



The process of LDC graduation

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LEAST DEVELOPED COUNTRIES (48)

Africa 34, Asia 9, Caribbean 1, Pacific 4



Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



What is graduation?

Graduation is the process through which a country ceases to be an LDC, having grown and developed enough to meet the graduation criteria

⇒ It results in countries gradually losing access to LDC-specific international support measures



Why address the issue of graduation now?

- **2016: 45 years since establishment of LDC category**
- **Graduation rules only agreed in 1991**
- **To date only four cases of graduation:**
 - ✓ **Bostwana (1994)**
 - ✓ **Cabo Verde (2004)**
 - ✓ **Maldives (2007)**
 - ✓ **Samoa (2015)**



Why address the issue of graduation now?

- **2016: Mid-point of the Programme of Action for the Least Developed Countries for the Decade 2011-2020: Istanbul Programme of Action (IPoA)**
- **For the first time ever a graduation target was adopted:**
 - ✓ **“aim of enabling half the number of least developed countries to meet the criteria for graduation by 2020” (IPoA, para. 28)**
- **Most LDCs close to graduation have adopted graduation as a specific goal (unlike the four past graduates)**



What are the graduation criteria?

In two consecutive triennial reviews by Committee for Development Policy (CDP), countries should either:

1. reach thresholds for at least two criteria

1. GNI per capita (\geq \$ 1,242)

2. Human Asset Index (HAI) (\geq 66)

3. Economic Vulnerability Index (EVI) (\leq 32)

OR

2. reach double the GNI per capita threshold (income only)

THE LEAST DEVELOPED COUNTRIES REPORT 2016

The path to graduation and beyond: Making the most of the process



What does the Report address?

- Meaning of graduation
- Prospects of graduation over the 2017–2024 period
- Evaluation of ISM effectiveness
- Assessment of impacts of graduation
- Outlook for post-graduation development
- Gender dimension of process
- Policy actions
 - by LDC policymakers
 - by international community





THE LEAST DEVELOPED COUNTRIES REPORT 2016

The path to graduation and beyond: Making the most of the process



Timing of the Report

- Launch: 13 December 2016
- Intergovernmental discussion: Trade and Development Board, Executive Session (February 2017)





Relationship between graduation and development processes

The *LDC Report 2016* highlights the importance of placing graduation in the context of the development process of LDCs, especially:

- **Development of productive capacities**
- **Structural transformation**

Thank you

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