



United Nations  
**CDP**  
Committee for  
Development Policy

CDP Policy Review No. 7

November 2018

## CDP Policy Review Series

# Comparison of Indicators for Identification of Least Developed Countries and for Measuring Progress Towards the Sustainable Development Goals

by Namsuk Kim

[The CDP Policy Review Series](#) is a collection of research outputs prepared by members of the Committee for Development Policy and its Secretariat. The publications focus on sustainable development policy issues dealt with by the CDP in its discussions for preparing its reports to ECOSOC. The views and opinions expressed herein are those of the author and do not necessarily reflect those of the CDP nor the United Nations Secretariat. The designations and terminology employed may not conform to United Nations practice and do not imply the expression of any opinion whatsoever on the part of the Organization.

# Comparison of Indicators for Identification of Least Developed Countries and for Measuring Progress Towards the Sustainable Development Goals

Namsuk Kim<sup>1</sup>

## Abstract

This paper provides an overview on the interlinkage between Sustainable Development Goals (SDGs) achievement and Least Developed Country (LDC) graduation, by examining the relationship between the indicators to be used for monitoring progress toward SDGs, and the ones currently used for LDC classification and also the ones considered by the Committee for Development Policy in the past. It aims to assist the policy makers to enhance effectiveness of their development policies, by taking into consideration the indicators of the SDG review framework and the ones in the LDC classification that are related to one another. It finds that there is a fundamental conceptual difference between the objectives of SDG monitoring indicators and the LDC classification indicators: while SDG monitoring indicators aim to measure outcomes of development progress, LDC indicators attempts to measure structural factors that hinders development. This difference in objective results in difference in the selection and interpretation of indicators. Nevertheless, there is a substantive overlap between the SDG review indicators and LDC indicators, because some of the indicators can have characteristics of both development outcome and structural handicap to some extent: 11 out of 17 SDGs have targets explicitly linked to LDC criteria. On the other direction, 12 out of 14 LDC indicators are related to SDG indicators. For SDG 5 (gender), 6 (water and sanitation), 7 (energy), 12 (consumption and production), 15 (life on earth), and 16 (peace), none of their targets is covered by the current LDC criteria, although many of the indicators associated with those goals have been investigated and rejected by the Committee in the past for various reasons. Since two agenda aim for conceptually different goal posts, making efforts in full capacity on both fronts – overcoming constraints and moving toward outcomes – is the only way to graduate from LDC category and to accomplish the Agenda 2030, leaving no country or no people behind.

## I. Introduction

While remarkable socioeconomic progress occurred around the world in the past decades, the majority of the least developed countries (LDCs), which constitute the poorest and most vulnerable group of countries, were not able to share the global progress. The principle of universality of the Sustainable Development Agenda, represented by the phrase, “Leaving No One Behind”, would be met only when the countries that start farthest behind – LDCs—are able to catch up and achieve goals and target identified in the 2030 Agenda.

As mandated by the General Assembly, the global indicator framework for the 2030 Agenda “will be simple yet robust, address all Sustainable Development Goals (SDGs) and targets, including for means of implementation, and preserve the political balance, integration and ambition contained therein (A/RES/70/1, para. 75).” Member States also recognized the importance of adequate data for the follow-up and review of progress made in implementing the Goals and targets of the 2030 Agenda and agreed to intensify efforts to strengthen statistical capacities of developing countries. LDCs are among the particular cases that need special attention in this regard (para 74).

---

<sup>1</sup> Economic Affairs Officer, Committee for Development Policy Secretariat, Economic Analysis and Policy Division, Department of Economic and Social Affairs, United Nations. kimnamsuk@un.org

Member States, in the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action (IPoA) for the LDCs for the Decade 2011-2020, stressed that the implementation of the agreed actions needs to be accelerated in order to meet the goals and targets of the IPoA, reiterating a strong commitment by the international community to give special attention to LDCs in the implementation of the 2030 Agenda (A/CONF.228/L.1, para 11). Member States recommend the reviews [of the graduation criteria for LDCs] be comprehensive, taking into account all aspects of the evolving international development context, including relevant agendas (para 48).

The United Nations Committee for Development Policy (CDP) is responsible for undertaking, once every three years, a review of the list of LDCs, on the basis of which it advises the Economic and Social Council (ECOSOC) with regard to countries that should be added to or those that could be graduated from the list. The CDP has recognized the importance of maintaining stability in the criteria and in the application of the established procedures to ensure the credibility of the process and, consequently, of the category. In establishing which indicators to use, the CDP selected those that proved to be sufficiently stable over time to minimize the likelihood of easy reversibility of status from LDC to non-LDC, and vice versa, owing to dramatic fluctuations in any single criterion.

The CDP has also recognized that the LDC classification criteria need to fully reflect international development context that continues to change over time. The LDC criteria have been periodically reviewed by the CDP since the establishment of the category in 1971. As a result of those reviews, important principles have been adopted to ensure that graduation takes place only after a country's development prospects have significantly improved, and the graduated country can sustain its development path, therefore further contributing to the stability of graduation outcomes.

It becomes clear that the opportunities and challenges of LDCs in the implementation of the international agreements and especially the SDGs need to be explored in order to ensure coherence and synergies between the different international agendas. A review of progress made for IPoA goals and targets vis-à-vis SDGs demonstrates that the IPoA and the 2030 Agenda are largely mutually reinforcing.<sup>2</sup> A comparison of different scenarios at the country level also strongly indicates the importance of a thorough understanding of linkages, synergies and trade-offs across the Goals, as well as the relative benefits of different implementation plans for each country.<sup>3</sup> The structural handicaps that LDCs are facing, which are incorporated in the LDC classification indicators, need to be further analyzed to reveal possible synergies or differences between LDC graduation and SDG achievement.

The objective of this paper is to provide an overview on the interlinkage between SDG achievement and LDC graduation, by examining the relationship between the indicators to be used for monitoring progress toward SDGs, and the ones used for LDC classification. It aims to assist the Governments of LDCs to enhance effectiveness of their development policies, by taking into consideration the indicators of the SDG review framework and the ones in the LDC classification that are related to one another. At the same time, the result of this analysis will contribute to the international dialogue to mobilize the means required to implement the 2030 Agenda, particularly for the LDCs.

---

<sup>2</sup> OHRLLS, State of The Least Developed Countries 2016, Follow up of the Implementation of the Istanbul Programme of Action for the Least Developed Countries, Special Theme: Coherence and Synergies between the IPoA and the 2030 Agenda, July 2016.

<sup>3</sup> UN ESCAP, From the Istanbul Programme of Action to the 2030 Agenda for Sustainable Development, 2016.

In this paper, I describe the criteria for LDC identification and graduation (section 2), explain the mechanism for revision of the criteria (section 3), conduct a conceptual review of common and different factors of SDGs and LDC indicators (section 4), overview how SDG targets and indicators are related to LDC indicators (section 5), and conclude (section 6).

## II. LDC identification criteria

The LDCs are defined as low-income developing countries suffering from severe structural impediments to sustainable development. Indicators of such impediments are a high vulnerability to economic and environmental shocks and low levels of human assets. The CDP utilizes three criteria to identify LDCs:

- a) Gross national income (GNI) per capita;
- b) The human assets index (HAI);
- c) The economic vulnerability index (EVI).

GNI per capita serves as a measure of income and the overall level of resources available to a country, whereas HAI and EVI measure main structural impediments to sustainable development. Both the HAI and the EVI are indices composed of several indicators.<sup>4</sup>

### (a) GNI per capita

GNI per capita provides information on the overall level of resources available to a country. GNI in local currency is recorded in the national accounts in accordance with the relevant international standards. It is then converted into the United States dollar, using the World Bank Atlas method to calculate conversion factors. The Atlas method is based on market exchange rates, but aims to reduce the impact of short-term exchange rate fluctuations on GNI in US dollars. GNI in US dollars is then divided by the annual population of a country to determine GNI per capita.

The threshold for inclusion is set at the three-year average of the level of GNI per capita, which the World Bank defines for identifying low-income countries. For instance, in the latest review in 2018, the threshold for inclusion in the LDC category was \$1,025. The threshold for graduation was \$1,230 which is set at 20 per cent above the inclusion threshold.

### (b) HAI

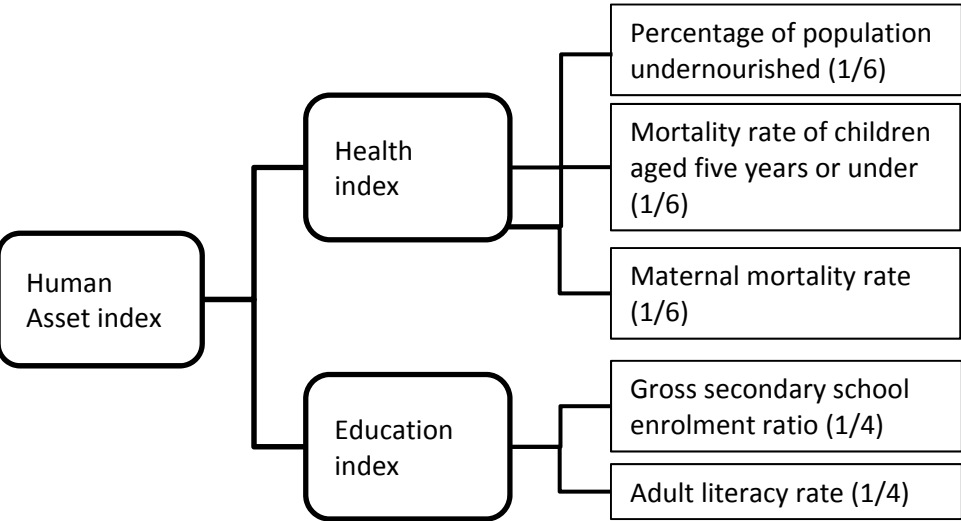
The HAI is a measure of the level of human capital. Good health is a critical part of human well-being, and improving the health status of the population leads to the increase in the productivity, educational attainment and poverty reduction. Education is another major element of human well-being itself, and a low level of education implies a low productivity, and limited capacity to absorb technological advances. The HAI consists of five indicators, three on health and nutrition and two on education (see figure 1), with each one having an equal weight in the overall HAI.<sup>5</sup> A higher HAI index represents a higher development of human capital. As

<sup>4</sup> Updated information on the LDC criteria are made available on the CDP website, [cdp.un.org](http://cdp.un.org).

<sup>5</sup> Maternal mortality rate is added to the HAI starting from the 2018 triennial review.

HAI indicators are measured in different units, indicator values are first converted into index scores between 0 and 100 through a max-min procedure.

Figure 1. Composition of the human asset index (HAI)



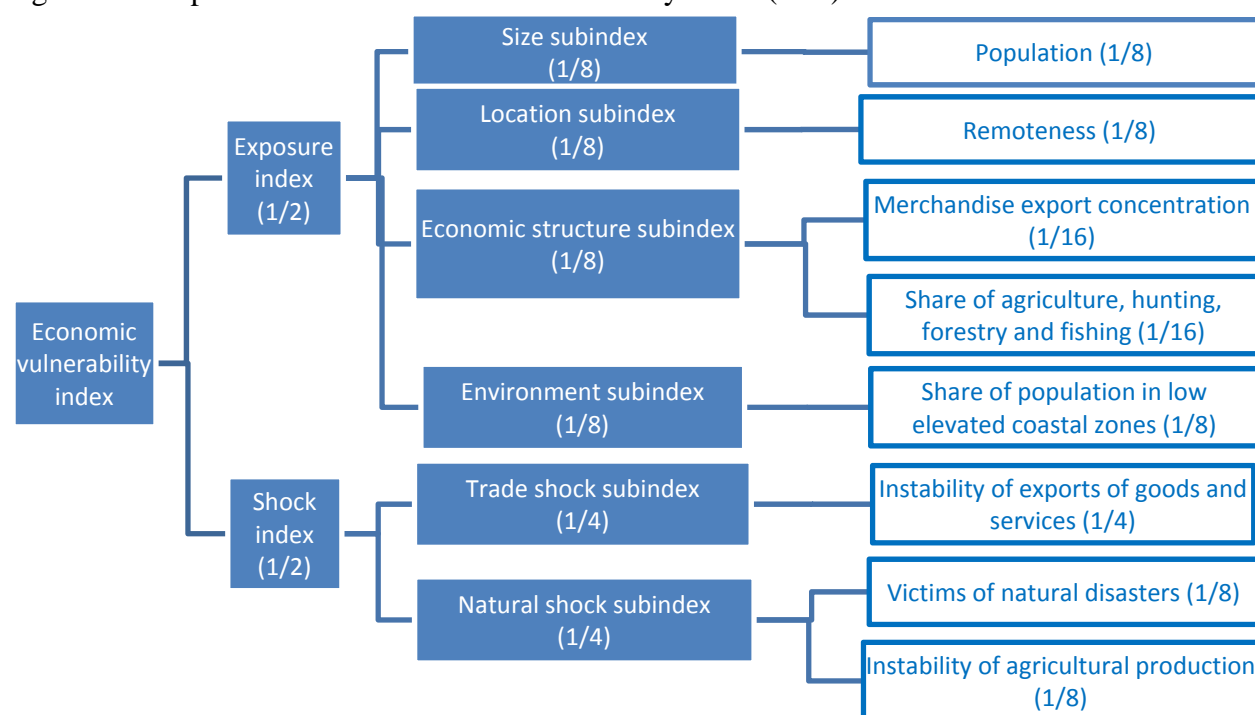
Note: Numbers in parenthesis indicate the weight in the HAI.

The HAI threshold for inclusion into the LDC category at the 2018 triennial review was set at 60, the same value as in 2015. The graduation threshold was set at 10 per cent above the inclusion threshold at 66.

(c) EVI

The EVI measures the structural vulnerability of countries to economic and environmental shocks. High vulnerability is a major impediment to sustainable development in view of heightened exposure to shocks and their long lasting negative impacts. Vulnerability depends mainly on the magnitude and frequency of such shocks, and on the structural characteristics of the country concerned. The EVI covers two types of shocks: external trade shocks and environmental or natural shocks. The latter include natural disasters, weather shocks unfavourable for agriculture production and permanent shocks caused by climate change. Accordingly, EVI is composed of eight indicators, grouped into two main components: an exposure index and a shock index (see figure 2). As these indicators are expressed in different measurement units, indicator values are first converted into index scores between 0 and 100, using the max-min procedure. A lower EVI index indicates lower economic vulnerability.

Figure 2. Composition of the economic vulnerability index (EVI)



Source: UN CDP (2015), Handbook on the Least Developed Country Category, figure III.3

Note: Numbers in parenthesis indicate the weight in the EVI.

The EVI threshold for inclusion into the LDC category was set at 36 in the 2018 triennial review, the same value as in 2015. The graduation threshold was set at 10 per cent below the inclusion threshold at 32.

The official graduation eligibility process was formulated in 1991. In principle, at least two out of the three criteria must pass the graduation thresholds, in order to be eligible for graduation. When a country is identified as eligible for graduation for two consecutive triennial reviews, then additional procedure is implemented for a possible graduation.<sup>6</sup>

As an exception, a country is eligible for graduation if its GNI increases to a sufficiently high level—defined as at least twice the graduation threshold level—even if that country has not satisfied the graduation thresholds for both the HAI and the EVI. Higher levels of GNI per capita often indicate greater availability of resources for the implementation of those policies required to improve a country’s human assets and confront existing economic vulnerabilities. It is important, however, that the sustainability of the GNI level must be taken into consideration.<sup>7</sup> This is called “income-only” graduation criterion, and the income-only graduation threshold, which is twice the normal graduation threshold, was set at \$2,460 in the 2018 review.

The inclusion and graduation processes are summarized in table 1. There is an intentional asymmetry between the inclusion and graduation processes. The asymmetric application of inclusion/graduation is to ensure that graduation takes place only after a country’s development prospects have significantly improved, and the

<sup>6</sup> For the graduation process, see UN CDP (2015), p.13.

<sup>7</sup> Report of the Committee for Development Policy on the seventh session (14-18 March 2005), Official Records of the Economic and Social Council, 2005, Supplement No. 33 (E/2005/33).

graduated country can sustain its development path, therefore further contributing to the stability of graduation outcomes.

Table 1. LDC inclusion and graduation processes

Criteria	Inclusion		Graduation
	Number to meet	All three	Two of the three*
	Threshold	Income thresholds established at each review; HAI and EVI set absolutely	Set higher than inclusion
	Population	Smaller than 75 million	Not relevant
<b>Eligibility</b>		One review	Two consecutive reviews
<b>Timing</b>		Effective immediately	Preparatory period
<b>Approval by country</b>		Required	Not required

Source: Adapted from UN CDP (2015), Handbook on the Least Developed Country Category, table I.1.

Note: \*Except in cases where GNI per capita is at least twice the graduation threshold level.

### III. LDC criteria review mechanism

To categorize countries, the following principles and approaches have been adopted:

- choosing indicators that are relevant, methodologically robust and available for all countries concerned;
- using an asymmetric approach between inclusion and graduation criteria;
- maintaining the stability of the criteria;
- ensuring equitable treatment among countries over time;
- and applying the criteria in a flexible manner.

The indicators used as LDC criteria have been selected on the basis of their relevance to measuring structural impediments, their methodological soundness and the availability of the data with regard to frequency and coverage. In order to ensure comparability across countries, all indicators are based on internationally available data.

In the assessment of the LDC category in 1971, common features among developing countries which were lagging behind were identified as follows:

- Very low levels of per capita income;
- Dominance of agriculture or primary activities, predominance of subsistence activities, low levels of labour productivity, particularly in food production;
- Limited manufacturing and an undiversified production structure reflected in high export concentration and dependence on two or three primary commodities, and high volatility of export earnings;
- Low level of education and an overall shortage of skills to organize and manage development, limited capacity to absorb technological advances, poor health and nutrition outcomes;
- Lack of adequate physical and institutional infrastructure for development;



- vi. Economically small (by population or national income), undiversified natural resource base.<sup>8</sup>

To reflect these common characteristics, three indicators were selected as criteria to classify countries as LDCs in 1971:

- a) GDP per capita, which gives a general indication of the dimensions of poverty and overall level of development;
- b) The share of manufacturing in GDP, which conveys information on the extent of structural transformation of the economy; and,
- c) Adult literacy rate, which specifies the size of the base for enlarging a skilled labour force.

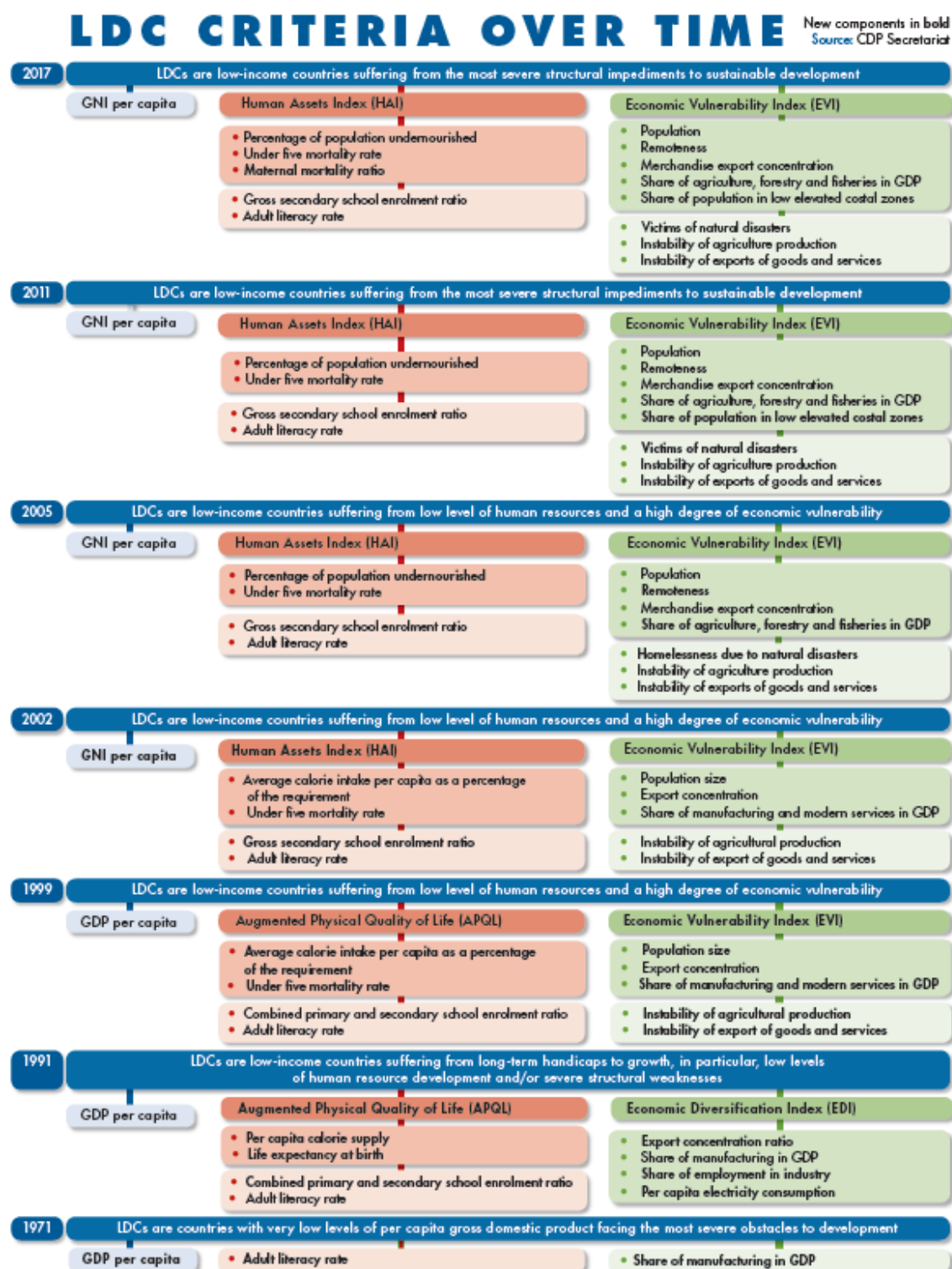
All the necessary steps have been taken to ensure that the criteria are based on the best available methods and information, and has put significant efforts into developing a consistent set of criteria throughout the years. However, occasional refinements of the LDC criteria has become necessary to take into account new insights from research on economic development, updated information regarding the structural impediments to development and ongoing improvements in, and the availability of, reliable and internationally comparable data. To reflect these changes in research and data, a number of improvements have been introduced into the criteria since 1971 (see figure 3). In addition, countries with a population exceeding 75 million should not be considered for inclusion in the list of LDCs since 1991.

---

<sup>8</sup> Report of the Committee for Development Planning on the seventh session (22 March -1 April 1971), *Official Records of the Economic and Social Council, Fifty-first session, 1971, Supplement No. 7.*



Figure 3. LDC criteria over time, as of the 2018 triennial review



Source: UN CDP.

There have been also a number of refinements in setting the graduation thresholds for each criterion. Until the 2012 triennial review, the thresholds for the HAI were established based on the distribution of HAI values of a reference group of countries.<sup>9</sup> The HAI inclusion threshold was set at the index score corresponding to the third quartile of the distribution of the HAI within the reference group, with the graduation threshold set 10 per cent higher. Consequently, the value of the thresholds varied over time as the composition of the reference group changed and their performance evolved from review to review.

In 2014, the CDP decided to fix both inclusion and graduation thresholds at their 2012 review levels, with adjustments permitted for eventual changes in indicators, methodologies or data sources in future reviews. Absolute thresholds enable countries to qualify for graduation if they make significant progress in overcoming the structural impediments they face, independently of the progress (or regress) of other countries.

As in the case of HAI, the inclusion and graduation thresholds for the EVI have been permanently fixed at the 2012 level.

## IV. Conceptual review of LDC criteria and SDG indicators

There is a fundamental difference between the objectives of SDG monitoring indicators and the LDC classification indicators: while SDG monitoring indicators aim to measure **outcomes** of development progress, LDC indicators attempts to measure **structural factors** that hinders development. This difference in objective results in difference in the selection and interpretation of indicators.

If reviewed based on a human-rights approach, monitoring indicators for international development agenda could be categorized to three groups: **structure**, **process**, and **outcome indicators**.<sup>10</sup> Structural indicators are related to macro- and meso-levels in the economic and social architecture, and help in capturing the systematic factors related to undertake measures in achieving development goals. Process indicators help in assessing a country's efforts, through its implementation of policy measures and programmes of action, to transform its commitments into the desired results. Outcome indicators help in assessing the results of a country's efforts in furthering development outcomes.

The global indicator framework for 2030 Sustainable Development Agenda was developed by the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) and agreed to, at the UN Statistical Commission in 2016. The Report of the IAEG-SDGs includes 230 indicators on which general agreement has been reached (E/CN.3/2016/2/Rev.1). As indicated by Member States of the Open Working Group of the General Assembly on SDGs in its report, the SDGs "are accompanied by targets and will be further elaborated through indicators focused on **measurable outcomes**. They are action oriented, global in nature and universally applicable. They take into account different national realities, capacities and levels of development and respect national policies and priorities (A/68/970 and Corr.1, sect. IV, para. 18)". Furthermore, the General Assembly requested that the SDGs with 169 associated targets are to formulate common action and endeavour across such a broad and

<sup>9</sup> The reference group consisted of all LDCs and other low-income countries. The actual composition of the reference group varied between reviews, due to inclusion or graduation from the LDC category and changes in the set of countries classified as low-income by the World Bank. Over time, the number of non-LDC low-income countries has shrunk, so that the reference group would almost exclusively consist of LDCs.

<sup>10</sup> The Office of the United Nations High Commissioner for Human Rights (2012), Human Rights Indicators: A Guide to Measurement.

universal policy agenda. The global indicator framework needs to incorporate **implementation policies** and political aspects (A/RES/70/1, para. 75). Therefore, the targets, and their monitoring indicators intend to measure development outcomes and they are closely linked to policies at the national, regional and international level.

Therefore, SDG indicators are mostly “outcome” oriented indicators, with a few “process” indicators. There are relatively few “structural” indicators under certain goals, because such indicators will make it difficult to measure the efforts undertaken by states, and to link these efforts to the outcomes.<sup>11</sup> Similarly, MDG indicators were largely focused on outcome indicators, because the objective of the MDGs was to frame the concept of development as a set of basic needs outcomes, rather than as a process of transformative change in economic, social and political structures, much emphasis has been placed on outcome-based indicators.<sup>12</sup>

On the other hand, as described in the previous section, the LDCs are defined as low-income developing countries suffering from severe structural impediments to sustainable development. In the choice of statistical indicators to identify countries to be included in the LDC category, it is intended to capture **measures of long-term structural handicaps**. The goal is to minimize the possibility of including indicators that are direct results of misguided policies. Therefore, the LDC criteria are designed to reflect structural factors, not much of the outcomes, being independent of policy choices made at the national and international level as much as possible.

For example, the EVI, one of the LDC criteria, is designed to reflect structural factors, not outcome, nor policy. It aims to capture the magnitude of vulnerability to adverse exogenous shocks. Since all countries are vulnerable to shocks to some extent, when using vulnerability as an explicit criterion to designate countries as LDCs, we focus on those sources of vulnerability that (a) accentuate or perpetuate underdevelopment, (b) are not the result of misguided policies but, instead, are such that they limit policymakers’ capacity to respond to shocks, and (c) are beyond a country’s control. There is no explicit component in the EVI to reflect resilience of the country, as some of the structural features of the country also reflect resilience, while other aspects of resilience are policy-related and therefore non-structural.

Due to these distinctive concepts and principles, the indicators to be used for reviewing progress toward SDG achievement and those used for LDC identification/graduation are selected differently. For example, some components of the EVI, such as population size and remoteness, have structural features and difficult to be changed in a short or medium term with policy interventions. These indicators are not policy-oriented or outcome-based indicators, and thus not included in the SDG monitoring framework. On the other hand, clearly policy-related indicators, e.g., the proportion of resources allocated by the government directly to poverty reduction programmes (SDG indicator 1.a.1), are not regarded as a structural handicap, and thus not included in the indicators for LDC criteria.

Nevertheless, there is an overlap between the SDG review indicators and LDC indicators, because some of the indicators can have characteristics of both development outcome and structural handicap to some extent. For

---

<sup>11</sup> The Danish Institute for Human Rights (2015), SDG Data, Indicators and Mechanisms, A human rights reference paper; Center for Economic and Social Rights (2015), The Measure of Progress: How human rights should inform the Sustainable Development Goals indicators, Human Rights Policy Brief

<sup>12</sup> Fukuda-Parr, Sakiko, Alicia Ely Yamin and Joshua Greenstein (2014), The Power of Numbers: A Critical Review of Millennium Development Goal Targets for Human Development and Human Rights, Journal of Human Development and Capabilities, 15:2-3, 105-117.

example, low levels of human capital are major challenges for countries, not only because they are a manifestation of unsustainable development –development outcome--, but also because they limit the possibilities for economic production and growth, prevent poverty eradication, exacerbate inequalities and hamper resilience to external shocks –structural handicap. As mentioned in the previous section, good health is an integral part of human well-being in all its dimensions. Improving the health status of populations increases their economic productivity, improves educational achievement and reduces poverty. A low level of education is a major obstacle to development as it implies an overall shortage of skills for the organization and functioning of the economy and reflects a low capacity to absorb technological advances. For this reason, many indicators on health and education are used for LDC classification as well as SDG monitoring.

Likewise, trade and environmental shocks are structural, and potentially affect economic activity, consumption, employment, well-being of the population, and the natural resource base of economic and social development. While these shocks are exogenous from the perspective of LDCs, the frequency and magnitude of trade shocks and environmental shocks are to some extent dependent on policy choices (or lack thereof) at the national or international level. Therefore, some indicators of EVI are used for identifying LDCs and monitoring progress toward SDGs.

## V. Comparison of LDC criteria and SDG indicators

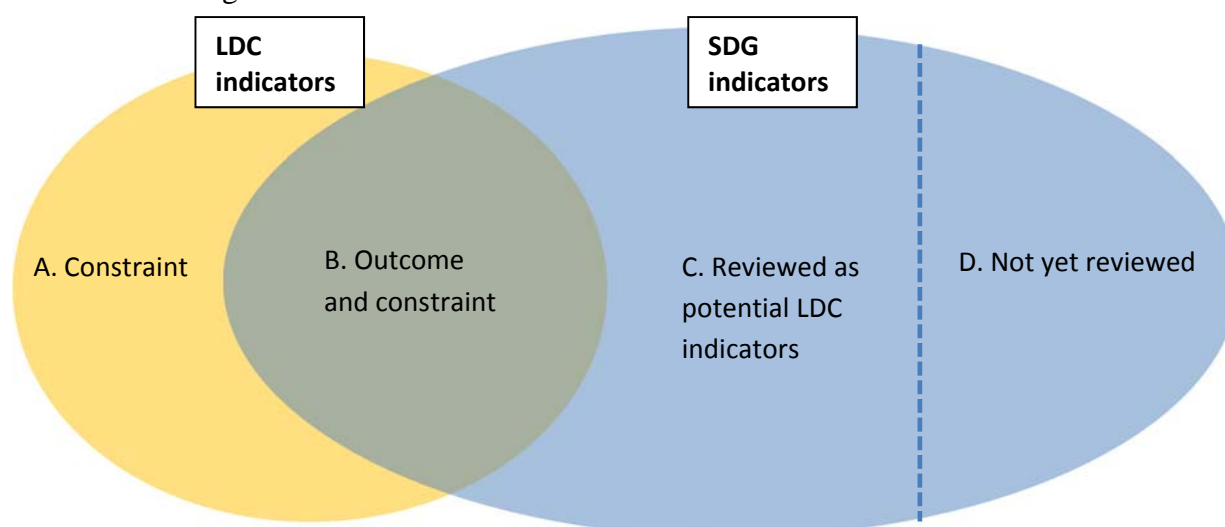
This section will provide an overview on the interlinkage between SDGs achievement and LDC identification/graduation, by examining the relationship between the targets and indicators to be used for monitoring progress toward SDGs, and the indicators used for LDC classification.

LDC indicators can be related to SDG targets and indicators in many different ways. In this paper, we consider two levels of relationship:

1. Directly related: improvement in the LDC indicator can have direct positive or negative result in meeting targets of SDGs.
2. Indirectly related: improvement in the LDC indicator can lead to improving enabling factors that in turn contribute to meeting targets of SDGs, depending on some economic and social conditions. Since this level can include very loose relationship, we take a conservative approach to analyze only the targets or indicators which have a clear linkage under plausible assumptions or scenarios.

These differences result in overlaps and distinctions between SDG indicators and LDC indicators. Table 2 illustrates the linkages between LDC indicators and SDG indicators, grouping the indicators into four groups. The group A is the LDC indicators that are regarded as structural impediments only, not much related to action or policy, at least in the short or medium term. The group B represents indicators that are used both for LDC identification, and SDG monitoring. The group C includes SDG indicators that have been reviewed in the past by the CDP as possible LDC indicators, but not adopted for various reasons. Indicators in the group D have not been reviewed by the CDP yet as of 2018.

Table 2. Linkages between LDC indicators and SDG indicators



LDC indicators		SDG indicators	
Group A. Constraint	Group B. Outcome and constraint*	Group C. Reviewed as potential LDC indicators**	Group D. Not yet reviewed
Population Remoteness	GNI per capita (8.1.1)	1. Poverty rate (1997; 2008)	About 200 indicators
	Under-five mortality rate (3.2.1)	2. Stunting (2015)	
	Undernourished (2.1.1)	3. Births attended by skilled personnel (2014)	
	Secondary school enrolment (4.1.1)	3. HIV infections (2008)	
	Literacy rate (4.6.1)	3. Mortality attributed to cardiovascular disease, etc (2015)	
	Maternal mortality rate (3.1.1)	4. Participation in education and training (1997, 2011)	
	Export concentration (8.2.1; 9.b.1; 10.a.1; 17.10.1; 17.11.1; 17.12.1)	4. Information and technology skills (2005)	
	Share of agriculture (2.4.1; 8.9.1; 9.2.1; 14.7.1; 15.1.1)	5. Legal framework (2011)	
	Population in low coastal zones (11.5.1; 11.b.1; 11.b.2)	6. Drinking water (2011)	
	Instability of exports (10.a.1; 17.10.1; 17.11.1; 17.12.1)	8. Jobs in tourism (2008; 2011)	
	Victims of natural disasters (1.5.1; 11.5.1; 11.b.1; 11.b.2; 13.1.2)	9. Access to road (1991; 1997)	
	Instability of agricultural production (2.a.1; 2.b.1; 2.b.2; 2.c.1)	9. Mobile network (2005)	
	Access to electricity*** (7.1.1)	10. Income of bottom 40% (1999; 2008; 2011)	
		10. Population below 50% of median income (1999; 2008; 2011)	
		10. Resource flows for development (2010)	
		10. Remittances cost (2008; 2011)	
		11. Disaster economic loss (2002)	
		12. Material consumption (1991)	
		16. Homicide (2008; 2011)	
		16. Conflict deaths (2008; 2011)	

Note: \* directly or indirectly related SDG indicators are in parenthesis; \*\* number represents corresponding SDG, and year in which CDP considered the indicator is in the parenthesis; \*\*\* used as a LDC indicator during 1991-1999.

In sum, while two LDC indicators (Population and Remoteness) are regarded as strictly structural indicators and not related to action-oriented SDG monitoring framework, all the other LDC indicators currently or previously in use are closely linked with SDG monitoring indicators in various goals and targets. A significant number of SDG indicators and areas have been reviewed by the CDP in the past for possible inclusion in the LDC criteria, but rejected for various reasons. The reasons of discarding the indicators are: duplication, data deficient, no structural impediment, and country specific issues.<sup>13</sup>

<sup>13</sup> The CDP's considerations on the adoption of the indicators also changed over time, as the development context and data collection evolved (e.g., population living in low elevated coastal zone was rejected in 2008, and adopted in 2011). In some cases, detailed discussion and reasons for CDP's action on the LDC indicators are not available in official documents.

Table 3 takes another approach to highlight the areas of the Agenda 2030 not overlapped by the current LDC criteria. It is easy to notice that for some of the goals, such as Goal 5 (gender), 6 (water and sanitation), 7 (energy), 12 (consumption and production), 15 (life on earth), and 16 (peace), none of their targets is covered by the current LDC criteria, although many of the targets have been investigated by the CDP in the past.<sup>14</sup>

Table 3. Overview of the relations between SDG targets and LDC indicators

SDG	GNI	HAI					EVI							
		Child mortality	Undernourishment	Maternal mortality	Secondary school	Literacy	Population	Remoteness	Export concentration	Share of agriculture	Low elevate coastal	Export instability	Natural disasters	Agricultural instability
1. End poverty in all its forms everywhere											1.5			
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture			2.1											2.3 2.4
3. Ensure healthy lives and promote well-being for all at all ages		3.2		3.1										
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all					4.1	4.6								
5. Achieve gender equality and empower all women and girls														
6. Ensure availability and sustainable management of water and sanitation for all														
7. Ensure access to affordable, reliable, sustainable and modern energy for all														
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.1								8.2	8.9				
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation									9.b	9.2				
10. Reduce inequality within and among countries												10.a		
11. Make cities and human settlements inclusive, safe, resilient and sustainable											11.5 11.c		11.5 11.b 11.c	
12. Ensure sustainable consumption and production patterns														
13. Take urgent action to combat climate change and its impacts											13.1		13.1	
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development										14.7				

<sup>14</sup> For instance, the peace issue was reviewed in 2011, the gender issue in 2014/15, and so on.



15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss														
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels														
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development									17.11			17.11		

Source: E/CN.3/2016/2/Rev.1; Handbook on the Least Developed Country Category.

In the following section the linkages of LDC indicators and SDG targets for each goal are described in detail.<sup>15</sup>

## SDG 1. No Poverty

Indicators on poverty levels have been proposed as a new component of the LDC criteria in 1997/98 and in 2008. Data for comparing poverty levels in all developing countries, however, were inadequate for the purpose of LDC classification. The purpose of the criteria is to reflect the development capacity of a country rather than the outcome of development, and thus the poverty indicators were not included in the LDC criteria.

But one target of SDG 1 is directly related to a sub-indicator of the EVI. Target 1.5 is to build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. One of the indicators to monitor this target (1.5.1) is the number of deaths, missing persons and persons affected by disaster per 100,000 people. The EVI includes a sub-indicator, victims of natural disasters, which is the same indicator with a slight difference in data sources.

## SDG 2. Zero Hunger

A few targets of SDG 2 on hunger are directly or indirectly related to LDC indicators considered or in use. Target 2.1 is to end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. The monitoring indicator (2.1.1) is the prevalence of undernourishment, which is very similar to the sub-indicator of the HAI, share of population undernourished.

The indicator on sustainable food production may be negatively related to sub-indicators of the EVI. Target 2.4 is to ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality. The monitoring indicator (2.4.1) is the proportion of agricultural area under productive and sustainable

<sup>15</sup> Further details of the review on indicators can be found in the CDP Report to the ECOSOC.  
[https://www.un.org/development/desa/dpad/document\\_cdp/cdp-report/](https://www.un.org/development/desa/dpad/document_cdp/cdp-report/)



agriculture. If a country makes progress in improving this indicator, it might lead to a reduction in the share of agriculture, hunting, forestry and fishing, and also in the instability of agricultural production.

Target 2.a is to increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular LDCs. The indicator (2.a.1) is the agriculture orientation index for government expenditures. This is likely to be indirectly related to the instability of agricultural production of the EVI, whereas improved agricultural productive capacity may contribute to a reduction in the instability of agricultural production.

Target 2.b is to correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round. The indicators are Producer Support Estimate (2.b.1) and Agricultural export subsidies (2.b.2). As increased export market may lead to a reduction in the instability of agricultural production, these SDG indicators may be indirectly related to the EVI.

Target 2.c is to adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility. Indicator of food price anomalies (2.c.1) will be used to monitor this target, which may be indirectly related to the EVI. Instability of agricultural production could decline if the food price anomalies are reduced.

A stunting indicator has been considered and will be further examined for possible inclusion in the LDC criteria. Target 2.2 is to end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons. Prevalence of stunting among children under five years of age will be used as an indicator (2.2.1) to monitor the progress made toward this target. In 2015, whether to replace the undernourishment indicator with stunting, as a measure of malnutrition, was considered, but the findings were that while the stunting indicator was generally understood as an effective approximation of the nutritional status of the entire population, it might be subject to measurement errors and comparability problems and not frequently updated for the purpose of the triennial reviews.<sup>16</sup>

### SDG 3. Good Health and Well-being

Target 3.2 is to end preventable deaths of newborns and children under five years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-five mortality to at least as low as 25 per 1,000 live births. The indicator (3.2.1) to monitor this target is the under-five mortality rate which is identical to the one included in the HAI.

Starting from the 2018 triennial review, the LDC criteria include maternal mortality ratio (MMR) as a fifth indicator for the HAI. MMR is defined as the number of maternal deaths related to pregnancy per 100,000 live births. It measures important structural impediments to sustainable development, such as poorly developed health systems and gender inequality, that are currently not fully captured in the HAI. Target 3.1 is to reduce

<sup>16</sup> CDP, Report on the seventeenth session, 2015, pp.24-25.

[http://www.un.org/en/development/desa/policy/cdp/cdp\\_ecosoc/E\\_2015\\_33\\_en.pdf](http://www.un.org/en/development/desa/policy/cdp/cdp_ecosoc/E_2015_33_en.pdf)

the global maternal mortality ratio to less than 70 per 100,000 live births, and the monitoring indicator (3.1.1) is identical to the LDC indicator.

Health condition is regarded as an important element of human assets, and thus various indicators have been reviewed for the LDC criteria. In 2014, an indicator to proxy the maternal mortality, namely, the percentage of births attended by skilled health personnel – SDG indicator 3.1.2-- , was reviewed. The indicator was rejected based on that it would cover only a single determinant of maternal mortality. Moreover, the definition of skilled health personnel varies across countries.

Target 3.3 is to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases. The indicator (3.3.1) is the number of new HIV infections per 1,000 uninfected population, by sex, age and key populations. The possibility of including indicators on HIV/AIDS infections was considered in 2008, but decided not to. The impact of HIV/AIDS is of considerable importance for many of the LDCs and would be better reflected in a life expectancy indicator.

Target 3.4 is to reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being, with the monitoring indicator (3.4.1) of the mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease. The indicator of death rate of lower respiratory infections was reviewed in 2015. Lower respiratory infections death rate primarily affects children under five and the elderly, with only small impact on adolescents and adults in working age. Hence, the indicator is, to large extent, subsumed by under-five mortality. Thus, the indicator may not effectively address the concern of overreliance on child health in the HAI.

## **SDG 4. Quality Education**

Target 4.1 is to ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. To monitor the progress toward this target, the indicator (4.1.1) is the percentage of children/young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics. The HAI includes the gross secondary school enrolment ratio which can be indirect related to the qualitative indicator for the target 4.1.

Target 4.6 is to ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy. The indicator (4.6.1), Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, are very closely related to the adult literacy rate that is one of the components of the HAI.

Education level is an important element of human assets. Target 4.3 is to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. To monitor this, the indicator (4.3.1) is the participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex. Tertiary education indicators were reviewed in 1997/98, and tertiary education would add little information and could reduce the accuracy of the measure of basic education as a result of the variety of tertiary education systems in different countries, compared with the more standardized indicators of primary and secondary education. The indicator was reviewed again in 2011, and comparability of data remains problematic, data coverage is limited. Secondary and tertiary gross enrolment rates are strongly correlated.

Target 4.4 is to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. The monitoring indicator (4.4.1) is the proportion of youth and adults with information and communications technology (ICT) skills, by type of skill. In 2005, the CDP reviewed an indicator on E-readiness -- personal computers per 100 population, internet users per 100 population, ITU composite digital access index, UNCTAD connectivity index, as an additional component in the HAI. It was decided not to include skill-related indicator in the HAI, based on the fact that some of these elements already incorporated in the HAI, highly correlated with the HAI. E-readiness indicators do not reflect human capital but material factors that may increase human capital. The indicator changes rapidly in developing countries, not considered as structural factor.

## **SDG 5. Gender Equality**

Target 5.1 is to end all forms of discrimination against all women and girls everywhere. The monitoring indicator (5.1.1) is qualitative, to find whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex. In 2011, it was discussed whether gender equity and lack of shelter could provide information for identifying LDCs but decided not to include additional indicators. It suggested that future reviews of the LDC criteria might include a reassessment of the desirability of including such indicators.

## **SDG 6. Clean Water and Sanitation**

Target 6.1 is to achieve universal and equitable access to safe and affordable drinking water for all, to be monitored by proportion of population using safely managed drinking water services (indicator 6.1.1). The percentage of water resources was considered in 2011 to be used as a new EVI component, to reflect vulnerability to negative developmental impacts arising from increased water scarcity. However, it may include scarcity due to poor water management and infrastructure, relevant in most low income countries. There are also methodological concerns on the definition of the indicator, and thus the indicator was not adopted.

## **SDG 7. Affordable and Clean Energy**

Target 7.1 is to ensure universal access to affordable, reliable and modern energy services, and the monitoring indicator (7.1.1) is the proportion of population with access to electricity. Consumption of electricity per capita was adopted as a component of economic diversification index in 1991. It is a measure of infrastructure as well as transformation. Commercial energy consumption (kg oil equivalent per capita) was also considered in 1997 as an alternative to consumption of electricity per capita, to be used as a broader and better proxy of infrastructure for development. It was recommended as replacement for electricity consumption, pending simulations and sensitivity tests, but never applied, as the electricity consumption was dropped in 1999 review, resulted from a comprehensive revision of the EVI.

## **SDG 8. Decent Work and Economic Growth**

Target 8.1 is to sustain per capita economic growth in accordance with national circumstances and, in particular, at least seven per cent gross domestic product growth per annum in the LDCs. The monitoring indicator (8.1.1) is the annual growth rate of real GDP per capita. One of the LDC criteria is the level of GNI per capita which is indirectly related to the growth rate of GDP per capita.

Target 8.2 is to achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. Annual growth rate of real GDP per employed person is the monitoring indicator (8.2.1). Within the EVI, merchandise export concentration is indirectly related, as increased diversification and value addition may lead to a reduction in the export concentration.

Target 8.9 is to devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products. The monitoring indicator (8.9.1) is the tourism direct GDP as a proportion of total GDP and in growth rate. Share of agriculture, fisheries and forestry in GDP which is a component of the EVI is indirectly related to this target.

Another monitoring indicator (8.9.2) on this target is the number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex. When CDP considered this component in 2005, it found that tourism (a component of the share of manufacturing and modern services in GDP) increases rather than diminishes vulnerability of the country. The share of tourism in GDP was considered as a component of the EVI in 2008 and 2011, but was not adopted because, while recognizing the important role of the tourism industry in regards to shocks, tourism is not defined in the national accounts as separate industry, and hence there are severe data limitations in the “hotel and restaurant” sector.

## **SDG 9. Industry, Innovation and Infrastructure**

Target 9.2 is to promote inclusive and sustainable industrialization and significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in LDCs. Manufacturing value added as a proportion of GDP and per capita is the monitoring indicator (9.2.1), which is indirectly related to a component of the EVI, share of agriculture, hunting, forestry and fishing.

Target 9.b is to support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities. The indicator (9.b.1) is the proportion of medium and high-tech industry value added in total value added. For this, merchandise export concentration of the EVI is indirectly related, as increased diversification and value addition may lead to a reduction in the export concentration.

Other indicators related to SDG 9 have been reviewed in the past for possible inclusion in the LDC criteria. Target 9.1 is to develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. The monitoring indicator (9.1.1) is the proportion of the rural population who live within 2 km of an all-season road. CDP reviewed in 1991 and 1997/98, the paved-road density (km/km<sup>2</sup>), Paved roads (km) per capita, World Bank’s “normalized road index”, and paved roads as a percentage of all roads, as possible components of economic diversification index to measure transport infrastructure. The indicators turned out to be dependent on population density and the nature of a country’s terrain, as well as on the level of development.

Target 9.c is to significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in LDCs by 2020. The indicator (9.c.1) is the proportion of population covered by a mobile network, by technology. As mentioned above for target 4.4, it was decided in 2005 that Internet related indicators not be included in the LDC criteria.

## SDG 10. Reduce Inequalities

Some LDC indicators are related to monitoring indicators for the SDG 10. Target 10.a is to implement the principle of special and differential treatment for developing countries, in particular LDCs, in accordance with World Trade Organization agreements. The monitoring indicator (10.a.1) is the proportion of tariff lines applied to imports from LDCs and developing countries with zero-tariff. It is indirectly related to the merchandise export concentration, and the instability of exports of goods and services of the EVI, as increased export market may result in a reduced concentration and instability.

Possibility of including inequality related indicators in the LDC criteria has been frequently suggested and reviewed, but rejected for various reasons. There are a couple of inequality measures for SDG 10. Target 10.1 is to progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average. The monitoring indicator (10.1.1) is the growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population. Target 10.2 is to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. It is monitored by an indicator (10.2.1), Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities.

In 1999, 2008 and 2011, it was found that income distribution was partially reflected in the HAI and possible inclusion of additional indicators has been suggested many times. Per capita GDP overstated the average income level of a “real average” person when income distribution is highly unequal. However, income distribution was considered a domestic policy variable, not structural problem. And data availability and comparability were problematic. Measures of income inequality were not readily available for all developing countries, and estimates are often unreliable. If income distribution is included in the LDC criteria, countries pursuing policies that result in greater income inequality might become eligible to be an LDC contrary to the objective of the LDC category.

Target 10.b is to encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular LDCs, African countries, small island developing States (SIDS) and landlocked developing countries, in accordance with their national plans and programmes. The indicator (10.b.1) is the total resource flows for development, by recipient and donor countries and type of flow (e.g., official development assistance, foreign direct investment and other flows). CDP reviewed in 1991 the official development assistance as percentage of GNP as a component of the EVI. The Committee found that it may represents structural characteristics affecting the status of and prospects for development, but relevant for individual countries only, not for the category of country groups.

Target 10.c is to reduce to less than three per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than five per cent. The indicator (10.c.1) is the remittance costs as a proportion of the amount remitted. In 2008 and 2011, remittance as a component of the EVI was condired. Sustainability of remittances depends on the continuity of emigration and on the propensity to remit overtime. Data availability and reliability is limited, and thus it was decided not to adopt the indicator as a component of the EVI.

## **SDG 11. Sustainable Cities and Communities**

Target 11.5 is to significantly reduce the number of deaths and the number of people affected and to substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations. Indicator 11.5.1, Number of deaths, missing persons and persons affected by disaster per 100,000 people, could be directly related to two components of the EVI -- victims of natural disasters, and share of population in low elevated coastal zones.

Target 11.b is to substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels. The indicator (11.b.1) is the proportion of local governments that adopt and implement local disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030a, and the indicator (11.b.2) is the number of countries with national and local disaster risk reduction strategies. Victims of natural disasters, a component of the EVI, might be indirectly related to these indicators, as improved settlements may reduce risks to be affected by disasters.

The indicator (11.5.2) is the direct disaster economic loss in relation to global GDP, including disaster damage to critical infrastructure and disruption of basic services. The economic damage caused by natural disasters was considered as a EVI component in 2002. Availability of comparable data on global basis was found inadequate, and thus the indicator was not adopted.

## **SDG 12. Responsible Consumption and Production**

Target 12.2 is to achieve the sustainable management and efficient use of natural resources, with the monitoring indicator (12.2.2) of domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP. In 1991, Natural endowment index was reviewed as a possible new component of the LDC criteria. The index would include agricultural land per capita, mineral exports as percentage of total exports, average rainfall and rainfall variability, and so on. The rationale was that lack of development due to faulty policies or socio-political factors may affect the use of agricultural land, mineral and fuel resources.

## **SDG 13. Climate Action**

Target 13.1 is to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Indicator (13.1.2), the number of deaths, missing persons and persons affected by disaster per 100,000 people, is identical to the victims of natural disasters of the EVI.

## **SDG 14. Life below Water**

Target 14.7 is to increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism. The monitoring indicator (14.7.1) is the sustainable fisheries as a percentage of GDP in SIDS, LDCs and all countries. This



could be indirectly, and negatively related to the share of agriculture, hunting, forestry and fishing, a component of the EVI, as the objective of the measurement is negatively related.

### **SDG 15. Life on Land**

Target 15.1 is to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. The indicator (15.1.1) is the forest area as a proportion of total land area, which could be indirectly related to the share of agriculture, hunting, forestry and fishing of the EVI.

### **SDG 16. Peace, Justice and Strong Institutions**

Target 16.1 is to significantly reduce all forms of violence and related death rates everywhere. The monitoring indicators are: (16.1.1) Number of victims of intentional homicide per 100,000 population, by age group and sex; (16.1.2) Conflict-related deaths per 100,000 population, by sex, age and cause. In 2008 and 2011, various measures of civil strife, conflict, crime and violence were reviewed. GNI per capita, the HAI and some components of the EVI reflect some of impact/factors of conflict/conflict risk, and it was difficult to determine whether conflict is a strictly exogenous risk.

### **SDG 17. Partnerships for the Goals**

Target 17.10 is to promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda. The monitoring indicator (17.10.1) is the worldwide weighted tariff-average.

Target 17.11 is to significantly increase the exports of developing countries, in particular with a view to doubling the LDCs' share of global exports by 2020. The indicator (17.11.1) is developing countries' and LDCs' share of global exports.

Target 17.12 is to realize timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access. The monitoring indicator (17.12.1) is the average tariffs faced by developing countries, LDCs and SIDS.

All of the indicators mentioned above might be indirectly related to two components of the EVI, merchandise export concentration, and instability of exports of goods and services, as increased export market opportunity may reduce concentration and instability.

## **VI. Conclusion**

Member States of the UN reaffirmed commitment to the full, effective and timely implementation of the IPoA, and the 2030 Agenda for Sustainable Development, as well as the support for mainstreaming it into the national development policies and programmes of the LDCs. To fulfil the commitments, it is critical for the Governments of LDCs, and their development partners to understand how these various agenda are interlinked,



and how to prioritize their development policies. Particularly, the interlinkage between SDGs achievement and LDC graduation would be an important piece of information in making the national development strategies and the international dialogue on SDGs more effective.

As the LDCs are defined as low-income developing countries suffering from severe structural impediments to sustainable development, the CDP utilizes three criteria to identify LDCs: the overall level of resources available to a country, structural challenges in the human capital aspect, and structural impediment in the economic and environmental vulnerabilities. Specific indicators included in these criteria have been changed over time since the inception of the LDC category, as well as the eligibility for graduation and the graduation process, in order to adequately reflect the progress made by the LDCs to overcome the structural handicaps, and to ensure that the graduated countries can sustain their development path.

The objective of SDG monitoring indicators is clearly different from that of the LDC classification indicators: acting for development vis-à-vis getting over constraints. While SDG monitoring indicators aim to measure outcomes of development progress, LDC indicators attempts to measure structural factors that hinders development. This difference in the objectives results in a difference in the selection and interpretation of indicators. Nonetheless, there is also an overlap between the SDG review indicators and LDC indicators, because some of the indicators can have characteristics of both development outcome and structural handicap to some extent.

A comparison of the two sets of indicators for LDC classification and SDG progress monitoring reveals that there is a substantial overlap: 11 out of 17 SDGs have targets explicitly linked to LDC criteria. On the other direction, 12 out of 14 LDC indicators are related to SDG indicators. Most of the SDG and LDC indicators that are related to one another are very similar, even identical, when the indicators represent structural aspects as well as development outcomes resulted from policy interventions. About 20 SDG indicators have been considered in the past for possible inclusion in the LDC criteria, but not adopted as they failed to satisfy the principles for indicator selection, such as data availability. There are about 200 SDG indicators that have not been fully reviewed for possible inclusion in the LDC identification criteria.

In general, making progress toward LDC graduation is in line with the development progress toward achieving SDGs, because there is a substantial overlap between two sets of monitoring indicators. However, since two agenda aim for different goal posts, development policies conducted by the LDCs, as well as commitments made by their partners, should not be convoluted. Making efforts in full capacity on both fronts – overcoming constraints and moving toward outcomes – is the only way to accomplish the Agenda 2030, leaving no country or no people behind.