

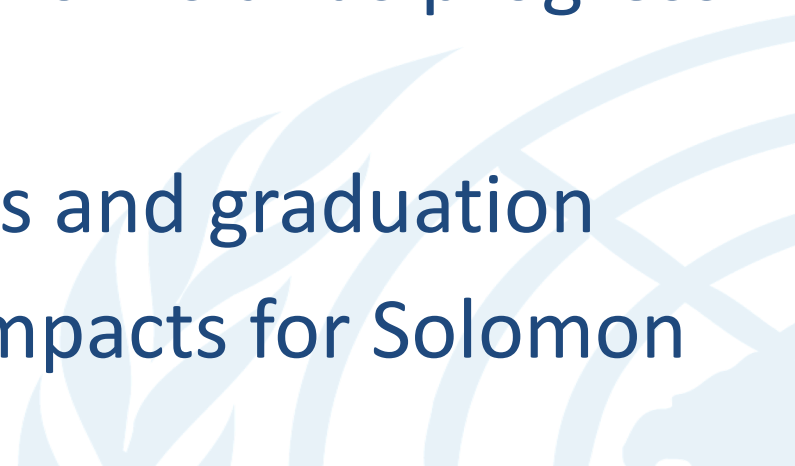
# Overview of graduation of Solomon Island from the LDC category

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Development Policy (CDP)

Joint UN Workshop on Preparing for a  
Smooth Graduation from the LDC category  
Honiara, Solomon Islands  
17-18 October 2019



# Outline

1. Status of Least Developed Country (LDC) category and the role of the United Nations Committee for Development Policy (CDP)
  2. LDC criteria and Solomon Islands progress towards graduation
  3. LDC support measures and graduation
  4. Possible graduation impacts for Solomon Islands
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# Status of the LDC category and the role of the CDP

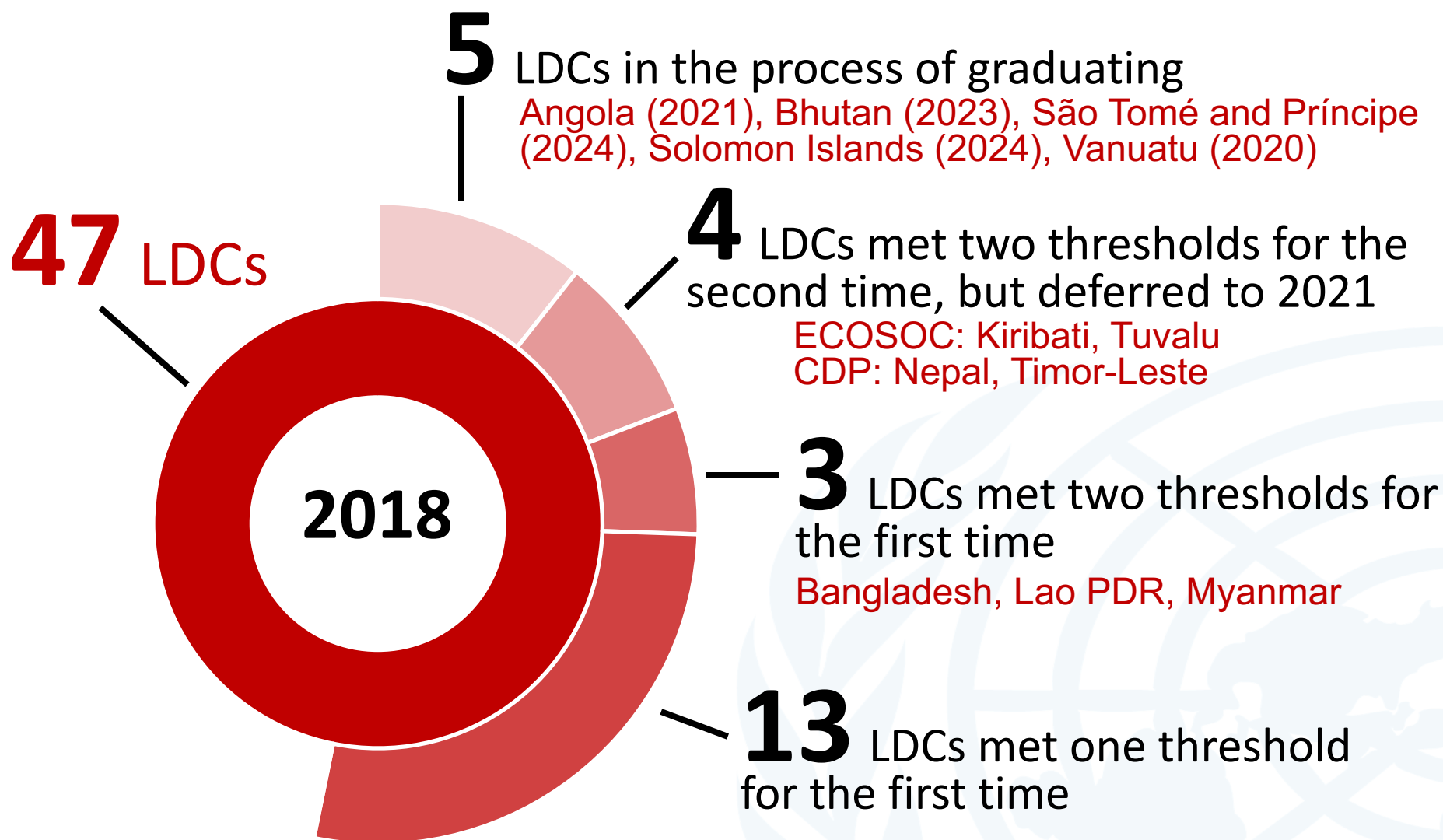
# 47 LDCs: 33 Africa, 9 Asia, 4 Pacifica, 1 Caribbean



## Map of LDCs in 2018



# Overview of graduation trends





# Independent Experts Thinking Ahead



**Innovative and practical policy advice for a better world**

[cdp.un.org](http://cdp.un.org)

[un.org/development/desa/dpad](http://un.org/development/desa/dpad)

# CDP work on LDCs

Proposed establishing LDC category in 1971

Reviews triennially the list of LDCs

- Recommends countries for inclusion and graduation = Core mandate of the CDP

Develops and refines the criteria and procedures for identifying LDCs

Monitors graduating and graduated LDCs

Prepares analytical papers on LDCs



**LDC criteria &  
Solomon Islands'  
progress towards  
graduation**

# LDC criteria

LDCs are low-income countries suffering from the most severe structural impediments to sustainable development



GNI  
per capita

Measure of income



Human  
assets index  
(HAI)

Measure of human  
development



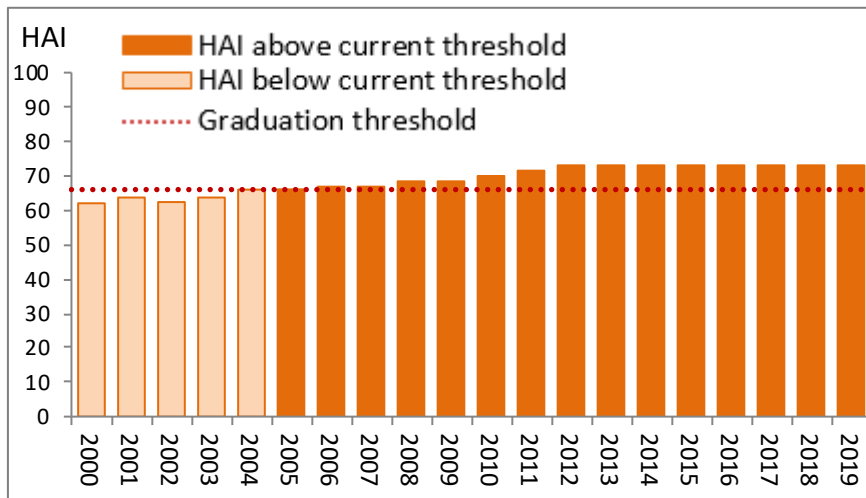
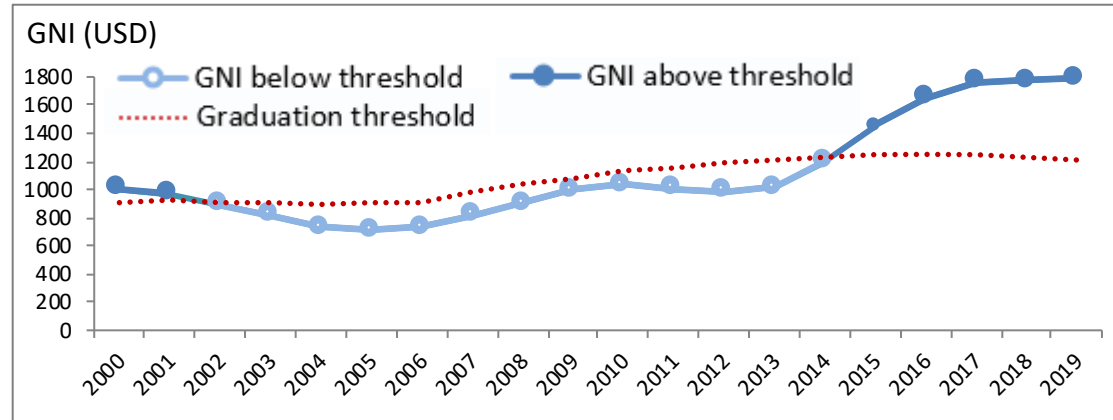
Economic  
vulnerability  
index (EVI)

Measure of structural  
vulnerability to shocks

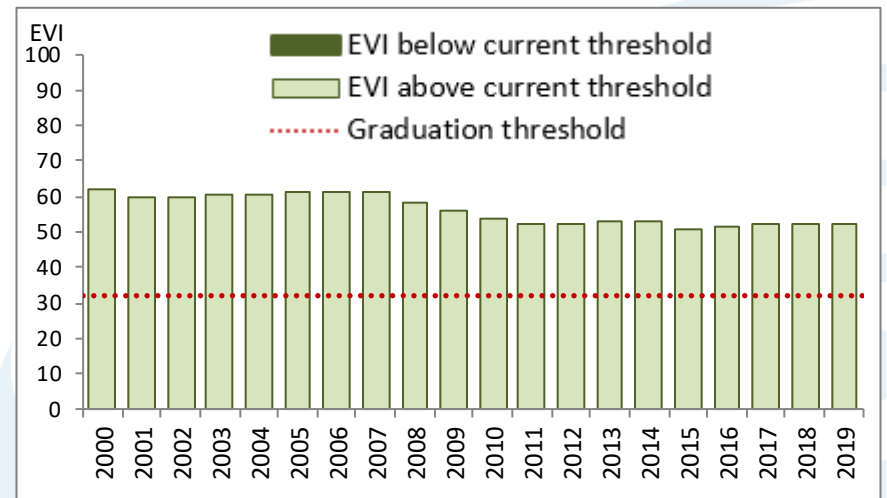
# Solomon Islands – progress towards graduation criteria

## GNI

Since 2015 Solomon Islands' GNI is above the corresponding graduation threshold for GNI



**HAI** Since 2005 Solomon islands' HAI is above the graduation threshold of 66



**EVI** Solomon Islands' EVI was never below the graduation threshold of 32



# Graduation timeline

2015

SI meets 2 out of 3 criteria (GNI, HAI) for the first time

- First eligibility finding by the CDP

2018

SI meets 2 out of 3 criteria for the second time

- CDP reviewed data and additional information prepared by the UN
- CDP consulted with Government at meeting in New York (January 2018)
- CDP recommended SI for graduation
- UN Member States endorsed recommendation
- Granted additional time for preparing for graduation (6 instead of 3 years)

2018-  
2024

SI prepares for graduation

- Support from United Nations (like this workshop)
- Consultative mechanism, including development partners
- Prepares smooth transition strategy

**13 December 2024: Graduation becomes effective**

# Gradjet



Before graduation ▼ During graduation ▼ After graduation ▼

Select a country ▼

Login



Gradjet helps government officials in least developed countries (LDCs) understand what it means to leave the LDC category and to plot a course for future action.

The site covers the 14 countries close to graduation or that have recently graduated. Select one from the drop-down menu. Each country page shows what happens before, during and after leaving the category, with contacts, information and suggestions about what to do.

Designated users can log in, save information to the suitcase, and download it when needed.

[Click here for a list of frequently asked questions about LDC graduation.](#)



Detailed information: <https://www.gradjet.org>

# What does graduation mean?

● Signifies a milestone in development

Should be cause for pride

● Implies progress towards sustainable development goals (SDGs)

● Does not mean development challenges have been overcome

- Still a developing country
- Vulnerability to economic and environmental shocks remains
- Need to maintain progress in income and human assets of utmost importance



**LDC support  
measures and  
graduation**

# Support measures

## Objective

- Support LDCs to overcome structural impediments to sustainable development
- Additional to support available to all developing countries
  - Additional to support based on specific issues or on political considerations

## Types of support

- 1. Development cooperation**
- 2. Preferential trade measures & special WTO treatment**
- 3. Other support (UN contributions, travel support)**

Detailed information: <https://www.un.org/ldcportal/>



# Support Measures Portal for Least Developed Countries



UNITED NATIONS  
Committee for Development Policy

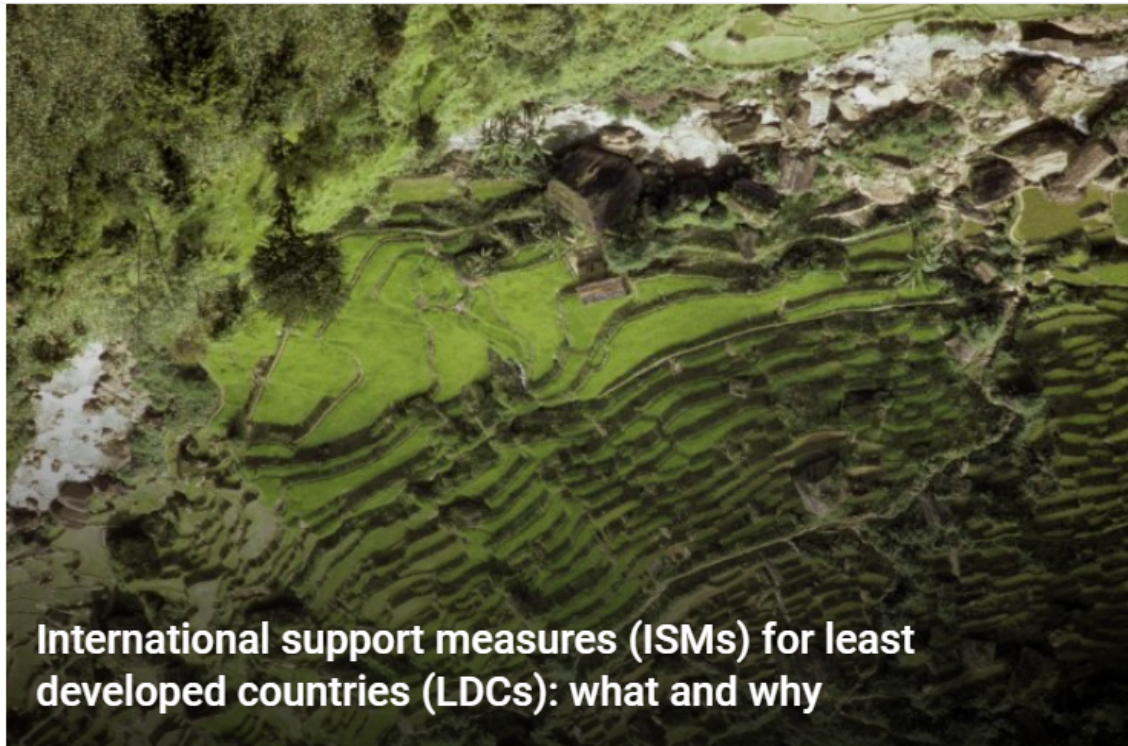
## Support Measures Portal for Least Developed Countries

ABOUT

TRADE ▾

DEVELOPMENT COOPERATION ▾

PARTICIPATION IN INTERNATIONAL FORUMS ▾



International support measures (ISMs) for least developed countries (LDCs): what and why



Trade-related international support measures (ISMs) for LDCs



Development cooperation for LDCs



Support for the participation of LDCs in the United Nations and other international forums

Detailed information: <https://www.un.org/ldcportal/>

# Support measures and graduation

## Before graduation

- LDC-specific support often underutilized
  - Limited information in LDCs on available LDC-specific support
  - Difficult to know whether support received depends on LDC status
  - Support measures may be irrelevant
  - Lack of domestic capacities
- Often fear and anxiety about losing out support

## What happens after graduation?

- ⚠ ***LDC-specific support measures will be phased out***  
***Many measures have 3 or 5 year transition periods***  
***Experience: Very limited, manageable effects***  
***Need to integrate graduation into development strategies***



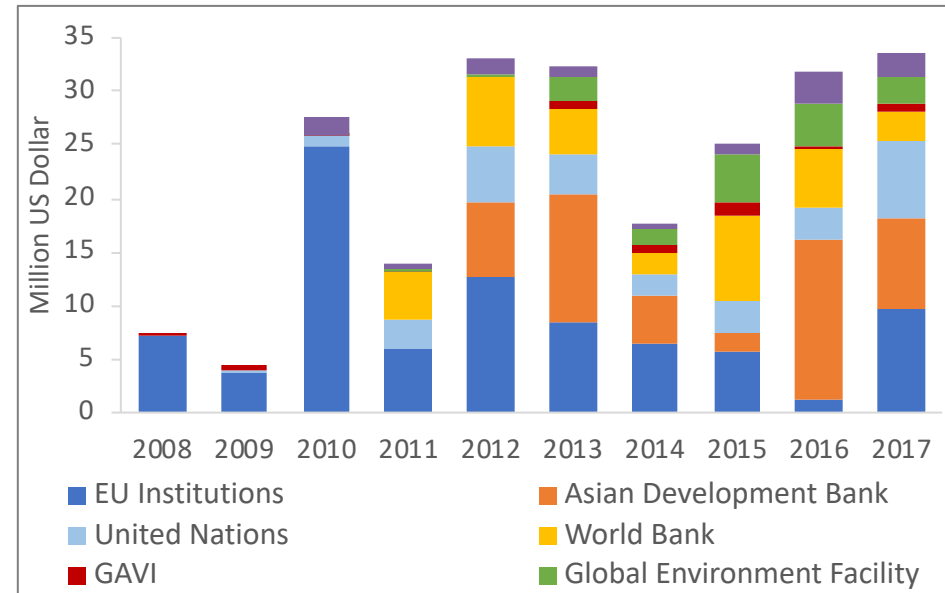
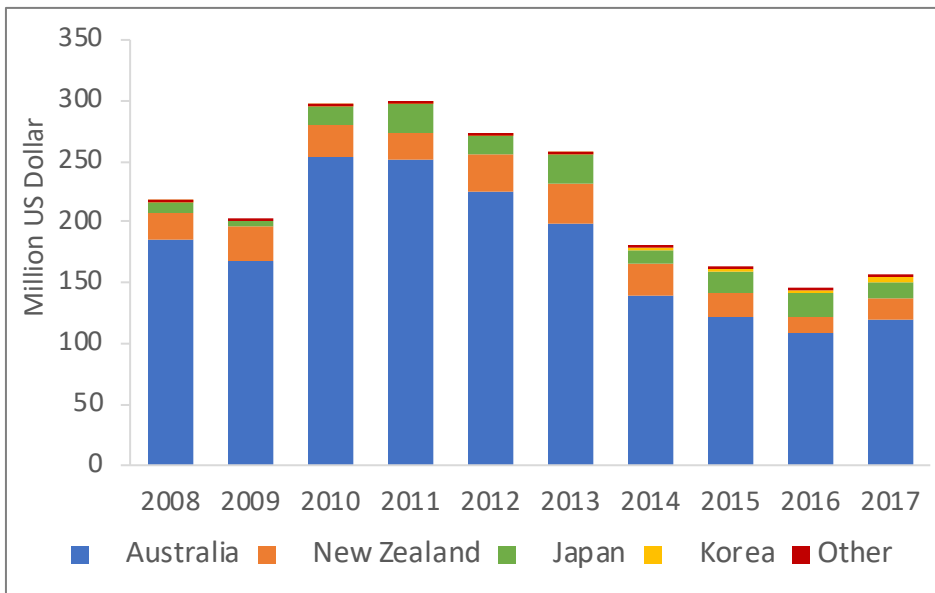
# Possible graduation impacts for Solomon Islands

# Development cooperation

Quantitative and qualitative commitments to provide support to LDCs as a group

## Bilateral ODA to SI, 2008-2017

## Multilateral flows, 2008-2017



Development partners confirmed continuation of support

→ Support often independent of LDC status



***No significant impact of graduation on development cooperation flows***

# Dedicated mechanisms for LDCs

*All mechanisms unfortunately rather small-scale*

Climate financing from the LDC Fund under the UNFCCC

- No more access to new financing from LDC Fund after graduation (end 2024)
- Continued priority under Green Climate Fund

Aid for trade:  
Enhanced Integrated Framework

Access until five years after graduation (end 2029)

Access to technology:  
LDC Technology Bank

Access until five years after graduation (end 2029)

Financial inclusion and local investments:  
UN Capital Development Fund

Access until end 2027, with co-financing until end 2029

Legal investment services: IDLO/OHRLLS  
Investment support programme

Access until five years after graduation (end 2029)

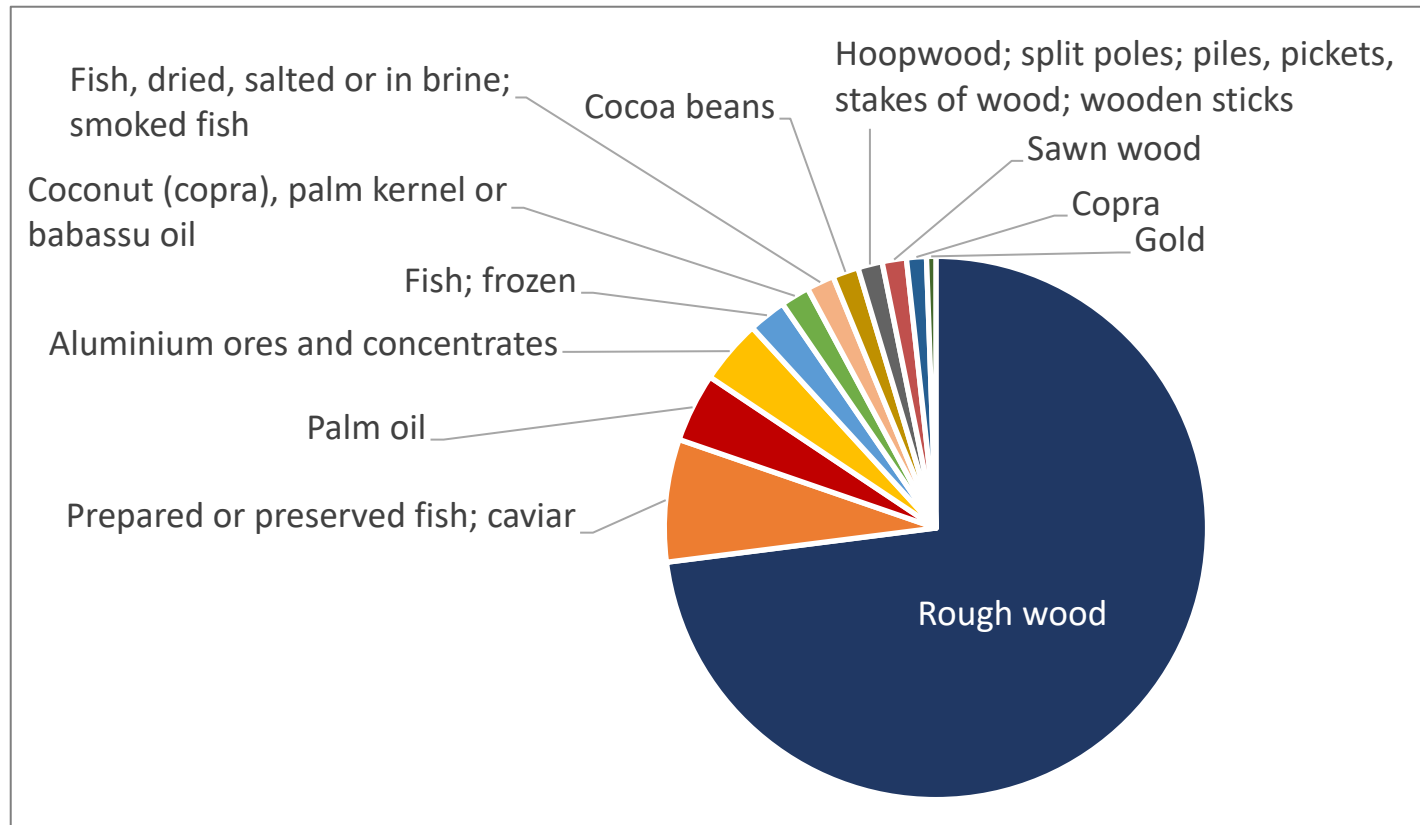
 ***Small impact of graduation, mostly long transition periods***



# Solomon Island merchandise exports

Most developed and many developing countries provide duty free quota free access for LDCs

Solomon Island main commodity exports, 2018, total US\$ 569m



***No significant impact of graduation***

More detail tomorrow

# Special treatment in WTO

- Some WTO agreements have fewer obligations and more flexibilities for LDCs than for other developing countries
- No information that Solomon Islands has been able to use these flexibilities or that additional obligations would be binding
- Access to WTO training and technical assistance can become slightly more difficult

**⚠ *After graduation: No major impact expected***

# United Nations system budget funding and travel support

○ Regular budget of UN and most other entities

**No impact** on Solomon Islands' contribution after graduation

○ Peacekeeping budget and few other entities

**Small impact** on Solomon Islands' contribution after graduation

○ Travel support

General Assembly meetings: **possible extension for up to 3 years** after Solomon Islands' graduation

# Thank you

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