Statement

by

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LDC Graduation: Supporting inclusive and sustainable development in graduating LDCs

Plenary

4 July 2019, 14:00 – 15:30
Room CR
World Trade Organization, Geneva
Excellencies,
Distinguished Moderator
Esteemed Panelists,
Ladies and Gentlemen,

It is my distinct honour to open this very important meeting.

I thank the World Trade Organisation for tabling before us an issue which finds itself at the core, I even say at the heart of ensuring that 47 Least Developed Countries are not left behind.

We are privileged to be here with and to benefit from the presence of esteemed experts and practitioners. Your presence augurs for a rich, a creative exchange of views and experiences centered on how to support and what has to be done to achieve an inclusive and sustainable development path in graduating LDCs.

We count on you to provide concrete, action-focused guidance on the way forward.

A guidance we wish to then take into account as we prepare for the Fifth UN Conference on the LDCs.

Time is of the essence, the issues are urgent. We just have one and a half years left to reach the goals agreed on in the Istanbul Programme of Action.

The Istanbul Programme of Action made the graduation and smooth transition of the LDCs an overarching objective.

Where do we stand?

12 LDCs are in various stages of graduation with 5 countries preparing to graduate over the next 5 years that is
Vanuatu in 2020,
Angola in 2021,
Bhutan in 2023,
São Tomé and Príncipe and
the Solomon Islands in 2024.

In itself, this is a remarkable result compared to the slow progress of past decades.

It is may be even more remarkable given the complex global context within which we find ourselves.

Since I took office, I have consistently made a call that beyond graduation as such, a key challenge for all of us now is to ensure that graduation is sustainable. We must do all we can to avoid scenarios where hard won gains are reversed because we did not focus sufficiently on the sustainability aspect of graduation.

Our meeting’s focus is straightforward.

Find action responses to the question:
“How can we, the United Nations, in cooperation with LDCs’ development and trade partners, provide the best possible support to the LDCs in their path towards a sustainable graduation?”

The United Nations General Assembly has invited the international community - and this includes WTO – to consider extending appropriate support measures to the graduating LDCs for the purpose of ensuring what we call smooth transitions, and to ensure that graduation does not cause disruption in the development progress that a country has.

At the 11th WTO Ministerial Conference, the LDC Trade Ministers called upon development and trading partners to take positive actions for LDCs on graduation.

Ladies and gentlemen,

Graduating from the LDC category is a key milestone.

It is often a giant leap on a long journey. But it is a journey and a journey that does not end reaching one formal milestone.

As they say "never take anything for granted " and having reached such critical milestones implies that you must still continue to work on solidifying hard-won gains.

This, in turn, demands support from all stakeholders.

So, how can we, we the community that has pledged that we leave no one behind, help turn such a milestone into a sustainable path. Turn it into a reality of daily life for the more than 1 billion people living in LDCs?

As I said, graduation is not a cut-off point. It is a beginning, a new chapter in a book if not volumes of books! It is a building-block.

It is a building- block requiring support.

We must explore the type and nature of development finance and technical assistance appropriately provided to countries to ensure smooth transitions and this must include a debate on what access to trade preferences is still needed.

Sustainable graduation truly is a two-part process.

First comes meeting the graduation criteria and then transitioning smoothly out of the category. I can only say it again, the latter requires the provision of appropriate and specific support for graduating countries.

At the same time, graduating countries must invest in and understand emerging vulnerabilities and challenges to their economies in the ever more rapidly changing regional and global contexts.

They need to proactively negotiate with development and trading partners.
This is why the design and above all the implementation of nationally owned smooth transition strategies is key. Such strategies must explicitly address the phasing out of international support measures.

In a way this is all about risk management and mitigation. So we have the risk of external shocks, that of regularly persisting internal inequalities, and that of climate change which disproportionally impacts LDCs.

All of these dimensions must be integral to comprehensive smooth transition strategies.

Ladies and gentlemen,

From the perspective of effective development partner support, coordination is key.

In order to improve coordinated action, my office has established an ad-hoc Inter-Agency Task Force on graduation and smooth transition.

I am very happy to report to you that we now have a much-improved coordination among key inter-agency partners.

These range from UNCTAD, to WTO, EIF, ITC, UNIDO, the regional commissions and the UN Country Teams – to mention just a few!

The first two Joint UN Workshops on graduation support will take place in September in São Tomé and in October in Solomon Islands, both of which will graduate in 2024.

I am also pleased to share with you recent news. New smooth transition measures for graduating LDCs have been adopted by the UNFCCC parties, including:

- Provision of approved funding through the LDCF until the completion of projects approved by the LDCF Council prior to graduation.
- Extended support to graduated countries in terms of capacity-building activities, for a period of three years from the date of graduation.

I thank our UN inter-agency partners for taking a bold stance in support of LDCs' smooth transition.

I now call on all other entities that have not done so to join this effort and extend support for a period of time beyond graduation.

This is needed and the need is urgent.

LDCs continue to be concerned about a prospect where graduation equates with loosing access to international support measures.

They have expressed a sense of uneasiness, uncertainty and increased risk associated with the graduation process. It is incumbent on us to dispel any notion that graduation is neither a threat or a risk!

We must focus on the opportunity it represents.
Graduation is a key chapter in the path toward realizing a national vision for sustainable development and achieving what the global community agreed on in Agenda 2030 and the Paris climate agreement. This deserves all our support - it is nothing short of ensuring access for all to the basic human rights of development.

Excellencies,
Ladies and gentlemen

We here collectively have the opportunity to discuss how the United Nations and other development partners can best support countries that are on their way out of the LDC category.

We have the responsibility to support countries in their national strives to grow and prosper after their graduation.

I am convinced that the experience and knowledge present in this room will lead us all into productive and action-focused discussions.

Your experience and your knowledge will help us in our endeavour to enhance, to make more impactful our work to support the LDCs toward achieving sustainable graduations.

Yes, the glass is half- full and a growing number of LDCs have embarked on a graduation path.

But we must be mindful of the fact that the majority of countries in this group is likely not to graduate in the years ahead.

Yes, we must support graduation and smooth transitions but we also and urgently so must continue and look at increasing our support for the implementation of the programme of action for LDCs.

I thank you all.