



**Statement delivered by Bangladesh to the United Nations at the Plenary of the
Second Committee of the 74th Session of the United Nations General Assembly on
Agenda item 21, Groups of Countries in Special Situation
(18 October 2019, CR-2, UNHQs)**

**Mr. Chairman,
Excellencies,
Distinguished Delegates,**

At the outset, I would like to align with the statements delivered by the State of Palestine, as the Chair of the G77, and Malawi, as the Chair of LDCs.

I would also like to thank the Secretary General for his report on this agenda item.

Mr. Chairman,

Many of the LDCs are embracing graduation as a key objective in their national development strategy. It is encouraging to see that 12 LDCs including Bangladesh are now at different stages of graduation.

Graduation from the LDC category has been the national aspiration in Bangladesh and I am proud to recall that we could qualify for graduation last year for the first time. Our visionary and pragmatic Prime Minister Sheikh Hasina has been leading us in our march to realize the nationally pronounced development plans namely Vision 2021 and Vision 2041.

Graduation of a country marks concrete achievements in its socio-economic progress and resilience against shocks and crises. However, there is an apprehension among the LDCs and graduating countries that the loss of different benefits is to affect their budding development negatively. Since a number of LDCs are now in the pipeline to graduate, their challenges should also be taken into consideration so that they do not regress to the LDC category. There must be focused and time-bound support measures for the Graduating and the Graduated LDCs. It is important to keep in mind that the success of a country should bring rewards and not penalties. I want to make a few points in this regard:

First, currently there is no strong follow-up and monitoring mechanism of the implementation of the smooth transition strategy for the graduated countries. It is my humble suggestion that some formal status be accorded to the smooth transition strategy and its implementation, especially by the development and trading partners of the graduated countries.

Second, graduation of a country signifies that it has achieved considerable level of economic foundation, policies and programmes, infrastructure and institutions. Therefore, graduated countries should get increased access to regional and multilateral non-concessional facilities as well as foreign direct investment. The UN and the World Bank Group can support these countries in getting access to private capital and investment.

Third, most of the LDCs either do not have any credit rating or poor rating provided by the major credit rating agencies. It is vitally important to raise awareness of credit rating agencies about graduation.

Fourth, local capital markets offer several benefits to borrowers and investors, including governments. Local bond markets allow governments to finance large fiscal deficits without having to resort to financial repression or foreign borrowing. This can improve the availability of long-term financing and access to local currency financing. The UN system can support graduating countries in building or strengthening the local capital market to enable them to mobilize increased resources domestically.

I deeply appreciate the focus on support for graduating LDCs in the SG's roadmap on financing for the 2030 Agenda. I hope that Secretary General will advocate for improving access to finance for sustainable development for graduating countries.

As I conclude, I would like to flag the issue of external shocks like natural disasters or man-made disasters such as the one we are facing in dealing with 1 million plus forcibly displaced Rohingyas from across the border. Graduation trajectory is primarily based on the assumption of *ceteris paribus*, I agree. The question is how to offset the adverse effects of these kinds of shocks by the LDCs and graduating countries so that their development efforts are not disrupted, and if indeed disrupted, what kind of redressal or compensatory mechanism we can construct for the sake of smooth graduation and post-graduation pathway. I leave it to you for your reflection.

I thank you.