



LDC5
5TH UNITED NATIONS
CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES

Mobilizing international solidarity, reinvigorated global partnerships and innovative tools: towards sustainable graduation

Side-Event co-organized by Portugal, Angola, Cabo Verde,
São Tomé e Príncipe and Timor-Leste

6 March 2023 - 17:15–18:45
Qatar National Convention Centre, Doha - Room 105

Concept Note

The **Doha Programme of Action (DPoA)** for the Least Developed Countries (LDCs) provides a comprehensive framework for sustainable development of LDCs. This shared commitment gives an impetus for tangible graduation processes, that are, simultaneously, sustainable and irreversible.

However, 46 LDCs (the vast majority of which are African) that represent about 14% of the world's population (almost 1 billion people) still face an uphill battle to achieve sustained progress in the criteria set for graduation, in spite of the attention given by the United Nations development system and by development partners in general.

In the case of the Portuguese-speaking LDCs, only **Cabo Verde** has graduated (2007) so far. **Angola** and **São Tomé e Príncipe** are scheduled to graduate in 2024, when the Committee for Development Policy will also review **Timor-Leste**.

After graduation, many countries continue to face serious challenges, such as lack of infrastructure, low economic diversification, debt vulnerabilities, excessive weight of the informal economy and reduced capacity to generate domestic resources, difficulty in integrating into global value chains, social inequalities and hard pockets of poverty. Moreover, Small Island Developing States (**SIDS**) are more vulnerable to shocks that are difficult to overcome due to their geographic condition.

It is worth noting that since the adoption of the **Istanbul Programme of Action** in 2011, only 20 LDCs have reached the graduation thresholds, which means the target of half the LDCs has not yet been met. In hindsight, only 4 countries have graduated, 4 have been designated to graduate (by 2024), and 12 have at least met one of the graduation criteria.

Economic growth rates continue to be higher in developing countries. However, since 2010 there has been a slowdown in the pace of development in these countries. Most Middle-Income Countries continue to experience pockets of poverty and vulnerabilities that hinder their ability to implement policies ensuring the sustainability and inclusiveness of their economic growth and development process. Furthermore, the

negative economic impact of the current crises is a serious concern for countries about to graduate.

The social-economic effects of the COVID-19 pandemic, as well as the consequences of the invasion of Ukraine in the fields of food and energy security, have also had a negative impact in the development prospects of these countries.

While remaining beneficiaries of Official Development Assistance (ODA), countries that graduate from the LDC category often see a reduction in aid flows. They also lose access to concessional finance, as per the World Bank's International Development Association (IDA) eligibility threshold, which also guides the determination of access to concessional finance for several other multilateral financial institutions.

The implementation of the DPoA will be critical to make graduation more sustainable. The Sustainable Graduation Support Facility (SGSF) may positively contribute as an additional support measure for LDCs to ensure that their graduation is successful and that the following targets are achieved:

- i) Enable 15 additional LDCs to meet the criteria for graduation by 2031;
- ii) Improve the scope, where necessary, and use of smooth transition measures and incentives for all graduating LDCs;
- iii) provide specific support measures to recently graduated countries for making graduation sustainable and irreversible.

This event aims to showcase experiences, good practices and ways forward which can be useful to **all LDCs or recently graduated countries** and their development partners.

With a focus on the experience of some of the Portuguese-speaking countries, the discussion aims to **provide a deeper awareness of graduation** as part of a process that is not an end in itself, **recognizing the vulnerabilities and challenges of the smooth transition process**, as well as the importance of adequately supporting sustainable development processes.

As a contribution to the dissemination of knowledge about graduation, Portugal has supported the translation into Portuguese of the following materials: Guide to Least Developed Country Graduation (2022); Manual for the category of Least Developed Countries - Inclusion, graduation and special measures - 2021-2022; Guiding Note on Smooth Transition Strategies.