

Key elements of LDC graduation criteria in the case of Angola

Workshop on Angola graduation from LDC: challenges and opportunities
Luanda, Angola, October 2016

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Structure

- 1. The CDP and the LDCs
- 2. The LDC category
- 3. Angola: Graduation
- 4. Smooth transition
- 5. Additional information

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THE CDP AND THE LDCS

Mandates

Committee for Development Policy (CDP):

- Subsidiary body of ECOSOC (resolution 1998/46)
- Policy advice
- Identification of LDCs:

Triennial reviews

Methodology and process

Monitoring of graduating and graduated LDCs

CDP Secretariat (UN DESA):

- Dissemination of CDP work
- Substantive support
- LDC Portal on support measures
- Capacity development

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THE LEAST DEVELOPED COUNTRY CATEGORY

Background

- Concern about countries consistently lagging behind
- Category created in 1971
- > Special measures for catching up with other developing countries
- > From 25 to 48 Countries; 4 graduations, 3 more in the pipeline
- Countries identified triennially; inclusion to and graduation from the category:
 - Committee for Development Policy
 - Economic and Social Council
 - General Assembly
- Using a set of indicators and additional information

LDCs = Low-income countries + facing structural handicaps to sustainable development

- GNI per capita (as a measure of income)
- Structural impediments to sustainable development:
- 1. Level of human development measured by the Human Asset Index (HAI),
- Structural vulnerability to shocks proxied by the Economic Vulnerability Index (EVI)

LDC criteria and indicators

LDCs are low-income countries suffering from the most severe structural impediments to **sustainable development**.

GNI per capita

Human Asset Index (HAI)

- Percentage of population undernourished
- · Under five mortality rate
- Gross secondary enrolment ratio
- · Adult literacy rate

Economic Vulnerability Index (EVI)

- Population
- Remoteness
- Merchandise export concentration
- Share of agriculture, forestry and fisheries in GDP
- Share of population in low elevated costal zones
- Victims of natural disasters
- Instability of agriculture production
- Instability of exports of goods and services

Graduation eligibility

- Country meets graduation criteria in two consecutive reviews
- Country passes thresholds of any 2 criteria, or income is larger than twice the graduation threshold
- Not mechanic: impact assessment, vulnerability profile, country views taken into account

Graduation procedures

- Several years
- Multi-stage process
- Multiple actors
- Based on rigorous methodology
- Objective: no country to fall back into the category
- Report annually and in two triennial review years to CDP

gure 1.4 raduation time frame				
Year 0 (first triennial review)	CDP Finds country eligible (first finding)			
	DESA Notifies country			
Between years 0 and 3	UNCTAD Prepares vulnerability profile DESA Prepares ex ante impact assessment (both reports circulated to country for comments)			
Year 3 (second triennial review)	Graduating country Oral presentation at preparatory EGM; written statement to CDP plenary (both voluntary)			
	CDP Confirms eligibility criteria (second finding); reviews reports and country Inputs; recommends graduation			
	ECOSOC Takes action on CDP recommendation			
	General Assembly Takes note of CDP recommendation			
Between years 3 and 6	Graduating country Establishes consultative mechanism; prepares transition strategy; reports to CDP on preparation of strategy (voluntary)			
	UNDP Facilitates consultative group; provides support (If requested)			
	UN system Provides targeted assistance and capacity-building (if requested)			
	Development and trading partners Participate in consultative mechanism			
	CDP Monitors development progress during the period, reports to the Council			
Year 6	Graduation becomes effective			
After year 6	Graduated country Implements and monitors transition strategy; voluntarily submits concise annual reports (for the first 3 years after graduation) and triennial reports to CDP (at 2 CDP triennial reviews)			
	Development and trading partners Support implementation of transition strategy; no abrupt reduction of LDC-specific support			
	CDP Monitors development progress; reports to the Council annually for the first 3 years after graduation, during 2 triennial reviews thereafter			
Source: Report of the Committee for Development Policy on the fifteenth session (18-22 March 2013). Official Records of the Economic and Social				

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ANGOLA: GRADUATION

Graduation eligibility of Angola

Indicator	2009	2012	2015
GNI per capita	\$1,963	\$3,747	\$4,518
	(>\$1,086)	(>\$1,190)	(>\$1,242)
HAI	26.0	31.6	41.9
	(>66.0)	(>66.0)	(>66.0)
EVI	49.8	51.3	39.7
	(<38.0)	(<32.0)	(<32.0)

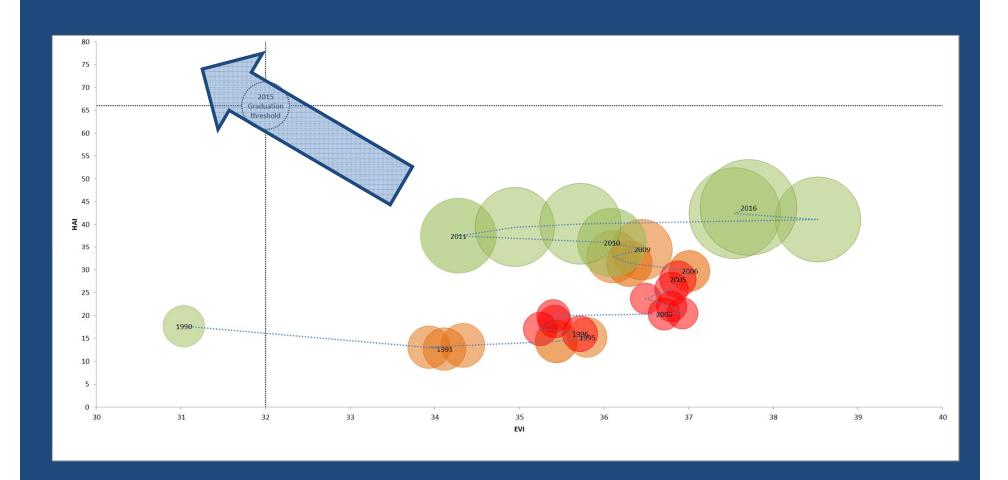
Graduation Decision

- In 2012 and 2015, eligible for graduation based on "incomeonly" rule.
 - DESA Ex-ante impact assessment
 - UNCTAD Vulnerability profile
 - Angola present its views to CDP
- CDP recommended graduation to ECOSOC in March 2015
- ECOSOC endorsed in June 2015
- GA took note in February 2016
- Graduation in February 2021

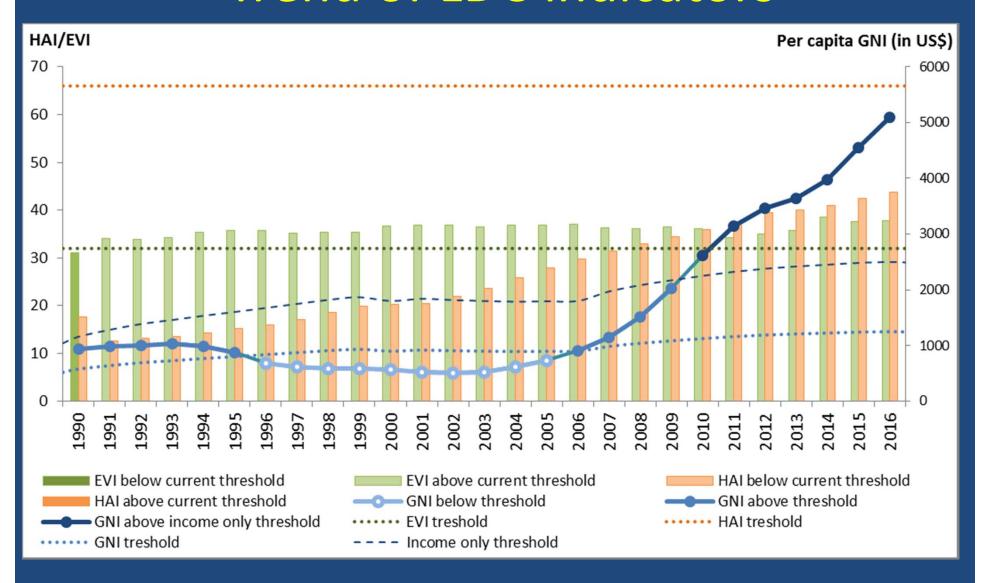
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SMOOTH TRANSITION

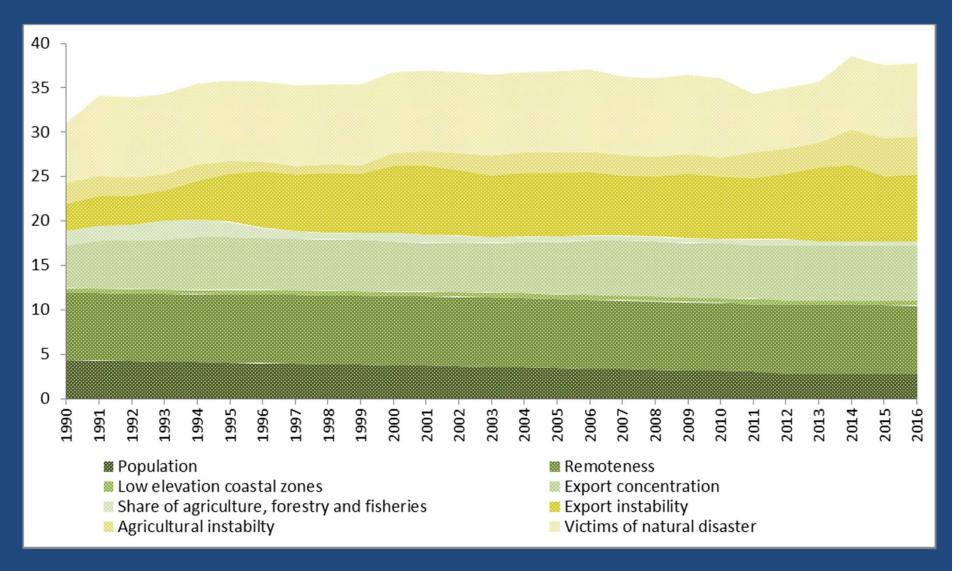
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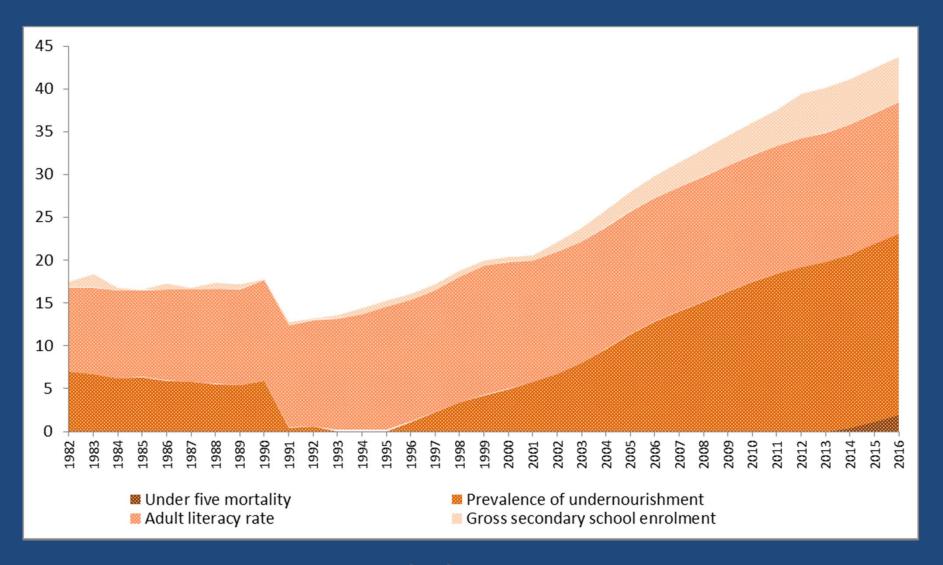
Trend of LDC indicators



EVI breakdown



HAI breakdown



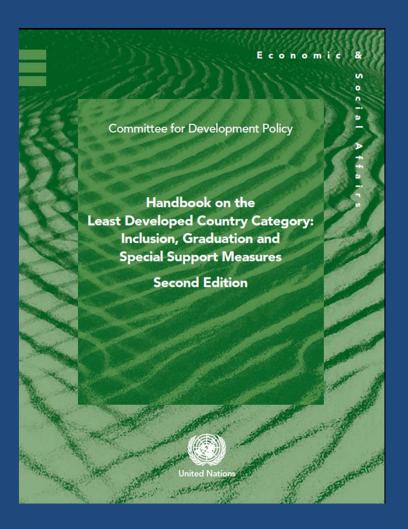
Summing up

- High income but prone to shocks
- High economic and environmental vulnerability
- Low human assets
- Channel the resources towards promotion of diversification and enhancement of human assets
- Sustainable development in economic, social and environmental aspects
- Report on transition to CDP in the intergovernmental process

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ADDITIONAL INFORMATION

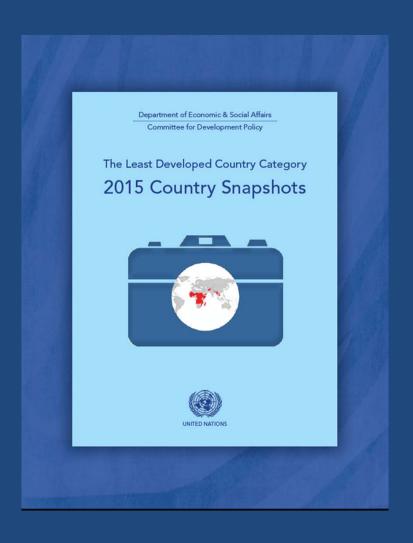
Handbook on the LDC category



- Updates previous version (2008)
- Methodological changes
- Smooth transition and monitoring provisions
- English and French

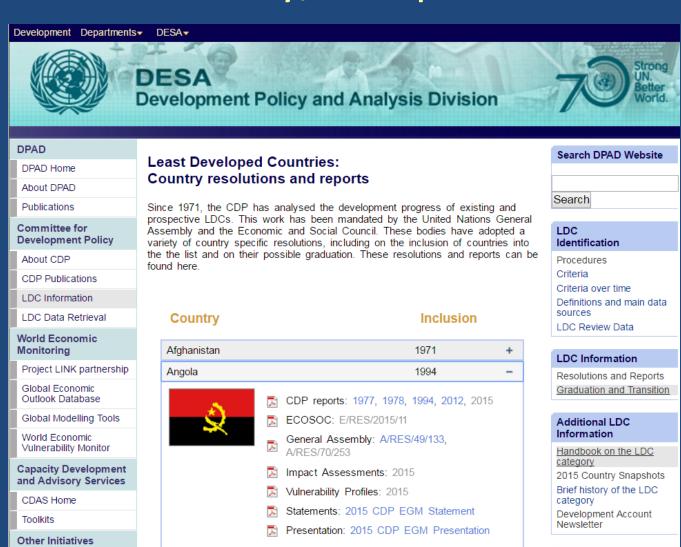
Download from bit.ly/ldchandbook

LDC Country Snapshots



- Individual country information
- 2015 Triennial review
- Criteria indicators
- Available for:
 - Aggregate LDCs
 - Individual country
- Download from bit.ly/ldcsnapshot

bit.ly/uncdp



1975

MDG GAP Task Force

Development Policy

Bangladesh

Vulnerability Profiles

Country reports

www.un.org/ldcportal







Improving Access to Support Measures

This Portal gives users access to information about special international support measures (ISMs) adopted by the international development community for countries included in the LDC category. ISMs are meant to assist LDCs in confronting their special development challenges and in achieving progress towards graduation from the category. The measures can be grouped into 3 broad areas of assistance:



Trade

New

United States grants preferential market access to Myanmar

The United States decided to reinstate Myanmar's eligibility under the Generalized System



Development

New

LDC Graduation: SDGs. AAAA and IPO Alinkages There is a good reason that the average reader may have difficulties in understanding the meaning...



General Support

New

How the UN helps LDCs graduate

Drive west round the ring road from Port Vila, Vanuatu's capital, and you pass three warehouses...

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There is a good reason that the average reader may have difficulties in understanding the meaning...

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Concept note for LDC graduation diagnostics toolkit



LDC Graduation
Toolkit
(in progress)

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