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Issue paper

Session 1: Comprehensive smooth transition strategy for sustainable graduation

A country graduates from the list of least developed countries three years after the General Assembly takes note of the ECOSOC endorsement of the recommendation of the CDP, in line with resolution 59/209 of the General Assembly. During this three-year period, the country remains on the list of least developed countries and continues to enjoy special support measures associated with LDC status. Graduation of a country marks a major milestone in making considerable progress in some its important development goals. Graduation brings with it a variety of new opportunities and potentials as well as challenges. Graduation results in phasing-out of LDC-specific support measures, particularly in the areas of financial assistance, international trade and other general support measures.

Once the General Assembly endorses graduation, the graduating country establishes a consultative mechanism, in cooperation with its bilateral and multilateral development and trading partners. The Resident Coordinator and the UN Country Team support the consultative mechanism. The consultative mechanism facilitates the preparation of the transition strategy, which spells out specific actions to be taken by the graduating country and its bilateral and multilateral development and trading partners. The smooth transition strategy is to be implemented only after the actual graduation of the country.

It is vitally important for the graduating country to prepare a smooth transition strategy to fully adapt to the needs and challenges arising from graduation by minimizing potential adjustment costs. This includes efforts to map out the potential loss of benefits and the need to adjust institutional and legal frameworks to comply with international obligations and disciplines. As a growing number of LDCs is meeting the criteria for graduation, it is vitally important for the international community to pay careful attention to smooth transition strategies to ensure that the graduation does not disrupt the development potentials of the graduating country and they continue to receive support from their development partners that are consistent with their development needs.

Key questions to be addressed in this session are:

1. How can a graduating country develop a comprehensive smooth transition strategy?
2. What are the specific actions that the graduating country and its development and trading partners need to undertake to ensure smooth transition of the country?
3. How to involve all relevant stakeholders including development partners in formulating a smooth transition strategy as well as in its implementation, follow-up and monitoring?
4. How can the follow-up mechanism of the smooth transition strategy be improved?