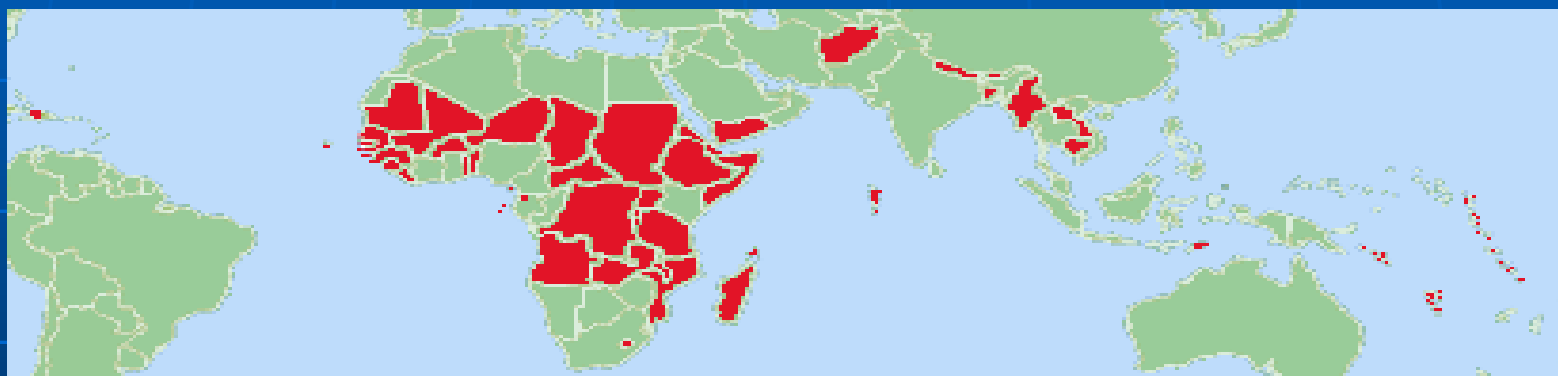# The criteria for classification of LDCs: refinements introduced by the CDP at its 13th plenary session

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Least Developed Countries = Low-income countries + facing structural handicaps to sustainable development

➜ Underscores the relevance of the three prongs (social, economic and environmental) for 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),
2. Structural vulnerability to shocks proxied by the Economic Vulnerability Index (EVI)

Indicators included in the LDC criteria

HAI
(equal weights)

- % undernourished
- U5MR
- Gross secondary enrolment
- Adult literacy

GNI per capita

EVI

Exposure index
- Smallness: Population (1/4)
- Location: Remoteness (1/8)
- Structural:
– Export concentration (goods) (1/16)
– Agric., Forestry and Fisheries (% GDP) (1/16)

Shock index
- Natural shock:
– Homelessness (1/8)
– Agricultural production (1/8)
- Trade shock: Exports of goods and services (1/4)

Climate change and the LDCs

- CC is expected to increase climate variability as well as the intensity and frequency of extreme events

- Permanent shock to temperature, precipitation and sea level

- Strongly correlated to other environmental problems (loss of biodiversity, desertification)

- For the LDC perspective: Not isolated phenomenon ➔ impacts on development processes ➔ handicap

Climate change and the LDCs

Main developmental impacts identified in the literature:

- Agriculture
- Natural disasters
- Health
- Water availability
- Coastal and marine zones
- Ecosystems and biodiversity

Current indicators capture relevant aspects of cc vulnerability (health and agriculture), but not sufficiently

Selecting indicators: requirements

- Relevance
- Observations
- Methodologically robust
- Comparable
- Coverage
- Frequency

Indicators of CC developmental impacts: applying the requirements

- Strengthened link between CC and natural disasters: *victims of natural disasters* (% killed or affected) to replace *homelessness* (% without shelter)
  - Improved coverage of droughts as well as heat and cold waves
  - Generally better data coverage

- Inclusion of vulnerability to coastal impacts: *% living in low elevated coastal zones*

- No suitable indicators available on impacts on water availability, ecosystems and biodiversity

Review of existing indicators in the criteria

- Retained GNI per capita (World Bank Atlas method) as measure of income: no change

- Retained HAI as measure of human capital: no change in components or weights

- Retained EVI as measure of structural vulnerability with changes: in weights, components and names

Comparing EVI: old and new

OLD

Exposure index
- **Smallness**: Population (1/4)
- **Location**: Remoteness (1/8)
- **Structural**:
  – Export concentration (goods) (1/16)
  – Agric., Forestry and Fisheries (% GDP) (1/16)

Shock index
- **Natural shock**:
  – Homelessness (1/8)
  – Agricultural production (1/8)
- **Trade shock**: Exports of goods and services (1/4)

NEW

Exposure index
- **Size**: Population (1/8)
- **Location**: Remoteness (1/8)
- **Economic Structure**:
  – Export concentration (goods) (1/16)
  – Agric., Forestry and Fish. (% GDP) (1/16)
- **Environment:** Share of pop in LECZ (1/8)

Shock index
- **Natural shock**:
  – Victims (1/8)
  – Agricultural production (1/8)
- **Trade shock**: Exports of goods and services (1/4)

Impact on the category

- Applying the refined EVI to the 2009 triennial review shows:
  - High correlation between 2009 EVI and refined EVI
  - Changes in the values of EVI components between 2006 and 2009 have stronger impact than EVI refinement
  - No impact on graduation eligibility
  - PNG would not have been eligible for inclusion
- Impact of refinement could become more important in the future.

Additional information

Available at the CDP web site:

www.un.org/en/development/desa/policy/cdp