



## **Achieving structural economic progress toward and beyond graduation from Least Developed Country status in the Pacific**

Regional workshop organized by UNCTAD and the Government of Vanuatu

*Warwick Le Lagon, Port-Vila (Vanuatu), 20-21 June 2018*

Country coverage: Kiribati, Solomon Islands, Timor-Leste, Tuvalu, Vanuatu

Until 2013, there were five LDCs in the Pacific region (Kiribati, Samoa, Solomon Islands, Tuvalu, Vanuatu), and three other small island LDCs in other regions (Comoros, Sao Tome and Principe, Timor-Leste). Samoa graduated from LDC status in January 2014. In December 2015, the General Assembly established December 2020 as the date of Vanuatu's graduation. In March 2018, the UN Committee for Development Policy (CDP) recommended *inter alia* Kiribati, Sao Tome and Principe, and the Solomon Islands for graduation from LDC status, while deferring to 2021 its consideration of the question of Timor-Leste's graduation. The Committee, in March 2012, had recommended the graduation of Tuvalu, a decision the Economic and Social Council never endorsed.

In sum, nearly all small island LDCs have been, or are, subjected to the challenge of being reclassified from LDC status. While recognizing the positive connotation of the idea of graduation in theory, small island LDCs policy makers have questioned the pertinence of recommending the graduation of highly vulnerable countries that demonstrate forms of relative prosperity owing little to improved productive capacities and structural progress. For all small island LDCs that are or have been faced with the possible obligation to graduate from LDC status, progress has been observed under the per capita income criterion and the human assets criterion, not under the economic vulnerability criterion. The high vulnerability of these countries has been recognized statistically and factually –and thoroughly analyzed by UNCTAD.

A landmark in the long-standing position of Pacific LDCs to gain the recognition of their extreme economic fragility was the call successfully made by Vanuatu, in the UN General Assembly in September 1997, for the introduction of a vulnerability criterion in the methodology for identifying graduation cases. The resulting adoption of the Economic Vulnerability Index in 1999 revealed in 2000 the high vulnerability of Vanuatu and of several other small island LDCs.

The important development goal of resilience-building, in small island LDCs, has consistently brought these countries to seek international support to their efforts to fulfill this goal. The possibility of retaining LDC status as breathing space for a necessary period of time, if not indefinitely, has been a common plea of these States.

Several small island LDC leaders, in a high-level event co-organized by UNCTAD in Samoa on 2<sup>nd</sup> September 2014<sup>1</sup>, indicated that their countries would be less reluctant to lose LDC status if small island developing State (SIDS) status existed as an alternative basis for special international support measures. The absence of such differentiated treatment as a fallback has been a driving factor of these leaders' aversion to losing LDC status.

In short, the question of graduation from LDC status has been largely perceived by small island LDCs as a challenge, one they have addressed in various UN circles, including the Samoa Conference on SIDS in 2014, and different expert group meetings of CDP members in years of reviewing the UN list of LDCs.

It is noteworthy that UN member States, in paragraph 22 of the Samoa Pathway in September 2014, reaffirmed their commitment “to take **urgent and concrete action** to address the vulnerability of small island developing States...” through the implementation of the Barbados Programme of Action and Mauritius Strategy. UN members, at the same time, underscored “**the urgency of finding additional solutions** to the major challenges facing small island developing States in a concerted manner...”.

Four years earlier, the General Assembly, in resolution 65/2, had already called for “refocus[ed] efforts towards a results-oriented approach” to the implementation of the Barbados Programme of Action and Mauritius Strategy, notably with a view to considering “what improved and additional measures might be needed **to more effectively address the unique and particular vulnerabilities and development needs** of small island developing States” (para. 33).

In order to bring responses to these calls from member States, UNCTAD, through its Development Account-funded technical assistance to small island developing States in their resilience-building action, has been trying to raise awareness, among policy-makers, of the key relationship between the goal of vulnerability alleviation and the question of country status, with particular reference to the issue of graduation from LDC status.

This workshop invites participants to a focused dialogue between UNCTAD and relevant partner agencies on the one hand, and small island LDC policy-makers on the other, on the challenge of graduation in times of resilience-building efforts. It aims:

- to raise awareness, among invited policy-makers, of the implications of graduation from LDC status and of the possibility of seeking alternative special support when the quest for structural economic progress remains high on the agenda of these countries; and
- to enable UNCTAD and partner agencies to enrich their perception, in their substantive advocacy work, of what small island LDCs expect from the United Nations system as a promoter of international responses to the challenges faced by vulnerable economies, in accordance with the Samoa Pathway.

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<sup>1</sup> The High-level Panel on small island developing States and the question of graduation from LDC status was jointly organized by UNCTAD and UNDP and took place in the margins of the Third International Conference on Small Island Developing States in Samoa (1-4 September 2014). Panelists included the President of Kiribati, the Prime Ministers of Cabo Verde, Tuvalu and Vanuatu, and the Deputy Prime Minister of Samoa.

## PROGRAMME

### WEDNESDAY 20<sup>th</sup> JUNE 2018

8:30 – 9:00 **Registration of participants**

9:00 – 9:30 **Opening**

Opening remarks: *Noah Kouback*  
*Chargé d’Affaires a.i., Permanent Mission of Vanuatu to the United Nations in Geneva*

Opening statements: *UNCTAD official*  
and  
*Hon. Ralph Regenvanu*  
*Minister of Foreign Affairs, International Cooperation and External Trade, Government of Vanuatu*

### 9:30 - 13:00 **SESSION 1 Graduation implies structural progress: are we there?**

Moderator: *Hon. Natuman Nako*  
Member of Vanuatu Parliament, Special Envoy for LDC graduation

9:30 – 10:15 Graduation from LDC status and the question of structural economic progress in Pacific LDCs

*Pierre Encontre*  
*Chief, Small Island Developing States and Status Issues Section*  
*Division for Africa, Least Developed Countries and Special Programmes UNCTAD*

10:15 – 11:00 GradJet: a UN tool for managing graduation smartly

*Daniel Gay*  
*Inter-regional Adviser on the Least Developed Countries*  
*Secretariat of the Committee for Development Policy (CDP)*  
*United Nations Department of Economic and Social Affairs (UNDESA)*

11:00 – 11:30 **Coffee break**

11:30 – 12:15 Productive capacity-building, diversification and employment creation: implications for Pacific LDCs

*Amelia Santos-Paulino*  
*Economic Affairs Officer, Trade and Poverty Unit*  
*Division for Africa, Least Developed Countries and Special Programmes UNCTAD*

12:15 – 13:00 Interactive debate

13:00 – 14:30 **Lunch break**

**14:30 – 17:30 SESSION 2 Exploring avenues for structural economic progress in Pacific LDCs**

Moderator: **Noah Kouback**  
*Chargé d’Affaires a.i.*  
*Permanent Mission of Vanuatu to the United Nations in Geneva*

14:30 – 15:00 Trade-related adjustment to graduation from LDC status

**Dr. Max Mendez-Parra**  
*Senior Research Fellow*  
*International Economic Development Group*  
*Overseas Development Institute (London)*

15:00 – 15:30 Making fisheries a sound economic pillar: a challenge for Pacific LDCs

**Dr. Transform Aqorau**  
*International Fisheries Law Consultant*  
*and CEO, iTuna Intel (Solomon Islands)*

15:30 – 16:00 Making sense of agrifood standards, market access and trade in Pacific LDCs

**Amos Taporai**  
*Economic Affairs Officer, Division of International Trade and*  
*Commodities, UNCTAD*

16:00 – 16:30 **Coffee break**

16:30 – 17:00 Agricultural diversification and food security in Pacific LDCs: how will public-private partnerships make a difference?

**Samson Fare**  
*Consultant to the Food and Agricultural Organization (FAO)*

17:00 – 17:30 Interactive debate

**THURSDAY 21<sup>st</sup> JUNE 2018**

**9:00 – 13:00 SESSION 3 Regional and country-specific experience**

Moderator: **Pierre Encontre**  
*Chief, Small Island Developing States and Status Issues Section*  
*Division for Africa, Least Developed Countries and Special*  
*Programmes UNCTAD*

9:00 – 9:30 The role of a regional organization in supporting structural economic progress: the Indian Ocean Commission

**Raj Mohabeer**  
*Chargé de Mission, Indian Ocean Commission (Mauritius)*

9:30 – 10:00 Sustainable energy: a key to structural transformation in small island developing States

*Jean-Claude Mporamazina*

*Economic Affairs Officer, Small Island Developing States and Status Issues Section, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD*

10:00 – 10:30 Solomon Islands

*Natalia Patternot*

*Chief Trade Officer, Department of External Trade  
Ministry of Foreign Affairs and External Trade  
Government of the Solomon Islands*

*Fiona Indu*

*Assistant Secretary, United Nations and Americas Branch  
Ministry of Foreign Affairs and External Trade  
Government of the Solomon Islands*

10:30 – 11:00 **Coffee break**

11:00 – 11:30 Timor-Leste

*Ralyana Ribeiro*

*Desk Officer, Directorate General for Multilateral and Regional Affairs Ministry of Foreign Affairs and Cooperation  
Government of Timor-Leste*

*Carlos Neves*

*Ministry of Planning and Finance  
Government of Timor-Leste*

11:30 – 12:00 Tuvalu

*Nuausala Nuausala*

*Senior Economic Adviser  
Planning, Budget and Aid Coordination Department  
Ministry of Finance and Economic Development  
Government of Tuvalu*

*Kilifi Talakatoa-OBrien*

*Consultant to UNCTAD*

12:00 – 12:30 Vanuatu

*Gregoire Nimbtik*

*Acting Director-General, Prime Minister's Office  
Government of Vanuatu*

12:30 – 13:00 Interactive debate

13:00 – 14:30 **Lunch break**

## **14:30 – 16:30 SESSION 4 Can development partners facilitate “smart graduation”?**

Moderator: *Yvon Basil*

*Director, Department of Foreign Affairs  
Ministry of Foreign Affairs, International Cooperation and External  
Trade, Government of Vanuatu*

14:30 – 15:00 Conceptualizing and implementing new support measures for highly vulnerable LDCs

*Daniel Gay*

*Inter-regional Adviser on the Least Developed Countries,  
Secretariat of the Committee for Development Policy (CDP), United  
Nations Department of Economic and Social Affairs (UNDESA)*

15:00 – 15:30 The CDP’s proposal for a new category of highly vulnerable countries: implications for Pacific LDCs

*Noah Kouback*

*Chargé d’Affaires a.i., Permanent Mission of Vanuatu to the United  
Nations in Geneva*

*Pierre Encontre*

*Chief, Small Island Developing States and Status Issues Section,  
Division for Africa, Least Developed Countries and Special  
Programmes, UNCTAD*

15:30 – 16:00 Interactive debate

16:00 **Closing remarks and refreshments**