

Graduation of least developed countries - Recent developments -

LDC Sub-Committee, WTO
Geneva, 30 October 2018



- Background – the Committee for Development Policy
- Overview of the LDC graduation criteria and process
- Recent developments
- Support to graduating LDCs



Committee for Development Policy

Principal Organs of
the United Nations

General Assembly

Security Council

Economic and Social
Council

Secretariat

International Court
of Justice

Trusteeship Council

Advisory body of ECOSOC. 24 experts in their personal capacity.



Committee for
Development Policy
(Advisory body)

Department of
Economic and Social
Affairs

CDP Secretariat

On LDCs:

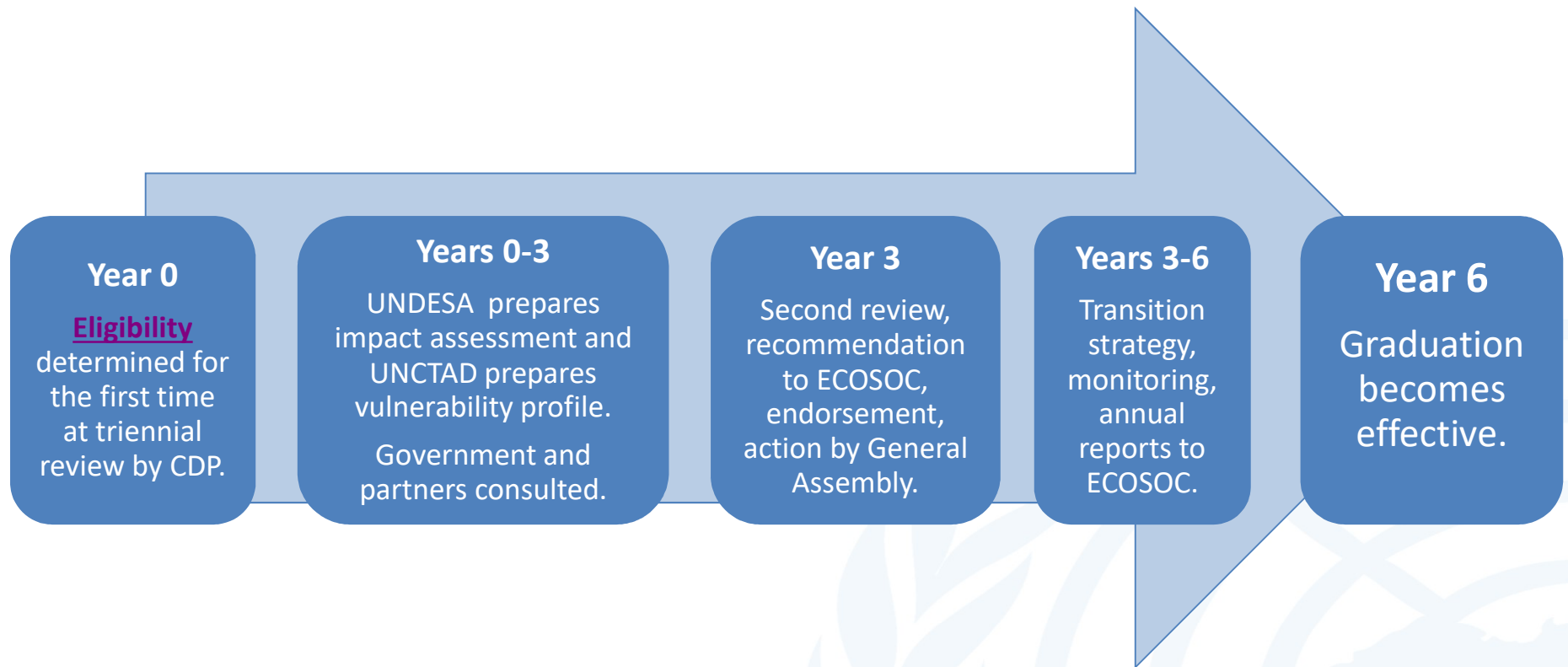
Periodically reviews the list
of LDCs (Triennial reviews
since 1991)

Developed and refines the
criteria and procedures
(Multi-year work
programme, 2017-2020)

Monitors graduating and
graduated LDCs

New work programme on
support for graduation

Graduation process – standard timeline



Asymmetry between inclusion and graduation. Binary nature of category vs. complex development pathways.

Graduation processes so far

	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21
Botswana	✓																														
Cabo Verde													✓																		
Vanuatu						✓																✓									
Maldives										✓			✓																		
Samoa																✓															
Tuvalu																						✓						*			
Equatorial Guinea																			✓												
Angola																									✓						
Kiribati																											*				

✓ Recommended by CDP

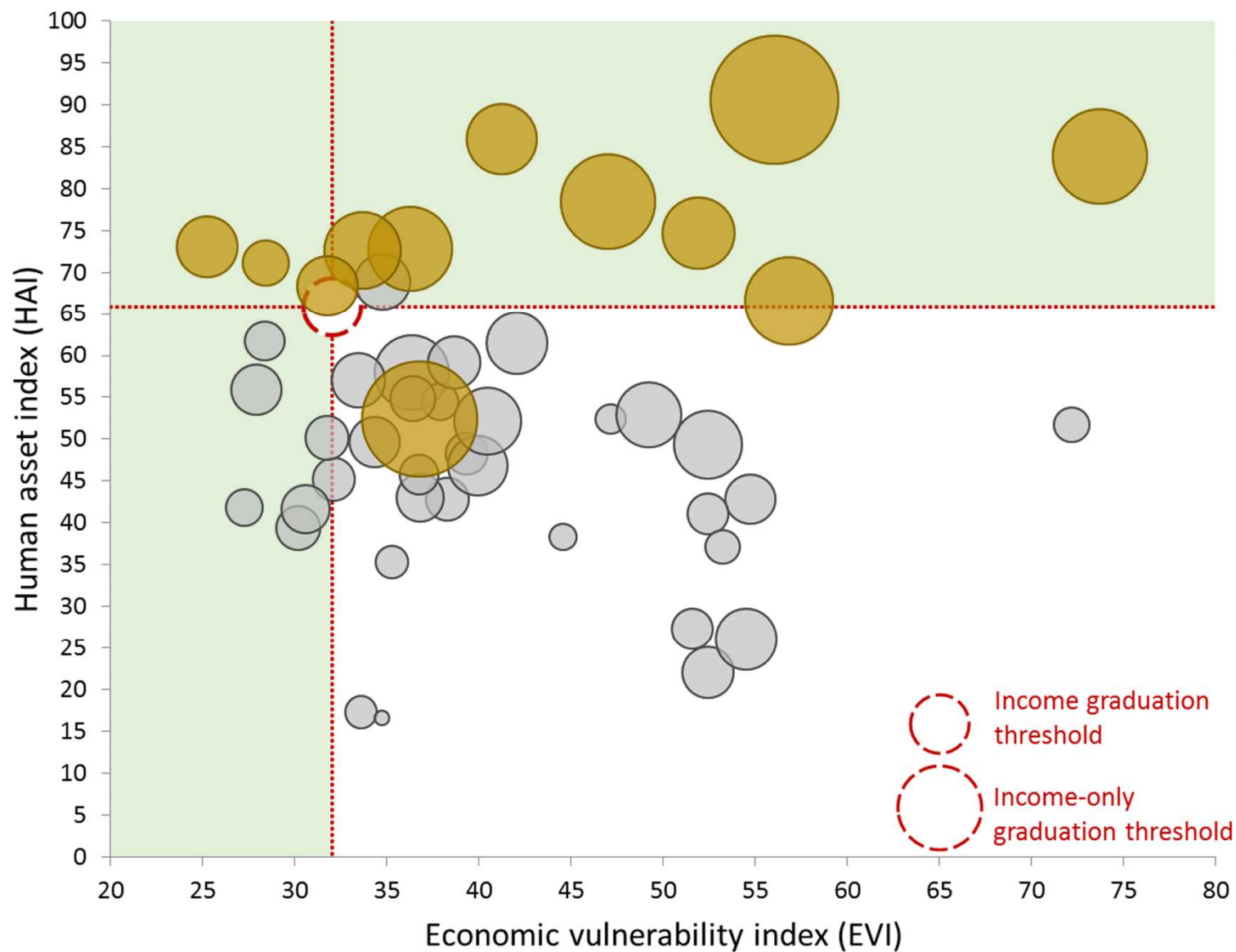
* In 2018 ECOSOC deferred the consideration of the recommendation “to no later than 2021”. Extreme vulnerability.

Other countries in the pipeline:

Bhutan, Sao Tome and Principe, Solomon Islands, Nepal, Timor-Leste, Bangladesh, Lao PDR, Myanmar



2018 Triennial review results– overview



- ✓ 12 LDCs meet the graduation criteria
- More countries than ever
- Far below IPoA target

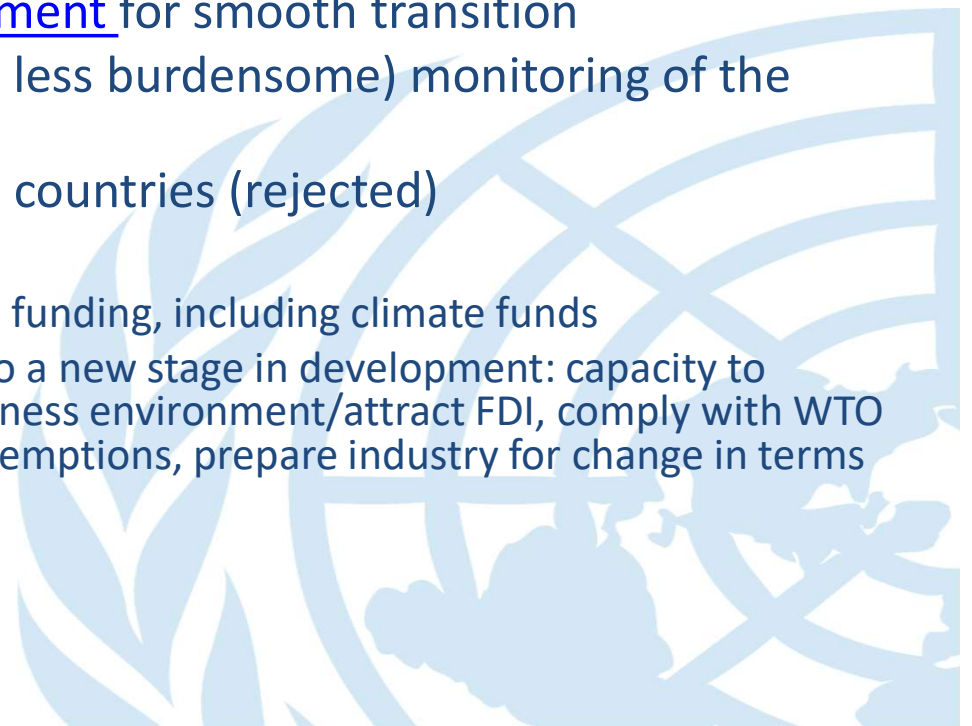


Graduation pipeline - overview

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	...
Tuvalu	(In pipeline since 2006)			ECOSOC deferred the consideration of the recommendation “to no later than 2021”.						ECOSOC	
Kiribati	(In pipeline since 2012)										
Bhutan	CDP first finding: Income and HAI			CDP✓: Income and HAI ECOSOC					?	Pending decision by General Assembly	
Sao Tome and Principe	CDP first finding: income and HAI			CDP✓: Income and HAI ECOSOC							
Solomon Islands	CDP first finding: income and HAI			CDP✓: Income and HAI ECOSOC			?				
Nepal	CDP first finding: HAI and EVI			CDP: HAI and EVI Deferred – political and constitutional changes			CDP Triennial review				
Timor-Leste	CDP first finding: income only			CDP deferred: income-only met and HAI marginally, but concern on sustainability of income						Earliest date of graduation	
Bangladesh				CDP first finding: 3 criteria							
Lao PDR				CDP first finding: income and HAI							
Myanmar				CDP first finding: 3 criteria							

Support to graduating LDCs

- “Smooth transition” in General Assembly resolutions
- 2018: CDP work programme on support to countries through graduation and beyond
- Inter-Agency Task Force
- Areas:
 - More on smooth transition (phasing out, avoid abrupt disruptions)
 - Improved support for preparation for graduation and transition, early impact assessment
 - More effective [UN system engagement](#) for smooth transition
 - Improved and more effective (and less burdensome) monitoring of the transition process
 - Category for extremely vulnerable countries (rejected)
 - Support:
 - To access available instruments and funding, including climate funds
 - To face challenges in transitioning to a new stage in development: capacity to negotiate trade deals, improve business environment/attract FDI, comply with WTO agreements after the loss of LDC exemptions, prepare industry for change in terms of market access
 - Pledging conference
- Gradjet



Before graduation

How graduation works, information about your country's LDC status and suggestions on what to do in the years before graduation

Case studies, background reading and contacts



Information



Information and suggested activities for when your country has been identified for graduation

Activities



During graduation

Information and suggested activities when your country has been identified for graduation

Good practice, expert views, contacts and examples of smooth transition strategies



Information



Good practice, expert views, contacts and examples of smooth transition strategies

Activities



After graduation

Suggestions on how to manage graduation and incorporate it into policymaking

Good practice, expert views, contacts and case studies



Information



Four ideas about how to move forward successfully

Activities





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Graduation eligibility criteria

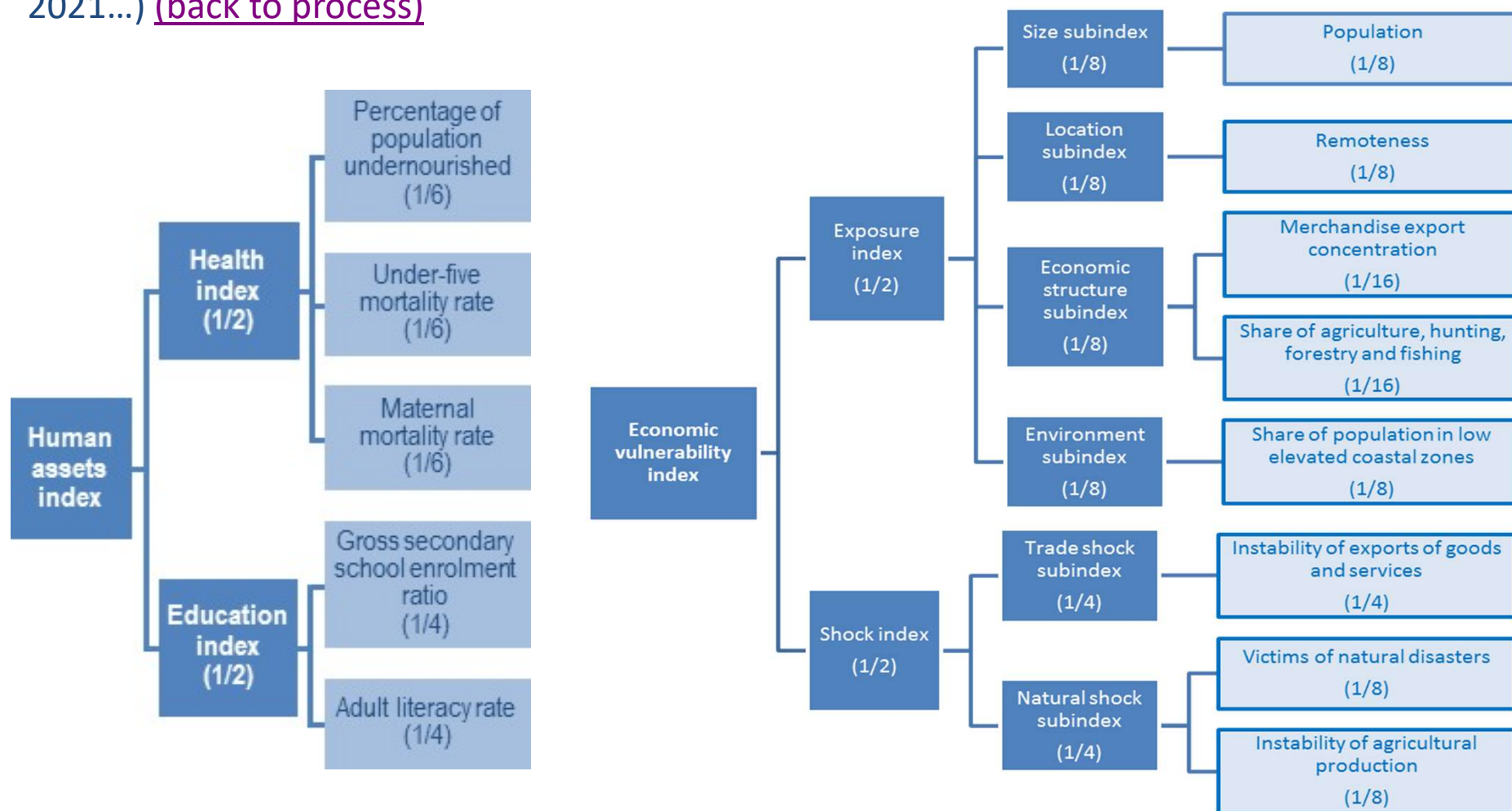
2 out of 3 of: GNI per capita > 1.2x the 3-year average of WB low-income threshold (\$1,230)

Human Assets Index > 66

Economic Vulnerability Index < 32

OR 2x GNI per capita threshold

At two consecutive “Triennial Reviews” of the Committee for Development Policy (2015, 2018, 2021...) ([back to process](#))



Entities working with LDCs and graduation

