United Nations
CDP
Committee for
Development Policy

2011

Monitoring of countries graduating from the category of least developed countries*

The Committee reviewed the development progress in Equatorial Guinea and Samoa and took note of the efforts to rebuild the Samoan economy after the tsunami in 2009. It encourages Samoa, with the assistance of its development partners, to prepare a transition strategy for its graduation from the category in accordance with General Assembly resolution 59/209. In Equatorial Guinea, even with lower oil prices and reduced production of crude oil in 2009, per capita income remained at approximately 10 times the graduation threshold. The Committee brings to the attention of the Council the fact that the General Assembly has not yet acted upon the recommendation to graduate Equatorial Guinea. A prolonged delay may have negative implications for the category of the least developed countries in terms of credibility and equal treatment of countries. The Council believes it important that the General Assembly take action in this regard.

By its resolution E/2010/9, the Economic and Social Council requested the Committee to monitor the recent socio-economic development progress of countries earmarked for graduation from the least developed country category and to include its findings in its annual report to the Council. Samoa is the only country currently earmarked for graduation by the General Assembly. The present report also includes Equatorial Guinea, which was recommended for graduation by the Committee in 2009. That recommendation was endorsed by the Council in July 2009 but is yet to be acted upon by the General Assembly.

The graduation of Samoa was postponed by the General Assembly until 1 January 2014 following a devastating tsunami that struck the country on 29 September 2009 (see resolution 64/295). Samoa's national income per capita increased steadily for years, but declined slightly in 2009 to $2,840. Nevertheless, it is very likely the country will continue to have a level of income per capita well above the income graduation threshold to be established at the 2012 triennial review of the list of least developed countries. [1]

The tsunami struck Samoa when it was recovering from the negative impacts of the global financial and economic crisis of 2008-2009. Although economic growth has returned, rebuilding the economy, in particular the vital tourism sector, requires continuing attention. The relatively high level of human capital in Samoa, evidenced by the high values of the human asset index, is likely to be of particular importance in this regard. The Committee notes that the extended graduation period will allow Samoa, with the support of its development and trading partners, to intensify the efforts to prepare a smooth transition strategy in accordance with General Assembly resolution 59/209.

Equatorial Guinea was recommended for graduation in 2009 owing to its high level of GNI per capita, which is several times above the income graduation threshold, although the country did not meet the graduation threshold set for the two

• Excerpt from Committee for Development Policy, Report on the nineteenth session, See Official Records of the Economic and Social Council, 2011, Supplement No. 13 (E/2011/33)

1 The income graduation threshold is to be set at 20 per cent above the three-year (2008-2010) average of the low-income threshold determined by the World Bank. The 2009 threshold was $995.

other criteria.[2] Even with lower oil prices and reduced production of crude oil in 2009, per capita income remained as high as $12,420 (about 10 times the graduation threshold). In fact, the World Bank classified Equatorial Guinea as a high-income country in 2010.

Some components of the human asset index suggest a slow but steady improvement in social indicators. However, the Committee notes that additional efforts are urgently required for Equatorial Guinea to achieve a health status commensurate with its income level, in particular in terms of child mortality.

The Committee notes with great concern that the General Assembly has not yet taken action on the graduation of Equatorial Guinea. It would like to draw attention to the possibility that prolonged inaction in this regard may decrease the credibility of the least developed country category as a whole and may raise concerns about ensuring equal treatment of countries found eligible for graduation.

2 This is in accordance with the established rules for graduation, which provide that countries with GNI per capita exceeding at least twice the graduation threshold will be eligible. See Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures (United Nations publication, Sales No. E.07.II.A.9).