

Seventy Ninth Commission Session, UNESCAP  
Agenda item 3: Special Body of Least Developed, Landlocked Developing  
and Small Island Developing States  
16 May 2023  
Bangkok

**Madam Chair, Excellences and delegates,**

I feel deeply honored to be a part of the 79<sup>th</sup> Commission Session and get this vibrant platform to share my thoughts on the status of Nepal's LDC Graduation, its impacts, as well as preparation for a Smooth Transition Strategy in the backdrop of its graduating in 2026.

Nepal was first included in the LDC category in 1971 and is graduating by meeting the thresholds pertaining to HAI, and EVI, but without meeting the GNI Per Capita criteria in the three consecutive triennial reviews in 2015, 2018 and 2021 of CDP.

In recent triennial review 2021, Nepal's GNI per capita is still to be under the thresholds and HAI increased to 75 from 71.2. On the other hand, EVI has decreased to 24.2 from 28.4 as compared to the second triennial review in 2018.

UN General Assembly, on 24 November 2021, adopted a resolution declaring that Nepal, along with Bangladesh and Lao PDR, would graduate from the LDC category with a five-year preparatory period. Nepal has received an additional two years to the normal three-year preparatory period. So, I am confident that such an extension of the preparatory period will allow Nepal to work towards diversifying the options for financing, utilizing the trade measures, and bolstering the readiness of the business sector for competitive trade following graduation.

**Madam Chair**

LDC graduation has been one of the most prioritized agendas of all subsequent periodic plans and policies in Nepal. Graduation from LDC is undoubtedly a matter of pride for the country and it would transmit a positive message to the global community about Nepal's development prospects. But Nepal will lose international support measures (ISMs) provided to LDCs and have a remarkable impact on trade and tariffs. Considering these factors, the government of Nepal has taken different initiatives. Regard to preparation, the National Planning Commission is the focal agency for coordinating and handling all the activities regarding LDC graduation matters. An LDC Steering Committee, chaired by the Vice-Chairman of the NPC comprising relevant line ministries and other stakeholders including representatives from the private sector has formed and been providing the required directions on this arena. Now we are in the process

of formulating a smooth transition strategy (STS) with consultations and feedback from sectoral ministries, the provincial and local government, as well as the development partners, and other significant stakeholders.

Similarly, a virtual and in-person peer exchange among the graduating countries primarily Bangladesh and Lao PDR has also been held on a regular basis. Recently, our government and ESCAP jointly organized the Sub-Regional Workshops on Structural Transformation towards Sustainable Graduation from LDC Category.

Nepal has implemented the Istanbul Program of Action from 2011 to 2021. In this period, remarkable progress was made in the areas of poverty reduction and other social indicators. However, a lot remains to be done in the areas of economic growth as well as infrastructural development. Pulling people out of poverty and decreasing inequality has been the foremost priorities of our Government in the past several decades and now.

Furthermore, the Doha Program of Action Decade (2022-2031) has provided significant opportunities for achieving accelerated economic development. We are focusing on all the six key areas of the Doha Program of Action such as investing in human capital, supporting structural transformation, leveraging technology, and so forth.

Being a landlocked least developed country, Nepal will face more challenges than other graduating countries such as isolation from world markets and high transit costs. So, there is an urgent need to emphasize overcoming the structural challenges of the economy and working towards product diversification and market diversification to grasp the untapped potential.

At this juncture, I urge all the development partners and stakeholders as well as the broader international community to extend ISMs and continued cooperation towards a resilient and sustainable graduation.

Madam Chair,

I believe that the deliberations made in this event will facilitate the envisioning of effective and comprehensive cooperation mechanisms and in furthering the cooperation in this sub-region.

At last, I hope we all should work in a collective manner to ensure that graduation is smooth, meaningful, irreversible, and sustainable.

Thank you all.