

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

# THE LEAST DEVELOPED COUNTRIES REPORT 2002

## *Escaping the Poverty Trap*



UNITED NATIONS

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# Part One

## RECENT ECONOMIC TRENDS AND UNLDC III DEVELOPMENT TARGETS



# The UNLDC III Development Targets

## Chapter

# 2

### A. Introduction

A new Programme of Action for the Least Developed Countries for the Decade 2001–2010 was agreed at the Third United Nations Conference on the Least Developed Countries (UNLDC III), held in Brussels in May 2001. The Programme of Action is intended as “a framework for a strong global partnership to accelerate sustained economic growth and sustainable development in LDCs, to end marginalization by eradicating poverty, inequality and deprivation in these countries, and to enable them to integrate beneficially into the global economy” (United Nations, 2001). Partnership is founded on mutual commitments by LDCs and their development partners to undertake concrete actions in seven areas:

- (i) Fostering a people-centred policy framework;
- (ii) Good governance at national and international levels;
- (iii) Building human and institutional capacities;
- (iv) Building productive capacities to make globalization work for LDCs;
- (v) Enhancing the role of trade in development;
- (vi) Reducing vulnerability and protecting the environment;
- (vii) Mobilizing financial resources.

An important feature of the Programme of Action is that it includes a number of quantified, time-bound development targets. The inclusion of these targets is important as it is now easier to monitor the success of the Programme. Indeed, “results-orientation” is one of the key considerations which LDCs and their partners are meant to be guided by in the implementation of the Programme of Action. The Programme stresses that “the process of identifying, assessing and monitoring progress on process and concrete outcomes will be a key aspect of the implementation of the Programme of Action” (para. 21e).

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This chapter assesses the extent to which it is possible to describe where the LDCs now stand in relation to the quantified, time-bound targets specified in the Programme of Action. The targets considered are:

- (i) Growth and investment targets;
- (ii) Poverty reduction targets;
- (iii) A range of human development targets in relation to population, education and training, and health, nutrition and sanitation;
- (iv) A range of infrastructure development targets in relation to transport and communications;
- (v) Official development assistance (ODA) flows to LDCs equivalent to 0.15 per cent or 0.2 per cent of donor countries’ gross national product (GNP) for most donor countries;
- (vi) Progress towards graduation from the category of LDC, for which there are defined and quantified thresholds.

The description is provided, firstly, in relation to current levels of achievement according to the most recently available international data. These levels indicate shortfalls in relation to the desired goals. It is provided, secondly, in relation to trends during the 1990s. These show the extent to which countries



have been on track towards the achievement of the UNLDC III development goals, and establish the “business-as-usual” trajectory of change, which will generally have to be modified if the desired goals are to be achieved.

In seeking to describe the current situation in relation to the targets quantified in the Programme of Action, various technical and data problems arise. Data are not readily available for some of the targets. For others, it is necessary to specify the precise indicators which would desirably be used to monitor progress. Furthermore, for some of the quantifiable targets there is some degree of ambiguity in their specification, including their time horizon. A pragmatic principle which is used to deal with some of these problems is to build on the work to measure progress towards the achievement of International Development Goals and the Millennium Development Goals.<sup>1</sup> This makes sense, since the Programme of Action is based, *inter alia*, “on the international development targets...and on the values, principles and objectives of the Millennium Declaration” (para. 5), and its success will be judged, *inter alia*, by “its contribution to progress towards achieving international development targets” (para. 21e). However, even with the application of this principle, difficulties remain. The present chapter should thus be regarded as a preliminary description of the baseline from which, over time, the outcomes of the new Programme of Action can be assessed.

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*The Programme of Action states that “LDCs, with the support of their development partners, will strive to attain a GDP growth rate of at least 7 per cent per annum and increase the ratio of investment to GDP to 25 per cent per annum”. Current levels of achievement fall far short of this goal.*

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Finally, it must be stressed that the Programme of Action encompasses more objectives than the quantified time-bound targets discussed here. For example, important goals are to reverse the socio-economic marginalization of LDCs in the global economy and to promote good governance. However, these wider objectives have not been specified in the Programme of Action in a way that enables precise and time-bound monitoring to be carried out, and they are thus excluded from consideration here.<sup>2</sup>

## B. Growth and investment targets

The Programme of Action for the LDCs for the Decade of 2001–2010 states that “LDCs, with the support of their development partners, will strive to attain a GDP growth rate of at least 7 per cent per annum and increase the ratio of investment to GDP to 25 per cent per annum” (para. 6).

Current levels of achievement fall far short of this goal. International data on growth rates for the 1990s are available for 43 LDCs. During 1997–1999, only five LDCs — Bhutan, Cape Verde, Equatorial Guinea, Mozambique and Rwanda — achieved the target growth rate. For the period 1990–1999, only Equatorial Guinea and Uganda exceeded the target. Over the same period, the growth rate was less than half the target rate in 23 out of 43 LDCs, and was declining in 7 out of 43.

International data on investment rates are available for the period 1990–1999 in 37 LDCs. Amongst these countries, nine achieved the 25 per cent target during 1997–1999, namely Bhutan, Burkina Faso, Cape Verde, Eritrea, Equatorial Guinea, the Lao People’s Democratic Republic, Lesotho, Mozambique and Sao Tome and Principe. For the 1990s as whole, average annual investment rates exceeded the target in all these countries except Burkina Faso and Mozambique, plus Guinea-Bissau. For 12 out of the 37 LDCs the investment rate was on average under 15 per cent of GDP during the period 1990–1999.

## C. Poverty reduction goals

The Programme of Action states that “The overarching goal of the Programme of Action is to make substantial progress toward halving the proportion of people living in extreme poverty and suffering from hunger by 2015 and promote sustainable development of the LDCs” (para.6). However, identifying where the LDCs stand now, and how they have been performing in the past, in relation to the poverty reduction goal is very difficult.

The proportion of the population living in “extreme poverty” is usually defined as the proportion of the population living on less than a \$1 a day. Descriptions of the distribution of world poverty, as well as projections of future trends, are currently based on the Chen/Ravallion database at the World Bank. However, there are only 20 LDCs in the data set. Only 12 LDCs have poverty estimates in more than one year, which is necessary to track change over time, and only 4 LDCs have poverty estimates in more than two years (table 13).

Another possible source of information on poverty is use of inequality measures in the Deininger/Squire dataset, and focus on the bottom 20 per cent or 40 per cent of the population. However, as in the case of the Chen/Ravallion dataset, there are few LDCs in this data set. It is possible to examine trends in income distribution over time in only five LDCs using this data set (table 13).

Statistical techniques can be used to make aggregate estimates of future levels of poverty in the LDC group as a whole on the basis of the limited available data. Work of this type indicates that whilst developing countries as a whole are on course to reduce the proportion of the people living on less than \$1 a day by 2015, the LDCs are not (Naschold, 2001). According to the available Chen/Ravallion poverty estimates, the incidence of poverty in the LDCs was almost the same in 1998 as in 1990. But in other low-income countries it had fallen by 67 per cent below the 1990 level, and in middle-income countries by 51 per cent. These last two groups of countries are thus well on track to reduce the incidence of poverty by half by 2015 whilst LDCs are not. On the basis of past trends and regional growth forecasts, it has thus been concluded that “the prospects for reducing poverty in the LDCs are bleak. They are far from meeting the poverty Millennium Development Goals under any growth or inequality scenario” (p. 8).

In Part Two of this Report, the nature and dynamics of poverty are analysed on the basis of a new data set of poverty estimates for 39 LDCs, which has been constructed specially for this Report. These new poverty estimates give a much more detailed and differentiated view of levels of poverty in the LDCs, and also a better picture of long-term trends and more reliable forecasts. The new estimates do not give such a bleak picture of future prospects for the LDCs, as they indicate that there is a major opportunity for rapid poverty reduction based on sustained economic growth. They also imply that the methodology on which existing forecasts of the achievement of the poverty reduction targets in the Millennium Development Goals and International Development Targets, which are the same as those in Naschold (2001), may not be fully reliable.<sup>3</sup> However, the new poverty estimates also indicate that whilst developing countries as a whole are on track to achieve the goal of reducing the incidence of extreme poverty by half by 2015, the LDCs as a group are not.

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TABLE 13. AVAILABILITY OF DATA ON POVERTY AND INCOME DISTRIBUTION IN LDCs

Frequency of appearance in:		
	<i>Chen/Ravallion data set<sup>a</sup></i>	<i>Deininger and Squire data set<sup>b</sup></i>
<b>Countries with 3 or more observations</b>	Bangladesh (1984, 1985, 1988, 1992, 1996) Madagascar (1980, 1993, 1997) Mauritania (1988, 1993, 1995) Zambia (1991, 1993, 1996)	Bangladesh (1963, 1967, 1973, 1977, 1978, 1981, 1983, 1986, 1989, 1992) United Republic of Tanzania (1969, 1977, 1993) Zambia (1976, 1991, 1993, 1996)
<b>Countries with 2 observations</b>	Ethiopia (1981, 1995) Lesotho (1986, 1993) Mali (1989, 1994) Nepal (1985, 1995) Niger (1992, 1995) Senegal (1991, 1994) Uganda (1989, 1992) Yemen (1992, 1998)	Mauritania (1988, 1995) Uganda (1989, 1992)
<b>Countries with 1 observations</b>	Burkina Faso (1994) Central African Republic (1993) Gambia (1992) Lao People's Democratic Republic (1992) Mozambique (1996) Rwanda (1984) Sierra Leone (1989) United Republic of Tanzania (1991)	Burkina Faso (1995) Central African Rep. (1992) Djibouti (1996) Ethiopia (1996) Gambia (1992) Guinea (1995) Guinea-Bissau (1991) Lao People's Democratic Republic (1991) Lesotho (1987) Madagascar (1993) Malawi (1993) Mali (1994) Nepal (1984) Niger (1992) Rwanda (1983) Senegal (1991) Sierra Leone (1968) Sudan (1968)
<b>Countries with no observations</b>	Afghanistan Angola Benin Bhutan Burundi Cambodia Cape Verde Chad Comoros Democratic Republic of the Congo Djibouti Equatorial Guinea Eritrea Guinea Guinea-Bissau Haiti Kiribati Liberia Malawi Maldives Myanmar Samoa Sao Tome and Principe Solomon Islands Somalia Sudan Togo Tuvalu Vanuatu	Afghanistan Angola Benin Bhutan Burundi Cambodia Cape Verde Chad Comoros Democratic Republic of the Congo Equatorial Guinea Eritrea Haiti Kiribati Liberia Maldives Mozambique Myanmar Samoa Sao Tome and Principe Solomon Islands Somalia Togo Tuvalu Vanuatu Yemen

Source: UNCTAD secretariat estimates.

a Chen and Ravallion (2000).

b <http://www.worldbank.org/research/growth/dddeisqu.htm>

## D. Human development targets<sup>4</sup>

The Programme of Action includes 13 human development targets that are sufficiently specified to be measured in quantitative terms. Box 1 suggests 20 indicators, with associated baseline years, which can be used to monitor these 13 goals. Tables 14, 15 and 16 show current levels of achievement in the LDCs, and progress in the 1990s, in relation to these 13 goals, using the 20 listed indicators. Following the approach to monitoring targets proposed by the UNDP Human Development Report Office, countries are classified, according to their progress in the 1990s, into five categories: “Achieved” (the country has already achieved the target, or 95 per cent of it); “On-track” (the country has attained 95 per cent or more of the rate of progress needed to achieve the target); “Lagging” (the country has achieved 75–94 per cent of the required rate of progress to achieve the target); “Far behind” (the country has achieved 0–74 per cent of the required rate of progress to achieve the target); and “Slipping back” (the country’s level of achievement is at least five percentage points worse in 1999 than in 1990).

Three major observations may be made from these tables: Firstly, it is apparent that recent levels of human development in most LDCs are extremely low. Over one quarter of the children are undernourished in 33 out of 43 LDCs for which data are available. Nineteen out of 33 African LDCs have maternal mortality rates above 1 per 100 live births. The chance of a child dying under the age of 5 is more than 1 in 10 in 38 out of 49 LDCs. On average, under 50 per cent of the adult female population is literate in LDCs. For 22 LDCs for which data on net primary school enrolment are available from UNESCO statistics, less than half the children are in school in 10 of them.

Secondly, only a minority of the LDCs are on track to achieve any of the UNLDC III human development targets.

- For undernutrition, only 13 of the 34 LDCs with data are on track to achieve the goal of halving malnourishment by 2015. Over 64 per cent of the LDC population are living in countries which are regressing or are far behind in accomplishing the target of reducing hunger.
- For infant mortality and under-5 mortality, 10 countries representing 27 per cent of the LDC population are on track, 30 countries (65 per cent of the LDC population) are far behind and 3 countries are actually slipping back. Over 75 per cent of the LDC population are living in countries which are either regressing or are far behind in accomplishing the target of reducing the infant and under-5 child mortality rate.
- In terms of access to safe drinking water, 11 countries, representing one third of the LDC population, are on track, while 13 (a further third) are lagging or are far behind.
- For primary school enrolment, only one third of the countries are on track. Over 40 per cent of the LDC population are living in countries which are regressing or are far behind in accomplishing the target of increasing primary school enrolment.
- Notifications for tuberculosis and malaria are increasing, as well as for HIV/AIDS, particularly female infection rates.

The main area of progress is in terms of female literacy goals.

Thirdly, it is clear that, as with the poverty reduction target, data availability is a critical problem in monitoring human development targets in the LDCs. There is an urgent need for greater coverage, and more high-quality data, and particularly more timely data, on key issues of human development. For 11 of

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BOX 1. SUGGESTED INDICATORS FOR MONITORING OF UNLDC III HUMAN DEVELOPMENT GOALS

### 1. Education

- a. *Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to a complete, free and compulsory primary education of good quality (para. 36a)*

Key indicators are: (i) net primary school enrolment ratio (the ratio of the number of children of official school age, as defined by the national education system, who are enrolled in school to the population of the corresponding official school age); and (ii) percentage share of the children enrolled in primary school who eventually reach Grade 5.

- b. *Achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults (para. 36b)*

This is assumed to be a 50 per cent improvement over 1999 levels. Literacy is defined, according to UNESCO norms, as the ability of a person to understand, read, and write a short statement on their everyday life, and key indicators are: (i) total adult literacy; (ii) male adult literacy; and (iii) female adult literacy. The baseline year for the target is 1999.

- c. *Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality (para. 36c)*

Key indicators are: (i) ratio of girls to boys in primary school; (ii) ratio of girls to boys in secondary school; and (iii) ratio of young (15–24) literate females.

### 2. Population and health

- a. *Making accessible, through the primary health care system, reproductive health to all individuals of appropriate ages as soon as possible and no later than the year 2015 (para. 34a)*

This is measured in the International Development Goals by: (i) the contraceptive prevalence rate, the percentage of women (usually married women aged 15–49) who are practising, or whose sexual partners are practising, any form of contraception; and (ii) the percentage of females aged 15–24 infected with HIV.

- b. *Reducing the infant mortality rate to below 35 per 1,000 live births by 2015 (para. 38a)*

Although this diverges from the International Development Goal, which is to reduce the infant mortality rate by two thirds of the 1990 level by 2015, it can be measured in the same way as the number of infants dying before reaching 1 year of age per 1,000 births in a given year.

- c. *Reducing the under-5 mortality rate to below 45 per 1,000 live births by 2015 (para. 38b)*

This similarly diverges from the International Development Goal, which is to reduce the under-5 mortality rate by two thirds of the 1990 level by 2015. But it can be measured in the same way as the probability that a newborn baby will die before reaching the age of 5, if subject to current age-specific mortality rates. The probability is expressed as a rate per 1,000.

- d. *Reducing the maternal mortality rate by three quarters of the current rate by 2015 (para. 38c)*

The key indicator is the number of women who die during pregnancy and childbirth, per 1,000 live births.

- e. *Increasing the percentage of women receiving maternal and prenatal care by 60 per cent (para. 38g)*

The key indicator is the percentage of deliveries attended by skilled health staff.

- f. *Reducing HIV infection rates in persons 15–24 years of age by 2005 in all countries and by 25 per cent in the most affected countries (para. 38f)*

This is assumed to be a reduction from current levels and is measured as the total infection rate (men and women).

- g. *Substantially reducing infection rates from malaria, tuberculosis and other killer diseases in LDCs by the end of the decade; reducing TB deaths and prevalence of the disease by 50 per cent by 2010; and reducing the burden of disease associated with malaria by 50 per cent by 2010 (para. 38i)*

This is assumed to be a reduction from 1990 levels as suggested by WHO, and can be measured in terms of (i) TB cases notified, and (ii) malaria cases notified.

### 3. Nutrition

- a. *Reducing the number of undernourished people by half by 2015 (para. 38d)*

This is assumed to be a reduction from the 1996 level, as specified at the 1996 World Food Summit. The key indicator is the percentage of population undernourished as estimated by the FAO method.

- b. *Halving malnutrition among pregnant women and among pre-school children in LDCs by 2015 (para. 38h)*



**Box 1 (contd.)**

There do not appear to be any specific data on pregnant women. A key indicator for the second part of this goal is the percentage of children under 5 whose weight for age is less than minus two standard deviations from the median for the international reference population, ages 0–59 months. The time frame for this, which is also used as an indicator for monitoring the International Development Goals, is assumed to be 1990 to 2015.

**4. Sanitation**

a. *Reducing by half by 2015 the proportion of people who are unable to reach or afford safe drinking water (para. 38e)*

The time frame for this goal, which is also an International Development Goal, is assumed to be from 1990 to 2015. The key indicator for this is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as household connection, public standpipe, borehole, protected well or spring, and rainwater collection. Reasonable access is defined as the availability of at least 20 litres per person per day from a source within one kilometre of the dwelling (see WHO, UNICEF and WSSCC, 2000).

the 20 indicators, progress in the 1990s cannot be monitored in over 25 per cent of the LDCs. Data on malaria and tuberculosis prevalence are based on reported cases, and are thus not ideal. Some question the accuracy of the data on undernutrition (Svedberg, 1999).

## E. Transport and communications infrastructure development targets

The Programme of Action (para. 43) includes five quantifiable goals regarding improvement of the physical infrastructure in the area of transport and communications. These are:

- (a) Increasing road networks and connections in LDCs to the current level of other developing countries and urban road capacities, including sewerage and other related facilities, by 2010;
- (b) Modernizing and expanding railway connections and facilities, increasing their capacities to the level of those in other developing countries by the end of the decade;
- (c) Increasing LDCs' communication networks, including telecommunication and postal services, and improving access of the poor to such services in urban and rural areas to reach the current levels in other developing countries;
- (d) Increasing computer literacy among students in higher institutions and universities by 50 per cent and in junior and high schools by 25 per cent by 2015;
- (e) Increasing average telephone density to 5 main lines per 100 inhabitants and Internet connections to ten users per 100 inhabitants by the year 2010.

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*For 11 of the 20 human development indicators, progress in the 1990s cannot be monitored in over 25 per cent of the LDCs.*

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For the last of these goals, data are available for 36 LDCs and estimation is relatively straightforward. The data suggest that the current situation is far from satisfactory. Only 10 have more than one telephone mainline per 100 inhabitants. Cape Verde and Maldives have achieved the target, and the only other LDC which is on track is Kiribati. Information is readily available on road and railway connections, but it is necessary to develop ways to standardize this information so as to make any comparisons meaningful. For example, it would be unreasonable to expect sparsely populated countries to have the same road density as densely populated countries. Moreover, for monitoring purposes, it is necessary to clarify whether the precise target for these goals is to aim by 2010 to bring LDCs up to the level of other developing countries in 2001 or to their level in 2010. Data on Internet users are not widely available and information on computer literacy is similarly lacking.

TABLE 14. UNLDC III HUMAN DEVELOPMENT GOALS: WHERE DO LDCs STAND?

	Education								Nutrition	
	Universal enrolment and completion of primary education (of school age population)		Adult literacy rate (% of total population)			Gender inequality in education (female rate as % of male rate)			Under-nourished people	Mal-nourished children
	Net primary enrolment rate	Children reaching Grade 5	Total	Female	Male	Primary enrolment (by 2005)	Secondary enrolment (by 2005)	Youth literacy		
	1994–1998	1995–1997	1999	1999	1999	1995–1997	1995–1997	1999	1996–1998	1995
Afghanistan	..	..	36	20	50	50	38	57	70	48
Angola	34	..	..	..	..	92 <sup>a</sup>	..	..	43	42
Bangladesh	..	..	41	29	52	86 <sup>a</sup>	52 <sup>a</sup>	65	38	56
Benin	64	55 <sup>a</sup>	39	24	55	58	42	48	14	29
Bhutan	..	..	..	..	..	..	..	..	..	38 <sup>b</sup>
Burkina Faso	33	70 <sup>a</sup>	23	13	33	65	56 <sup>a</sup>	50	32	36
Burundi	29	..	47	39	56	84	57 <sup>a</sup>	93	68	37 <sup>b</sup>
Cambodia	100	49	39	21	59	85	55	55	33	52
Cape Verde	..	..	74	65	85	98	104	93	..	14 <sup>b</sup>
Central African Republic	..	..	45	33	59	64 <sup>a</sup>	41 <sup>a</sup>	76	41	27
Chad	52	59	41	32	50	51	27	80	38	39
Comoros	..	..	59	52	66	72 <sup>a</sup>	79	84	..	26
Dem. Rep. of the Congo	61	55 <sup>a</sup>	60	49	72	74 <sup>a</sup>	..	83	61	34
Djibouti	32	79	63	53	75	75	71	89	..	18
Equatorial Guinea	..	..	82	73	92	..	..	97	..	..
Eritrea	30	70	53	39	67	81	71	76	65	44
Ethiopia	35	51	37	32	43	55	71	96	49	47
Gambia	65	..	36	29	43	77	63	74	16	26
Guinea	42	59 <sup>a</sup>	..	..	..	60	35	..	29	..
Guinea-Bissau	..	..	38	18	58	..	..	40	..	23 <sup>b</sup>
Haiti	56	..	49	47	51	94 <sup>a</sup>	95 <sup>a</sup>	100	62	28
Kiribati	..	95	..	..	..	..	..	..	..	13 <sup>b</sup>
Lao People's Dem. Rep.	76	55	47	32	63	82	68	69	29	40 <sup>b</sup>
Lesotho	66	71 <sup>a</sup>	83	93	72	112	144	120	29	16
Liberia	..	..	53	37	69	..	..	64	46	..
Madagascar	61	22 <sup>a</sup>	66	59	73	99	100	91	40	40
Malawi	..	64 <sup>a</sup>	59	45	74	91	57	74	32	30
Maldives	..	..	96	96	96	98	106	101	..	43
Mali	31	84	40	33	47	69	47	82	32	40
Mauritania	61	64	42	31	52	89	52	67	13	23
Mozambique	40	33 <sup>a</sup>	43	28	59	71	56	60	58	26
Myanmar	..	..	84	80	89	97 <sup>a</sup>	100 <sup>a</sup>	99	7	39
Nepal	..	..	40	23	58	74	65	54	28	47
Niger	25	73	15	8	23	64	56	42	46	50
Rwanda	..	60 <sup>a</sup>	66	59	73	99 <sup>a</sup>	78 <sup>a</sup>	95	39	27
Samoa	96	85	80	79	81	99	112	101	..	..
Sao Tome and Principe	..	..	..	..	..	..	..	..	..	16
Senegal	60	87	36	27	46	83	60	69	23	22
Sierra Leone	..	..	..	..	..	68 <sup>a</sup>	59 <sup>a</sup>	..	43	29 <sup>b</sup>
Solomon Islands	..	85 <sup>a</sup>	..	..	..	86 <sup>a</sup>	65 <sup>a</sup>	..	..	21 <sup>b</sup>
Somalia	..	..	..	..	..	..	..	..	75	26
Sudan	..	94 <sup>a</sup>	57	45	69	85	87	85	18	34 <sup>b</sup>
Togo	83	..	56	40	74	71	35	66	18	25
Tuvalu	..	..	..	..	..	..	..	..	..	..
Uganda	..	..	66	56	77	84	60	84	30	26
United Rep. of Tanzania	48	81	75	66	84	99	83	94	41	27
Vanuatu	..	..	..	..	..	96 <sup>a</sup>	74 <sup>a</sup>	..	..	20 <sup>b</sup>
Yemen	..	..	45	24	67	40	26	53	35	46
Zambia	75	..	77	70	85	95	..	94	45	24

Table 14 (contd.)

	Population and health									Sanitation
	Child mortality		Maternal health		Reproductive health		Disease prevalence			Access to safe water (%)
	Infant mortality rate (POA) (per 1,000 live births)	Under-5 mortality rate (POA) (per 1,000 live births)	Maternal mortality rate (per 100,000 live births)	Births attended by skilled health staff (%)	Contra-ceptive prevalence (%)	Female HIV/AIDS prevalence in age group 15-24 (by 2015) (%)	HIV/AIDS prevalence in age group 15-24 by 2005 (%)	Malaria prevalence (per 100,000 people)	Tuberculosis prevalence (per 100,000 people)	
1999	1999	1995	1995-1999	1992-2000	1999 <sup>c</sup>	1999 <sup>c</sup>	1997	1998	2000	
Afghanistan	165	257	819	9 <sup>a</sup>	..	..	..	1 533 <sup>h</sup>	14	13
Angola	172	295	1 308	17 <sup>d</sup>	..	3	2	1 381 <sup>i</sup>	102	38
Bangladesh	58	89	596	14 <sup>a</sup>	54	1	0	53	58	97
Benin	99	156	884	60 <sup>e</sup>	..	2	2	11 561	41	63
Bhutan	80	107	502	16 <sup>a</sup>	..	..	..	470	64	62
Burkina Faso	106	199	1 379	27 <sup>f</sup>	12	6	4	4 878 <sup>i</sup>	18	53 <sup>e</sup>
Burundi	106	176	1 881	20 <sup>e</sup>	..	12	9	15 344 <sup>i</sup>	101	65 <sup>e</sup>
Cambodia	86	122	590	31 <sup>a</sup>	..	4	3	950	158	30
Cape Verde	54	73	188	..	..	..	..	5	50	74
Central African Rep.	113	172	1 205	46 <sup>f</sup>	..	14	11	2 513 <sup>j</sup>	140	60
Chad	118	198	1 497	11 <sup>a</sup>	..	3	2	4787	38	27
Comoros	64	86	573	52 <sup>f</sup>	..	..	..	2 472 <sup>h</sup>	22 <sup>h</sup>	96
Dem. Rep. of the Congo	128	207	939	..	..	5	4	29 <sup>e</sup>	120	45
Djibouti	104	149	520	..	..	14	11	747	597	100
Equatorial Guinea	105	160	1 404	..	..	1	0	3 136 <sup>j</sup>	97	43
Eritrea	66	105	1 131	21	..	..	..	2 545 <sup>j</sup>	218	46
Ethiopia	118	176	1 841	10 <sup>f</sup>	8	12	10	666 <sup>j</sup>	116	24
Gambia	61	75	1 071	44 <sup>a</sup>	..	2	2	27 320	114 <sup>l</sup>	62
Guinea	115	181	1 224	35 <sup>d</sup>	6	1	1	10 400	65	48
Guinea-Bissau	128	200	914	..	..	2	2	15 494 <sup>k</sup>	156 <sup>h</sup>	49
Haiti	83	129	1 122	20 <sup>f</sup>	28	3	4	..	124 <sup>d</sup>	46
Kiribati	53	72	..	..	..	..	..	..	333	47
Lao People's Dem. Rep.	93	111	653	..	..	0	0	1 101	42	90
Lesotho	93	134	529	40 <sup>f</sup>	..	26	19	..	272 <sup>l</sup>	91
Liberia	157	235	1 016	..	..	2	1	..	66	..
Madagascar	95	156	583	47 <sup>d</sup>	19	0	0	2 882 <sup>e</sup>	97	47
Malawi	132	211	576	50 <sup>a</sup>	22	15	11	47 855 <sup>j</sup>	220	57
Maldives	60	83	385	55 <sup>a</sup>	..	..	..	4	65	100
Mali	143	235	630	24	7	2	2	3 681	39	65
Mauritania	120	183	874	58 <sup>g</sup>	..	1	0	9 428 <sup>j</sup>	154 <sup>l</sup>	37
Mozambique	127	203	975	44	..	15	11	..	104	60
Myanmar	79	112	165	57 <sup>a</sup>	33	2	1	246	33	68
Nepal	75	104	826	10 <sup>e</sup>	29	0	0	31	106	81
Niger	162	275	923	18 <sup>d</sup>	8	1	1	10 037	34	59
Rwanda	110	180	2 318	22 <sup>f</sup>	..	11	8	21 103	93	41
Samoa	21	26	15	52 <sup>a</sup>	..	..	..	..	13	99
Sao Tome and Principe	59	76	..	..	..	..	..	62 685 <sup>e</sup>	32 <sup>j</sup>	..
Senegal	68	118	1 198	47 <sup>f</sup>	13	2	1	7 577 <sup>i</sup>	94	78
Sierra Leone	182	316	2 065	..	..	3	2	..	72	28
Solomon Islands	22	26	59	85 <sup>e</sup>	..	..	..	..	71	71
Somalia	125	211	1 582	..	..	..	..	42 <sup>k</sup>	44	..
Sudan	67	109	1 452	69	8	..	..	5 018	80	75
Togo	80	143	983	51 <sup>g</sup>	24	6	4	8 765 <sup>j</sup>	28	54
Tuvalu	40	56	..	..	..	..	..	..	180	100
Uganda	83	131	1 056	38 <sup>f</sup>	15	8	6	3 285 <sup>e</sup>	142	50
United Rep. of Tanzania	90	141	1 059	35 <sup>f</sup>	24	8	6	3 468	160	54
Vanuatu	37	46	32	70 <sup>g</sup>	..	..	..	..	98	88
Yemen	86	119	850	22 <sup>d</sup>	21	..	..	..	73	69
Zambia	112	202	867	47 <sup>a</sup>	25	18	13	34 000 <sup>h</sup>	482 <sup>h</sup>	64

Sources: UNCTAD secretariat estimates based on UNESCO (2000); FAO (2000); Kenneth, Abou Zahr, Wardlaw (2001); UNICEF (2001); WHO/UNICEF/ WSSCC (2001); World Bank, World Development Indicators, CD-ROM; WHO global database on coverage of maternal care, Department of Productive Health and Research, January 2001; and UNAIDS ([www.unaids.org/epidemic\\_update/report/Final\\_Table\\_Eng\\_Xcel.xls](http://www.unaids.org/epidemic_update/report/Final_Table_Eng_Xcel.xls)).

Notes: For definition of indicators see box 1. The target fulfilment year for the reduction of HIV/AIDS in young women differs from the target fulfilment year of HIV/AIDS reduction in young persons overall, because the target for young women is part of the reproductive health goal which is set for 2015, whereas the overall target for young persons is a specific health goal that is set for 2005. Values correspond with headline years and periods, unless otherwise specified. If the value does not correspond with the specified year or period, the corresponding year or period is specified with a lower-case letter, where a 1990; b data refers to a year or period other than that specified, differs from the standard definition or refers to only part of the country; c late 1999; d 1992; e 1991; f 1989; g 1988; h 1996; i 1995; j 1994; k 1993; l 1997.

TABLE 15. UNLDC III HUMAN DEVELOPMENT GOALS: PROGRESS IN THE 1990s

	Education								Nutrition	
	Universal enrolment and completion of primary education (of school age population)		Adult literacy rate (of total population)			Gender inequality in education (female rate as % of male rate)			Under-nourished people	Mal-nourished children
	Net primary enrolment rate	Children reaching Grade 5	Total	Female	Male	Primary enrolment (by 2005)	Secondary enrolment (by 2005)	Youth literacy		
<i>Baseline years</i>	1990	1990	1999	1999	1999	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	1996	1990
Afghanistan	..	..	Lagging	On track	Lagging	Far behind	..	Lagging	Slipping back	..
Angola	..	..	..	..	..	..	..	..	On track	..
Bangladesh	..	..	Far behind	Lagging	Far behind	..	..	Far behind	Far behind	..
Benin	On track	..	On track	On track	On track	Far behind	Far behind	Far behind	On track	..
Bhutan	..	..	..	..	..	..	..	..	..	..
Burkina Faso	Far behind	..	On track	On track	Lagging	Far behind	..	Far behind	Far behind	..
Burundi	Slipping back	..	Lagging	On track	Far behind	Far behind	..	On track	Slipping back	..
Cambodia	..	..	Lagging	On track	Far behind	..	Far behind	Far behind	On track	..
Cape Verde	..	..	Lagging	Far behind	On track	..	..	On track	..	..
Central African Republic	..	..	On track	On track	Lagging	..	..	On track	On track	..
Chad	Far behind	Far behind	On track	On track	On track	Far behind	Far behind	On track	On track	..
Comoros	..	..	Far behind	Far behind	Far behind	..	On track	Far behind	..	..
Dem. Rep. of the Congo	Lagging	..	Lagging	On track	Lagging	..	..	On track	Slipping back	..
Djibouti	Far behind	Slipping back	Far behind	Lagging	Far behind	Far behind	Far behind	On track	..	..
Equatorial Guinea	..	..	Lagging	Lagging	On track	..	..	Achieved	..	..
Eritrea	Far behind	..	Far behind	On track	Far behind	..	..	On track	..	..
Ethiopia	Far behind	..	Lagging	On track	Far behind	Slipping back	Slipping back	Achieved	..	..
Gambia	On track	..	On track	On track	On track	Lagging	Lagging	Far behind	On track	..
Guinea	Far behind	..	..	..	..	Far behind	Far behind	..	On track	..
Guinea..Bissau	..	..	Lagging	On track	Lagging	..	..	Far behind	..	..
Haiti	On track	..	Lagging	Lagging	Far behind	..	..	Achieved	Far behind	..
Kiribati	..	On track	..	..	..	..	..	..	..	..
Lao People's Dem. Rep.	On track	..	Lagging	On track	Far behind	Far behind	Far behind	On track	Far behind	..
Lesotho	Slipping back	..	Far behind	On track	Far behind	Achieved	Achieved	Achieved	Far behind	..
Liberia	..	..	Lagging	On track	Lagging	..	..	Far behind	Far behind	..
Madagascar	Slipping back	..	Far behind	Far behind	Far behind	Achieved	Achieved	On track	Slipping back	..
Malawi	..	..	Far behind	Lagging	Far behind	On track	Far behind	Far behind	On track	..
Maldives	..	..	Achieved	Achieved	Achieved	..	..	Achieved	..	..
Mali	Far behind	On track	On track	On track	On track	Far behind	Slipping back	On track	Slipping back	..
Mauritania	On track	Slipping back	Far behind	Far behind	Far behind	On track	Far behind	Far behind	On track	..
Mozambique	Slipping back	..	Lagging	On track	Far behind	Far behind	Far behind	Far behind	On track	..
Myanmar	..	..	Far behind	Far behind	Far behind	..	..	Achieved	On track	..
Nepal	..	..	Lagging	On track	Far behind	Lagging	Lagging	Far behind	Slipping back	..
Niger	Far behind	On track	Lagging	On track	Lagging	Far behind	Far behind	Far behind	Far behind	..
Rwanda	..	..	Lagging	Lagging	Far behind	..	..	On track	Far behind	..
Samoa	..	..	Far behind	Far behind	Far behind	Achieved	Achieved	Achieved	..	..
Sao Tome and Principe	..	..	..	..	..	..	..	..	..	..
Senegal	On track	Far behind	Lagging	On track	Far behind	Lagging	Far behind	Far behind	Far behind	..
Sierra Leone	..	..	..	..	..	..	..	..	Far behind	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..
Somalia	..	..	..	..	..	..	..	..	Slipping back	..
Sudan	..	..	Lagging	On track	Far behind	On track	On track	On track	On track	..
Togo	On track	..	Far behind	On track	Far behind	Far behind	Far behind	Far behind	On track	..
Tuvalu	..	..	..	..	..	..	..	..	..	..
Uganda	..	..	Far behind	Lagging	Far behind	Far behind	Far behind	Lagging	Slipping back	..
United Rep. of Tanzania	Far behind	Far behind	Lagging	Lagging	Lagging	Achieved	On track	On track	Slipping back	..
Vanuatu	..	..	..	..	..	..	..	..	..	..
Yemen	..	..	On track	On track	Far behind	..	..	Lagging	Far behind	..
Zambia	Slipping back	..	Lagging	Lagging	Lagging	..	..	On track	Slipping back	..



Table 15 (contd.)

	Population and health									Sanitation
	Child mortality		Maternal health		Reproductive health		Disease prevalence			Access to safe water (%)
	Infant mortality rate (POA) (per 1,000 live births)	Under-5 mortality rate (POA) (per 1,000 live births)	Maternal mortality rate (per 100,000 live births)	Births attended by skilled health staff (%)	Contraceptive prevalence (%)	Female HIV/AIDS prevalence in age group 15–24 (by 2015) (%)	HIV/AIDS prevalence in age group 15–24 by 2005 (%)	Malaria prevalence (per 100,000 people)	Tuberculosis prevalence (per 100,000 people)	
Baseline years	1990	1990	1990	1990	n.a.	1990	1990	1990	1990	
Afghanistan	Far behind	Far behind	..	..	..	..	..	<b>On track</b>	<b>Achieved</b>	..
Angola	Far behind	Far behind	..	..	..	..	..	<b>On track</b>	Far behind	..
Bangladesh	<b>On track</b>	<b>On track</b>	..	Far behind	Lagging	..	..	Slipping back	Slipping back	<b>Achieved</b>
Benin	Far behind	Far behind	..	<b>On track</b>	..	..	..	Slipping back	Far behind	..
Bhutan	<b>On track</b>	<b>On track</b>	..	..	..	..	..	Lagging	Far behind	..
Burkina Faso	Far behind	Far behind	..	Far behind	Far behind	..	..	Lagging	Far behind	..
Burundi	Far behind	Far behind	..	..	..	..	..	Slipping back	Slipping back	..
Cambodia	Far behind	Far behind	..	Slipping back	..	..	..	<b>On track</b>	Slipping back	..
Cape Verde	Far behind	Far behind	..	..	..	..	..	<b>Achieved</b>	<b>On track</b>	..
Central African Republic	Far behind	Far behind	..	Slipping back	..	..	..	<b>Achieved</b>	Slipping back	Far behind
Chad	Far behind	Far behind	..	Far behind	..	..	..	Slipping back	Lagging	..
Comoros	<b>On track</b>	<b>On track</b>	..	<b>On track</b>	..	..	..	..	<b>On track</b>	<b>Achieved</b>
Dem. Rep. of the Congo	Far behind	Far behind	..	..	..	..	..	..	Slipping back	..
Djibouti	Far behind	Far behind	..	..	..	..	..	Slipping back	Slipping back	<b>Achieved</b>
Equatorial Guinea	Far behind	Lagging	..	..	..	..	..	<b>Achieved</b>	Slipping back	..
Eritrea	<b>On track</b>	<b>On track</b>	..	..	..	..	..	..	Slipping back	..
Ethiopia	Far behind	Far behind	..	..	Far behind	..	..	Slipping back	<b>On track</b>	Far behind
Gambia	<b>On track</b>	<b>On track</b>	..	..	..	..	..	Slipping back	..	..
Guinea	Lagging	Lagging	..	Far behind	Far behind	..	..	Slipping back	Slipping back	Far behind
Guinea..Bissau	Far behind	Far behind	..	..	..	..	..	Slipping back	Slipping back	..
Haiti	Lagging	Far behind	..	Slipping back	Far behind	..	..	..	Lagging	Far behind
Kiribati	<b>On track</b>	<b>On track</b>	..	..	..	..	..	..	Slipping back	..
Lao People's Dem. Rep.	Lagging	<b>On track</b>	..	..	..	..	..	Slipping back	Far behind	..
Lesotho	Far behind	Far behind	..	..	..	..	..	..	Slipping back	..
Liberia	Far behind	Far behind	..	..	..	..	..	..	<b>On track</b>	..
Madagascar	Far behind	Far behind	..	Slipping back	Far behind	..	..	..	Slipping back	Far behind
Malawi	Far behind	Far behind	..	..	Far behind	..	..	Slipping back	Slipping back	Lagging
Maldives	<b>On track</b>	<b>On track</b>	..	..	..	..	..	<b>Achieved</b>	Far behind	<b>Achieved</b>
Mali	Far behind	Far behind	..	..	Far behind	..	..	Slipping back	Slipping back	<b>On track</b>
Mauritania	Far behind	Far behind	..	<b>On track</b>	..	..	..	Slipping back	<b>On track</b>	Far behind
Mozambique	Far behind	Far behind	..	..	..	..	..	..	Far behind	..
Myanmar	Far behind	Far behind	..	<b>On track</b>	Lagging	..	..	<b>On track</b>	Far behind	Far behind
Nepal	<b>On track</b>	<b>On track</b>	..	Far behind	Far behind	..	..	<b>Achieved</b>	Slipping back	<b>On track</b>
Niger	Far behind	Far behind	..	Far behind	Far behind	..	..	Slipping back	<b>Achieved</b>	Far behind
Rwanda	Far behind	Far behind	..	..	..	..	..	Slipping back	Far behind	..
Samoa	<b>Achieved</b>	<b>Achieved</b>	..	..	..	..	..	..	<b>Achieved</b>	<b>Achieved</b>
Sao Tome and Principe	Lagging	Lagging	..	..	..	..	..	..	Slipping back	..
Senegal	<b>On track</b>	Lagging	..	Far behind	Far behind	..	..	Slipping back	Slipping back	<b>On track</b>
Sierra Leone	Far behind	Far behind	..	..	..	..	..	..	Slipping back	..
Solomon Islands	<b>Achieved</b>	<b>Achieved</b>	..	..	..	..	..	..	<b>On track</b>	..
Somalia	Far behind	Far behind	..	..	..	..	..	<b>Achieved</b>	Slipping back	..
Sudan	Far behind	Far behind	..	..	Far behind	..	..	Slipping back	Slipping back	<b>On track</b>
Togo	Far behind	Far behind	..	Lagging	Far behind	..	..	<b>Achieved</b>	<b>On track</b>	Far behind
Tuvalu	Far behind	Far behind	..	..	..	..	..	..	<b>On track</b>	<b>Achieved</b>
Uganda	Far behind	Lagging	..	Far behind	Far behind	..	..	..	Far behind	Far behind
United Rep. of Tanzania	Far behind	Far behind	..	Slipping back	Far behind	..	..	<b>Achieved</b>	Slipping back	Far behind
Vanuatu	<b>On track</b>	<b>On track</b>	..	..	..	..	..	..	Slipping back	..
Yemen	Far behind	Far behind	..	Far behind	Far behind	..	..	..	..	Far behind
Zambia	Far behind	Far behind	..	Far behind	Far behind	..	..	Slipping back	Slipping back	<b>On track</b>

Source: As for table 14.

Note: See text for definition of "achieved", "on track", "lagging", "far behind" and "slipping back".

TABLE 16. UNLDC III HUMAN DEVELOPMENT GOALS: SUMMARY OF PROGRESS IN THE 1990s

	Number of LDCs according to progress categories <sup>a</sup>					
	Achieved	On track	Lagging	Far behind	Slipping back	No data
<b>Education</b>						
Net primary enrolment	0 (0)	7 (6)	1 (8)	9 (23)	5 (8)	27 (56)
Children reaching Grade 5	0 (0)	3 (3)	0 (0)	3 (8)	2 (0)	41 (88)
Adult literacy rate — total	1 (0)	7 (9)	19 (48)	12 (37)	0 (0)	10 (6)
Adult literacy rate — female	1 (0)	23 (49)	9 (35)	6 (10)	0 (0)	10 (6)
Adult literacy rate — male	1 (0)	6 (4)	9 (22)	23 (68)	0 (0)	10 (6)
Gender equality in primary enrolment (by 2005)	4 (8)	3 (7)	3 (5)	13 (20)	1 (9)	25 (50)
Gender equality in secondary enrolment (by 2005)	3 (3)	3 (10)	2 (4)	13 (18)	2 (11)	26 (54)
Gender equality in youth literacy	7 (18)	14 (29)	3 (9)	15 (38)	0 (0)	10 (6)
<b>Nutrition</b>						
Undernourished people	0 (0)	13 (25)	0 (0)	11 (33)	10 (31)	15 (11)
Malnourished children	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	49 (100)
<b>Population and health</b>						
Infant mortality rate (POA)	2 (0)	10 (27)	4 (3)	33 (70)	3 (5)	0 (0)
Under-5 mortality rate (POA)	2 (0)	10 (26)	5 (6)	32 (68)	4 (7)	0 (0)
Maternal mortality rate	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	49 (100)
Births attended by skilled health staff	0 (0)	4 (9)	1 (1)	10 (39)	5 (11)	29 (40)
Contraceptive prevalence	0 (0)	0 (0)	2 (28)	16 (44)	0 (0)	31 (28)
Female HIV/AIDS prevalence in age group 15–24 (by 2015)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	49 (100)
HIV/AIDS prevalence in age group 15–24 (by 2005)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	49 (100)
Malaria prevalence (per 100,000 people)	8 (11)	4 (14)	2 (2)	0 (0)	18 (50)	17 (22)
Tuberculosis prevalence (per 100,000 people)	3 (5)	8 (11)	2 (2)	10 (17)	24 (62)	2 (3)
<b>Sanitation</b>						
Access to safe water	6 (21)	5 (13)	1 (2)	12 (36)	0 (0)	25 (29)

Source: As for table 14.

a For definition of categories see text. Numbers in brackets represent percentage of LDC population in category.

## F. ODA targets for donor countries

Under commitment 7 of the Programme of Action, “Mobilizing financial resources”, it is stated that “Donor countries will implement the following actions that they committed to at the second United Nations Conference on the Least Developed Countries as soon as possible:

- (a) Donor countries providing more than 0.20 per cent of their GNP as ODA to LDCs: continue to do so and increase their efforts;

- (b) Other donor countries which have met the 0.15 target: undertake to reach 0.20 per cent expeditiously;
- (c) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target within the next five years or to make their best efforts to accelerate their endeavours to reach the target;
- (d) During the period of the Programme of Action, the other donor countries: exercise individual best efforts to increase their ODA to LDCs with the effect that collectively their assistance to LDCs will significantly increase" (para. 83).

One feature of the way in which this target was originally formulated at UNLDC II was that it allows donor countries some flexibility in deciding what they are committed to. However, a problem in ascertaining whether this goal is being met is that it is unclear which countries have committed to what options. For the future monitoring of aid targets, it is important that donor countries clarify where precisely they stand in relation to this goal and also specify, if possible, the time frame for the realization of this goal.

Chart 2 shows net ODA flows to LDCs as a percentage of individual donors' GNI in 1999 and 2000.<sup>5</sup> The situation in 2000 was such that only five donor countries surpassed the target of making net ODA disbursements more than 0.2 per cent of their GNI. These were: Denmark (0.34 per cent), Norway (0.27 per cent), Luxembourg (0.25 per cent), Sweden (0.24 per cent) and the Netherlands (0.21 per cent). All the other countries were below the 0.15 per cent of GNI target. In absolute terms, Japan and USA remained the largest donors to the LDCs in 2000, with net ODA flows, including imputed flows through multilateral channels, equivalent to \$2.1 billion and \$2.0 billion respectively.

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*In 2000, only five donor countries surpassed the target of making net ODA disbursements more than 0.2 per cent of their GNP. All the other countries were below the 0.15 per cent of GNP target.*

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## G. Progress towards graduation from LDC status

The Programme of Action for the Least Developed Countries for the Decade 2001–2010 states that its success will be judged, *inter alia*, by its contribution to "their graduation from the list of LDCs" (para. 21e). With this in view, assessment of progress towards graduation may provide a useful further way of assessing the results of the Programme of Action.

The Committee for Development Policy (CDP) of the United Nations Economic and Social Council (ECOSOC) is responsible for recommendations about inclusion in and graduation from the list of least developed countries, as well as for establishing appropriate criteria and thresholds. Statistics, produced every three years, provide the basis for a somewhat complex judgement by the CDP on the extent to which particular LDCs have made sufficient and sustainable progress in overcoming structural weaknesses and handicaps such that they should graduate from the list. Tracking progress towards graduation as an aspect of monitoring the Programme of Action should not prejudice these judgements, which are the proper preserve of the CDP, nor judgements about criteria and thresholds, which are also its concern.

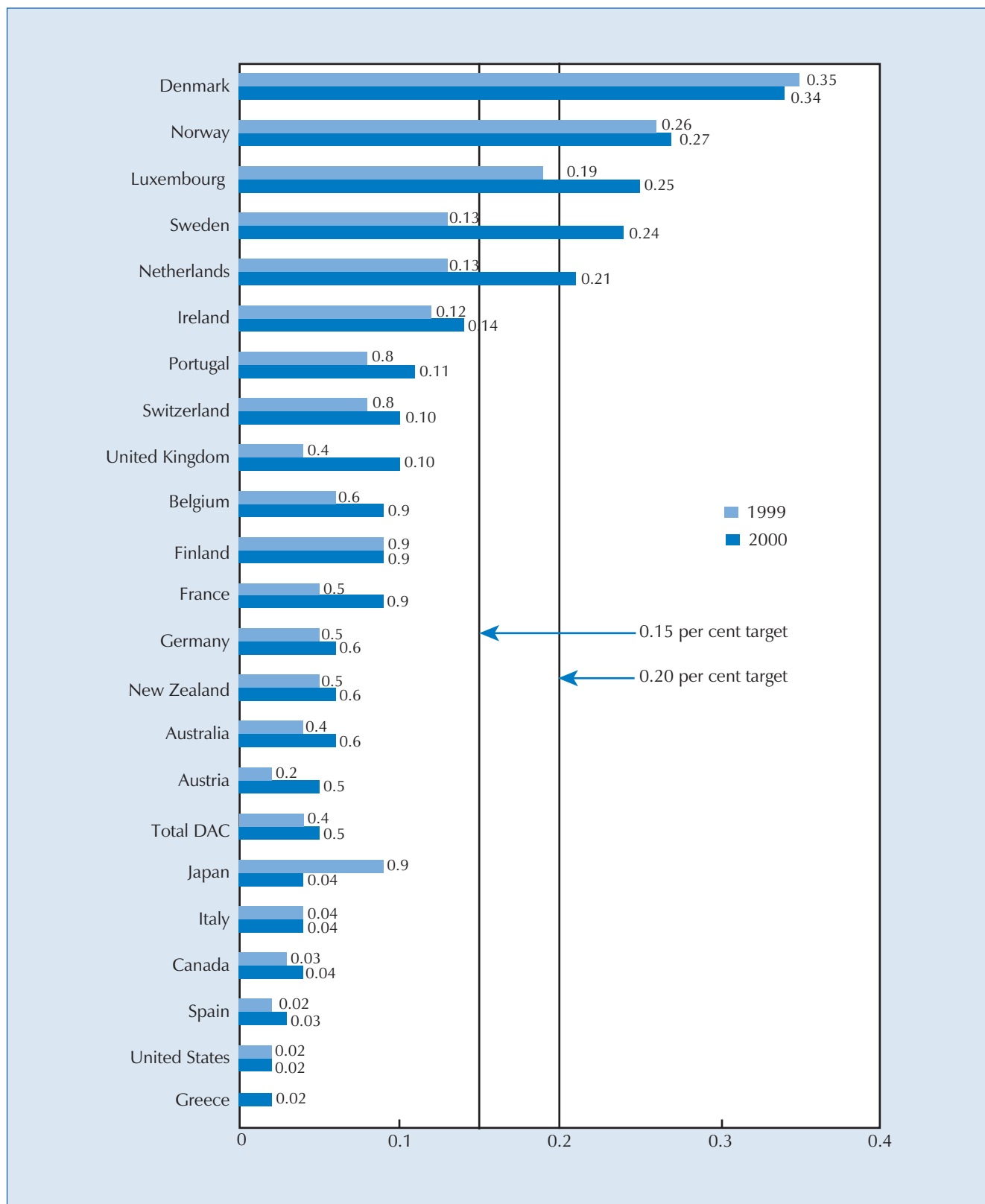
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*In absolute terms, Japan and USA remained the largest donors to the LDCs in 2000.*

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Box 2 sets out the criteria and thresholds for possible graduation from the list of LDCs as used in the 1990s, as well as the revised methodology used since the year 2000. At the present time, the criteria for inclusion within and graduation from the list of LDCs are the following: the income level, as measured by GDP per capita; the level of human resource development, as measured by the Augmented Physical Quality of Life Index (APQLI); and the level of economic

CHART 2. NET ODA DISBURSEMENTS TO LDCs FROM DAC MEMBER COUNTRIES,<sup>a</sup> 1999 AND 2000  
(As percentage of donor's GNI)



Source: UNCTAD secretariat estimates based on OECD *Development Co-operation 2001 Report*.

a Including imputed multilateral flows, i.e. making allowance for contributions through multilateral organizations, calculated using the geographical distribution of multilateral disbursements for the year of reference.



## BOX 2. CRITERIA AND INDICATORS FOR GRADUATION FROM THE LIST OF THE LDCs

Criteria used in determining the list of LDCs during the 1990s	Revised criteria for determining the list of LDCs since 2000
<p><b>1. Per capita GDP:</b></p> <p>Three-year average, converted at each year's official exchange rate. Threshold for graduation: above \$700 (1991), above \$800 (1994), above \$900 (1997)</p> <p><b>2. Augmented Physical Quality of Life Index (APQLI):</b></p> <p>calculated as a simple average of four component indices based on the following indicators:</p> <ul style="list-style-type: none"> <li>a. <i>Health: life expectancy at birth</i></li> <li>b. <i>Nutrition: per capita daily calorie intake as a percentage of daily requirement</i></li> <li>c. <i>Education: combined primary and secondary school enrolment ratio</i></li> <li>d. <i>Education: adult literacy rate</i></li> </ul> <p>Threshold for graduation: greater than 52 (1991, 1994 and 1997)</p> <p><b>3. Economic Diversification Index (EDI):</b></p> <p>Calculated as a simple average of four component indices based on the following indicators:</p> <ul style="list-style-type: none"> <li>a. <i>Share of manufacturing in GDP</i></li> <li>b. <i>Share of industry in the labour force</i></li> <li>c. <i>Annual per capita commercial energy consumption</i></li> <li>d. <i>UNCTAD's merchandise export concentration index</i></li> </ul> <p>Threshold for graduation: greater than 25 (1991), greater than 29 (1994 and 1997)</p>	<p><b>1. Per capita GDP:</b></p> <p>Three-year average, converted at each year's official exchange rate. Threshold for graduation: above \$1,035</p> <p><b>2. Augmented Physical Quality of Life Index (APQLI):</b></p> <p>calculated as a simple average of four component indices based on the following indicators:</p> <ul style="list-style-type: none"> <li>a. <i>Health: child mortality rate (under age 5)</i></li> <li>b. <i>Nutrition: per capita daily calorie intake as a percentage of daily requirement</i></li> <li>c. <i>Education: combined primary and secondary school enrolment ratio</i></li> <li>d. <i>Education: adult literacy rate</i></li> </ul> <p>Threshold for graduation: greater than 68</p> <p><b>3. Economic Vulnerability Index (EVI):</b></p> <p>Calculated as a simple average of five component indices based on the following indicators:</p> <ul style="list-style-type: none"> <li>a. <i>Share of manufacturing and non-government services in GDP</i></li> <li>b. <i>UNCTAD's merchandise export concentration index</i></li> <li>c. <i>An indicator of instability of agricultural production</i></li> <li>d. <i>An indicator of instability of exports of goods and services</i></li> <li>e. <i>Population size (in logarithm)</i></li> </ul> <p>Threshold for graduation: less than 31</p> <p><b>4. Supplementary (qualitative) considerations:</b></p> <p>If any of the three criteria (per capita income, quality of life, vulnerability) is near its graduation threshold, a vulnerability profile of the country is called for to enable the Committee for Development Policy members to make a sound judgement on graduation out of the list of LDCs.</p>

vulnerability, as measured by the Economic Vulnerability Index (EVI). The current thresholds for graduation from the list of LDCs are the following: per capita GDP greater than \$1,035; an APQLI greater than 68; and an EVI lower than 31. The CDP applies the decision rule that it is necessary for at least two of the three graduation criteria to be met for the relevant country to be found eligible for graduation, and that it must meet at least two criteria in two consecutive reviews.<sup>6</sup>

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*The data which are internationally available for monitoring the progress towards the quantified and time-bound targets in the Programme of Action are woefully inadequate in terms of their coverage of LDCs, their quality and their timeliness.*

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Charts 3, 4 and 5 show where the LDCs stood in the second half of the 1990s in terms of their position relative to these graduation thresholds, the estimates being based on the CDP's review of the list for GDP per capita, APQLI and EVI conducted in 2000 (UNCTAD, 2000). It is apparent from the chart that only ten countries met either one or two of the thresholds for graduation. For 40 out of the 49 LDCs, their GDP per capita performance was less than two thirds of the threshold for graduation, while for 33 the APQLI was less than two thirds of the benchmark.

Progress in the 1990s towards eligibility for graduation is examined on a case-by-case basis in UNCTAD (2002). Botswana is the only country that has so far graduated from the LDC category. There have also been three cases of full eligibility for graduation from least developed country status (i.e. eligibility pronounced after relevant criteria were met in two consecutive reviews): Cape Verde and Vanuatu in 1997, and Maldives in 2000. But in practice none of these have yet graduated.<sup>7</sup> The countries that currently have the greatest potential for graduation in the coming decade are those three, plus Samoa. However, they face major structural handicaps as a result of their geographical situation and also, in the case of Maldives, specific vulnerabilities as regards the prospect of rising sea-levels. Generally, they remain highly vulnerable, although they have made progress under the income and human resource criteria for graduation, largely through tourism development.

If the trends of the 1990s persist, the graduation prospects of most LDCs during the 2001–2010 decade are limited.<sup>8</sup> The reality may, of course, turn out to be better or worse. Indeed, a prime purpose of the Programme of Action for the LDCs during 2001–2010 is to ensure that this dismal scenario does not occur. It is towards creating this better future that the concrete efforts by LDCs and their development partners in implementing the new Programme of Action should be directed.

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*This situation must be speedily rectified if results-oriented progress monitoring is to be a meaningful activity.*

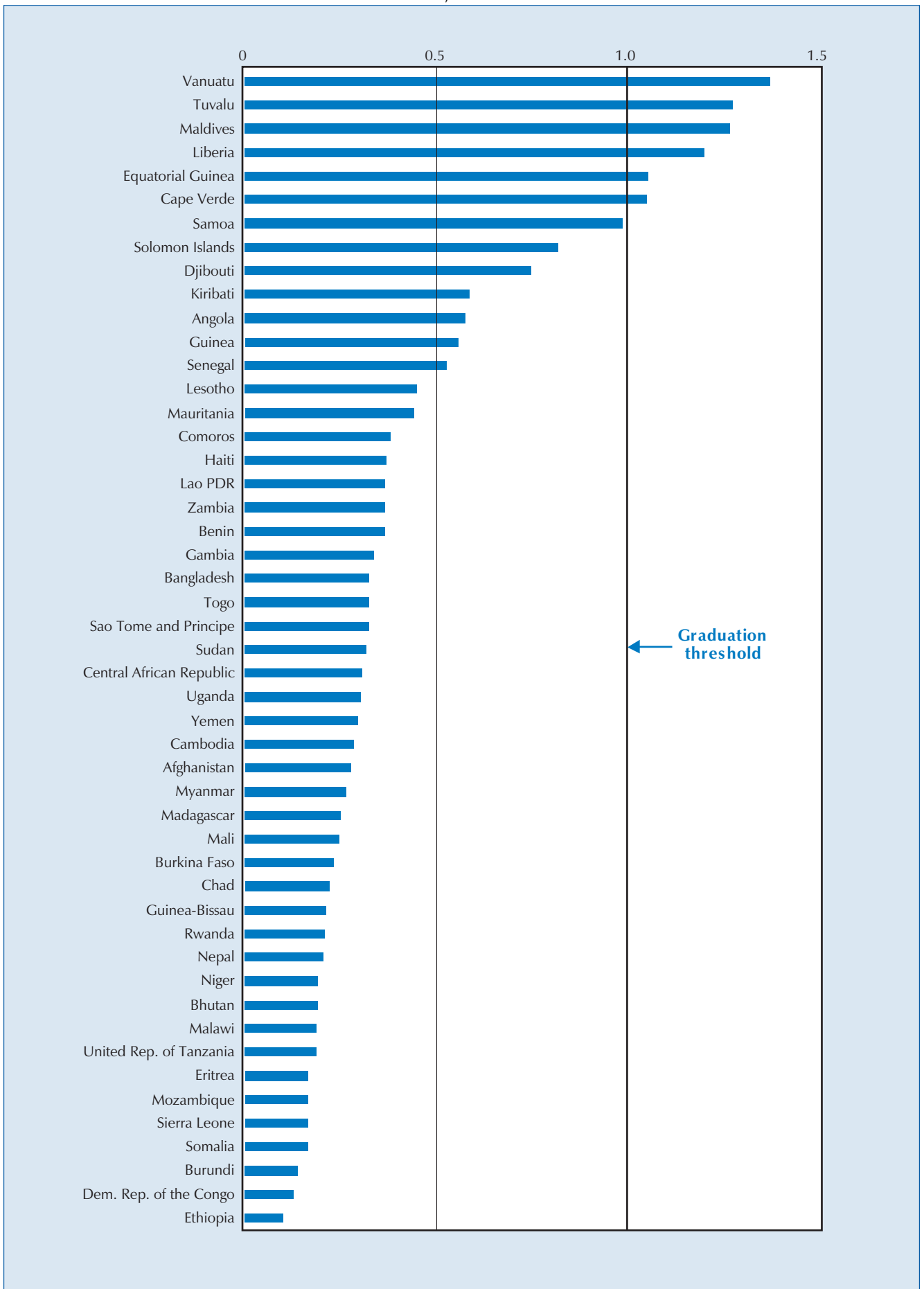
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## H. Conclusion

The data which are internationally available for monitoring the progress towards the quantified and time-bound targets in the Programme of Action for the Least Developed Countries for the Decade 2001–2010 are woefully inadequate in terms of their coverage of LDCs, their quality and their timeliness. It is essential to improve national statistical systems in the LDCs, not simply for the UNLDC III development targets, but also for national accounts and trade statistics.

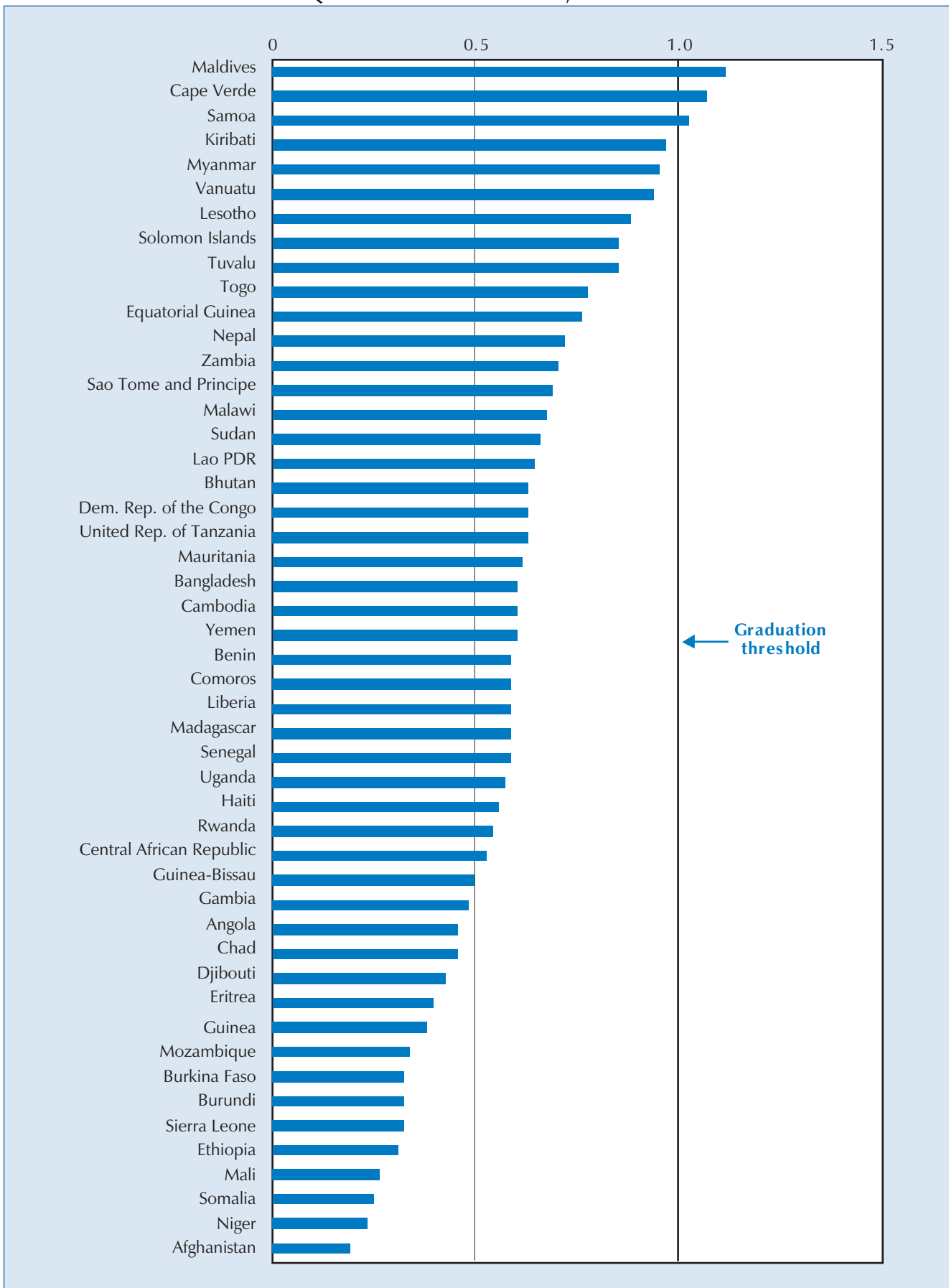
The data problem is particularly acute in relation to the overarching goal of the Programme of Action, which is to make substantial progress towards halving by 2015 the proportion of people living in extreme poverty. It is currently impossible to monitor achievement of this target in most LDCs on the basis of internationally comparable data. This situation must be speedily rectified if results-oriented progress monitoring is to be a meaningful activity.

CHART 3. AVERAGE GDP PER CAPITA IN LDCs, 1995–1997: RATIO TO GRADUATION THRESHOLD



Source: United Nations Committee for Development Policy (2000).

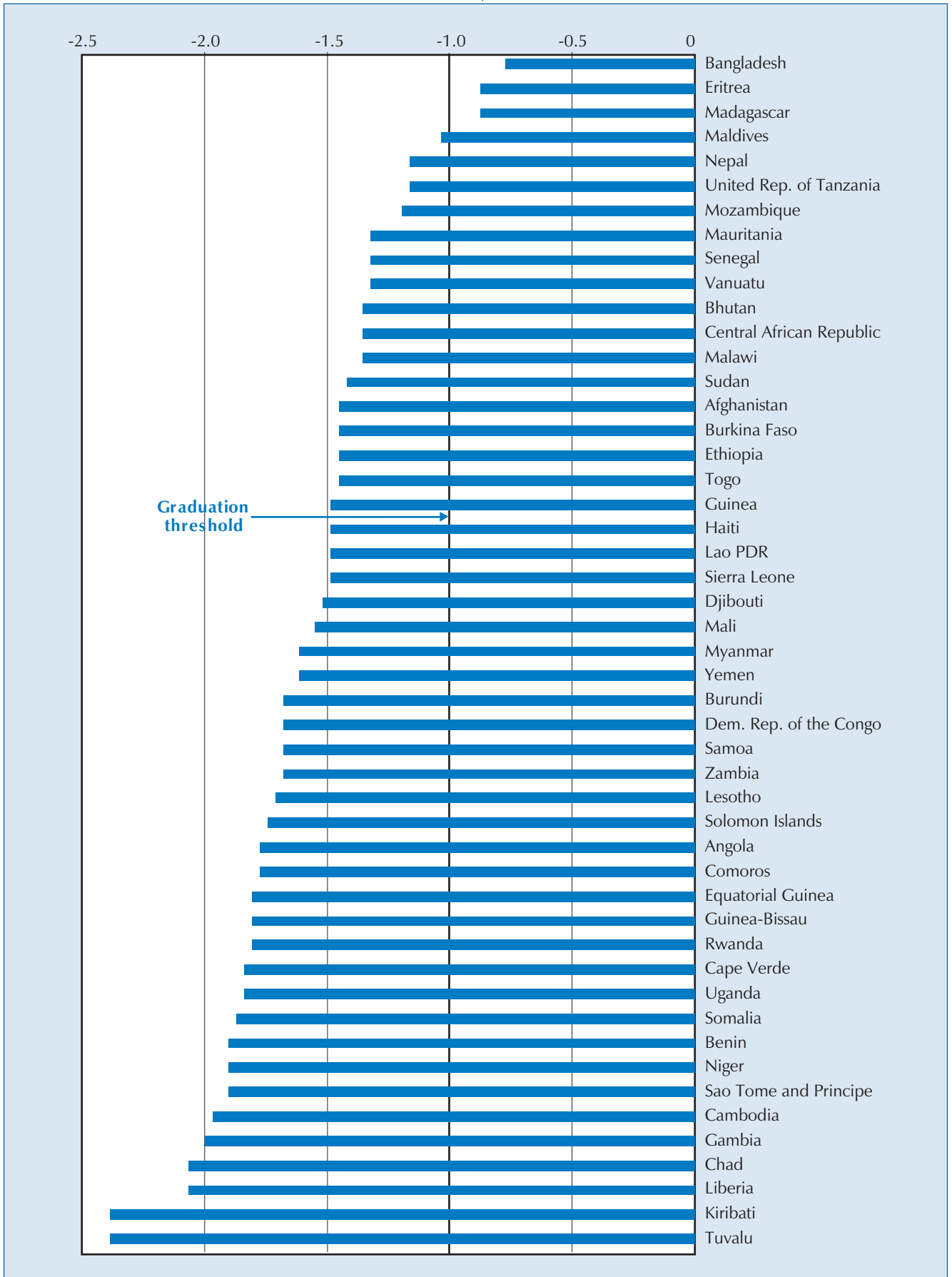
CHART 4. AUGMENTED PHYSICAL QUALITY OF LIFE INDEX IN LDCs, 1997: RATIO TO GRADUATION THRESHOLD



Source: United Nations Committee for Development Policy (2000).



CHART 5. ECONOMIC VULNERABILITY INDEX IN LDCs, 1997–1998: RATIO TO GRADUATION THRESHOLD



Source: United Nations Committee for Development Policy (2000).

Note: All countries with less than -1.0 have economic vulnerability exceeding the graduation threshold. The instability components of the Economic Vulnerability Index are based on data from 1979 to 1997 or to 1998, and the other components on data for 1997 or 1998. See box 2 for components of this index.

Where data are available, it is apparent that the majority of the LDCs are currently off track in terms of the UNLDC III development targets. Significant efforts by both the LDCs themselves and their development partners, going beyond those of the 1990s and, where appropriate, building on experiences of success and diverging from specific policies pursued in that decade, will be necessary in order to ensure that greater progress is made. The second part of this Report is dedicated to supporting this effort. It seeks to rectify the problem of data availability in relation to the incidence of poverty in the LDCs, and to provide a better analytical basis for national and international policies designed to promote poverty reduction in these countries.

## Notes

1. This includes information at [www.developmentgoals.org](http://www.developmentgoals.org) and the outcome of the meeting of the representatives of the Secretary-General's Office, UNDESA, UNDP, UNFPA, UNICEF, UNSD, DGO, IMF, OECD and the World Bank held in New York on 21 June 2001 to map the Millennium Development Goals and the International Development Goals.
2. Discussion of UNCTAD (2001), which provides the basis for this chapter, in the 48th session of the Trade and Development Board emphasized the desirability of identifying indicators for monitoring the Programme of Action comprehensively. But how to do this requires further intergovernmental discussion.
3. See box 7, p.74.
4. The tables in this section are based on work in UNDP's Human Development Report Office by David Stewart.
5. The targets are now measured as ODA/GNI rather than ODA/GNP as all DAC Members have adopted the 1993 System of National Accounts.
6. It should be noted that the thresholds for inclusion in the list of LDCs do not correspond to the thresholds for graduation from the list. In the CDP review of the list of LDCs in 2000, the inclusion thresholds were set at: GDP per capita, \$900; APQLI, 59; and EVI, 36.
7. For discussion of these cases, see UNCTAD (2002). pp. 4–5.
8. See UNCTAD (2000, table 4) for the GDP per capita criterion.

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*Where data are available, it is apparent that the majority of the LDCs are currently off track in terms of the UNLDC III development targets.*

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