

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**; subhash.nepali@un.org;

F. Tentative agenda:

Date	Time	Description
Tuesday 23 August 2022	0900 – 1030 hrs.	<p>Opening Plenary:</p> <p>Chair: Mr. Roland Mollerus, CDP Secretary and Chief Development Policy Branch, UNDESA</p> <p>Welcome Remarks: Ms. Rabab Fatima, Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Countries and Small Island Developing States (<i>virtual</i>)</p> <p>Remarks from Heads of Country Delegations</p> <ol style="list-style-type: none"> 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 <p>Remarks from the United Nations Resident Coordinators:</p> <ol style="list-style-type: none"> 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 <p>Remarks from IATF Country co-leads</p> <ol style="list-style-type: none"> 7. Ms. Mikiko Tanaka, Director and Head of South and SouthWest Asia Office (ESCAP-SSWA), New Delhi, ESCAP 8. Ms. Susanna Wolf, Senior Programme Manager, OHRLLS

	<p>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</p> <p>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 Nepal</p> <p>Photography</p>
1030 – 1100 hrs.	Break/refreshment & networking
SECTION 1: STS APPROACH AND PROCESS	
1100 – 1310 hrs.	<p>Technical Session 1: <u>Sustainable Graduation - Investing in People and Leaving No One Behind</u></p> <p>Chair: Mr. Roland Mollerus, CDP Secretary and Chief Development Policy Branch, UNDESA</p> <p>Keynote Speaker: 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>)</p> <p>Presenters:</p> <ol style="list-style-type: none"> 1. Mr. Oliver Paddison, Chief of Countries with Special Needs Section, ESCAP 2. Mr. Matthias Bruckner, Senior Economic Affairs Officer, UNDESA <p>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:</p> <ol style="list-style-type: none"> 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 – 1400 hrs.	Lunch break
SECTION 2: IMPACTS OF GRADUATION AND SMOOTH TRANSITION MEASURES	
1400 – 1600 hrs.	<p>Technical Session 2: <u>Preferential Market Access and Intellectual Property Rights (IPR)</u></p> <p>Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh</p> <p>Keynote Speaker: 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</p> <p>Panellists:</p> <ol style="list-style-type: none"> 1. Dr. Debapriya Bhattacharya, Member, UN Committee for Development Policy 2. Mr. Alexey Kravchenko, Economic Affairs Officer, UNESCAP <p>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.</p> <p>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.</p>
1600 hrs onwards	Tea/coffee. End of Day-1.

Wednesday 24 August 2022	0900 – 1040 hrs.	<p>Technical Session 3: <u>Product and Market Diversification in the Context of LDC Graduation</u></p> <p>Chair: Mr. Richard Howard, UN Resident Coordinator ai, Nepal</p> <p>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</p> <p>Presenters:</p> <ol style="list-style-type: none"> 1. Ms. Cecilia Heuser, Market Analyst, International Trade Centre 2. Mr. Ratnakar Adhikari, Executive Director, WTO Enhanced Integrated Framework (<i>virtual</i>) <p>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.</p>
	1040 – 1100 hrs.	<p>Break/refreshment & networking</p>
	1100 – 1300 hrs.	<p>Technical Session 4: <u>Graduation as a Lever for Good Governance and Human Rights</u></p> <p>Chair: Mr. Tuomo Poutiainen, Country Director, International Labour Organization, Bangladesh</p> <p>Keynote Speaker: Dr SUH Joonghae, Fellow, Korea Development Institute (<i>virtual</i>)</p> <p>Speakers:</p> <ol style="list-style-type: none"> 1. Mr. Petros Sourmelis, Head of the Trade and Economic Section, Delegation of the European Union in Thailand 2. Mr. Bablur Rahman, Country Manager for Bangladesh, Fair Wear Foundation (<i>virtual</i>) <p>This session has a twofold objective:</p> <ol style="list-style-type: none"> a. Non LDC government and private sector will share their perspective on successfully applying and meeting international standards and principles; and

		<p>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 international standards.</p>
	1305 – 1400 hrs.	Lunch break
	1400 – 1435 hrs.	<p>Technical Session 4: <u>Graduation as a Lever for Good Governance and Human Rights</u> (continued)</p> <p>Country Groups report back to plenary</p>
	1435 – 1715 hrs.	<p>Technical Session 5: <u>Climate Change and LDC Graduation</u></p> <p>Chair: Ms. Subhra Bhattacharjee, Strategic Planner and Head of Office UNRCO Bangladesh</p> <p>Panellists:</p> <ol style="list-style-type: none"> 1. Mr. Mozaharul Alam, Regional Coordinator, Climate Change Programme, Asia and the Pacific Office, UNEP 2. Dr. Joyashree Roy, IPCC Lead Author and Inaugural Bangabandhu Chair Professor and Director of centre on SMARTS at Asian Institute of Technology 3. Dr. Suriyan Vichitlekarn, Executive Director, Mekong Institute <p>The session is aimed at:</p> <ol style="list-style-type: none"> 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 national economic policy) to address them, once the international support measures for LDCs are no longer available.
	1520 hrs	Tea/coffee.
	1715 hrs	End of Day-2.
Thursday; 25 August 2022	0900 – 1030 hrs.	<p>Technical session 6: <u>Effective Management of Development Finance during Graduation</u></p> <p>Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR</p>

	<p>Keynote Speaker: Ms. Radhika Lal, SDG Finance Policy Advisor, UNDP (<i>virtual</i>)</p> <p>In this session, the LDC graduating countries will discuss their common plans for INFF with the aim of:</p> <ol style="list-style-type: none"> Bringing out specific policy recommendations on INFF for LDC graduating countries. Identifying specific measures (including international support where relevant) that could support the implementation of the INFF approach to manage a smooth transition.
1030 – 1100 hrs.	Break/refreshment & networking
1100 – 1230 hrs.	<p>Technical session 7: <u>Domestic Resource Mobilization</u></p> <p>Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR</p> <p>Keynote Speaker: Mr. Paul Martin, Regional Technical Advisor, UNCDF</p> <p>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:</p> <ol style="list-style-type: none"> Sharing lessons from successful examples of how DRM targets have been set and achieved elsewhere. Identifying effective ways for DRM to be integrated into STS planning. Identifying (where appropriate) international cooperation needs that could support DRM strengthening.
1230 – 1400 hrs.	Lunch break
SECTION 3: STS ROADMAP AND PRIORITY ACTION PLAN	
1400 – 1500 hrs.	<p>Technical Session 8: <u>Prioritising Smooth Transition Measures and Identifying Implementation Modalities</u></p> <p>Chair: Mr. Matthew Johnson-Idan, Economist, UN RCO Lao PDR</p>

		<p>Presenters:</p> <ol style="list-style-type: none"> 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 <p>The objective of this session is to allow the three graduating countries to present and discuss:</p> <ol style="list-style-type: none"> 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; b. Their roadmap highlighting any adjustments to be made and next steps for formulating their STS and successfully implementing their roadmap; and c. 3-5 key areas for joint collaboration and advocacy by the three countries.
1500 – 1630 hrs.		<p>Closing Plenary:</p> <p>Chair: Ms. Sara Sekkenes, UN Resident Coordinator, Lao PDR</p> <p>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.</p> <p>B. Closing remarks from the Heads of Country Delegations:</p> <ol style="list-style-type: none"> 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 <p>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</p>
1630 hrs onwards		<p>Release of outcome/advocacy statement followed by Tea/coffee Break</p>