

## **Background Note**

### **Input to ECOSOC high level dialogue - LDC graduation issues**

Eligibility for graduation is determined by the United Nations Committee for Development Policy (CDP), as mandated by the Economic and Social Council. The issue of meeting eligibility for graduation has gained renewed attention since the adoption the Istanbul Programme of Action by the United Nations in 2011.

Among its priority goals, the Programme aims to enable half of the LDCs to meet the criteria for graduation by 2020. In the 2015 triennial review, the CDP established that ten LDCs met the graduation criteria. Of these, two countries are in the process of graduating from the category (Equatorial Guinea and Vanuatu), other two countries have been recommended for graduation and are awaiting decisions by ECOSOC or the General Assembly (Tuvalu and Angola). Six countries (Kiribati, Bhutan, Nepal, Sao Tome and Principe, Solomon Islands, and Timor-Leste) will be considered for graduation by the CDP in the next triennial review in 2018.

The main reason for the increase in LDCs meeting the graduation criteria is their continued progress in raising incomes and building human assets. While indicating a great development achievement, graduation also implies the eventual phasing out of LDC specific support by development and trading partners. This support includes special modalities of bilateral ODA, preferential market access, dedicated funds and technical assistance programmes, and travel benefits.

### **Statement**

At the 2015 triennial review of the list of LDCs, the Committee for Development Policy established that an increasing number of countries meet the graduation criteria from the LDC category. Smooth transitioning from the category is likely to become an increasingly important international policy issue in the coming years. Graduation signifies progress. Yet, graduating countries still require financial support and favourable market access conditions to ensure the sustainability of their development progress. The international community needs to be prepared to fully support these countries after their graduation, particularly in view of their acute vulnerability to climate change. In this regard, priority access to concessional forms of climate finance should be decided on the basis of vulnerability and need and not on whether countries are classified as LDCs.