The process of LDC graduation

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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)
  - 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)
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
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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