



# LDC5 5TH UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES



**United  
Nations**

Committee for  
Development  
Policy

**Asia-Pacific Regional Review Meeting on the Implementation of the Istanbul Programme of Action in Preparation for the Fifth United Nations Conference on the Least Developed Countries (LDC5)  
30 August – 2 September 2021**

**Session 3: Supporting sustainable graduation: making graduation irreversible and a steppingstone to achieve the SDGs (Day 2 – 31 August 2021, Geneva time: 11:10– 13:15)**

## **Opening Welcome Remarks**

**Ms. Sakiko Fukuda-Parr, Vice-Chair UN CDP**

*Excellency (Co-Chair- Vanuatu)*

*Distinguished Delegates*

*Ladies and Gentlemen*

Warm greetings to you all!

To those of you joining in person in Geneva and those of us joining virtually from all parts of the world.

This is *Session 3* on ‘*Supporting sustainable graduation: making graduation irreversible and a steppingstone to achieve the SDGs*’.

We are meeting in such unprecedented times. Not only is the world grappling with multiple crises including the prolonged Coronavirus pandemic (Covid-19)

with its new variants<sup>1</sup>, but Afghanistan, a least developed country from the Asia-Pacific region is on the cusp of a critical time in the country's history and a looming humanitarian crisis.

Rather than business as usual, I urge us, to use the next two hours to have an authentic and open conversation on the concerns and fears of graduating least developed countries (LDCs) and to think in new and bold ways of solutions that will ensure that Asia-Pacific countries graduating out of the LDC category in the next decade, do so in a sustainable and irreversible manner. One that is celebrated and serves as a positive steppingstone to achieving the 2030 Sustainable Development Agenda and Goals.

### *Last Decade*

Over the last decade, the Istanbul Programme of Action (2011-2020) set out to enable half of the LDCs to meet the criteria for graduation, while also affording support to newly graduated countries to avoid falling back to the LDC category.

Four countries have graduated during that decade – three<sup>2</sup> from the Asia-Pacific region – and all small island developing states.

Graduation signals considerable progress a country has made against economic, social and environmental indicators and the confidence in taking a country forward and forging enhanced and new partnerships to tackle ongoing and emerging challenges and macroeconomic shocks.

It does not, however, imply that graduated countries are immediately without development and political challenges and vulnerabilities.

The reality is that these countries have achieved limited progress in productive capacity and structural transformation due to key barriers remaining mostly unchanged – making them less resilient to economic shocks.

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<sup>1</sup> Many of the AP countries are experiencing third or fourth wave of COVID-19, mostly affected by the deadly Delta Variant. They are the hardest hit due to high exposure to the pandemic, weak health infrastructure, and poor fiscal space and resilience capacity.

<sup>2</sup> (Maldives-2011; Samoa-2014; Vanuatu-2020)

Significant external shocks such as natural disasters occurring in the period of final preparations for graduation have required an extension of their preparatory period.

With the evolving Covid-19 and its prolonged socio-economic impacts, an extended preparatory period is necessary for graduating countries in the coming decade.

Sixteen more LDCs have met the graduation criteria – including ten from the Asia-Pacific region with Cambodia meeting the graduation threshold for the first time in 2021.

What does this mean for the ten LDCs from the Asia-Pacific region?

### ***The New Decade (2021-2030)***

Vulnerability of these countries comprise of multifaceted and inter-related challenges. They include limited productive capacities, slow progress on structural transformation and economic diversification, inadequate capacity for human and institutional development, high transportation costs, investment stagnation and climate and natural disaster risks not only stem from being LDCs but also as landlocked countries (Bhutan, Lao PDR, Nepal and Myanmar) and remote small island developing states (Kiribati, Solomon Islands, Timor-Leste and Tuvalu) - are more acute.

To ensure that graduation is sustainable and irreversible, dedicated capacity development support tailored for each country's needs is necessary.

However, such dedicated capacity development support to help graduating and graduated countries to access concessional ODA, innovative financing, de-risking financing and investments for trade, climate action and disaster risk reduction, access to markets and flexible implementation of intellectual property protection regimes are key to avoid the risks associated with LDC graduation – but missing especially for graduated LDCs and is a critical gap.

### ***Role of the CDP***

The UN Committee for Development Policy (CDP), as a subsidiary body of the Economic and Social Council (ECOSOC) has a critical advisory role on a wide range of issues that are relevant for the implementation of the 2030 Agenda for Sustainable Development.

A key aspect of the CDP's advisory role is to review the list of LDCs every three years, monitor graduating and graduated countries and improve the assistance for graduating and graduated countries.

In 2021, the CDP recommended Bangladesh, Lao Peoples Democratic Republic and Nepal for graduation with an extended five-year preparatory period, deferred its decision on recommending Myanmar and Timor-Leste for graduation owing to sustainability concerns and considered Cambodia as meeting the graduation criteria for the first time.

The CDP reiterated its proposal that the LDC5 adopt the theme “Expanding productive capacity for sustainable development” as the organizing framework for the new programme of action for the least developed countries and is making three key contributions to the LDC5:

1. Providing its findings and recommendations regarding the impact of Covid-19 on LDCs for intergovernmental deliberations in the lead up to and at the conference itself.
2. Advocating the importance of developing concrete international support measures for graduating and graduated countries.
3. Launching and operationalising the Sustainable Graduation Support Facility (SGSF) - a concrete country-led solution of dedicated capacity development support for graduating and graduated countries to form part of the new programme of action.

The Fifth United Conference on LDCs (LDC5) is a unique opportunity to carve out a more concrete, targeted, integrated and innovative but achievable new programme of action for the new decade. The new programme of action with concrete measures such as the SGSF, can be the key steppingstone for graduating and graduated countries to achieve the 2030 Sustainable Development Agenda and Goals, in the last mile.

Clearly the role of the international community is imperative. It calls for a reinvigorated forward looking global partnership that offers fully resourced new and incentive-based, dedicated and time-bound support measures to support graduating and graduated countries to embed the basic fundamentals for risk-informed sustainable graduation and to build resilience to future economic, environmental and social shocks so that graduation is irreversible.

It requires the urgent attention and support of key development and trading partners and the wider international community.