

## Preface

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The Commonwealth is an association of 53 independent countries, comprising large and small, developed and developing, landlocked and island economies. As the main intergovernmental body of the association, the Commonwealth Secretariat works with member governments to deliver on priorities agreed by Commonwealth Heads of Government and promotes international consensus building. It provides technical assistance and advisory services to members, helping governments achieve sustainable, inclusive and equitable development. The Secretariat's work programme encompasses areas such as democracy, rule of law, human rights, governance, and social and economic development.

The Secretariat has consistently advocated on behalf of its least developed country (LDC) member states for improvements in international support measures. An unprecedented number of LDCs are expected to reach graduation thresholds, established by the United Nations Committee for Development Policy (CDP), by 2021. Currently, 14 out of the 53 members of the Commonwealth are classified as LDCs. Between 2021 and 2024, this number is likely to reduce to 11, as Bangladesh, the Solomon Islands and Vanuatu are expected to move out of this category in view of their recent progress in areas of the criteria for determining LDC classification and their acceptance of the recommendations of the CDP. For other Commonwealth LDCs, such as Kiribati and Tuvalu, the graduation process remains contentious because of extreme vulnerability to climate change and other environmental shocks.

In anticipation of LDC status graduation, there is a need for more focused impact assessments. Through a Kickstarter assignment funded by the UK, the Commonwealth Secretariat has developed a new approach to better assess the potential costs and benefits arising from transitioning from LDC status. This requires a better understanding of how LDCs are positioned within global value chains (GVCs). In view of the fragmented nature of trade and the relative positions of countries within GVCs, the competitiveness challenges arising from the loss of preferential market access must be better identified and targeted. This guide provides a conceptual framework and tools to guide more refined trade-related impact assessments that take more account of the private sector perspective. We hope that this guide can be easily applied to better assist policy-makers, as well as development partners, in supporting the forthcoming LDC graduation process, including adapting to the competitiveness challenges arising from graduation and enhancing trade-related performance, which is so vital for export diversification and the achievement of sustainable development.