly discontinued.

It may be noted that some development partners have extended some of the LDC-specific benefits to the graduated countries, taking into account the challenges they continue to face. However, most of these measures were taken on an ad-hoc rather than a systematic manner and benefits were granted by some partners rather than all.

Taking all these realities into consideration, there is a growing demand that the existing processes related to graduation and smooth transition should be strengthened so that graduating and graduated countries do not face any disruption of their development plans, including challenges and uncertainties in achieving the SDGs.

It is therefore vitally important to forge consensus on a package of benefits from development partners that the graduated countries will continue to enjoy in some critical areas of their economy for a certain period of time, consistent with their development situations and needs. This can serve as a safeguard measure for the graduated countries to sustain their development trajectory and not to slide back to the category of LDCs, thereby facilitating the achievement of the SDGs by 2030.

II. Objective

The workshop will deliberate on the similarities and synergies between the 2030 Agenda and the IPoA and the need for coherence in actions for realization of the two processes to ensure that “no one is left behind.” The primary objective of the meeting is to assess the potential impacts of graduation on the graduating countries; make recommendations on necessary preparations to fully adapt to the changing circumstances arising from the erosion of LDC-specific support; and accelerate the momentum of graduation to maintain the development trajectory of the country with a view to achieving the SDGs by 2030.

The meeting would also discuss the importance of global partnerships for development to accelerate graduation and to smoothly adapt to the post-graduation realities, including general smooth transition agreements for all graduating LDCs. The event would provide an opportunity to discuss among the participating LDCs and graduated countries the lessons learned and to share best practices in the run-up to sustainable graduation.

III. Format

The two-day meeting will consist of an opening session, four 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 an interactive dialogue among all meeting participants, including representatives of the Member States and other stakeholders.

IV. Participation

The participants will include senior experts from selected LDCs that are at different levels of graduation or have the intention to graduate with concrete national targets as well as some recently graduated countries. Development partners, relevant UN entities, international financial institutions, regional development banks, the private sector, civil society and other stakeholders will also be invited to attend at the highest level possible.

V. Outcome

The outcome will be a Co-Chairs’ summary with recommendations on various aspects as outlined under the objective and a report which will be circulated to all Member States and stakeholders.