National Focal Point Meeting

Smooth Transition Measures and Graduation Support

12-13 July 2018, New York
KEY TO GRADUATION WITH MOMENTUM

- Build Productive capacity
- Structural Transformation
- Economic Growth
MOVING TOWARDS GRADUATION

❖ Establishment of consultative mechanism
❖ Develop smooth transition strategy in cooperation with development partners
❖ Graduation transition necessary to avoid disruption of development process
SMOOTH TRANSITION PREPARATIONS

❖ LDC specific support
❖ Impact assessment and vulnerability profiles
❖ Prepare smooth transition strategy early
❖ Link strategy with national development plans
❖ Collaborate with development partners
EXISTING SMOOTH TRANSITION MEASURES

- WTO benefits end, but can be negotiated with members
- Extended DFQF market access for LDCs, e.g. EU extends EBA for 3 years
- EIF support continues for 5 years after graduation
- UNCDF projects continue for 3-5 years
- Technology Bank will strengthen STI, access extended for 5 years
- UNFCCC is working towards extending support
- Travel support for GA sessions extended for 3 years
## POST-GRADUATION GENERAL SUPPORT

<table>
<thead>
<tr>
<th>DEVELOPMENT &amp; CLIMATE FINANCE</th>
<th>TRADE Related Support</th>
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<tbody>
<tr>
<td>❖ Slow changes to ODA</td>
<td>❖ Continued access to GSP and regional agreements</td>
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<tr>
<td>❖ For most graduating LDCs continued eligibility for World Bank’s IDA allocations (small states exception)</td>
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<tr>
<td>❖ No more access to LDCF, but still access to other climate change finance</td>
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DEVELOPMENT PROGRESS OF GRADUATED COUNTRIES CONTINUED

Economic Vulnerability Index (EVI)

- Botswana
- Cabo Verde
- Equatorial Guinea
- Maldives
- Samoa
- Graduation Threshold
DEVELOPMENT PROGRESS OF GRADUATED COUNTRIES CONTINUED

• graduated countries continued to have access to external support
• there have been changes in ODA modalities
• FDI increased in some graduated countries
• some graduated countries are rated as being at high risk of debt distress
ADDITIONAL SUPPORT FOR GRADUATION

• address new challenges with respect to access to finance and markets
• in line with the priorities of the graduated country.
• additional and complementary to the smooth transition measures
PROPOSED NEW MEASURES

• specific capacity building to enhance access to new sources of financing
• centralised information on available sources of concessional finance
• dedicated support for the preparation of bankable projects in priority sectors
• inform other actors like credit rating agencies about graduation
PROPOSED NEW MEASURES (CONT.)

• debt sustainability of graduated countries needs to be addressed
• capacity building for government officials
• capacity building for exporters to navigate different types of market access
THANK YOU

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