



Summary of Information on LDC Graduation for Lao PDR

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01

Impacts of Graduation



IMPACTS OF GRADUATION



Trade

- Most exports to ASEAN or countries with ASEAN FTAs, not linked with LDC status
- Little use of WTO flexibilities
- Transition needs to be managed carefully for sectors such as garments



Development Assistance

- Loss of some LDC-specific sources (after transition period) – opportunity to maximize access before graduation
- Gradual shift from grants to soft loans, or slightly higher rates from some development partners



Other

- Loss of ceilings and discounts on budget contributions to UN entities
- Travel funding to some international meetings



Vulnerabilities Beyond Graduation

VULNERABILITIES BEYOND GRADUATION

Structural factors that relate to:

- Lao PDR's performance on the Economic and Environmental Vulnerability Index
- Overall development trajectory and “graduation with momentum”

Important issues include economic diversification, addressing the triple planetary crisis at country level, disaster risk, productive capacity, debt management

COVID-19 impacts require careful monitoring and support (including on issues related to the “Human Assets Index”—education and health)

More comprehensive information in the UNCTAD Vulnerability Profile





Elements for a Smooth Transition

ELEMENTS FOR A SMOOTH TRANSITION

General Assembly resolution 67/221


Successful transition should be based on a national smooth transition strategy (STS) elaborated as a priority by each graduating country, under national leadership and with the support of the international community.

CDP-recommended priorities for graduating LDCs

- (a) Greater access to concessional development finance;
- (b) Fulfilment of ODA commitments;
- (c) Leveraging ODA flows to access additional public and private finance;
- (d) Increased coordination with international financial institutions;
- (e) South-South and triangular development cooperation

CDP-recommended priorities for Lao PDR

- (a) Strong debt relief and improved macroeconomic stability;
- (b) Sustainable and inclusive structural transformation; economic diversification; regional integration;
- (c) Reduction of rural/urban and other inequalities;
- (d) Building disaster resilience and reversing environmental degradation.



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THANK YOU!