



Expert Group Meeting on support for graduation and smooth transition of LDCs

Concept note

December 14 December 2017 from 10 a.m. to 6 p.m.,
Conference Room 11, United Nations Headquarters, New York

The overarching goal of the Istanbul Programme of Action for the least developed countries for the decade 2011-2020 is *to overcome the structural challenges faced by the LDCs in order to eradicate poverty, achieve international agreed development goals and enable graduation from the least developed countries category*". The international support measures in favor of the LDCs focused on a set of specific objectives with *"the aim of enabling half the number of least developed countries to meet the criteria for graduation by 2020"*

The Committee for Development Policy (CDP) is mandated by the General Assembly and the Economic and Social Council to undertake triennial reviews of the list of LDCs and to make recommendations on the graduation – or inclusion – of eligible countries using a set of three criteria: Gross National Income per capita (GNI p.c.), the Human Assets Index (HAI) and the Economic Vulnerability Index (EVI). An LDC that meets two of the three criteria in two consecutive triennial reviews may be recommended for graduation. Alternatively, countries with a GNI p.c. that is at least twice the graduation threshold in two consecutive triennial reviews may also be considered for 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 benefit from the special support measures associated with least developed country status. Once the General Assembly has endorsed graduation a consultative mechanism should be established by the graduating country, in cooperation with its bilateral and multilateral development and trading partners, to facilitate the preparation of the transition strategy and the identification of the associated actions and the negotiation of their duration and phasing out for a period appropriate to the development situation of the country. The smooth transition strategy is to be implemented only after the actual graduation of the country.

Since the establishment of the IPoA, Samoa and Equatorial Guinea have graduated and Vanuatu and Angola are scheduled to graduate by 2020 and 2021 respectively. At the last triennial



review in 2015, nine LDCs reached the graduation threshold. Five did it for the first time – Timor-Leste, Bhutan, Sao Tome and Principe, Solomon Islands and Nepal.

The special needs of the LDCs are universally recognized, as reflected by the inclusion of their priorities in the 2030 Agenda for Sustainable development, the Addis-Ababa Action Agenda, the Paris Agreement, the SENDAI Framework for Disaster Risk Reduction, the New Urban Agenda (HABITAT-III) and other international agreements. The idea of *“leaving no one behind”*, which underpins the 2030 Agenda for Sustainable Development and the SDGs, cannot be accomplished without taking into account the needs of the nearly one billion people living in the LDCs. Despite progress by many of them, the majority still face serious structural challenges that limit their ability to achieve the objectives of the Istanbul Programme of Action. Many of these countries are unlikely to meet the criteria for graduation by 2020.

Focused and prioritized support from the United Nations system, multilateral banks, development partners and relevant stakeholders to the LDCs will be needed to accelerate progress across the priority areas of the Istanbul Programme of Action and, thus, advance towards meeting the criteria for graduation. The main international support measures for least developed countries can be grouped under three categories: official development assistance, measures related to trade and other measures. ODA continues to be essential for the LDCs, particularly due to their limited abilities to attract other flows, as it represents their largest source of international public finance. Likewise trade preferences are of great importance to many LDCs.

As many countries approach the eligibility for graduation, it is important to ensure that their efforts are sustainable and that they do not slide back into the category. The United Nations and other international organizations could play a critical role in supporting the LDCs on the achievement on this important milestone and help them to build momentum to galvanize support around their national development vision. Smooth transition measures are critical in this regard as they can help reducing uncertainty related to the graduation process. The preparations of the smooth transition strategy by the LDCs, as early as possible, is an essential step for graduating countries. This strategy needs to be based on a detailed analysis of support measures that the country receives as an LDC and their impact on the ground.

Abrupt phasing out of the LDC-specific support after graduation may result in serious disruptions in the development trajectory of the graduated country. It is therefore vitally important that the UN system organizations extend their support beyond graduation, thus



enabling the LDCs to continue to access the LDC-specific support to solidify their development achievements during the critical period immediately after graduation. The UNDS should reduce its support to the graduated country in a phased manner taking into account country's continued needs and circumstances.

In order to enhance predictability and allow for smooth transition of graduating LDCs, continued support measures could be ensured automatically for all graduating countries for such a period of time that is consistent with their development situation and should be included in the budget and planning processes of UN funds and programmes and specialized agencies. It is noteworthy that the Charter of the Technology Bank for LDCs, which was adopted in December 2016, has a provision that any LDC that graduates from the LDC category shall remain a beneficiary of the activities of the Technology Bank for a period of at least five years after the date of graduation. The United Nations Capital Development Fund and the Enhanced Integrated Framework also continue their support to all graduated countries as part of the smooth transition measures. Other UN entities should consider the articulation of smooth transition measures as part of their budget and planning process.

Under the leadership of UN-OHRLLS, the UN can bring expertise and support to countries in the process of drafting their smooth transition strategies. This is in line with the requests made by the General Assembly to all relevant organizations of the United Nations system, led by the Office of the High Representative, to extend necessary support to graduating LDCs, in a coordinated manner¹.

Participation

The meeting will draw participation from the following:

- Representative of the LDCs, including from countries that are in the process of graduating or have graduated from the category of the LDCs.
- Representatives of the United Nations system and other international organizations.
- Experts on the issue of LDC specific support and graduation

Objective and expected outcomes

The main goal of the meeting is to enhance the response of the different departments of the UN Secretariat; UN agencies, funds and programmes; and other international organizations to the LDCs in their path towards graduation and during the smooth transition.

¹ UNGA resolution 71/238 OP 28



The EGM will discuss the needs of LDCs and possible UN response to these needs related to graduation and smooth transition. It will allow to take stock of the assistance provided by the United Nations system to support the LDCs in their efforts to achieve the goals contained in the Istanbul Programme of Action and meeting the criteria for graduation.

The meeting will also provide an opportunity to exchange ideas about strategies, instruments and support measures to facilitate a smooth transition from the category of the LDCs to graduating countries and identify areas where support is needed and agree on a roadmap for enhanced support by the UN system for graduation and smooth transition of LDCs, including advocacy towards development partners to support predictable smooth transition measures.

The participation of representatives from the LDCs will facilitate a dialogue about the concerns, needs and priorities of LDCs in moving towards graduation. It will provide an opportunity to learn from the experience of countries that have graduated from the category as well as from those that are in the process of drafting – or have recently done so – their smooth transition strategy.

As a growing number of LDCs is meeting the graduation criteria, it is important that a dedicated coordination mechanism of the UN system be established to provide comprehensive support to the graduating countries in a focused, coordinated and coherent manner. The discussions of the EGM will feed into UN system-wide coordination efforts to support graduation and smooth transition.

The EGM will produce a summary of the Chair, which will be shared with the participants for their review, follow-up and implementation.