

Bangladesh's LDC Graduation

The UNGA Decision and Our Observations

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1. The road to graduation: 2018 to 2029



Criterion	Threshold	2018	2021	2024
GNI per capita (US\$)	1,230; 1,222; 1,306	1,274	1,827	2,684
% above the threshold		4%	50%	106%
Human Assets Index	66 or above	73.2	75.3	77.5
% above the threshold		11%	14%	17%
Economic Vulnerability Index	32 or below	25.2	27.2	21.9
% below the threshold (better)		21%	15%	32%

All three criteria were met by wide margins in 2024 and are improving. The question is no longer eligibility but preparedness.
Sources: UN DESA, LDC country profiles (2021, 2024); Bangladesh Mission to the UN (2018); ERD (STS).

2. Recent timeline

November 2025 to October 2026

When	Bangladesh	UN system
Nov 2025	Annual report to CDP: criteria met, on track (under interim government)	CDP consults under its monitoring mechanism
Feb 2026	New government seeks three more years (18 Feb)	CDP plenary sets up a crisis assessment
Apr 2026	Prime Minister writes to the UN Secretary-General	UN-OHRLLS readiness assessment; CDP consults ministerial delegation (29 Apr)
Jun 2026		CDP: extension appropriate, with reforms
Jul 2026	2026–2029 graduation roadmap approved (29 Jul)	ECOSOC forwards requests to the GA (21 Jul)
Oct 2026	Government's Press Note	UNGA grants three years, on “exceptional basis” (29 Oct)

How the UN process works: the CDP, ECOSOC's expert subsidiary body, assesses the request; ECOSOC recommends; the General Assembly decides.

3. Why the transition matters politically

“...although the current graduation framework does not recognize domestic political transitions as grounds for extending preparatory periods, the complexity and specific nature of the recent political transition in Bangladesh merit consideration...” UNGA resolution A/81/L.8, preamble

- **A rare step for the framework.** Earlier extensions followed natural disasters or economic shocks; this one also weighs a political transition.
- **International recognition.** The UN accepted that the transition compounded external shocks and strained the government’s capacity to respond.
- **A higher bar, not a lower one.** The CDP called this a “broader interpretation” of the rules, and will not support any further extension.
- **Political ownership is now essential.** Reforms need commitment at the highest level, with the Prime Minister’s Office leading and Parliament engaged.

4. What was said at the General Assembly

Speaker	Key message
Uruguay, for G77 and China	Meeting the criteria does not remove structural weaknesses overnight
European Union	Extensions are exceptional and time-bound; asked for concrete, measurable domestic actions
Canada, Australia, New Zealand	The extension should be a catalyst for reform
France	Bangladesh must fulfil these responsibilities
Bangladesh	Permanent Representative: graduation is “an aspiration of our people” and “a national imperative”

Adopted unanimously. Support came with a clear message—

Utilise the time to undertake the required reforms

*The tone ranged from **supportive** to **indifferent** to **vexed***

Sources: UN release GA/12802; Bangladesh press note; other statements paraphrased from The Daily Star.

5. The UN is updating the transition rules

What the Ad Hoc Working Group (Dec'25) proposes	What it means for Bangladesh
A five-year preparatory period as the standard	Bangladesh will have had eight years (2021–2029)
Clear, time-bound rules for extensions in crises	Extensions like ours will follow set rules
Start the STS early, under national ownership	Our final STS came in 2025, four years after 2021
Country-level monitoring and accountability	Backs our call for a public STS dashboard
Partners to align support with graduation timelines	Press partners to match the 2029 date
Stronger UN support: iGRAD, Resident Coordinators	The resolution already asks the Resident Coordinator to support monitoring

The rules are being rewritten this session. They do not cover political transitions, so Bangladesh's extension remains exceptional.

Source: Report of the ad hoc working group on smooth transition, A/AC.306/2026/3/Rev.1, 25 June 2026.

6. What the resolution asks of Bangladesh

Element	What the resolution says	Para
“Exceptional basis”	Three more years, to 24 November 2029; not a precedent	3
Smooth and irreversible	Graduation must be sustainable and irreversible	1
Political transition	Its complexity compounded shocks and strained capacity to respond	Preamble
Reform expectation	Significant progress on domestic reforms (CDP view)	2
STS implementation	Continue, with the UN system and development partners	4
Annual reporting	Finance Ministry reports to the CDP yearly; CDP reviews	4
Partners invited	International community invited to support national plans	Preamble
UN support in Dhaka	Resident Coordinator supports monitoring of milestones	8

An “exceptional” global decision demands “exceptional” provisional performance!

7. The government's press note

What the press note says	What it leaves out
Adopted unanimously; graduation now 24 November 2029	That the extension was granted “on an exceptional basis”, not mentioned
“An important diplomatic achievement” for the government	The CDP’s condition: significant progress on domestic reforms. Expression of global goodwill
Graduation is “a national imperative” (Permanent Representative)	Banking and revenue, the reforms the CDP named earlier. Reform commitment mentioned explicitly
A three-year action plan with annual targets (Beyond Strategic Plan. Mid-Term Budgetary Framework?)	Who owns the plan, whether it will be published, and annual reporting to the CDP. Relation to other planning documents.
	Nepal’s identical terms, and the recognition of the political transition

Why it matters: welcome, but a diplomatic announcement rather than an account of the commitments. The Finance Ministry should publish the three-year action plan, with milestones and a clear owner.

Source: Permanent Mission of Bangladesh to the UN, press note (in Bangla), 29 October 2026.

8. A reform pathway for the STS

Reforms run through the whole pathway

Reforms in four areas

Public financial management

Revenue mobilisation, effective public spending, lower bank NPLs

Energy

Reliable, affordable supply; pricing and subsidy reform

Social protection

Inclusive coverage, with no exclusion errors

Logistics

Lower cost of doing business

Drive

Diversification

Beyond RMG: new products and new markets

Productivity

Higher productivity, especially of labour

Towards

Competitiveness

An economy ready for smooth, sustainable and irreversible graduation

Support is at hand: UN officials from New York and Dhaka stand ready to back this pathway and want to see reforms move.

9. Where the pathway starts

Pathway area	Baseline	Indicator and trend
Public finance: Tax Revenue	6.9%	Tax revenue-to-GDP ratio (in FY26): Met 80.7% of its annual target. Target for FY27: 9.2%
Banking	32.8%	% of Non-performing loan (NPL) to Total Outstanding (as of June 2026)
Productivity and investment	21.5%	Private investment to GDP, FY26 (BBS provisional). Target for FY27: 21.3%
Diversification	80.6%	RMG share of total exports, FY26
Energy	3,757 MW	Highest recorded load shedding in 2026 (10 Aug '26)
Logistics	2.6 out of 5	Ranked 88th among 139 countries; World Bank's Logistics Performance Index (LPI)
Social protection	Around 1% of GDP	Allocation for "Acceptable" Social Protection budget in FY27

NPLs at 32.8% and tax revenue at 6.9% of GDP show where reforms must start.
Targets under the Action Plan need to be made explicit.

10. Three agendas, one window: 2026 to 2029



A politically critical period, but all three agendas point the same way. The reforms that graduation needs, in revenue, banking and energy, also stabilise the economy and revive investment.

11. New commitments and efforts

Area	What has happened	Status
EU	FTA talks agreed in August; 48 of 61 barriers resolved	Talks agreed
UK	Access unchanged for three years after graduation	Secured
Japan	EPA signed in February; ratification pending	Signed
South Korea	CEPA reportedly signed in August	Signed
India and China	CEPA consultations; China proposed FTA talks	Early stage
RCEP	Accession working group set up in September	Started
At home	Invest Bangladesh, commercial courts, labour law	Under way

Most deals are still in the early stages. The next three years must turn talks into signed and ratified agreements. (Certain fiscal and budgetary measures are made for diversification and reduction of the cost of business.)

Source: Bangladesh Reform Tracker, LDC Graduation domain (October 2026).

12. Making implementation work

Level	Role
Parliament	Place the STS and the 2026–2029 roadmap before Parliament; engage lawmakers
Cabinet level	Political direction, with the Prime Minister's Office coordinating the STS
Executive level	Ministries deliver; the Finance Ministry reports to the CDP every year
Technical level	Working groups and lead agencies, with analysts and technical experts

Our recommendations

- Move STS coordination to the Prime Minister's Office; it is beyond ERD's mandate and competence. Revisit the structure of the National Graduation Monitoring and Coordination Committee.
- **Whole of government, in partnership with the private sector, domestic and foreign, and development partners**
- Stakeholders at the table: **lawmakers, technical experts and analysts**
- **A public STS dashboard**, updated regularly, to show progress towards targets
- Assess the need for a **special parliamentary committee on LDC graduation**

13. Our role in the next three years

Track

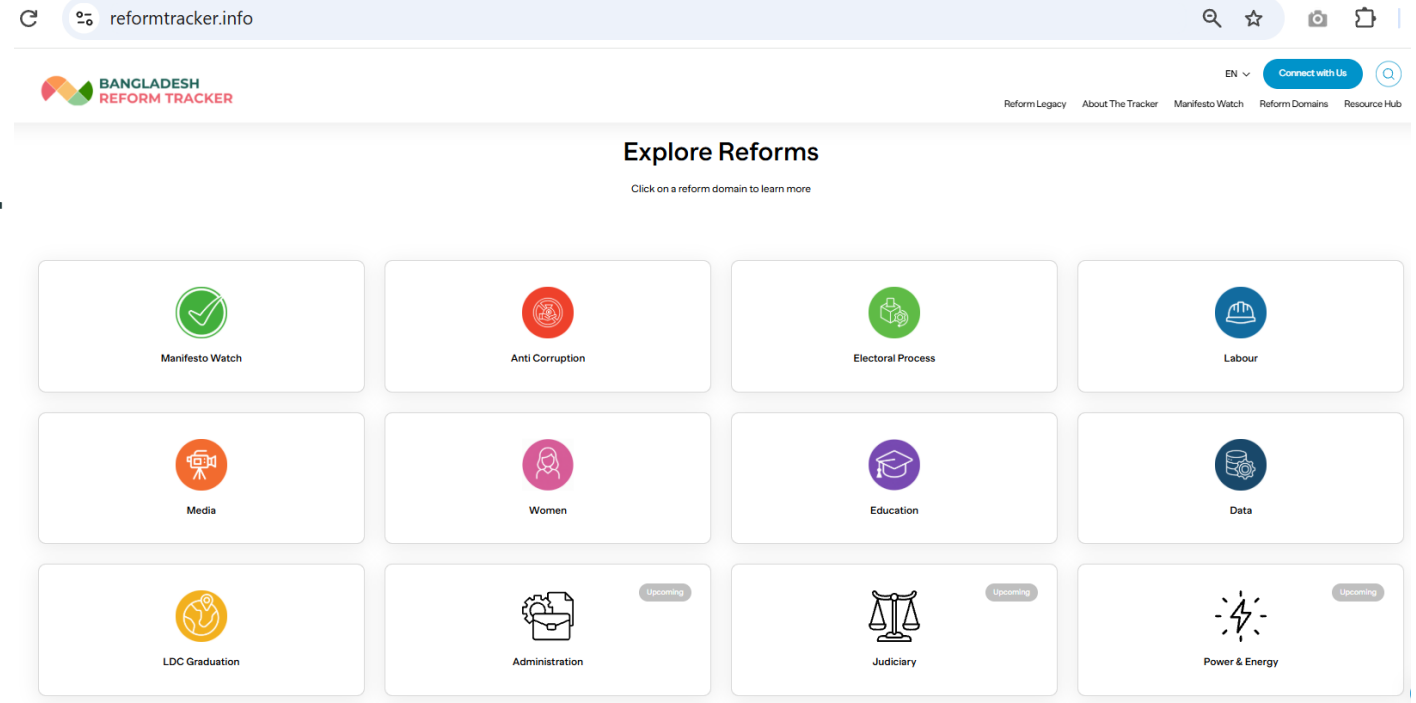
STS reforms, including public finance and banking, in the upcoming **LDC graduation** domain of our **Reform Tracker** (currently 23 reforms)

Assess

Revisit progress **every year** against the government's own milestones, until November 2029

Engage

With the government, Parliament and development partners, offering **constructive recommendations**



BANGLADESH
REFORM TRACKER

<https://reformtracker.info/>

14. Our observations and recommendations

- **We welcome the decision.** Bangladesh has three more years, to 24 November 2029, to prepare for a smooth, sustainable and irreversible graduation.
- **An “exceptional” decision demands “exceptional” performance.** The extension is not a precedent; the CDP has said it will not support another request.
- **The political transition was recognised.** A rare acceptance under the graduation rules. The issue is capacity, not political will.
- **The government’s press note was welcome but incomplete.** It left out the exceptional basis and the reform expectation; the action plan should be published.
- **Phase out LDC-only measures by plan.** Identify every measure Bangladesh can use only as an LDC, such as export cash incentives, and set a timeline to phase each out before November 2029.
- **The STS needs a clear reform pathway.** Reforms in public finance, energy, social protection and logistics should drive diversification, productivity and competitiveness. Include a plan to phase out non-allowable fiscal measures, such as export cash incentives.
- **Strong on documents, weaker on delivery.** Bangladesh has been more adept at drafting commitments than at delivering them; the final STS came only in 2025.
- **Ownership across government.** Move STS coordination from ERD to the Prime Minister’s Office, with Parliament engaged and a public STS dashboard that would require improved data on process and outcome variables.

Thank you