

## South-South Exchange on Preparing Smooth Transition Strategies: Graduating cohort of 2021

Amari Watergate Hotel, Bangkok, Thailand. 23-25 August 2022

# TECHNICAL NOTE

































#### Introduction

#### Warm greetings!

As an invited participant to the South-South-Exchange on Preparing Smooth Transition Strategies: Graduating Cohort of 2021, we would like to ensure that you get the best out of the three days and to optimize the benefits of shared knowledge and peer group learning. To do that, **substantive preparation** is key.

Therefore, we have prepared this Technical Note which contains the following:

- A. Preparatory Guidance;
- B. Concept Note and Agenda; and
- C. Plenary and Session Notes.

We hope the information provided will help you prepare substantively for each plenary/session. The objectives and guiding questions in each technical session note will already get you and all of us thinking about what each of us would like to contribute, learn and gain from the three days.

Contacts for the lead organizer for each session are provided at the end of Section A: Preparatory Guidance.

We look forward to an exciting, thought provoking, solution-focused and inspiring three days of listening to each other, learning from each other and contributing to solutions to ensure Bangladesh, Lao People's Democratic Republic (PDR) and Nepal not only graduate in November 2026, but remain graduated and exceed expectations.

We wish you well in all your preparations and an enjoyable and safe journey to Bangkok.

**Organizing Team** 

## A. Preparatory Guidance

### A. Preparatory Guidance

#### Objective: Country-led and driven

Over the three days, the three main objectives of the south-south-exchange are that the delegation members from the three countries:

- Discuss common challenges of graduation and identify pathways to address them collaboratively in devising their national Smooth Transition Strategies.
- Identify key international support for the national Smooth Transition Strategies of each country and devise a plan for advocacy.
- Advocate jointly and severally for effective international support for the implementation of national Smooth Transition Strategies.

At the end of the three days, the goal is that country delegations will be in a stronger position to formulate their national Smooth Transition Strategies, prepare for smooth transition, and navigate the post-graduation landscape in pursuit of achieving sustainable graduation in line with the 2030 Agenda for sustainable development and countries' own national aspirations.

#### Participation: Country-led and STS-focused

The three days south-south-exchange is mainly geared for the government officials, and key stakeholders from the private sector, academia, research institutes, think tanks and civil society, at the technical level, who are or would be directly working on the formulation and drafting of the national Smooth Transition Strategy in their respective countries – Bangladesh, Lao PDR and Nepal.

Alongside country delegations, representatives from the development and trading partners including the UN system as well as the private sector and academia will also participate, serve as resource persons and offer policy and technical advice, where needed.

#### **Engagement Style**

All participants are encouraged to engage actively during the formal opening and closing sessions and in particular the eight technical sessions in the form of dialogue, conversation, crafted panel discussion or hands-on practical workgroup or clinic involving substantial and technical interaction.

Succinct and articulate speeches, presentations, ideas, comments or questions are encouraged, to ensure that the entire event from the opening to the closing plenary, is invigorating, thought provoking, solutions-focused, inspirational and memorable.

Long statements that are simply read out, are to be avoided.

Time management is key for a successful event. All sessions will start on time and participants are encouraged to arrive on time. When taking the floor, participants including resource persons are kindly asked to keep to the time allocated, so as to allow everyone an opportunity to engage and contribute.

#### Resource Persons

Participants who have been assigned a speaking role, whether as chair of a session; moderator of a discussion; provide opening or closing remarks; keynote speaker, speaker, presenter, panelist; or to provide technical support for specific sessions, are resource persons.

All resource persons are encouraged to avoid rhetoric and to ensure that new thinking and innovative approaches and solutions are what they offer – to build on the existing body of analysis, knowledge and evidence.

#### Organisation of Plenaries and Technical Sessions

There are a total of two plenaries and eight technical sessions. Each plenary and session has a lead organiser.

The lead organiser for each plenary/session, will contact the:

- **Chair** to brief her/him on her/his role and the session note, as well as to assist the Chair with any support required
- **Resource persons** to provide speakers, presenters, panelists, moderators, technical resource/support with specific guiding questions and topics, each is to focus on and date when presentations and speaking notes are to be submitted.

The lead organizer will seek volunteers or assign:

• **Rapporteurs** for each session to take notes and working with the rapporteur provide a one-pager on the key takeaways, messages and actions identified and agreed to, in the respective session.

#### **Key Background Documents**

The following documents with links provided are relevant for all sessions:

- 1. Smooth Transition Strategy Guidance Note (STS GN): STS-GN
- 2. Impact Assessments:
  - a. Impact Assessment for Bangladesh: <u>IA-BGD</u>
  - b. Impact Assessment for Lao PDR: <u>IA-LAOPDR</u>
  - c. Impact Assessment for Nepal: <u>IA-NEPAL</u>
- 3. Vulnerability Profiles
  - a. Vulnerability Profile for Bangladesh: <u>VP-BGD</u>
  - b. Vulnerability Profile for Lao PDR: VP-LAOPDR
  - c. Vulnerability Profile for Nepal: VP-NEPAL
- 4. LDC Handbook: LDC-Handbook
- 5. Doha Programme of Action: <u>DPoA</u>
- 6. MC12 Outcome Document: WTO-MC12-OutcomeDocument
- 7. UNCTAD, The Least Developed Countries in the Post-COVID world. Learning from 50 years of experience: <u>UNCTAD-LDC-Report-2021</u>
- 8. WTO, Trade Impacts of LDC Graduation: WTO-Trade-Impacts-of-LDC-Graduation

Background documents for specific technical sessions are provided at the end of the technical session note.

#### Going Green

The event will be paperless and as far as possible plastic-free. Hard or printed copies of any documents will not be provided during the three days except for the registration form which each participant needs to sign each day and materials for workgroups and clinics.

#### Plenaries and Sessions: Lead Organisers

Section	Session	Lead Organiser	<b>Contact Details</b>
	Opening Plenary	Mr. Md. Mazedul Islam Economist, UN Resident Coordinator's Office, Bangladesh	mazedul.islam@un.org

1. STS	Technical Session 1:	Ms. Mereseini	managaini hayyan@yun ana
			mereseini.bower@un.org
Approach and	Sustainable Graduation -	Bower	
Process	Investing in People and	Inter-Regional	
	Leaving No One Behind	Adviser, UN	
		DESA	
2. Impacts of	<b>Technical Session 2</b> :	Mr. Md. Mazedul	mazedul.islam@un.org
Graduation	Preferential Market Access	Islam	
and Smooth	and Intellectual Property	Economist, UN	
<b>Transition</b>	Rights (IPR)	Resident	
Measures		Coordinator's	
		Office, Bangladesh	
	<b>Technical Session 3</b> :	Mr. Subhash	subhash.nepali@un.org
	Product and Market	Nepali,	
	Diversification in the	Economist/SDG	
	Context of LDC Graduation	Adviser, UN	
		Resident	
		Coordinator's	
		Office, Nepal	
	Technical Session 4:	Ms. Mereseini	mereseini.bower@un.org
	Graduation as a Lever for	Bower	meresemi.over e an.org
	Good Governance and	Inter-Regional	
	Human Rights	Adviser, UN	
	Tullian Rights	DESA	
	Technical Session 5:	Mr. Md. Mazedul	mozadul islam@un org
		Islam	mazedul.islam@un.org
	Climate Change and LDC Graduation		
	Graduation	Economist, UN	
		Resident	
		Coordinator's	
		Office, Bangladesh	
	Technical Session 6:	Mr. Matthew	matthew.johnson-
	Effective Management of	Johnson-Idan	idan@un.org
	Development Finance	Senior Economist,	
	during Graduation	UN Resident	
		Coordinator's	
		Office, Lao PDR	
	<b>Technical Session 7:</b>	Mr. Matthew	matthew.johnson-
	Domestic Resource	Johnson-Idan	idan@un.org
	Mobilization	Senior Economist,	
		UN Resident	
		Coordinator's	
		Office, Lao PDR	
3. STS	Technical Session 8:	Ms. Mereseini	mereseini.bower@un.org
Roadmap and	Prioritising Smooth	Bower	
<b>Priority Action</b>	Transition Measures and	Inter-Regional	
Plan	Identifying Implementation	Adviser, UN	
	Modalities Modalities	DESA	
	Modulines	DEDIT	<u> </u>

Closing Plenary:	Mr. Subhash	subhash.nepali@un.org
	Nepali,	
	Economist/SDG	
	Adviser, UN	
	Resident	
	Coordinator's	
	Office, Nepal	

## **B.** Concept Note - Agenda



## South-South Exchange on Preparing Smooth Transition Strategies: Graduating cohort of 2021

Amari Watergate Hotel, Bangkok, Thailand. 23-25 August 2022

#### A. Context:

In February 2021, the Committee for Development Policy for the United Nations (CDP) recommended Bangladesh, Lao People's Democratic Republic (PDR), and Nepal for graduation from Least Developed Country (LDC) status.

These are the only three countries recommended for graduation during the ongoing global pandemic. Recognizing the exceptional circumstances because of COVID-19, the Committee further recommended that all three countries be afforded an extended 5-year preparatory period, in place of the standard 3 years. In June 2021, this recommendation was agreed by the Economic and Social Council and taken note by the UN General Assembly. The challenges emanating from COVID-19 have since been compounded by emerging challenges in the cost of food, energy, and finance in early 2022.

In making the recommendation for graduation, the CDP called on trading and development partners to enhance support for a smooth transition. It called for improved support to graduating countries through:

- Greater access to concessional development finance, including climate finance.
- Fulfilment of Official Development Assistance (ODA) commitments.
- Support for leveraging ODA flows to access additional public and private finance.
- Increased coordination with international financial institutions.
- Facilitation of South-South and triangular development cooperation; and
- Timebound extension of preferential market access and LDC-specific special and differential treatment under the World Trade Organization (WTO).

All three countries are expected to use the preparatory period to develop their Smooth Transition Strategies (STS) drawing on the DESA Smooth Transition Strategy Guidance Note and to fully implement them in order to effectively manage the implications of graduation, ensure that development momentum is maintained, prevent any disruptions to their development progress and ensure sustainable graduation.

This is expected to include efforts to secure enhanced support as called for by the CDP. The Governments of all three countries expect consistent and coherent support from the UN Development System in this process, in line with the recently adopted Doha Programme of Action and earlier resolutions adopted by the United Nations General Assembly and the Economic and Social Council. This support will draw on the capacities of both resident and non-resident agencies,

coordinated by respective Resident Coordinator's Offices (RCOs) in-country and the UN Inter Agency Task Force on LDC Graduation (IATF) at the global level.

There are several challenges and opportunities that would arise out of graduation and graduating countries can benefit by enhancing collaboration between each other during the preparation stages. Since Bangladesh, Lao PDR, and Nepal – the graduating cohort of 2021, are all from the Asia region, there are areas of common interest where particular focus and actions would be required while developing the STS.

In this context, the UN through iGRAD (Sustainable Graduation Support Facility), a country-led, partnership-based global platform offered through the IATF is providing integrated capacity building support in the form of policy and technical advisory and financial support to Bangladesh, Lao PDR, and Nepal to ensure smooth transition and sustainable graduation. This South-South-Exchange workshop is one of the many modalities being offered via iGRAD through the IATF. The workshop combines specific service offered under iGRAD Service Offering Lines (SOLs) 3 and 5. It is expected to re-energize the STS preparation process, learn from the industry/sector experts, share ideas amongst each other, and devise some common guidelines for transition.

Participation of Government officials and key stakeholders from the private sector, academia, research institutes, think tanks and civil society, at the technical level, who would directly work on formulating and drafting the STS in their respective countries, are expected to attend the event alongside representatives from RCOs, DESA, ESCAP, OHRLLS, and other relevant UN agencies. The workshop is being funded by DESA as a contribution to iGRAD and through its Project "New assistance measures for graduating LDCs", supported by the UN Peace and Development Fund.

#### **B.** Objectives:

- Discuss common challenges of graduation and identify pathways to address them collaboratively in devising the STS.
- Identify key international support for the Smooth Transition Strategies of each country and devise plan for advocacy.
- Advocate jointly and severally for effective international support for the implementation of national Smooth Transition Strategies.

#### C. Key deliverables:

- Working papers or presentations on key challenge areas for graduating LDCs.
- Accumulation of views from policymakers, private sector, development partners, academia, and CSOs on graduation related challenges and recommendations to overcome them in their respective country context.
- STS processes of the graduating cohort of 2021.
- Common advocacy points for the LDC5, Doha, 5-9 March 2023.

#### **D.** Format of the event:

- The event is structured across eight technical sessions under three main sections.
- It will primarily be in-person, but arrangements will be made for online participation for speakers and presenters only.
- Speakers, presenters, and potential participants are indicated in the proposed agenda items.

#### E. Contacts:

- Ms. Mereseini Bower, Inter-regional Adviser, UNDESA; mereseini.bower@un.org;
- Mr. Oliver Paddison, Chief of Section, Economic Affairs, UNESCAP, paddison@un.org;
- Ms. Susana Wolf, Senior Programme Management Officer, LDC Unit, UNOHRLLS, wolf1@un.org;
- Mr. Md. Mazedul Islam, Development Coordination Officer/Economist, UN Resident Coordinator's Office, **Bangladesh**; mazedul.islam@un.org;
- Mr. Matthew Johnson-Idan, Senior Economist, UN Resident Coordinator's Office, Lao PDR; matthew.johnson-idan@un.org;
- Mr. Subhash Nepali, Economist/SDG Adviser, UN Resident Coordinator's Office, **Nepal**; <a href="mailto:subhash.nepali@un.org">subhash.nepali@un.org</a>;

#### F. Tentative agenda:

Date	Time	Description
Tuesday	0900 –	Opening Plenary:
23 August	1035	
2022	hrs.	Chair: Mr. Roland Mollerus, CDP Secretary and Chief
		Development Policy Branch, UNDESA
		Welcome Remarks: Ms. Rabab Fatima, Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
		Remarks from Heads of Country Delegations
		1. Ms. Sharifa Khan, Secretary, Economic Relations Division,
		Ministry of Finance, Government of Bangladesh
		2. Mr. Daovy Vongxay, Director General, Ministry of Foreign
		Affairs, Government of Lao PDR
		3. Mr. Kewal Prasad Bhandari, Secretary, National Planning
		Commission, Government of Nepal
		Remarks from the United Nations Resident Coordinators:
		4. Mr. Richard Howard, UN Resident Coordinator ai, Nepal
		5. Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh

	6. Ms Sara Sekkenes, UN Resident Coordinator, Lao	
	Remarks from IATF Country co-leads	
	<ul><li>7. Ms. Mikiko Tanaka, Director and Head of South and South-West Asia Office (ESCAP-SSWA), New Delhi, ESCAP</li><li>8. Ms. Susanna Wolf, Senior Programme Manager, OHRLLS</li></ul>	
	Opening Remarks: Mr. Taffere Tesfachew, Member of the Committee for Development Policy for the United Nations (CDP) and Senior Advisor, Tony Blair Institute for Global Change (TBI) and former Director, Division for Africa, UNCTAD	
	Presentation on the event outline and key objectives (RCO Economists: Mr. Md. Mazedul Islam of Bangladesh; Mr. Matthew David Johnson-Idan of Lao PDR; and Mr. Subhash Nepali of Nep	
	Photography	
1005		
1035 – 1100 hrs.	Break/refreshment & networking	
1115.		
SECTI	ON 1: STS APPROACH AND PROCESS	
1100 – 1310	Technical Session 1: Sustainable Graduation - Investing in People and Leaving No One Behind	
hrs.	Chair: Mr. Roland Mollerus, CDP Secretary and Chief Development Policy Branch, UNDESA	
	<b>Keynote Speaker:</b> Dr. CHO Byungkoo, Senior Research Fellow, Korea Development Institute and former Executive Director of the Global Knowledge Exchange and Development Center, Korea Development Institute ( <i>virtual</i> )	
	<ul><li>Presenters:</li><li>1. Mr. Oliver Paddison, Chief of Countries with Special Needs Section, ESCAP</li></ul>	
	<ol> <li>Mr. Matthias Bruckner, Senior Economic Affairs Officer, UNDESA</li> </ol>	
	This session is an opportunity for the three countries to reflect on the approach and process each has undertaken to date in preparing	

their STS and to make any necessary adjustments to incorporate the following: a. STS is about preparing a country beyond graduation and towards achieving the 2030 sustainable development agenda and SDGs - ensuring those most affected by the implications of graduation are not left behind b. STS key elements and measures include response and recovery from evolving external shocks and are integrated in a country's macroeconomic framework. c. A country's graduation process is inclusive and meaningfully engages a wide spectrum of stakeholders and voices in formulating, drafting, and validating the STS. 1310 -Lunch break 1400 hrs. SECTION 2: IMPACTS OF GRADUATION AND SMOOTH TRANSITION MEASURES 1400 -**Technical Session 2:** Preferential Market Access and Intellectual 1600 Property Rights (IPR) hrs. Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh **Discussants:** 1. Mr. Tran Toan Thang, Director, Department of Industrial Forecast and Enterprise Development (DIFED), National Center for Economic Forecast and Information (NCIF), Ministry of Planning and Investment, Government of Vietnam 2. Dr. Debapriya Bhattacharya, Member, UN Committee for **Development Policy** 3. Mr. Alexey Kravchenko, Economic Affairs Officer, UNESCAP **Keynote Presentation:** Mr. Tran Toan Thang, Director, DIFED,

Ministry of Planning and Investment, Government of Vietnam

This session will allow the three countries to take stock of the implications of graduation on trade – preferential market access, IPR and services waiver; what they know, what they do not know,

questions they may have on how to respond to existing and upcoming trade related challenges and to identify what could

		benefit through joint efforts and advocacy collectively as the graduating cohort of 2021 and targeted support under iGRAD.  It will promote the need for the three countries to each develop a time-bound and action-oriented strategy for market access including preferential market access and the role of trade agreements and regional instruments, under the STS, whereby the benefits of trade help reduce poverty, are inclusive and improve the living standards for all.
	1600 hrs onwards	Tea/coffee. End of Day-1.
Wednesday 24 August 2022	0900 – 1040 hrs.	<ul> <li>Technical Session 3: Product and Market Diversification in the Context of LDC Graduation</li> <li>Chair: Mr. Richard Howard, UN Resident Coordinator ai, Nepal</li> <li>Keynote Speaker: Mr. Taffere Tesfachew, Member of the Committee for Development Policy for the United Nations (CDP) and Senior Advisor, Tony Blair Institute for Global Change (TBI) and former Director, Division for Africa, UNCTAD</li> <li>Presenters:         <ol> <li>Ms. Cecilia Heuser, Market Analyst, International Trade Centre</li> <li>Mr. Ratnakar Adhikari, Executive Director, WTO Enhanced Integrated Framework (virtual)</li> </ol> </li> <li>The primary objective of the session is for the graduating cohort of 2021 in recognizing their heterogeneity: learn from each other and global best practices on diversifying products and markets and increasing competitiveness for export; discuss their comparative advantages; identify areas of potential duplication and actions to avoid it; and to discuss potential areas of collaboration during smooth transition.</li> </ul>
	1040 – 1100 hrs.	Break/refreshment & networking

1100 – 1300 hrs.	<b>Technical Session 4:</b> <u>Graduation, Good Governance and Meeting</u> <u>International Standards for Trade</u>
	<b>Chair:</b> Mr. Tuomo Poutiainen, Country Director, International Labour Organization, Bangladesh
	<b>Keynote Speaker:</b> Dr SUH Joonghae, Fellow, Korea Development Institute ( <i>virtual</i> )
	<ul> <li>Speakers:</li> <li>1. Mr. Petros Sourmelis, Head of the Trade and Economic Section, Delegation of the European Union in Thailand</li> <li>2. Mr. Bablur Rahman, Country Manager for Bangladesh, Fair Wear Foundation (virtual)</li> </ul>
	<ul> <li>This session has a twofold objective:</li> <li>a. Non LDC government and private sector will share their perspective on successfully applying and meeting international standards and principles; and</li> <li>b. Bangladesh, Lao PDR, and Nepal drawing from those perspectives, identify and highlight specific areas of reform and capacity strengthening for government, the private sector and civil society that need to be prioritized in their smooth transition strategy and for joint collaboration to potentially benefit from GSP+ by January 2030 and new opportunities by meeting</li> </ul>
	international standards.
1305 – 1400 hrs.	Lunch break
1400 – 1435 hrs.	Technical Session 4: Graduation, Good Governance and Meeting International Standards for Trade (continued)  Country Groups report back to plenary
1435 – 1715 hrs.	Technical Session 5: Climate Change and LDC Graduation  Chair: Ms. Subhra Bhattacharjee, Strategic Planner and Head of Office UNRCO Bangladesh
	Panellists:

Thursday; 25 August 2022	1520 hrs 1715 hrs 0900 – 1030 hrs.	<ol> <li>Mr. Mozaharul Alam, Regional Coordinator, Climate Change Programme, Asia and the Pacific Office, UNEP</li> <li>Dr. Joyashree Roy, IPCC Lead Author and Inaugural Bangabandhu Chair Professor and Director of centre on SMARTS at Asian Institute of Technology</li> <li>Dr. Suriyan Vichitlekarn, Executive Director, Mekong Institute</li> <li>The session is aimed at:         <ol> <li>Articulating the needs, and challenges of the three graduating LDCs on climate action (adaptation and mitigation) such as climate finance, capacity building and technology needs; and</li> <li>Defining the parameters of two strategies (collective negotiation and national economic policy) to address them, once the international support measures for LDCs are no longer available.</li> </ol> </li> <li>Tea/coffee.         <ol> <li>End of Day-2.</li> </ol> </li> <li>Technical session 6: Effective Management of Development Finance during Graduation</li> <li>Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR</li> <li>Keynote Speaker: Ms. Radhika Lal, SDG Finance Policy Advisor, UNDP (virtual)</li> </ol>
		<ul> <li>In this session, the LDC graduating countries will discuss their common plans for INFF with the aim of:</li> <li>a. Bringing out specific policy recommendations on INFF for LDC graduating countries.</li> <li>b. Identifying specific measures (including international support where relevant) that could support the implementation of the INFF approach to manage a smooth transition.</li> </ul>
	1030 – 1100 hrs.	Break/refreshment & networking
	1100 – 1230 hrs.	Technical session 7: Domestic Resource Mobilization  Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR

**Keynote Speaker:** Mr. Paul Martin, Regional Technical Advisor, UNCDF.

Following previous technical session discussing overarching approaches to the management of development finance, this technical session will focus on approaches for graduating countries to strengthen their capacity to independently finance national development priorities, specifically:

- a. Sharing lessons from successful examples of how DRM targets have been set and achieved elsewhere.
- b. Identifying effective ways for DRM to be integrated into STS planning.
- c. Identifying (where appropriate) international cooperation needs that could support DRM strengthening.

1230 -	Lunch break
1400	
hrs.	

#### SECTION 3: STS ROADMAP AND PRIORITY ACTION PLAN

1400 – 1500 hrs. **Technical Session 8:** <u>Prioritising Smooth Transition Measures and</u> Identifying Implementation Modalities

Chair: Mr. Matthew Johnson-Idan, Economist UN RCO, Lao PDR

#### **Presenters:**

- 1. Mr. Farid Aziz, Additional Secretary and Wing Chief (Development Effectiveness Wing), Economic Relations Division, Ministry of Finance, Government of Bangladesh
- 2. Mr. Daovy Vongxay, Director General, Ministry of Foreign Affairs, Government of Lao PDR
- 3. Mr. Prakash Dahal, Joint Secretary/LDC Focal Point, National Planning Commission, Government of Nepal

The objective of this session is to allow the three graduating countries to present and discuss:

 a. What they have learned and gained from fellow graduating countries, what they see as priority smooth transition measures and implementation modalities that may be considered for inclusion in their STS;

	<ul> <li>b. Their roadmap highlighting any adjustments to be made and next steps for formulating their STS and successfully implementing their roadmap; and</li> <li>c. 3-5 key areas for joint collaboration and advocacy by the three countries.</li> </ul>
1500 – 1630 hrs.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR  A. Agreeing to common advocacy points for UNGA (September 2022), LDC5-Part Two (Doha, March 2023), and other forums through moderated discussion on the draft outcome/advocacy statement.
	<ol> <li>B. Closing remarks from the Heads of Country Delegations:</li> <li>Ms. Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh</li> <li>Mr. Daovy Vongxay, Director General, Ministry of Foreign Affairs, Government of Lao PDR</li> <li>Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission, Government of Nepal</li> </ol>
	Closing remarks by Mr. Taffere Tesfachew, Member of the Committee for Development Policy for the United Nations (CDP) and Senior Advisor, Tony Blair Institute for Global Change (TBI) and former Director, Division for Africa, UNCTAD
1630 hrs onwards	Release of outcome/advocacy statement followed by Tea/coffee Break

## C. Plenary and Session Notes



#### **OPENING PLENARY**

#### A. Objective

The objective of the opening plenary is to set the scene for the three-day workshop, hear from the heads of delegations of all three graduating countries' Governments, respective UN Resident Coordinators, and the representatives of UNESCAP, UNOHRLLS, and Member of the Committee for Development Policy.

#### B. Plenary Outline and Allocated Time: 0900 – 1035 (95 min)

Time	Description	Resource person(s)
3 minutes	Commencement of Workshop: Invites everyone to take their seat and invites the Chair and speakers to take their seat for the start of the workshop and the opening session.	Mr. Matthew Johnson-Idan, Economist, UN RCO Lao PDR
7 minutes	Officially welcome all participants and highlights the objective of the workshop and its importance for the graduating cohort of 2021 and introduces the session and speakers.	Chair: Mr. Roland Mollerus, CDP Secretary and Chief of Development Policy Branch, UNDESA
5 minutes	Welcome Remarks:	Ms. Rabab Fatima, Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Countries and Small Island Developing States
15 minutes	Remarks from heads of delegations of Bangladesh, Nepal, and Lao PDR: (5 minutes per speaker)  It is expected that the three heads of delegations will highlight the importance of the smooth transition strategy (STS) and how their countries are preparing for that. We also expect to hear from them how this workshop would benefit them in devising an STS according to the guidelines provided by the UNDESA.	<ol> <li>Ms. Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh</li> <li>Mr. Daovy Vongxay, Director General, Ministry of Foreign Affairs, Government of Lao People's Democratic Republic (PDR)</li> <li>Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission, Government of Nepal</li> </ol>

15 minutes	Remarks from UN Resident Coordinators of Bangladesh, Nepal, and Lao PDR: The three Resident Coordinators are expected to highlight how RCOs have collaborated and brought together the three Asia-pacific countries' Governments in this South-South Exchange, and the importance of a one UN approach in supporting LDCs to sustainably graduate out.	<ol> <li>Ms. Gwyn Lewis, UN Resident Coordinator in Bangladesh</li> <li>Mr. Richard Howard, UN Resident Coordinator a.i for Nepal</li> <li>Ms. Sara Sekkenes, UN Resident Coordinator in Lao PDR</li> </ol>
10 minutes	Remarks from ESCAP, OHRLLS and CDP: Expect to highlight the importance of IATF co-leads in devising the STS in accordance with country requirements. The speakers will also highlight the importance of a one UN approach.	<ol> <li>Ms. Mikiko Tanaka, Director and Head of South and South-West Asia Office (ESCAP-SSWA), New Delhi, ESCAP</li> <li>Ms. Susana Wolf, Senior Programme Manager, OHRLLS</li> </ol>
10 minutes	Opening Remarks from CDP: As the main opening remarks to be delivered by the CDP member, could highlight the importance of sustainable and irreversible graduation that requires an STS that is integrated in medium to long-term sustainable development plans.	Mr. Taffere Tesfachew, PhD, Member, United Nations Committee for Development Policy (CDP) and Senior Advisor, Tony Blair Institute for Global Change (TBI) and former Director, Division for Africa, UNCTAD
10 minutes 20 minutes	Presentation on the outline of the workshop and key expectations.  Photography: Invite everyone to stand in a designated place for the formal photograph of the event.	<ul> <li>RCO Economists:</li> <li>1. Mr. Md. Mazedul Islam of Bangladesh;</li> <li>2. Mr. Matthew David Johnson-Idan of Lao PDR; and</li> <li>3. Mr. Subhash Nepali of Nepal</li> </ul>



Technical Session 1: Sustainable Graduation - Investing in People and Leaving No One Behind

#### C. Background

Graduation marks a definitive point in an LDC's development journey where it shifts from economic dependence and reliance on the LDC-specific international support measures (ISMs) to self-reliance. It symbolizes that an LDC has risen sufficiently from relying on external support for addressing low income and limited economic growth, commodity dependence thus vulnerability to exogenous shocks and weak productive bases and limited export diversification resulting in high import content in consumption and production and persistent current account deficits.

To ensure graduation is sustainable and irreversible, a starting point is that graduating countries fully understand the impact of graduation and the vulnerabilities that will linger beyond graduation, who are likely to be most affected and to identify what specific measures will be required to minimize the impact and leave no one behind.

A review of existing national and relevant sector plans would help a country ascertain what mitigating measures are already reflected and additional specific measures that are needed. A number of these measures should be considered by graduating countries when preparing their national smooth transition strategy (STS) that is integrated in countries' broader and long-term development and financing framework.

A national STS that provides a coherent set of specific and predictable measures that are systematically implemented is the basis for a successful transition<sup>1</sup> that ensures the phasing out of LDC-specific support does not disrupt a country's development but to effectively navigate the post-graduation landscape - adapting and responding to evolving external shocks and challenges such as the Coronavirus (Covid-19) pandemic and the war in Ukraine, in pursuit of achieving its national sustainable development priorities and the 2030 development agenda.

Inclusive, whole-of-government led consultative mechanisms in cooperation with a graduating country's development and trading partners with targeted assistance from the United Nations (UN) system, at the outset, as recommended by the General Assembly, is encouraged. Such a mechanism is of particular importance, where smooth transition measures require extended access or transitionary periods, as they need to be negotiated in time - ideally to begin immediately upon graduation becoming effective.

#### D. Objective

This session is an opportunity for the graduating cohort of 2021 to reflect on the approach and process each has undertaken to date in preparing their STS and to reflect on the following:

<sup>&</sup>lt;sup>1</sup> Transition period is from the date the country's graduation becomes effective to the date all international support measures are phased out or transitionary periods have concluded.

- a. STS is about preparing a country beyond graduation and towards achieving the 2030 sustainable development agenda and SDGs ensuring those most affected by the implications of graduation are not left behind
- b. STS key elements and measures include response to and recovery from evolving external shocks and are integrated in a country's macroeconomic framework.
- c. Countries' graduation process is inclusive and meaningfully engages a wide spectrum of stakeholders and voices in formulating, drafting and validating the STS.

#### **E.** Guiding Questions

- 1. What approach and process has the country considered and adopted to ensure the national STS is integrated with national plans to achieve the 2030 Sustainable Development Agenda and the Sustainable Development Goals?
- 2. How is the country ensuring that its STS includes measures to address that those considered most affected by the implications of graduation are not left behind?
- 3. Is the country's STS framed and embedded within its macroeconomic framework? If yes, highlight 3 ways in which this is being done.
- 4. Has the country considered smooth transition measures that include responding to and recovery from existing and emerging external shocks including COVID-19 impacts and the food and energy crises due to the war in Ukraine? If yes, highlight what are 2-3 key challenges where the country will need policy and technical advisory support?
- 5. What is the Government doing to ensure that the consultative mechanism for preparing for graduation and smooth transition is inclusive and engages a wide spectrum of voices across the country?

#### F. Session Outline and Time Allocated: 1100 - 1310 (130 min)

Time	Description	Resource person(s)
5 minutes	Introduction and outline of the session	Chair: Mr. Roland Mollerus, CDP Secretary and Chief of Development Policy Branch, UNDESA
10 minutes	Keynote Speaker inspires the three countries to undertake solid preparation for graduation and transition towards sustainable development ensuring the phasing out of LDC-specific support does not disrupt their development, and for development and trading partners to provide targeted capacity building support.	Dr. CHO Byungkoo, Fellow, Korea Development Institute (KDI), Seoul, Korea (virtual)
10 minutes	Presentation on how the graduating cohort of 2021 can formulate an STS that goes beyond graduation and towards achieving the 2030 sustainable development agenda and SDGs –	Mr. Oliver Paddison, Chief of Section on Countries in Special Situations, ESCAP

	ensuring those most affected by the implications of graduation are not left behind	
10 minutes	<b>Presentation</b> on graduating out of LDC status and transitioning while coping with emerging and evolving external shocks.	Mr. Matthias Bruckner, Senior Economic Affairs Officer, UNDESA
45 minutes	Panel discussion: Country update on where national preparation for graduation including formulating a smooth transition strategy is at.	<ol> <li>Ms. Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh</li> <li>Mr. Daovy VONGXAY, Director General, Ministry of Foreign Affairs, Lao PDR</li> <li>Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal</li> </ol>
45 minutes	Q&A	
5 minutes	<ul> <li>Closing:</li> <li>a. Highlight key messages and recommendations for STS preparations.</li> <li>b. Highlight pertinent joint advocacy actions to be considered in the outcome/advocacy document.</li> </ul>	Chair: Mr. Roland Mollerus



#### **Technical Session 2:**

Preferential Market Access, Intellectual Property Rights, and other ISMs

#### A. Background

Bangladesh, Nepal, and Lao PDR are currently entitled to a variety of international support measures (ISMs) as LDCs, which can be divided into three categories: (i) trade; (ii) financial and technical assistance; and (iii) support for participation in international forums.

Special measures connected to international trade for LDCs fall into five categories: (a) preferential market access for goods, (b) preferential treatment for services and service suppliers, (c) Special & Differential Treatment (S&DT) under the World Trade Organization (WTO) rules, (d) special treatment regarding obligations and flexibilities under regional agreements, and (e) trade-related technical assistance and capacity-building. For LDCs, various preferential market access facilities are available, including (i) duty-free and quota-free (DFQF) market access for LDCs provided by most developed and key developing country trading partners, and (ii) Special market access facilities for LDC members in various RTAs (Regional Trade Agreements) such as SAFTA, APTA, and others.

After graduation and possible transition periods, the countries will no longer be entitled to enjoy LDC-specific special benefits from the international community or system. Bangladesh, Nepal, and Lao PDR may experience varying degrees of reduction of their gross export revenue due to the loss of LDC-specific market access preferences, depending on alternative market access schemes and the development of their export capacity.<sup>2</sup>

With graduation, countries will also no longer be eligible for LDC-specific special and differential treatment under WTO agreements, including current waivers on certain obligations under the Trade-Related Intellectual Property Rights (TRIPS) waiver. The practical implications of no longer having access to the LDC-specific provisions on intellectual property rights will vary significantly between countries and remain an issue to be explored.

Moreover, after graduation from LDC status in 2026, the export-based sectors will have to embrace the growing challenges of the fourth industrial revolution (4IR) to be competitive in the international market. Therefore, unskilled, and low paid labours including women and marginalized groups are at risk of not only losing their existing sources of income but also facing the 'future of work' situation because they may not be able to afford to learn the skills necessary for new jobs and business. Graduating LDCs should initiate the necessary capacity development plans to cope both with the growing challenges of the fourth industrial revolution and with possible challenges arising from the loss of LDC-specific market access preferences. Initiatives should be taken to increase competitiveness of the domestic production sectors. Mobilizing international support to strengthen and finance capacity development plans is also crucial.

Developed countries and international leading platforms have reaffirmed on several occasions their commitment of supporting the graduating journey of LDCs, stating that the overarching goal was to

<sup>&</sup>lt;sup>2</sup> See <a href="https://www.wto.org/english/res">https://www.wto.org/english/res</a> e/booksp e/trade impacts of ldc graduation insights.pdf

assist LDCs in overcoming structural barriers to poverty eradication, achieving internationally agreed development goals, and effectively graduating from LDC category.

In this context, graduating LDCs should come up with a time-bound and action-oriented plan or strategy for market access including preferential market access and trade agreements under their national Smooth Transition Strategy (STS). Along with this, initiatives need to be taken to extend the TRIPS waiver and Patent licensing for public health-related goods.

#### **B.** Objective

This session will address the questions of how graduating LDCs could respond to the existing and upcoming trade related challenges. It will not only focus on promoting strong and sustainable long-term trade growth but also emphasize the benefits of such trade strategies to effectively reduce poverty and improve the standard of living for all graduating countries.

#### C. Guiding Objectives

During the session, the Chair and participants will brainstorm and come up with ideas in response to the following questions:

- 1. What role could free trade agreements (FTAs), regional trade agreements (RTAs) and Generalised Scheme of Preferences (GSP) schemes play in a post-graduation trade policy landscape?
- 2. Have the graduating LDCs assessed impact of losing different market access provisions? What policy measures needed to overcome the negative impact?
- 3. What can the graduating LDCs do to reach various trade agreements that are deemed beneficial?
- 4. What capacities including the Government expertise and standards/structures are needed to ensure such arrangements contribute to a sustainable graduation?
- 5. What would be the key impacts of losing TRIPS? What measures need to be taken by graduating LDCs to offset the loss of the TRIPS waiver and patent licensing for public health-related goods?
- 6. What preferences can graduating LDCs negotiate from global economic/political alliances EU, BRICS, G20? What is already in place, what additional steps have already been taken and what additional actions are needed?

#### D. Format

The session will start with the keynote presentation from an expert (government official from a peer country, possibly Vietnam) who will share the country's experience and valuable lessons relevant for Bangladesh, Lao PDR, and Nepal. It will be followed by a moderated discussion, group work and report back to plenary and open discussion and conclude with the Chair summarising the key findings from the session and messages to be included in the outcome/advocacy document.

#### E. Session Outline and Time Allocated: 1400 - 1600 (120 min)

Time	Description	Resource person(s)
5 minutes	Brief Opening remarks to set the scene: Outline session objectives, format and expected outcomes.	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh
30 minutes	Moderated discussion by Chair.  Experts on the topic will discuss how important trade access and TRIPs has been for the three countries, and what steps could be taken to mitigate potential shocks to trade. The experts will reflect on practical examples of measures that can be taken to allow for a smooth transition from LDC status and how these measures can be included in a Smooth Transition Strategy. This includes diversification of production and bilateral, regional and WTO mechanisms and cross-country examples	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh  1. Mr. Tran Toan Thang, PhD, Director, Dept. of Industrial Forecast and Enterprise Development (DIFED), Ministry of Planning and Investment, Government of Vietnam  2. Dr. Debapriya Bhattacharya, Member, UN Committee for Development Policy  3. Mr. Alexey Kravchenko, Economic Affairs Officer, UNESCAP
20 minutes	Keynote presentation: Vietnam's experience of their forward leaning policy on FDIs will be shared, with a focus on FDI as relates to exports. Vietnam's openness, institutional reform, and commitment to FDI will also be discussed	Mr. Tran Toan Thang, PhD, Director, Dept. of Industrial Forecast and Enterprise Development (DIFED), Ministry of Planning and Investment, Government of Vietnam
30 minutes	Group work: Each group will be asked to reflect on three questions with regard to their country context:  1. What preferences can graduating LDCs negotiate from global economic/political alliances – EU, BRICS, G20?  2. What role could FTAs, RTAs and GSP schemes play in a post-graduation trade policy landscape?	3 Groups

	3. What measures need to be taken by graduating LDCs to offset the loss of the TRIPS waiver and patent licensing for public health-related goods?	
30 minutes	Presentation and open discussion: Each group will present (3-5 minutes) followed by feedback, questions, and suggestions from the floor and responses.	3 Groups
5 minutes	Closing: Highlight key messages and agree on common advocacy/action points	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh

#### **Key Background Documents:**

- Effective Market Access for Least Developed Countries' Services Exports: <u>UNCTAD\_LDC-Market-Access</u>
- 2. UN joint study on "The Textile and Clothing Sector in Asian Graduating Least Developed Countries: Challenges and Ways Forward" Synthesis Report:

  Garment Study Synthesis Report
- UN joint study on "The Textile and Clothing Sector in Asian Graduating Least Developed Countries: Challenges and Ways Forward" - Chapter 1: Garment Study - Chapter 1
- 4. UN joint study on "The Textile and Clothing Sector in Asian Graduating Least Developed Countries: Challenges and Ways Forward" Bangladesh Country Study: Garment Study Bangladesh Country Study
- 5. UN joint study on "The Textile and Clothing Sector in Asian Graduating Least Developed Countries: Challenges and Ways Forward" Lao PDR Country Study: Garment Study Lao PDR Country Study



#### **Technical Session 3:**

Promotion for Product and Market Diversification in the Context of LDC Graduation

#### A. Background

Countries graduating from the least developed countries (LDC) category need structural transformation, a conducive business ecosystem, business-friendly policies, regulatory frameworks, market access and export strategies to facilitate export and market diversification.

The graduating cohort of 2021 - Bangladesh, Lao People's Democratic Republic (PDR) and Nepal - while scheduled to graduate at the same time, are quite different from each other. Bangladesh and Lao PDR met all three graduation thresholds while Nepal met two and is the first country to get recommended for graduation without meeting the income criteria. In 2021, Bangladesh's economy, according to the World Bank's World Development Indicator, grew by 7 percent, while Nepal and Lao PDR grew only 4 percent and 3 percent, respectively. Their main export commodities and markets also vary. In 2020, Bangladesh mainly exported textiles and clothing (90%), and its main export destination was the European Union; Nepal's main export was vegetable products (43%), and its main export destination was India3; and Lao PDR's main exports included electrical energy (16%), and its main export destination was Thailand (43%)4. Not all three countries have utilized the LDC- specific International Support Measures (ISMs) to the same degree—Bangladesh has utilized the ISMs to a larger extent relative to Lao PDR and Nepal.

However, a number of challenges are similar in nature for all three countries. For example, all three countries have faced trade deficits for the last several years although some of them witnessed a decrease due to declining imports during the Covid-19 pandemic. Although they export certain commodities more than others, their export baskets comprise similar commodities—textile and clothing, vegetable products—and similar export markets—China, European Union, Japan, United Kingdom and United States. Such similar trade structures can lead them to adopt similar goals, and the common goals and policies may work against one or all three countries if they are competing for the same product(s) and market(s).

Diversifying away from reliance on existing major export commodities to other commodities requires developing an industrial policy that is fit for green growth and structural reform in the post-Covid part of the 21st century. It will require intentional and risk-informed investments in productive capacity where the local enterprise base is expanded, and quality standards are strengthened.

This is an excellent juncture for the three countries as the graduating cohort of 2021 to learn from each other, especially focusing on what they can do to avoid duplication and similar strategies. The three graduating countries can perform better and have greater chance to succeed when they

<sup>&</sup>lt;sup>3</sup> https://www.wto.org/english/tratop\_e/devel\_e/nepal.pdf

<sup>&</sup>lt;sup>4</sup> https://comtrade.un.org/pb/downloads/2021/VolI2021.pdf

continuously engage in policy dialogue and find differentiation strategies in promoting both export commodities and markets. In this context, they can share what they see as their comparative advantages and what markets they think they would be targeting. Hence, this session is intended to facilitate learning from each other and other countries on their strategies and avoid duplication.

#### **B.** Objective

This session can create an opportunity for the three graduating countries—Bangladesh, Lao PDR, and Nepal—to share and learn from each other focusing on what they can do to avoid duplication of similar strategies to promote their export, focusing on the following:

- a. What global best practices, lessons and opportunities are available to support development of policies and strategies to improve state and productive capacities and promote export diversification both in terms of commodities and markets.
- b. What policies and strategies their peers—the three-graduating cohort of 2021 and other graduating countries—have been working on, in diversifying products and markets for export after LDC-specific International Support Measures have expired in the post-graduation period.
- c. What each of the three graduating countries think of their comparative advantages in terms of commodities and markets for export promotion.

#### C. Guiding Questions

- 1. What global lessons and best practices can they learn from and what global opportunities can they utilize to promote and diversity their export? What trade facilities are available for these countries that can be supportive to promote and diversify their exports?
- 2. What are the export commodities and markets for which each graduating country might face difficulty in terms of market access after graduation?
- 3. What do the graduating countries consider as their comparative advantages in export promotion and diversification in terms of both export commodities and markets?
- 4. How are these countries planning to improve their productive capacity and make their products competitive in global markets, post-Covid in the 21st century? What possible strategies are each graduating country working on to adopt?

#### D. Session Outline and Time Allocated: 0900 - 1040 (100 minutes)

Time	Description	Resource person(s)
5 minutes	Brief Opening remarks to set the	Chair: Chair: Richard Howard,
	scene: Outline session objectives, format and expected outcomes.	UN Resident Coordinator a.i., Nepal
10 minutes	<b>Keynote speech</b> on productive capacities and global facilities to support countries to promote exports	Mr. Taffere Tesfachew, PhD, Member, United Nations Committee for Development Policy

	including technology and what can countries do to improve their productive capacity and make their products competitive in global markets, post-Covid in the 21st century?	
10 minutes	<b>Presentations</b> on global best practices for promotion of product and market diversification (5 minutes each)	<ol> <li>Ms. Cecilia Heuser, Market         Analyst, International Trade Centre     </li> <li>Mr. Ratnakar Adhikari, Executive         Director, WTO Enhanced         Integrated Framework (virtual)     </li> </ol>
45 minutes	Panel: Three graduating countries to present on their country strategies and plans on improving productive capacity and promotion of export diversification in terms of both export commodities and market	<ol> <li>Mr. Baburam Gautam, Joint Secretary, Ministry of Industry, Commerce and Supplies, Government of Nepal</li> <li>Mr. Md. Anwar Hossain, Component Manager 1 (Joint Secretary), SSGP, Economic Relations Division, Government of Bangladesh</li> <li>Ms. Souvipha INTHAVONG, Deputy-Director of Multilateral Trade Division, Department of Foreign Trade Policy, Ministry of Industry and Commerce</li> </ol>
20 minutes	<b>Q&amp;A:</b> Participants will ask questions to panel members and keynote presenters	
10 minutes	Closing: Highlight key messages and agree on common advocacy/action points	Chair: Richard Howard, Resident Coordinator, a.i., Nepal



**Technical Session 4: Graduation, Good Governance and Meeting International Standards for Trade** 

#### F. Background

Graduation out of least developed country (LDC) category is a unique opportunity for countries like Bangladesh, Lao People's Democratic Republic, and Nepal to explore how a people-centred approach to governance and human rights based on normative standards of rule of law and human rights including labour rights can help their countries ascend on a new pathway of development - to achieve a higher quality of life for all. One that builds trust, promotes peace and security, underscores the rule of law and its enforcement, access to justice, freedom of choice, expression and assembly, enables good businesses ethics, tackles existing and future external shocks in a post-COVID world with increasing uncertainties, achieves irreversible and sustainable graduation and accelerates smooth transition and progress towards inclusive and sustainable development.

Many graduating LDCs have made progress in governance in the past decade, but more is required if these countries are to successfully leverage new investment opportunities that underscore good governance and human rights principles relating to inclusive and sustainable social, economic and environmental development. Without strong institutions and independent oversight this is not possible. Without due importance to internal institutional reform and making them people centric, such achievements are not automatic.

Increasingly consumers and buyers are using their spending power to change the world for the better and are placing pressure on their governments to apply the same ethics to their development and economic cooperation programmes. As a result, better working conditions for workers and care for the environment and planet are increasingly becoming a consumer priority. Tougher general market conditions imposed by developed countries on exports, climate as well as human and labour rights issues, can be expected. Risk analysis with due diligence on the direct responsibility of businesses in the developed country on compliance with human and labour rights and laws are likely to have implications for the existing business model – both for manufacturers in the graduating countries and buyers in developed countries.

The European Union (EU) new Generalised Scheme of Preferences (GSP) is scheduled to be in place on 1 January 2024. Already, the EU has revealed an increased emphasis of the new scheme in general, and in particular the GSP+ scheme which may provide duty-free access to the EU market after graduation, on promoting respect for international standards and principles related to human rights, including labour rights, as well as environmental protection and good governance. Bangladesh, Nepal and Lao PDR have ratified all or most conventions required for accessing GSP+ in the current scheme. However, additional conventions may be required in the new scheme. Eligibility for GSP+ is also not solely based on ratification of all required international conventions but the commitment to effectively implement them.

While much of the focus of the graduating cohort of 2021 has been on the EU and eligibility for GSP+, after graduation, it is important that the three countries, in particular Bangladesh and Lao

PDR, with aspirations to become upper-middle-economies (UMIEs) by 2031, hence not eligible for GSP+, consider smooth transition measures beyond GSP+.

Overall, there is a need to achieve international standards related to good governance and respect for human rights motivated by internal rather than external drivers. In this regard, strengthening the capacity of Governments of graduating LDCs to play an effective role with sound and bold leadership will require concrete and substantial international support in a spirit of shared responsibility and mutual accountability through a renewed and strengthened global partnership.

#### G. Objective:

This session has a threefold objective: 1) Provide key government and privates sector perspectives from non-LDC countries that made significant progress in the application of international standards and principles related to human rights, including labour rights, as well as environmental protection and good governance; 2) Provide an update on the new EU GSP scheme and what countries graduating out of LDC status in 2026 can expect; and 3) Create an opportunity for Bangladesh, Lao PDR and Nepal to draw from those perspectives, identify and highlight specific areas of reform and capacity strengthening for government and the private sector that need to be prioritized in their smooth transition strategy in order to benefit from the possibility of joining GSP+ by January 2030 and new opportunities beyond GSP+ by working towards meeting international standards.

#### **H.** Guiding Questions

Speakers and participants when intervening should be guided by the following four key questions:

- 1. What are the main internal and external drivers for meeting international standards and principles related to good governance, climate as well as human rights including labour rights, and environmental protection? How have they improved long-term business viability, growth, and sustainability?
- 2. How are export-oriented firms in graduating countries who are usually price takers, using the international standards and principles related to good governance, human and labour rights and laws and environmental protection, to demand for fair prices from buyers in developed countries?
- 3. To what extent are export-oriented manufacturers and firms in graduating countries adapting their capabilities and business models to ensure readiness for meeting or negotiating possible cost transmission through lower prices by buyers in developed countries due to assuming direct responsibility of compliance with human and labour rights and laws imposed by their governments?
- 4. What are specific areas of reform and capacity strengthening that government and private sector of graduating countries need, that should be prioritized in their smooth transition strategy to benefit from the possibility of joining GSP+ by January 2030 and new opportunities beyond GSP+ by working towards meeting international standards?

#### I. Format:

The plenary session will be organized as a hybrid of in-person and virtual (Zoom) combination of keynote speeches by a government, development partner and private sector, an interactive discussion moderated by the Chair and a clinic facilitated by a moderator.

<u>Key Perspectives</u>: The session will start with the Chair providing his perspectives on the topic followed by experts (non-LDC government, development partner and private sector) who will share their perspectives in applying and meeting international standards and principles related to environmental and human rights, including labour rights and good governance. And how doing so, has enhanced long-term viability and growth.

<u>Interactive Discussion</u>: Chair will moderate an interactive 'Question and Answer' session to allow graduating countries to ask clarifying questions or learn more from the keynote speakers.

<u>Clinic</u>: Chair will request country delegates only to remain in the meeting room for their clinic. For the first 40 minutes country delegations/groups will discuss and respond to each of the four guiding questions, moderated by two moderators with expertise on the issues. For the remaining 20 minutes, country delegations/groups will prepare their presentation for reporting back to the plenary highlighting the country's own responses, what the country learned from the clinic and other countries' experience and any proposed smooth transition measures/actions identified.

<u>Country Action & Presentations:</u> Bangladesh, Lao PDR and Nepal country delegations will be allowed an additional 30 minutes to present their responses to the guiding questions. In doing so, they can draw on keynote perspectives, interactive discussion, and the clinics. Each country group will select a speaker to present their proposed actions to the plenary (10 minutes per country)

<u>Conclusions:</u> To conclude the session, the Chair will highlight key takeaways and specific areas of reform and capacity strengthening that the government and private sector of graduating countries need to embark on, and which should be prioritized in their smooth transition strategy in order to benefit from the possibility of joining GSP+ by January 2030 and highlight new opportunities beyond GSP+. These will be considered and presented at the closing plenary and may be incorporated in the overall joint outcome/advocacy document.

#### J. Session Outline and Time Allocated: 1100 – 1300; 1400 – 1435 (155 minutes)

Time	Description	Resource person(s)
5 minutes	<b>Brief opening remarks to set the scene</b> : Outline session objectives, format and expected outcomes.	Chair; Mr. Tuomo Poutiainen, ILO Country Director, Bangladesh
20 minutes	Keynote Speaker (10 minutes) Key Perspectives in successfully applying and meeting international standards and how doing so has enhanced long-term growth and viability.	Dr. SUH Joonghae, Fellow, Korea Development Institute (virtual)
	<b>Speakers:</b> (5 minutes per speaker)	

	Update on the European Union (EU) new Generalised Scheme of Preferences (GSP) to be in place on 1 January 2024. What can the three countries expect in terms of international standards and principles related to climate, human rights, including labour rights, and good governance.	1. Mr. Petros Sourmelis, Head of the Trade and Economic Section, Delegation of the European Union in Thailand
	How can export-oriented firms in graduating countries, as price takers, use the international standards and principles related to good governance, climate and human and labour rights and laws, adapt their capabilities and business models and demand/negotiate for fair prices from buyers in developed countries?	2. Mr. Bablur Rahman, Country Manager, Bangladesh, Fair Wear Foundation (virtual)
30 minutes	Interactive discussion: Participants interact with the keynote speakers – questions & answers, comments, suggestions	
5 minutes	Country Participants Delegations move into their groups (Bangladesh, Lao PDR and Nepal) for the clinic	
60 minutes	Clinic: Two moderators facilitate country groups' discussion and response to each of the four guiding questions, exchange between the three countries and identifying specific support that will be needed by each country as part of their smooth transition measures, and commonalities for joint action. (40 minutes)	Clinic Moderators:  1. Mr. Tuomo Poutiainen, ILO Country Director, Bangladesh  2. Mr. Jajoon Coue, ILS Specialist, Decent Work Team, ILO, Bangkok
	Country Group Preparation Discuss and prepare responses to the four guiding questions to be reported back to the plenary. (20 minutes)	Country delegates only
55 minutes	Lunch break	
30 minutes	Presentation: Each country group will present for 10 minutes, on responses to the four guiding questions.	Country selected presenters
5 minutes	<ul> <li>Closing:</li> <li>a. Highlight new/key headlines/takeaways.</li> <li>b. Highlight country specific areas of reform and capacity strengthening to be prioritized in their smooth transition strategies and to be reflected in the joint outcome/advocacy document.</li> </ul>	Chair: Mr. Tuomo Poutiainen, ILO Country Director, Bangladesh



Technical session 5: Climate change and LDC graduation

### A. Background

The ongoing climate crisis is reversing development gains and posing a threat to the very existence of communities in parts of the world. The next decade will likely see escalated climate-related disruption in terms of increasing heatwaves and other extreme weather events, changing patterns of evolution, prevalence and transmission of communicable diseases, and changing weather patterns that affect climate-dependent livelihoods.

Impact of climate-related changes will add significant risk to the challenges of graduating LDCs, while proactive climate action can generate opportunities for development that spans multiple sectors and brings potentially large socioeconomic benefits.

The graduating cohort of LDCs are still recovering from the impacts of the ongoing COVID-19 pandemic. They are also dealing with the environmental vulnerabilities of their respective geographic locations, as they continue efforts to achieving the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). Bangladesh, Nepal and Lao PDR ranked 7<sup>th</sup>, 10<sup>th</sup>, and 52<sup>nd</sup>, respectively, among 180 countries on the Climate Risk Index (CRI) for the period 2000-2019.<sup>5</sup> Escalating climate crisis will only increase the vulnerability of the three LDCs. At the same time, loss of LDC-specific support measures after graduation will generate pressure on the profitability of private sectors of the three countries, especially on their export sectors. With strengthened policy environment for climate action globally and especially in OECD countries, exporters from the graduated LDCs will be required to adhere to more stringent environmental requirements to access markets in these countries. For instance, the carbon border adjustment mechanism of the European Union<sup>6</sup> will create pressures to reduce carbon intensity of production of exports to access the EU markets.

The knock-on impact on indirect tax revenues and demand for national support measures to the export sector might reduce fiscal space for climate action. Securing climate-compatible development will only be possible through aligning climate policy, industrial policy, trade policy and fiscal policy in a way that takes into account both the socio-economic structures and the political realities of each country.

The LDC work programme of the United Nations Framework Convention on Climate Change (UNFCCC) provides support for National Adaptation Programmes of Action (NAPAs), the national adaptation plan (NAP) process, the work of the Least Developed Countries Expert Group (LEG), databases relevant to LDCs, the Least Developed Countries Fund (LDCF), and other funding sources. These enable LDCs to enhance existing national institutions, build negotiating skills, raise public awareness, create, transfer, and utilize technology, and consolidate data collection for better

<sup>&</sup>lt;sup>5</sup> https://reliefweb.int/attachments/b6a6928e-214a-3398-bc01-

 $<sup>\</sup>underline{1460f32bb3ad/Global\%20Climate\%20Risk\%20Index\%202021\_1.pdf}$ 

<sup>&</sup>lt;sup>6</sup> https://taxation-customs.ec.europa.eu/green-taxation-0/carbon-border-adjustment-mechanism\_en\_

policy formulation. Under UNFCCC, LDCs get technical guidance and recommendations on accessing the Green Climate Fund (GCF) for the process of developing and implementing NAPs.

Knowledge creation and capacity building assistance are provided for LDCs under LDCF. In addition, the LDC Universities Consortium on Climate Change (LUCCC) aims to develop South-South and South-South-North knowledge sharing and capacity development programs in LDC universities and training institutes to address climate change through research, knowledge sharing, and education. The LDC Renewable Energy and Energy Efficiency Initiative for Sustainable Development (LDC REEEI) is a strategic framework for driving transformative change across sectors, as well as a platform for sharing experiences, best practices, and knowledge dissemination to achieve universal energy access and accelerate the transition to renewable energy and energy efficiency in all LDCs. The initiative also aims to support LDC's efforts to access climate-dedicated funding.

Other global initiatives like, the European Union's Global Climate Change Alliance Plus (GCCA+) seek to enable the world's most vulnerable countries, mainly LDCs and SIDS, in combating climate change. The International Institute for Environment and Development (IIED) assists LDCs in strengthening national legal and policy responses that are compliant with global climate commitments.

After graduation, countries will no longer be eligible to receive new funding under the LDCF. Projects approved before and up until graduation will continue to receive funding for their full implementation. Graduated LDCs, though, will continue to have access for the elaboration and implementation of their national adaptation plans to the Special Climate Change Fund and to the Green Climate Fund (GCF).

While some of these funds, knowledge platforms, and capacity building avenues will still be available after graduation, cost of development finance including climate finance for developing countries will be higher. Further, even as new sources of climate finance become available<sup>7</sup>, the competition to access them will be higher. Therefore, graduating LDCs need to plan for securing through alternative mechanisms and sources, climate finance, and technical support, especially in the context of structural changes to their economies after graduation and growing adaptation needs in the face of the ongoing climate crisis.

In this context, graduating LDCs need to make a forward-looking assessment of their financing and national capacity needs, sources of funding, and potential for collective advocacy and negotiation on favourable terms to facilitate smooth and sustainable transition, while ensuring accelerated progress towards the achievement of the sustainable development goals.

### **B.** Objective

The session is aimed at (a) articulating the needs, and challenges of the three graduating LDCs on climate action (adaptation and mitigation) such as climate finance, capacity building, and technology needs and (b) defining the parameters of two strategies (collective negotiation and

<sup>&</sup>lt;sup>7</sup> https://www.un.org/en/climatechange/raising-ambition/climate-finance

national economic policy) to address them, once the international support measures for LDCs are no longer available.

# C. Guiding questions

The facilitator and participants will discuss and generate ideas in response to the following questions during the session:

- 1. How should these graduating LDCs leverage different sources of affordable finance for climate mitigation, adaptation, and resilience? What could be their capacity building and policy reform priorities? What would be the technology needs of graduated LDCs for climate adaptation and mitigation?
- 2. Certain aspects of climate mitigation, adaptation and resilience may need to continue to be supported despite best efforts of graduating LDCs in light of their continued and even increased climate vulnerability. How best can the newly graduated LDCs collectively advocate for their needs at UNFCCC? How will this smaller group of countries collectively advocate in other climate fora?
- 3. Climate mitigation often brings significant economic returns. How can the graduating LDCs leverage the benefits of climate mitigation to promote economic development? What kind of fiscal policies will help just transition<sup>8</sup>? What strategies can the graduating LDCs adopt to manage the pressures of traditional industry groups for instance the fossil fuel industry who will resist change?

#### **D.** Format

<u>Panel Discussion</u>: The session will start with a moderated panel discussion with three expert panellists who will frame the discussion and share available resources to tap into.

<u>Discussion workshop</u>: The participants will be divided into three groups. Each group will brainstorm one set of questions articulated above. Then each group will come up with ideas and recommendations against each question.

<u>Group presentation</u>: Each group will present their ideas and recommendations in the plenary followed by feedback, questions, and open discussion.

<u>Conclusion:</u> Finally, the moderator will accumulate all the findings from each group and propose recommendations.

#### E. Session Outline and Time: 1435 – 1715 (130 minutes + 20 minutes tea/coffee)

Time	Description	Resource person(s)/ Key questions
5 minutes	Opening remarks:	Chair: Subhra Bhattacharjee, Head of RCO, Bangladesh

<sup>&</sup>lt;sup>8</sup> https://www.ilo.org/global/topics/green-jobs/publications/WCMS 432859/lang--en/index.htm

	Setting the objective(s) of the session and describing the expected outcomes from this session.	
40 minutes	Panel Discussion: Moderated by the Chair	<ol> <li>Mr. Mozaharul Alam, Regional Coordinator, Climate Change Programme, Asia and the Pacific Office</li> <li>Dr. Joyashree Roy, IPCC Lead Author and Inaugural Bangabandhu Chair Professor and Director of centre on South Asia and South-East Asia MultiDisciplinary Applied Research Network on Transforming Societies of Global South (SMARTS) at Asian Institute of Technology</li> <li>Dr. Suriyan Vichitlekarn, Executive Director, Mekong Institute</li> </ol>
20 minutes	Tea/Coffee Break	
5 minutes	Group formulation: Dividing the participants into three groups – mixing participants from HQ agencies, Nepal, Bangladesh, and Lao PDR	Chair: Subhra Bhattacharjee, Head of RCO, Bangladesh
30 minutes	Three group discussions: Brainstorm ideas and recommendations.	Subhra Bhattacharjee, Head of RCO, Bangladesh and three RCO Economists
15 minutes	<b>Presentation:</b> Each of the 3 groups will present for 5 minutes	3 Groups
20 minutes	Open discussion: Feedback, questions, and suggestions from the floor and responses	Chair: Subhra Bhattacharjee, Head of RCO, Bangladesh
10 minutes	Remarks from Country Delegations	Country Delegation Members:  1. Ms. Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh  2. Representative from the Ministry of Natural Resources

		<ul> <li>and Environment, Government of Lao PDR</li> <li>3. Mr. Shiva Kumar Wagle, Joint Secretary, Ministry of Forests and Environment, Government of Nepal</li> </ul>
5 minutes	Closing: Highlight key messages and agree	Chair: Subhra Bhattacharjee, Head of RCO, Bangladesh
	on common advocacy/action points	



Technical Session 6: Effective Management of Development Finance for Sustainable Graduation and Long-Term Inclusive and Sustainable Development

#### A. Context

Countries currently graduating from the Least Developed Country (LDC) category need to address possible impacts of graduation while dealing with the aftermath of the Covid-19 outbreak along with many new challenges, on top of difficulties to deliver on their own national development priorities. According to the 2022 Financing for Sustainable Development Report, GDP per capita in one out of every five developing nations is expected to stay below 2019 levels through the end of 2023, even before the effects of the Ukraine war are apparent. With the war in Ukraine and the global fuel crisis, countries are experiencing rising inflation, price hikes, and food shortages.

In this challenging context, LDCs have limited resources to invest in mitigating crises and driving long-term sustainable development. Approximately half of LDCs, including graduating countries, are spending a large share of their resources on debt repayments, which squeezes out investments in social sectors and green growth. Most LDCs also have inadequate business environments for private investments in the SDGs, and uncertain ODA trends aggravated by a volatile geopolitical environment. Overall, while costs of development progress are increasing, while the resources envelope is shrinking.

For LDCs, there needs to be an increase in the volume of available development finance, while limited resources need to be allocated efficiently, to address the challenges mentioned above. The Integrated National Financing Framework (INFF), which more than 70% of LDCs are implementing, provides the comprehensive and multi-stakeholder approach to develop tailored financing strategies for the achievement of national development priorities and the SDGs.

Financing strategies can be designed to mobilise and align both public and private finance with national planning. Through dialogues across a wide range of stakeholders – planning and financing entities in government, line ministries, private sector, civil society, development partners – they can help to relink planning and financing to accelerate progress towards the SDGs and priority areas, such as climate action or human capital development.

### **B.** Objectives

In this session, the LDC graduating countries will discuss their INFF implementations with the aim of:

- 1. Exchanging lessons learnt and good practices in the governance and processes of INFFs to strengthen planning and financing for long-term, inclusive, and sustainable development in graduating countries.
- 2. Identifying specific financing policies, actions, and technical assistance (including innovative financing streams that have been accessed in other countries, and examples of international support that increased the volume of development finance) that will both contribute to the INFF and STS processes.

# **C.** Guiding Questions

- 1. What stage is the development of an INFF for your country at? What have been the main achievements?
- 2. How have the approaches for your country's INFF taken into account the different needs and contexts of different groups (e.g., gender, youth) and sectors (e.g., social sectors, climate)?
- 3. What steps have been taken to develop synergies between the INFF and the country's national STS planning?
- 4. Are systems in place to support integrated approaches to planning and financing? Can new ways be explored to strengthen these?
- 5. What challenges have been encountered in the implementation of the INFF and how have these been addressed?
- 6. What key support measures and technical assistance are needed to structure and deliver on setting foundations for the INFF or on the identified policies and actions to enhance sustainable financing of development would be needed?

### D. Format

The plenary session will be in-person and virtual (Zoom) and include a presentation by an expert, a moderated panel discussion with representatives from Bangladesh, Lao PDR and Nepal, and interactive Q&A.

## E. Session Outline and Time Allocated: Thursday 0900 – 1030 (90 minutes)

Time	Description	Resource person(s)/ Key questions
5 minutes	Brief Opening remarks to set the scene: Outline session objectives, format and expected outcomes.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR
20 minutes	Presentation: "How INFFs could help to manage transitions to achieve sustainable graduation and advance towards long-term inclusive and sustainable development"	Ms. Radika Lal, SDG Finance Advisor, UNDP Bangkok Regional Hub (virtual)
35 minutes	Panel Discussion moderated by the Chair	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR  Representatives of lead INFF ministry from each country:  1. Mr. Farid Aziz, Additional Secretary, Economic Relations Division, Government of Bangladesh

20 minutes	Q&A	<ol> <li>Dr. Chantanaphone Vongxay,         Deputy Director General,         Department of Planning,         Ministry of Planning and         Investment, Government of Lao         PDR.</li> <li>Mr. Dhundi Prasad Niraula,         Joint Secretary, Ministry of         Finance, Government of Nepal</li> <li>UNRCO Economists of         Bangladesh, Nepal, and Lao PDR</li> </ol>
10 minutes	Closing: Summary of session and recommendations for STS preparations  a. What policy recommendations emerge as relevant for the graduating LDCs?  b. What potential support could be useful in implementing these recommendations?	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR

# **Key Background Documents:**

- 1. INFF Facility Global Report: The State of Integrated National Financing Frameworks: <a href="https://inff.org/assets/resource/state-of-inffs-2022">https://inff.org/assets/resource/state-of-inffs-2022</a> report.pdf
- 2. Integrated National Financing Frameworks: A short and practical introduction: <a href="INFF-Short-Practical-Introduction">INFF-Short-Practical-Introduction</a>
- 3. EIF 2021 Annual Report: Trade Partnerships Driving Impact for the LDCs: <u>EIF-Annual-Report-2021-Trade-Driving-Impacts-LDCs</u>



Technical session 7: Strengthening Domestic Resource Mobilization for Irreversible and Sustainable Graduation

# A. Context

Most least developed countries (LDCs) face significant financing gaps to address human capital development, the triple planetary crisis, and to achieve the SDGs more broadly. They often rely on external sources: foreign direct investment (FDI) for economic growth, with frequent concerns regarding their contributions to national development priorities and sustainability, and Official Development Assistance (ODA) to finance important parts of their development agendas.

There are some limited risks to manage from LDC graduation on accessibility and volumes of ODA, which may include fewer grants, less access to some vertical funds, and limited increases in interest rates. Sustainable development progress, beyond graduation, will in any case require the State budget to drive the development agenda and use ODA strategically as a complement to public investments.

LDC's tax bases often remain too narrow, with weak revenues originating from private sector investments, notably FDI. Strategically addressing fiscal policy and investment promotion regimes ahead of graduation – re-correlating tax generation and economic growth – can support more ambitious development agendas, increasing fiscal space for public investments in public goods, human capital, and environmental and climate priorities. In addition, increasing revenues should ease frequent concerns on debt sustainability, increase development partners' and investors' confidence, thereby attracting new investments, for long-term inclusive and sustainable economic growth.

Including domestic resource mobilization goals in Smooth Transition Strategies (STS) should help to elevate this critical topic in a multi-stakeholder forum, develop shared priorities, and attract the required technical assistance for sustainable financing of development.

# **B.** Objective

Following technical session 6, discussing the broader management of development finance – public and private finance – for sustainable graduation, this technical session will focus on ways to strengthen the State's budget capacity to drive the financing of national development priorities, specifically. Specific objectives include:

- 1. Sharing lessons from successful examples of how domestic resource mobilization (DRM) targets have been set and achieved elsewhere.
- 2. Identifying effective ways for the STS to include and elevate DRM priorities for national development progress.
- 3. Identifying international technical assistance needs that could support DRM.

# C. Guiding Questions

- 1. What are specific challenges faced by Bangladesh, Lao PDR, and Nepal with regards to generating domestic revenues?
- 2. How have DRM and fiscal policy been integrated into graduation planning?
- 3. What structures support coordination and ensuring synergies between DRM and transition planning efforts?
- 4. Are innovative approaches to improve DRM being explored (e.g., digitalization)?
- 5. What technical assistance support could help to address challenges?

# D. Session Outline and Time Allocated: 1100 – 1230 (90 minutes)

Time	Description	Resource person(s)/ Key questions
5 minutes	Brief Opening remarks to set the scene: Outline session objectives, format and expected outcomes.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR
20 minutes	Presentation: Presentation "Global and regional lessons in setting and achieving DRM targets"	Mr. Paul Martin, Regional Technical Advisor, UNCDF.
35 minutes	Panel Discussion moderated by the Chair "Integration of domestic revenue mobilisation into LDC transition strategies"	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR  Representatives from Ministry of Finance from each country:  1. Mr. Abu Daiyan Mohammad Ahsanullah, Deputy Secretary, Finance Division, Government of Bangladesh  2. Mrs. Phirany Phissamay, Deputy Director General, Fiscal Policy and Law Department, Ministry of Finance, Government of Lao PDR  3. Mr. Rajendra Kumar Poudel, Joint Secretary/Head of Economic Management Division, National Planning Commission, Government of Nepal
20 minutes	Q&A	
10 minutes	Closing: Summary of session and recommendations for STS preparations a. What recommendations could support DRM efforts to prepare for a smooth graduation?	Chair: Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR

b.	What potential support could be	
	useful in implementing these	
	recommendations?	



**Technical Session 8: Prioritizing Smooth Transition Measures and Identifying Implementation Modalities** 

#### A. Background

The graduating cohort of 2021 - Bangladesh, Lao People's Democratic Republic (PDR) and Nepal while earmarked to graduate at the same time in November 2026, are quite diverse as countries. Bangladesh is five times the population of Nepal and twenty times that of Lao PDR. Similarly, the size of their economies is vastly different, with Bangladesh's Gross Domestic Product (GDP) more than 10 times that of Nepal and close to twenty times that of Lao PDR and is growing at annual rate almost double the GDP growth rate for the two countries. Structural transformation, business ecosystems and policies, regulatory frameworks, market access and export strategies to facilitate export and market diversification are also at different phases of reform and progress, highlighting the heterogeneity of the countries in these aspects.

While Bangladesh and Lao PDR have met all three graduation thresholds, Nepal has only met two of the three graduation thresholds - the Human Asset Index (HAI) and the Economic and Environment Vulnerability Index (EVI). Each country's capacity to respond to external shocks that may disrupt their development progress during transition are markedly different based on their different vulnerabilities. At the same time, the three countries are at different stages in terms of preparing for graduation and in developing their national smooth transition strategies (STS) including a roadmap, consultative mechanisms, and approach to formulating their STS.

Therefore, this south-south-exchange on preparing their STS is an opportune event for the three countries to take stock of where they are at, draw from each other's experiences especially any early successes and lessons, and more importantly to seek additional knowledge and expertise and to explore new solutions and thinking from national, regional and global experts and institutions with recent and forward looking research and analysis to further improve their preparation for smooth transition towards sustainable graduation and long-term sustainable development.

The three days will have allowed the three countries to identify common challenges of graduation, common goals and policies relevant for all three countries and identify pathways to address them collaboratively in devising the STS. Where competition for the same product(s) and /or market(s) are foreseen, regional integration or cooperation could be considered where all can benefit. It would help them identify key international support for the STS of each country and devise a common plan for advocacy allowing them to advocate jointly and separately for effective implementation of their national STS.

# **B.** Objective

The objective of this session is to allow the three graduating countries to present and discuss:

- a. What they have learned and gained from the experience of fellow graduating countries.
- b. What they see as priority smooth transition measures and implementation modalities that may be considered for inclusion in their STS.
- c. What adjustments to be made and next steps for formulating their roadmap for the STS and its successful implementing; and

d. Agreement on 3-5 key areas for joint collaboration and advocacy by the three countries as the graduating cohort of 2021.

# C. Format

The session will begin with the Chair outlining the objective of the session, followed by country presentations and an interactive discussion moderated by the Chair.

# D. Session Outline and Time Allocated: 1400 – 1500 (60 minutes)

Time	Description	Resource person(s)/ Key questions
5 minutes	Briefly Outline the objective of the session and expected outcomes and how these feed not the Closing Session. Introduce the three country presenters.	Chair: Mr. Matthew Johnson- Idan, Economist, UN RCO, Lao PDR
30 minutes	<ul> <li>Country Presentations on:</li> <li>a. Key learning over the 3 days.</li> <li>b. Priority smooth transition measures and implementation modalities that may be considered for inclusion in STS.</li> <li>c. Country graduation and STS roadmap and adjustments if any and next steps for formulating their STS and successfully implementing their roadmap; and</li> <li>d. 3-5 key areas for collaboration and advocacy by the three countries as the graduating cohort of 2021.</li> </ul>	<ol> <li>Mr. Farid Aziz, Additional Secretary and Wing Chief (Development Effectiveness Wing), Economic Relations Division, Ministry of Finance, Government of Bangladesh</li> <li>Mr. Daovy Vongxay, Director General, Ministry of Foreign Affairs, Government of Lao PDR</li> <li>Mr. Prakash Dahal, Joint Secretary/LDC Focal Point, National Planning Commission, Government of Nepal</li> </ol>
20 minutes	Moderated Discussion: Questions and comments can be made to each presenter.  Discuss and the three countries to agree on 3-5 key areas for joint collaboration and advocacy by the three countries as the graduating cohort of 2021 to be reflected as key messages from this session and also reflected in the joint outcome/advocacy document and in the closing session.	Chair; and RCO Economists of Bangladesh and Nepal
5 minutes	Conclusion: Summarize key session messages and recommendations for STS preparation to be	Chair: Mr. Matthew Johnson-Idan

reflected in the Outcome/Advocacy Document.	



#### **CLOSING PLENARY**

Revisit the key objectives of the three days south-south-exchange and highlight what was achieved, key takeaways and next steps countries will undertake and support from development and trading partners to be mobilised for the formulation of national Smooth Transitions Strategies by the three countries - Graduating Cohort of 2021.

# A. Objective

The objective of the closing plenary is to draw from the presentations and discussions in the eight technical sessions key takeaways and identify pathways for the formulation and implementation of Smooth Transition Strategies by the three countries of the graduating cohort of 2021 and to agree on common advocacy points for UNGA (September 2022), the Fifth UN Conference for LDCs (LDC5) (Doha, March 2023), and other forums. Therefore, the closing plenary will focus on Bangladesh, Lao PDR and Nepal country delegations with the support of the RCOs, OHRLLS, ESCAP and UNDESA agree on the key takeaways, actions and common advocacy points that form part of their joint outcome/advocacy document.

# B. Session Outlines and Time Allocated: 1500 – 1630 (100 minutes)

Time	Description	Resource person(s)
10 minutes	<b>Briefly recap</b> on the three days, share some highlights and outline the objective of the closing plenary.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR
60 minutes	Agreeing on key messages for joint outcome/advocacy document to be used for common advocacy for UNGA (September 2022), LDC5 (Doha, March 2023), and other forums.  A list of key messages from each session held over the three days (drawn from opening remarks, keynote speeches, presentations and panel discussions) will be presented for country delegations' consideration and agreement on the draft outcome/advocacy statement.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR
15 minutes	Closing Remarks Heads of Country Delegations will revisit the key objectives of the south- south-exchange and share 3 to 5 key priorities regarding:	<ol> <li>Ms. Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh</li> <li>Mr. Daovy Vongxay, Director General, Ministry of Foreign</li> </ol>

	<ul> <li>a. Common challenges of graduation and pathways identified to address them collaboratively in devising the country's national Smooth Transition Strategy.</li> <li>b. Key international support identified for developing the country's national Smooth Transition Strategy and advocacy plan to be devised.</li> <li>c. Pertinent and strategic advocacy messages for collective and individual country efforts for effective international support to fully implement national Smooth Transition Strategies.</li> </ul>	Affairs, Government of Lao People's Democratic Republic 3. Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission, Government of Nepal
10 minutes	Closing Remarks Offer some perspectives/specific smooth transition measures for the countries to consider and how the CDP and the IATF can support them through their work and iGRAD - delivered through the UN RC and their offices and the UN Country Teams. How can they garner critical support for the three countries, in terms of the support they have highlighted.	Mr. Taffere Tesfachew, Member, United Nations Committee for Development Policy (CDP) and Senior Advisor, Tony Blair Institute for Global Change (TBI) and former Director, Division for Africa, UNCTAD
5 minutes	Officially close the meeting by highlighting how the UN through the RCO and development partners could support the three countries implement their outcome/advocacy document. Thank participants and wish them safe travels.	Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR