



## Monitoring the development progress of countries that are graduating and have graduated from the list of least developed countries\*

The Committee reviewed the development progress of Equatorial Guinea and Samoa, both of which continued to evolve. The Committee reiterated its concern that prolonged inaction by the General Assembly on the graduation of Equatorial Guinea was prejudicial to the credibility of the least developed country category.

The Committee reviewed the development progress of the graduated countries (Cabo Verde and Maldives) and noted that both have made satisfactory progress since the previous review. Both countries, however, continue to require support to complement their efforts in promoting the structural transformation of their economies and sustaining their development progress.

### 1. Monitoring the development progress of graduating countries

The Economic and Social Council, in its resolution 2011/20, requested the Committee for Development Policy to monitor the development progress of countries graduating from the least developed country category. Currently, Samoa is the only least developed country earmarked for graduation by the General Assembly. The present report also includes Equatorial Guinea, which was recommended for graduation by the Committee in 2009. That recommendation was endorsed by the Council in July 2009, but has yet to be acted upon by the Assembly.

Samoa continues to make progress in all three criteria. Its GNI per capita has increased since the 2009 review, and the rebuilding of the economy after the negative shocks of the global economic and financial crisis and the 2009 tsunami appears to be well under way. Its HAI, already the highest among the countries in the reference group (see table above), has further increased. At the same time, the country's EVI

score — although it has improved — indicates a high level of vulnerability. With graduation approaching (1 January 2014), the country may wish to continue to prepare, in collaboration with its partners, its transition strategy.

Equatorial Guinea was recommended for graduation in 2009 in accordance with the “income only” rule, as its GNI per capita was several times above the income graduation threshold. Its GNI per capita is now 12 times the graduation threshold, and the World Bank classifies Equatorial Guinea as a high-income country. The country's per capita income is likely to be maintained at a very high level owing to high oil prices. Some components of the HAI also suggest a slow but steady improvement in social indicators.

The Committee noted with concern that the General Assembly had not yet taken action on the graduation of Equatorial Guinea, despite repeated calls by the Economic and Social Council to do so. This prolonged inaction is prejudicial to the credibility of the least developed country category as a whole.

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• Excerpt from Committee for Development Policy, Report on the nineteenth session, See Official Records of the Economic and Social Council, 2012, Supplement No. 13 (E/2012/33)

## 2. Monitoring graduated countries: Cabo Verde and Maldives

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In its resolutions 59/209 and 65/286, the General Assembly requested the Committee to continue to monitor the development progress of countries that have graduated from least developed country status. The main purpose of the monitoring is to assess any signs of deterioration in the development progress of the country under consideration and bring it to the attention of the Economic and Social Council. Accordingly, the Committee reviewed progress made by Cabo Verde and Maldives.

Cabo Verde, which graduated in 2007, shows no signs of a reversal of its development progress. Both its GNI and GDP continue to grow steadily, and the HAI shows further progress. The economic vulnerability of Cabo Verde, as measured by the EVI, has been reduced remarkably, but remains high.

The smooth transition of Cabo Verde was supported by a transition strategy devised by the Government in cooperation with a donor support group. Even though some donors reduced support, overall ODA actually increased since graduation. This support proved important in offsetting the negative impact of the global economic and financial crisis on the country's tourism sector, foreign direct investment and remittances.

Maldives graduated in 2011 and exhibits a level of GNI per capita far above the graduation thresholds. It also enjoys one of the highest HAI scores among developing countries. The EVI, on the other hand, remains high, and climate change may further aggravate the country's vulnerability. The country has been very active in engaging the international community to extend support during its transition from the least developed country category.