



Joint UN Workshop on Preparing for a Smooth Graduation from the LDC Category

Co-organized by:
The United Nations Inter-Agency Task Force on Graduation¹
and the Government of Solomon Islands

Concept note

17-18 October 2019
Honiara, Solomon Islands

Background

Solomon Islands joined the category of least developed countries (LDCs) in 1991. The country was found eligible for graduation for the first time in 2015 and for the second time in 2018 based on its Gross National Income (GNI) per capita and its achievements on the human assets index (HAI). However, Solomon Islands does not meet the Economic Vulnerability Index (EVI) threshold, as is generally the case for graduating LDCs in the Pacific. In December 2018, the General Assembly took note of the endorsement of the Economic and Social Council (ECOSOC) of the recommendation of the Committee for Development Policy (CDP) that Solomon Islands be graduated. The General Assembly decided to provide Solomon Islands, on an exceptional basis, with an additional preparatory period of three years before the start of the regular three-year preparatory period leading to graduation. Solomon Islands will graduate from the LDC category in December 2024 (see GA resolution [A/RES/73/133](#)).

Meeting the criteria for graduation constitutes an important milestone for Solomon Islands. It reflects the efforts made by the country and progress achieved in key areas for sustainable development. Despite this important step forward, important challenges remain. The preparatory

¹ The United Nations Task Force on Graduation of Least Developed Countries (IATF) is a group of UN entities, which convene twice a year or more often as needed, with the goal to provide strengthened and coordinated UN system-wide support to the countries graduating from the LDC category. The IATF members organizing this workshop are: the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Secretariat of the Committee for Development Policy of the United Nations Department of Economic and Social Affairs (DESA), the office of the United Nations Regional Coordinator in Fiji and the United Nations Development Programme (UNDP). Other members will also contribute.

period of six years, which started in December 2018, constitutes an opportunity for Solomon Islands and its development partners to build on progress so far and to consolidate development gains to advance further as well as to identify critical areas where further support is needed. Aligning these transitional efforts with national development goals and plans will make them more effective.

While graduation is a remarkable achievement, it also brings about the need to prepare for the withdrawal of LDC-specific international support measures (ISMs), which include, among others, modalities and access to certain concessional finance instruments as well as preferential market access for exports. The [Ex-ante Impact Assessment of likely Consequences of Graduation of Solomon Islands from the LDC Category prepared by the Secretariat of Committee for Development Policy, United Nations Department of Economic and Social Affairs](#),² finds that, given the country's trade structure and the nature of its main cooperation partnerships, the impact of graduation is expected to be limited. However, graduation could have some impact on European market access for tuna as well as for coconut and palm oil, even though the ongoing accession of Solomon Islands to the European Union-Pacific States interim Economic Partnership Agreement might mitigate any possible impact in this regard. Graduation could also entail some costs of compliance with WTO agreements such as with the agreement on trade-related aspects of intellectual property rights (TRIPs). A more detailed analysis of the consequences of graduation is needed in order to prepare a smooth transition strategy.

As a small island developint State, Solomon Islands experiences major development challenges associated with the small size and remoteness from major markets, which are compounded by inadequate domestic infrastructure. This has contributed to an export structure that is highly concentrated in wood. Consequently, Solomon Islands continues to face structural bottlenecks that hamper the development of adequate productive capacities, making sustainable development difficult and expensive.

In addition, the country remains highly vulnerable to external shocks. It is estimated that the country has incurred an average loss of US \$20 million per year as a result of earthquakes and tropical cyclones over the past years. Thus, its need for dedicated support continues. In this regard, the Solomon Islands need to prepare and implement an adequate transition strategy to manage its graduation from the LDC category, especially in view of the large and growing need for financing for development to support the implementation of the National Development Strategy 2016-2035 and the 2030 Agenda for Sustainable Development.

It is thus of importance that policymakers and Government officials have the capacity to fully understand the implications stemming from graduation from the LDC category, including the availability of existing international smooth transition measures and the scope for improved international assistance. This capacity will enable them to develop national economic policies, financing for development strategies and institutional arrangements to minimize possible negative

² <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-PL-2018-5e.pdf>

impacts, harness potential benefits and effectively mainstream graduation into national development planning.

Objectives

This two-day workshop aims to support Solomon Islands as a small island LDC in preparation for graduation from the LDC category in response to an official request from its Government. It also supports the implementation of the Istanbul Programme of Action for LDCs for the Decade 2011-2020 (IPoA) and the SIDS Accelerated Modalities of Action Pathway (SAMOA Pathway), the latter of which calls for international cooperation to assist the small island developing States in overcoming their vulnerabilities and the compound effects of climate change. The workshop will build on a Pacific Sub-Regional Workshop on Preparing for a Smooth Graduation from the LDC Category, co-organized by UN-ESCAP with UN-OHRLLS and UNDP, on 22-23 November 2018, in Port Vila, Vanuatu.

The key objectives of the workshop include:

1. **Assessment:** To identify development priorities and challenges of Solomon Islands by assessing implications of graduation and by reviewing progress in implementing the IPoA and the SAMOA Pathway;
2. **Policy formulation:** To enhance the technical capacities of policymakers to formulate national policies and strategies to minimize the impact of loss of ISMs, harness graduation benefits and mainstream graduation into development planning;
3. **Knowledge sharing:** Facilitate the dissemination of information regarding the graduation of the country from the LDC category among key national stakeholders and development partners; promote the exchange of information and lessons learned from countries that have graduated or are in the process of graduating from the category of LDCs.

Participants

The participants will comprise Government representatives from Solomon Islands who are responsible for national planning, finance, trade, foreign affairs, development cooperation, aid coordination, implementation of the IPoA/SAMOA Pathway and/or coordination of Sustainable Development Goals. Participants from Samoa, as a recent LDC graduate, and Vanuatu, as a Pacific LDC close to the end of the preparatory period for graduation, are also expected to join the workshop to share knowledge, best practices and experiences. Solomon Islands' development and trading partners will also participate. The workshop will include presentations given by experts, including members of the UN Inter-Agency Task Force on LDC graduation.

Documentation

Technical background documents will be shared in advance of the event and all related documents and information will be posted on the workshop website.