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Monitoring of Graduating and
Graduated Countries from the Least
Developed Country Category:
Equatorial Guinea



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* The content of the Monitoring report is mandated and suggested by ECOSOC and GA resolutions, including E/RES/2019/8 (para 4), A/RES/67/221 (para 21), A/RES/69/15 (para 118), A/RES/70/294 (para 84), A/RES/74/3 (para 23).

Summary and the monitoring timeline

Angola: Scheduled to graduate on 12 February 2021. Income has been falling but remains at a high level. Lower oil production and limited investment is expected to lead to a moderate contraction of income in coming years. Human assets, while improving, are underdeveloped comparing to other countries with similar income levels. The Government has resumed its work on preparing a smooth transition strategy with the help from UN system.

Bhutan: Scheduled to graduate on 13 December 2023. The GNI per capita has been steadily growing and is now more than double the LDC graduation threshold. The EVI still remains above the graduation threshold. The Government has been active in mainstreaming the LDC graduation preparation in its national development plan implementation.

Equatorial Guinea: Graduated on 4 June 2017. GDP is projected to continue to decline significantly due to the depletion of the existing oil reservoirs and limited new investment, but it will remain far above the LDC inclusion and graduation thresholds. HAI remains very low. The Government has not reported any progress in the transition process.

Saô Tomé and Príncipe: Scheduled to graduate on 13 December 2024. Characterized as a SIDS, it has shown stable but slow growth. Exposure to external shocks remains as the main challenge for achieving sustained growth. The Government is active in preparing a smooth transition strategy with the assistance from UN system.

Solomon Islands: Scheduled to graduate on 13 December 2024. The economy grew steadily, but the logging, the main industry, is declining, while economic diversification is limited. EVI is also high above the graduation threshold, vulnerable to economic and environment shocks. The Government has started its preparation of the smooth transition with the help from UN system.

Vanuatu: Scheduled to graduate on 4 December 2020. All LDC indicators show no major change in recent years. The Government adopted the smooth transition strategy to address development challenges in the progress of graduation, particularly in the area of environmental vulnerability.

Table 1 Timeline for graduation and monitoring reports

Date	Angola (Feb 2021)	Bhutan (Dec 2023)	Equatorial Guinea (Jun 2017)	Saô Tomé and Príncipe (Dec 2024)	Solomon Islands (Dec 2024)	Vanuatu (Dec 2020)
Feb2020	*	*	**	*	*	*
Feb 2021	*	*	***	*	*	*
Feb 2022	**	*		*	*	**
Feb 2023	**	*		*	*	**
Feb 2024	**	*	***	*	*	**
Feb 2025		**		*	*	
Feb 2026		**		**	**	
Feb 2027	***	**		**	**	***
Feb 2028				**	**	
Feb 2030	***	***		***	***	***
Feb 2033		***		***	***	

Note: Dates in parentheses are the graduation dates; * indicates monitoring as a graduating country; ** indicates monitoring as a graduated country (three times); *** indicates monitoring as a complement to the triennial review (two times).

Equatorial Guinea

Equatorial Guinea is highly dependent on the oil sector (about a third of GDP and 80 per cent of exports) and continues to face serious challenges due to the decline in hydrocarbon production compounded by low investment.¹ While other macroeconomic indicators, such as exports, consumption, and fiscal space, show steady and slow declines, real GDP has contracted fast since 2013 (see Figure 1). Prospects of rebounding of oil production and exports helped by new discovery of oil fields remain unclear.²

Figure 1 GDP growth rate, Equatorial Guinea, %, constant price, 2012-2019



Source: IMF (2019). World Economic Outlook, accessed December 2019.

Despite the negative growth in the past years, GNI per capita remains as \$8,346 in 2020, about seven times higher than the graduation threshold established at the 2018 review, \$1,230 (see Annex). The country is expected to remain an upper-middle income country (GNI per capita between \$3,956 and \$12,235) in the coming years.³ Progress in improving human assets is slow. The HAI score reaches 59.1 in 2020, very low compared to the HAI scores of countries with similar income levels (e.g., Kazakhstan 99.9, China 94.3, Brazil 96.5).

The EVI score stays below the graduation threshold of 32 since 2017. While there is some progress in improving the business environment as the country seeks to attract investment in its priority sectors including fisheries and agriculture, the vulnerability and limited resilience is expected to remain due to the size of the domestic market, weak institutional capacity and local skills shortages.⁴

Although Equatorial Guinea graduated, its overall PCI is still in line with the average of LDCs' group, slightly higher than that of Angola (see Table 2). As with Angola, Equatorial Guinea is also characterized by higher score on natural capital. The country's score shows above LDCs average on structural change but lower than that of ODCs' average on this component. Even when considering LDCs scores, Equatorial

¹ World Bank (2019). World Development Indicators, accessed December 2019.

² EIU (2019). Equatorial Guinea Country Report. Accessed December 2019.

³ Country classification criteria in 2018 by World Bank. <https://www.worldbank.org/en/country/mic/overview>

⁴ EIU (2019). Equatorial Guinea Country Report.

Guinea is still lagging behind on human capital and energy categories and is at the rear end of the distribution when comparing on the component of institutions.

Table 2. Productive Capacity Index, Selected LDCs, 2016 values

Country	PCI	Natural capital	ICT	Structural change	Institutions	Energy	Human capital	Private sector	Transport
Angola	14.0	47.3	4.4	21.2	29.4	35.6	29.7	56.8	0.3
Bhutan	27.8	42.9	12.1	34.1	62.9	49.8	37.5	71.1	2.4
Equatorial Guinea	17.7	41.0	6.8	31.4	20.9	25.5	23.9	61.6	1.4
Saô Tomé and Príncipe	19.9	39.3	9.9	29.8	48.1	29.4	34.1	69.3	0.6
Solomon Islands	22.0	49.4	5.2	24.1	47.8	34.5	29.1	78.2	2.3
Vanuatu	25.1	33.6	8.4	36.5	55.1	29.5	31.3	77.8	3.9
LDCs	17.3	45.6	6.3	28.5	36.5	32.3	27.8	66.2	1.1
ODCs	28.3	39.0	20.8	40.5	50.6	40.7	41.0	75.7	4.3

Source: UNCTAD.

Equatorial Guinea graduated on 4 June 2017 (A/RES/68/18). Equatorial Guinea has not yet submitted a report on its implementation of the smooth transition strategy.

Annex

Table A.5. Equatorial Guinea Macroeconomic indicators

Indicator	2012	2013	2014	2015	2016	2017	2018	2019
GDP growth rate (constant prices, per cent change)	8.31	-4.13	0.42	-9.11	-8.82	-4.71	-5.73	-4.64
GDP (current prices, billions USD)	22.39	21.94	21.74	13.18	11.23	12.29	13.73	12.14
Inflation rate (per cent change)	3.44	3.18	4.30	1.70	1.39	0.75	1.35	0.94
Government balance (per cent of GDP)	-7.24	-4.40	-7.54	-15.10	-10.92	-2.57	0.51	0.90
Current account balance (billions USD)	-0.25	-0.53	-0.92	-2.17	-1.46	-0.71	-0.74	-0.72
Net ODA received (millions USD)	14.45	4.63	0.52	7.49	6.92	6.92	N/A	N/A
Exports of goods and services (current prices, billions USD)	16.10	14.84	14.34	7.47	5.78	7.07	7.55	N/A

Source: IMF, World Economic Outlook Database, October 2019 edition, accessed 20 Nov 2019

For net ODA and Exports of goods and services, World Bank, World Development Indicators, accessed 20 Nov 2020

Table A.6. Equatorial Guinea LDC indicators

Index/criteria	2016	2017	2018	2019	2020
GNI per capita (USD)	15,166	14,538	12,494	9,849	8,346
EVI	33.8	27.8	27.9	24.7	23.6
Population (in thousands)	1,122.3	1,168.6	1,215.2	1,262.0	1,309.0
Remoteness	48.8	49.2	49.5	49.8	49.6
Merchandise export concentration	0.7	0.7	0.7	0.7	0.7
Share of agriculture, forestry, fisheries in GDP	1.2	1.5	1.8	2.2	2.3
Share of population living on low elevated coastal zones	5.4	5.4	5.4	5.4	5.4
Export instability	20.3	13.2	13.3	9.6	8.5
Agricultural instability	1.4	1.4	1.4	1.5	1.5
Victims of natural disasters	0.0	0.0	0.0	0.0	0.0
HAI	57.9	58.3	58.6	58.8	59.1
Maternal mortality rate	300.0	295.0	296.0	301.0	301.0
Under-five mortality rate	97.5	94.2	90.9	88.2	85.3
Percentage of population undernourished	30.0	30.0	30.0	30.0	30.0
Adult literacy rate	95.0	95.0	95.0	95.0	95.0
Gross secondary school enrollment ratio	26.1	26.1	26.1	26.1	26.1

Source: CDP Secretariat calculation