

Technical Session 1:

Sustainable Graduation - Investing in People and Leaving No One Behind

A. 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 transition¹ 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 transitional periods, as they need to be negotiated in time - ideally to begin immediately upon graduation becoming effective.

B. 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:

¹ Transition period is from the date the country's graduation becomes effective to the date all international support measures are phased out or transitional periods have concluded.

- 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
- STS key elements and measures include response to and recovery from evolving external shocks and are integrated in a country's macroeconomic framework.
- Countries' graduation process is inclusive and meaningfully engages a wide spectrum of stakeholders and voices in formulating, drafting and validating the STS.

C. 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?

D. 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 (<i>virtual</i>)
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	Presentation 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 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, Lao PDR 3. Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal
45 minutes	Q&A	
5 minutes	Closing: <ol style="list-style-type: none"> a. Highlight key messages and recommendations for STS preparations. b. Highlight pertinent joint advocacy actions to be considered in the outcome/advocacy document. 	Chair: Mr. Roland Mollerus