



Towards improved assistance for graduating least developed countries *

The Committee welcomed the increased attention to the need to support a smooth transition of countries graduating from the least developed country category, but found that existing measures simply delay the loss of least developed country-specific support. The identification and implementation of an appropriate package of incentives for graduating and recently graduated countries could mitigate the impacts of graduation and further the development progress of graduating countries. In that regard, the Committee decided to undertake further research and analysis on the matter.

The Committee emphasizes that the least developed countries need improved access to information and analysis on graduation from the

least developed country category, and welcomed the web-based graduation platform, known as Gradjet (www.gradjet.org), which has been developed by the Committee secretariat. The tool provides information, analysis, suggested activities and contact points on graduation specific to each potentially graduating country. The Committee recommends that least developed countries use the platform before, during and after graduation. The Committee also recommends that the inter-agency task force on graduation of least developed countries adopt the platform, and that United Nations, multilateral and bilateral development partners contribute to the platform with relevant information and analysis related to least developed country graduation.

The Committee emphasized that many least developed countries are concerned about the prospect of graduation and losing international support measures, and agreed that it is important to incentivize countries who qualify to graduate from the category. The Committee also found that while the graduation trajectory is based upon the assumption that progress is continuing upward, the least developed countries are still facing development constraints and often continue to experience external shocks.

In that context, the Committee recommended that the success of these countries, in terms of progress against the least developed country criteria, should be

rewarded. It noted that measures put in place by the international community are at best smooth transition measures rather than appropriate incentives designed for countries that are no longer going to be least developed countries. Hence there is an opportunity to identify an incentives package for graduating and recently graduated countries to send a signal that graduation is a positive moment in their development process and show with concrete incentives that the international community stands ready to support countries in transitioning to the next level of development and towards achieving the Sustainable Development Goals.

* Excerpt from Committee for Development Policy, Report on the twentieth, See Official Records of the Economic and Social Council, 2018, Supplement No. 13 (E/2018/33)

The Committee noted that (a) incentives for graduation should be distinct from smooth transition measures, in that they are not related to least developed country-specific support received as a least developed country; (b) they should include measures to further assist the countries that reach the graduation criteria as well as graduating and graduated countries, to provide additional support; and (c) any incentives package should focus on production transformation and be demand driven and country specific.

Among the proposals for incentives discussed, the Committee expressed support for the idea of a pledging conference to be organized at the time of graduation. It was recommended to carefully plan such events and include international organizations as well as targeted bilateral donors, country-level organizations of the United Nations system, including the resident coordinator system, and the Development Cooperation Forum of the Economic and Social Council. The importance of facilitating private sector investments was also underscored.

In addition, the Committee endorsed the proposals to conduct early impact assessments, which should include research and analysis on incentives and production transformation measures for graduating countries, and to organize workshops with investment and credit-rating agencies.

In line with General Assembly resolution 67/221, the Committee reiterated the importance of developing a comprehensive smooth transition strategy by the graduating countries through a consultative process, and for the countries to participate in the related follow-up monitoring process.

The Committee noted the importance for graduating and graduated countries to have continued access to markets and access to finance. The United Nations system could assist graduating countries by cataloguing the available sources of concessional funding and supporting access to private capital and investment, and in strengthening local capital markets.

The Committee decided to establish a subgroup on incentives for graduating least developed countries to further discuss the preceding ideas and submit a proposal on elements of an incentives package at the next plenary session of the Committee. The Committee noted that the package could also serve as an input into various intergovernmental processes, such as the new 10-year programme of action for least developed countries for the decade 2021–2030.

The Committee requested the inter-agency task force on graduation of least developed countries to keep the subgroup informed regarding any discussions and conclusions related to incentives for graduating least developed countries.

The Committee recalled that despite the cataloguing of all international support measures through its Support Measures Portal for Least Developed Countries, many countries preparing for graduation still face challenges in fully understanding the type of least developed country-specific support from which they benefit and the policy implications of the possible loss of such support after graduation. In that regard, the Committee welcomed Gradjet, an online platform developed by the secretariat of the Committee for graduating least developed countries, which was launched during the 2018 plenary. Gradjet is tailored to each graduating country and explains the expected procedures relating to least developed country graduation before, during and after leaving the category, with contacts, information and suggested activities at each stage.

The Committee recommended that the platform be used by Governments of graduating least developed countries as well as by such other stakeholders as organizations of the United Nations system and multilateral and bilateral partners, and that complementarities and partnerships with tools developed by other organizations should be sought. The Committee also recommended that all relevant partners contribute to the platform with appropriate information and analysis related to graduation.