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COMMITTEE FOR DEVELOPMENT POLICY

HANDBOOK ON THE LEAST DEVELOPED COUNTRY CATEGORY:

Inclusion, Graduation and Special Support Measures

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5TH EDITION

United Nations | Department of Economic and Social Affairs

May 2024

United Nations Department of Economic and Social Affairs

The United Nations Department of Economic and Social Affairs (UN DESA) is a vital interface between global policies in the economic, social and environmental spheres and national action. The Department's mission is to promote and support international cooperation in the pursuit of sustainable development for all. Its work is guided by the universal and transformative 2030 Agenda for Sustainable Development, along with a set of 17 integrated Sustainable Development Goals adopted by the United Nations General Assembly. UN DESA's work addresses a range of crosscutting issues that affect peoples' lives and livelihoods, such as poverty eradication, employment, social inclusion, inequalities, population, indigenous rights, macroeconomic policy, development finance and cooperation, public sector innovation, forest policy, climate change and sustainable development. For more information, visit https://www.un.org/en/desa.

Committee for Development Policy

The Committee for Development Policy (CDP) is a subsidiary body of the United Nations Economic and Social Council (ECOSOC). It advises the Council on a range of issues related to development policy and sustainable development, including periodically reviewing the criteria for and composition of the least developed country (LDC) category. The 24 members of the CDP are nominated by the United Nations Secretary-General in their personal capacity and are appointed by ECOSOC for a period of three years. The Secretariat of the CDP is part of the Economic Analysis and Policy Division (EAPD) of the United Nations Department of Economic and Social Affairs (UN DESA). For more information, visit https://cdp.un.org/.

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Foreword

The category of the least developed countries (LDCs) was established in 1971 as a special group of developing countries characterized by low levels of income, and structural impediments to growth. Special measures were therefore deemed necessary for overcoming challenges to their development.

The Committee for Development Planning, the predecessor of the Committee for Development Policy (CDP), played an important role in the establishment of the LDC category. Since then, the CDP has been responsible for identifying which countries fall within the LDC category. The Committee has prepared a rigorous methodology for this purpose, as detailed in this publication.

This *Handbook on the Least Developed Country Category* has been prepared by the United Nations Department of Economic and Social Affairs, which hosts the secretariat of the CDP. Its publication will raise awareness among diverse stakeholders on the methods and approaches used in the identification of LDCs, and the international support measures available to them. It should be useful for all those interested in finding solutions to the development challenges faced by these countries.

This revised edition has been updated to reflect recent developments in the LDC category, including refinements to the LDC criteria and the progress of several countries towards graduation from the category. Moreover, this edition of the *Handbook* contains updated information on international support measures, including on "smooth transition" provisions for countries graduating from the LDC category.

I hope that the updated and revised *Handbook* will continue to promote a better understanding of the category and the challenges confronting LDCs. I trust it will inform the implementation of the Doha Programme of Action for the Least Developed Countries, and other global efforts accelerating progress towards the Sustainable Development Goals.

李军华

Li Junhua
Under-Secretary-General for
Economic and Social Affairs
United Nations
May 2024

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The present publication is a collaborative undertaking of the Committee for Development Policy (CDP) and the United Nations Department of Economic and Social Affairs. The procedures presented herein reflect the outcome of collaborative efforts by various members, past and current, of CDP. This publication was prepared by the secretariat of the Committee for Development Policy under the general supervision of Roland Mollerus, Secretary of the Committee. It was coordinated by Matthias Bruckner, who counted on invaluable substantive support from Annette Becker, Mereseini Bower and Márcia Tavares. The contributions of Leah C. Kennedy and Rachel Babruskinas in producing this publication are also gratefully acknowledged.

Summary

The fifth edition of the *Handbook on the Least Developed Country Category* provides comprehensive information on the least developed country (LDC) category, including a description of procedures and methodologies used in the identification of these countries and the international support measures available to them. It builds upon and updates the previous edition, published in 2021. The *Handbook* aims at providing comprehensive and up-to-date information on the LDC category, and is intended for use by government officials, policymakers, researchers and others interested in the LDC category.

The *Handbook* is organized as follows: chapter I provides a detailed description of the procedures for inclusion in and graduation from the category. Chapter II presents an overview of the international support measures accorded specifically to LDCs, including measures related to trade, development assistance and support for participation in international forums. Specific attention is given to the impact of graduation on these support measures. Lastly, chapter III provides a detailed explanation of the LDC criteria, including composition, methodologies and data sources. In addition, the chapter presents specific examples of the application of the criteria, based on the Committee for Development Policy (CDP) 2024 triennial review of the list of LDCs.

As measures of support, provisions, procedures and methodologies evolve over time, the information contained in the present *Handbook* will be updated on a regular basis to reflect relevant developments, including the outcome of the triennial reviews of the list of the least developed countries. Updates will be posted on the LDC Portal. Up-to-date detailed information, including statistical data on the LDC category, is also available on the CDP website.

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Explanatory notes

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The term “country” as used in the text also refers, as appropriate, to territories or areas. The designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgment about the stage of development reached by a particular country or area in the development process.

The views expressed in this publication are those of the Committee for Development Policy (CDP) and do not necessarily reflect the opinions and policies of the United Nations.

Every effort has been made to provide accurate information. Errors brought to the attention of the CDP secretariat will be corrected in forthcoming issues and online. This publication in no way replaces legal texts or official policy documents.

The following abbreviations have been used.

Abbreviations

ADB	Asian Development Bank
AGOA	African Growth and Opportunity Act
CDP	Committee for Development Policy
DAC	Development Assistance Committee
DFQF	duty-free, quota-free
ECOSOC	Economic and Social Council
EIF	Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries
EVI	Economic and environmental vulnerability index
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environmental Facility
GNI	Gross national income
GSP	Generalized System of Preferences
HAI	Human assets index
IDA	International Development Association
IMF	International Monetary Fund

ITC	International Trade Centre
ITU	International Telecommunication Union
LDCs	least developed countries
LDCF	Least Developed Countries Fund
ODA	official development assistance
ODCs	other developing countries
OECD	Organisation for Economic Co-operation and Development
SDRs	special drawing rights
SIDS	small island developing States
TRIPS	Agreement on trade-related intellectual property rights
UNCTAD	United Nations Conference on Trade and Development
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UN-OHRLLS	Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
UNSD	Statistics Division of UN DESA
UNU	United Nations University
UNWTO	United Nations World Tourism Organization
WHO	World Health Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

CHAPTER
I

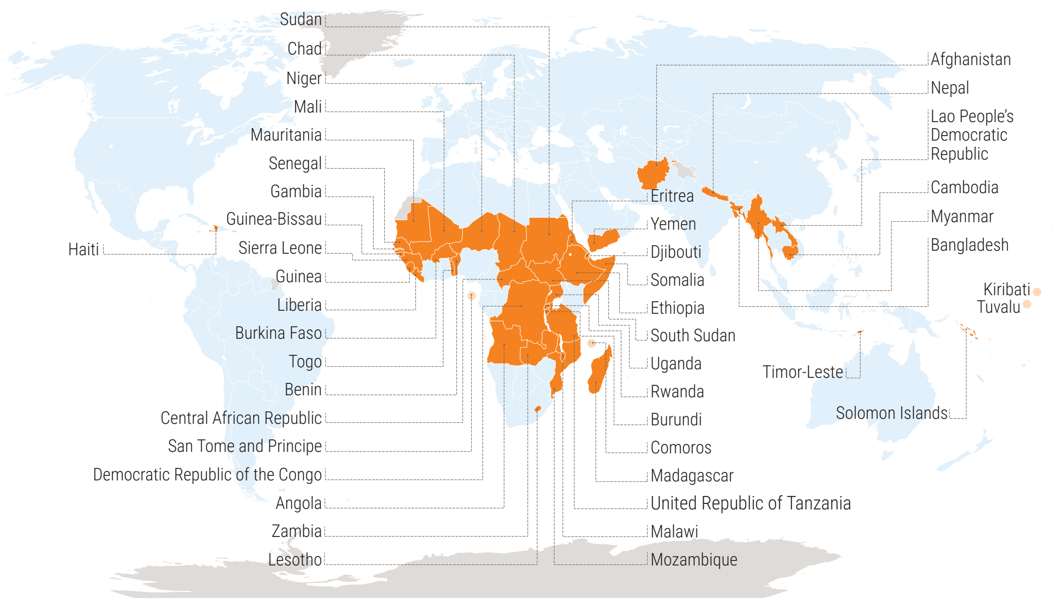
The least developed country category: criteria and procedures for inclusion and graduation

A. The least developed country category

The least developed country (LDC) category comprises the most disadvantaged of the developing countries. As of 2024, 45 countries are included in the category (see figure I.1). LDCs comprise 15 per cent of the world's population, but account only

Figure I.1

Map of least developed countries, May 2024



Source: UN DESA, based on the List of Least Developed Countries.
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Figure I.2

Milestones in the creation of the least developed country category

1964

UNCTAD I: Recommended special support for the less developed among developing countries

- The first United Nations Conference on Trade and Development (UNCTAD I) recommended that international policies and measures adopted with a view to promoting the economic development of developing countries pay special attention to the less developed among them, so as to ensure sustained growth with equitable opportunity[a]

1969

GENERAL ASSEMBLY: Called for action to provide special measures for the least developed among developing countries

- The Assembly acknowledged the need to alleviate the problems of underdevelopment of the least developed among the developing countries
- It requested the Secretary-General to carry out a comprehensive examination of the special problems of the least developed countries (LDCs) and to recommend special measures for dealing with those problems[b]

1970

COMMITTEE FOR DEVELOPMENT PLANNING: Issued report on LDCs

- A working group of the Committee for Development Planning issued a report on special measures to be taken in favour of the least developed countries
- The report identified characteristics shared among LDCs and proposed criteria for identifying LDCs[c]

1970

GENERAL ASSEMBLY: Reiterated urgent need for formal identification of LDCs

- The Assembly included a separate section on the least developed among developing countries in the International Development Strategy for the Second United Nations Development Decade
- It reiterated the urgency of formal identification of LDCs[d]

1971

COMMITTEE FOR DEVELOPMENT PLANNING: Established tentative list of LDCs

- The Committee determined the initial criteria for identification of LDCs
- It identified a tentative list of 25 countries as LDCs based on these criteria[e]

1971

GENERAL ASSEMBLY: Formally endorsed list of LDCs

- The Assembly formally endorsed the list of the 25 LDCs
- It requested the Committee for Development Planning to review and refine the criteria used for identification
- It also requested international organizations within the United Nations system to take into account the special needs of LDCs when formulating their programmes of activities[f]

Source: Committee for Development Policy (CDP) secretariat.

a Final Act and Report of the United Nations Conference on Trade and Development, annex A.I.1, United Nations publication, Sales No. 64.II.B.11. The term "Less developed countries" had been referred to earlier—for example, in regard to food surpluses in a 1960 report by the Secretary-General and in resolution 1714 (XVI) of 19 December 1961.

b General Assembly resolution 2564 (XXIV) of 13 December 1969.

c General Assembly resolution 2626 (XXV) of 24 October 1970 and General Assembly resolution 2724 (XXV) of 15 December 1970.

d Report of the Committee for Development Planning on its seventh session (22 March-1 April 1971), *Official Records of the Economic and Social Council, Fifty-first session, 1971, Supplement No. 7*.

e Resolution 1628 (LI) of 30 July 1971. The list was also approved by the Trade and Development Board (governing body of UNCTAD) at its eleventh session.

f Resolution 2768 (XXVI) of 18 November 1971.

for 1.4 per cent of global gross domestic product (GDP) and for 1.1 per cent of global merchandise trade.[1]

The LDC category was established by the General Assembly in 1971, in its resolution 2768 (XXVI), as a result of the acknowledgement by the international community that special support measures were needed to assist the least developed among the developing countries (see figure I.2 for a brief history).

The United Nations defines LDCs as countries that have low levels of income and face severe structural impediments to sustainable development. The countries categorized as LDCs are identified based on specific criteria and procedures, described in detail below.

The initial list of LDCs contained 25 countries; 28 additional countries were added throughout the years, as countries gained independence and faced severe development challenges and/or faced a sustained deterioration of economic conditions. Seven countries had graduated by 2023 (see figure I.3).[2]

Decisions on inclusion in and graduation from the list of LDCs are made by the General Assembly, based on recommendations by the Committee for Development Policy (CDP) (see box I.1), endorsed by the Economic and Social Council (ECOSOC). The Committee analyses the list of LDCs every three years during what are called triennial reviews of the least developed country category (hereafter referred to as triennial

Box I.1

Committee for Development Policy and the least developed countries

The Committee for Development Policy (CDP) is a subsidiary advisory body of the Economic and Social Council (ECOSOC). Its 24 members are nominated in their personal capacity by the Secretary-General and are appointed by the Council for a period of three years. The composition of the membership is aimed at reflecting a wide range of expertise in the fields of economic development, social development and environmental protection, as well as geographical and gender balance. The Committee for Development Policy is the successor to the Committee for Development Planning, which functioned between 1965 and 1998 and played a critical role in the establishment of the least developed country (LDC) category.

Several functions of CDP are related to the LDC category. The Committee is mandated to make recommendations to ECOSOC on countries that qualify to be added to the LDC category and those that are candidates for graduation therefrom. The recommendations are based on analyses undertaken every three years at triennial reviews of the LDC category. In addition, CDP monitors the development progress of LDCs that are graduating and of countries that have graduated from the category; conducts reviews of the LDC identification criteria; reviews the application of the LDC category by the United Nations development system; and undertakes analytical studies on LDC issues. The Committee secretariat facilitates access to information on the LDC category, support measures and the graduation process through web-based portals and publications.

Additional information on the Committee is available at http://cdp.un.org.

1 UNCTADstat database, accessed April 2024.

2 In addition, Sikkim, which was one of the 25 original least developed countries (LDCs), ceased to be an LDC when it became a state of India in 1975. Moreover, both the People's Democratic Republic of Yemen and the Yemen Arab Republic were LDCs when the two countries merged in 1990 into the Republic of Yemen, which was confirmed as an LDC by the Committee for Development Planning in 1991 and remains on the list of LDCs.

reviews), to identify any countries that may qualify for inclusion in or graduation from the LDC category.[3] The criteria and processes for inclusion in and graduation from the list are described in detail in the next sections.

Figure I.3

Inclusion in and graduation from the least developed country category, as of April 2024[a]

2027	→	***Solomon Islands***
2026	→	***Bangladesh***, ***Lao People's Democratic Republic***, ***Nepal***
2024	→	***Sao Tome and Principe***
2023	→	**Bhutan**
2020	→	**Vanuatu**
2017	→	**Equatorial Guinea**
2014	→	**Samoa**
2012	←	South Sudan
2011	→	**Maldives**
2007	→	**Cabo Verde**
2003	←	Timor-Leste
2000	←	Senegal
1994	→	**Botswana**
	←	Angola, Eritrea
1991	←	Cambodia, Democratic Republic of the Congo, Madagascar, ***Solomon Islands***, Zambia
1990	←	Liberia
1988	←	Mozambique
1987	←	Myanmar
1986	←	Kiribati, Mauritania, Tuvalu
1985	←	**Vanuatu**
1982	←	Djibouti, **Equatorial Guinea**, ***Sao Tome and Principe***, Sierra Leone, Togo
1981	←	Guinea-Bissau
1977	←	**Cabo Verde**, Comoros
1975	←	***Bangladesh***, Central African Republic, Gambia
1971	←	Afghanistan, Benin, **Bhutan**, **Botswana**, Burkina Faso, Burundi, Chad, Ethiopia, Guinea, Haiti, ***Lao People's Democratic Republic***, Lesotho, Malawi, **Maldives**, Mali, ***Nepal***, Niger, Rwanda, **Samoa**, Somalia, Sudan, Uganda, United Republic of Tanzania, Yemen

Source: CDP secretariat.

Note: Countries in **bold** have already graduated from the list; those in ***bold italics*** are scheduled for graduation. Blue arrows indicate inclusion; green arrows indicate graduation.

← = inclusion; → = graduation.

a At its 2024 triennial review conducted during the 26th session of the CDP plenary from 4-8 March 2024, CDP recommended that Cambodia, Djibouti and Senegal graduate from the list of LDCs and found that all three countries require an extended period of five years to effectively prepare for graduation.

3 Triennial reviews have been conducted since 1991. The most recent review before the publication of the present edition of the Handbook was completed in March 2024.

Since the establishment of the LDC category, support measures have been developed for these countries in the context of international agreements and organizations as well as by individual countries, educational institutions and others (see chapter II), with a view to assisting LDCs in overcoming their challenges. Comprehensive programmes of action for LDCs were adopted at five successive United Nations Conferences on the Least Developed Countries, the most recent being the Programme of Action for the Least Developed Countries for the Decade 2022–2031 (Doha Programme of Action) (see figure I.4). Moreover, many key United Nations agendas and programmes continue to recognize the special challenges of LDCs and their particular

Figure I.4

Programmes of action for the least developed countries

1980s	**The Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in 1981 at the first United Nations Conference on the Least Developed Countries**
	Aim: transform LDC economies and enable them to provide minimum standards of nutrition, health, housing and education as well as job opportunities to their citizens, particularly to the rural and urban poor
1990s	**The Paris Declaration and Programme of Action of the Second United Nations Conference on the Least Developed Countries**
	Priority areas: macroeconomic policy; human resources development; reversing the trend towards environmental degradation and reinforcing action to address disasters; rural development and food production; and the development of a diversified productive sector
2001-2010	**The Brussels Programme of Action for the Least Developed Countries for the Decade 2001–2010 adopted at the Third United Nations Conference on the Least Developed Countries, shortly after the adoption of the Millenium Declaration**
	Overarching goal: substantially reducing the proportion of people living in extreme poverty and suffering from hunger in the LDCs and to promote sustainable development **Priority areas:** developing human and institutional resources; removing supply-side constraints and enhancing productive capacity; accelerating growth; and expanding the participation of LDCs in world trade and in global financial and investment flows
2011-2020	**The Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020, adopted at the Fourth United Nations Conference on the Least Developed Countries**
	Overarching objective: enable half of the LDCs to meet the graduation criteria by 2020 **Priority areas:** productive capacity; agriculture, food security and rural development; trade; commodities; human and social development; multiple crises and other emerging challenges; mobilizing financial resources for development and capacity-building; and good governance at all levels
2022-2031	**The Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031, adopted at the Fifth United Nations Conference on the Least Developed Countries**
	Key focus areas: investing in people in LDCs: eradicating poverty and building capacity to leave no one behind; leveraging the power of science, technology and innovation to fight against multidimensional vulnerabilites and to achieve the SDGs; structural transformation as a driver of prosperity; enhancing international trade of LDCs and regional integration; addressing climate change, environmental degradation, recovery from the COVID-19 pandemic and building resilience against future shocks for risk-informed sustainable development ; and mobilizing international solidarity, reinvigorated global partnerships and innovative tools: a march towards sustainable graduation

Source: UNCTAD (2021), *The Least Developed Countries Report 2021 – The least developed countries in the post-COVID world: Learning from 50 years of experience, Geneva*; and United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

need for support, including the 2030 Agenda for Sustainable Development[4] and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.[5] In many negotiations and intergovernmental deliberations on development issues, in particular with respect to trade and climate change, LDCs act as a group, aiming to promote their common interests.

B. Criteria for defining the least developed country category

In 1971, the Committee for Development Planning examined common features of the economic and social development of LDCs and, on that basis, proposed quantitative criteria for the identification of countries to be placed on a list of LDCs.[6] In that initial report, the Committee noted the need to further refine the criteria. This has led to subsequent refinements of the criteria over time by what is today the Committee for Development Policy (CDP), with subsequent confirmations by the Economic and Social Council and the General Assembly, as summarized in figure I.5.

While observing the original principle of identifying LDCs as “low-income countries that face structural handicaps”, the criteria have changed over time to reflect improvements in data availability and the evolution in development theory and practice. From the outset, the Committee for Development Planning and subsequently, the Committee for Development Policy, utilized a multidimensional concept of development. The criteria originally covered social and economic dimensions, and, in 1999, CDP included indicators related to environmental vulnerability.[7] The latest version of the criteria for defining LDCs was adopted in 2023. That version built on the outcome of a comprehensive review of the criteria that CDP undertook from 2017 to 2020 based on a mandate by the General Assembly and ECOSOC. CDP has adopted four principles it adheres to when refining the LDC criteria:

- **Inter-temporal consistency of the list and equitable treatment of countries** requires that refinements to the criteria and their application should not lead to a questioning of recent decisions on graduation and inclusion.
- **Stability of the criteria** implies that refinements should only be undertaken if they lead to a significant improvement in identifying LDCs.
- **Flexibility** refers to the application rather than the criteria themselves. The principle ensures that the criteria are not applied mechanically. CDP uses additional sources of information before making recommendations for inclusion and graduation (see below).

4 General Assembly resolution 70/1.

5 General Assembly resolution 69/313.

6 Report of the Committee for Development Planning on its seventh session (22 March–1 April 1971) (*Official Records of the Economic and Social Council, Fifty-first session, 1971, Supplement No. 7* (E/4990)).

7 Already in 1991, at the time of the first major revision of the criteria, CDP decided to use information related to natural disasters as additional information. See the report of the Committee for Development Planning on its twenty- seventh session (22–26 April 1991) (*Official Records of the Economic and Social Council, 1991, Supplement No. 11* (E/1991/32)).

- **Methodological robustness and complete data availability** ensure that only high-quality indicators for which data are available in all developing countries and updated with sufficient frequency are utilized to identify LDCs.

The Committee for Development Policy continues to use three criteria to identify LDCs, which it defines as low-income countries suffering from the most severe impediments to sustainable development. Gross national income (GNI) per capita reflects the low-income aspect; two other criteria reflect key structural impediments related to a low level of human assets (human assets index, HAI) and a high vulnerability to economic and environmental shocks (economic and environmental vulnerability index, EVI). The LDC criteria are applied by CDP every three years to all Member States in developing regions. Countries are identified for inclusion in and graduation from the LDC list by comparing their criteria scores with thresholds established by CDP (see chapter III for details on indicators and thresholds).

There is an asymmetry between inclusion and graduation rules, with graduation requirements being more stringent than inclusion requirements (see table I.1). This asymmetry is intentional and serves to avoid frequent movements in and out of the category because of short-term fluctuations. For inclusion, countries must meet all three criteria at the established inclusion threshold levels. For graduation, a country needs to meet at least two criteria at the graduation thresholds, rather than only one. Hence, there can be countries on the LDC list that may no longer be considered by CDP as low-income but that are still characterized by both low human assets and high vulnerability to economic and environmental shocks and are therefore not candidates for graduation. Similarly, low-income countries could graduate if they have overcome both categories of structural impediments. Countries with a sufficiently high per capita income, however, can graduate on an exceptional basis even if they continue to have low human assets and are highly vulnerable, if that income level is deemed to be sustainable.[8] In the view of CDP, such countries have sufficient resources to confront their impediments without requiring special international support measures.

Table I.1

Key asymmetries between the inclusion and graduation processes

Criteria	Inclusion	Graduation
Number of criteria to be met	3	2[a]
Criteria threshold	Established at each review	Established at each review but set at a higher level than inclusion
Eligibility	Determined once	Determined twice (over consecutive reviews)
Timing	Effective immediately	Preparatory period (3 years)
Approval by country	Required	Not required

a On an exceptional basis, countries with a per capita income over three times the regular income graduation threshold may not need to meet any other criteria (see chapter III).

8 Report of the Committee for Development Policy on its seventh session (14–18 March 2005) (*Official Records of the Economic and Social Council, 2005, Supplement No. 13* (E/2005/33)).

Figure I.5

Least developed country criteria over time, as of the 2024 triennial review

2023

LDCs are low-income countries suffering from the most severe structural impediments to sustainable development

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- Prevalence of stunting
- Maternal mortality ratio
- **Lower secondary education completion rate**
- Adult literacy rate
- **Gender parity index of lower secondary education completion**

Economic and environmental vulnerability index (EVI)

- Share of agriculture, forestry and fishing in GDP
- Remoteness and landlockedness
- Merchandise export concentration
- Instability of exports of goods and services
- Share of population living in low elevated coastal zones
- Share of population living in drylands
- Instability of agricultural production
- Victims of disasters

2020

LDCs are low-income countries suffering from the most severe structural impediments to sustainable development

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- **Prevalence of stunting**
- Maternal mortality ratio
- Gross secondary school enrolment ratio
- Adult literacy rate
- **Gender parity index of gross secondary school enrolment**

Economic and environmental vulnerability index (EVI)

- Share of agriculture, forestry and fishing in GDP
- Remoteness and landlockedness
- Merchandise export concentration
- Instability of exports of goods and services
- Share of population living in low elevated coastal zones
- **Share of population living in drylands**
- Instability of agricultural production
- Victims of disasters

2017

LDCs are low-income countries suffering from the most severe structural impediments to sustainable development

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- Percentage of population undernourished
- **Maternal mortality ratio**
- Gross secondary school enrolment ratio
- Adult literacy rate

Economic vulnerability index (EVI)

- Population
- Remoteness
- Merchandise export concentration
- Share of agriculture, forestry and fishing in GDP
- Share of population living in low elevated coastal zones
- Instability of exports of goods and services
- Victims of natural disasters
- Instability of agricultural production

2011

LDCs are low-income countries suffering from the most severe structural impediments to sustainable development

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- Percentage of population undernourished
- Gross secondary school enrolment ratio
- Adult literacy rate

Economic vulnerability index (EVI)

- Population
- Remoteness
- Merchandise export concentration
- Share of agriculture, forestry and fishing in GDP
- **Share of population living in low elevated coastal zones**
- Instability of exports of goods and services
- **Victims of natural disasters**
- Instability of agricultural production

2005 — **LDCs are low-income countries suffering from low level of human resources and a high degree of economic vulnerability**

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- **Percentage of population undernourished**
- Gross secondary school enrolment ratio
- Adult literacy rate

Economic vulnerability index (EVI)

- Population
- **Remoteness**
- Merchandise export concentration
- **Share of agriculture, forestry and fishing in GDP**
- Instability of exports of goods and services
- **Homelessness due to natural disasters**
- Instability of agricultural production

2002 — **LDCs are low-income countries suffering from low levels of human resources and a high degree of economic vulnerability**

GNI per capita

Human assets index (HAI)

- Under-5 mortality rate
- Average calorie intake per capita as a percentage of the requirement
- **Gross secondary school enrolment ratio**
- Adult literacy rate

Economic vulnerability index (EVI)

- Population
- Merchandise export concentration
- Share of manufacturing and modern services in GDP
- Instability of exports of goods and services
- Instability of agricultural production

1999 — **LDCs are low-income countries suffering from low levels of human resources and a high degree of economic vulnerability**

GDP per capita

Augmented physical quality of life (APQL)

- **Under-5 mortality rate**
- **Average calorie intake per capita as a percentage of the requirement**
- Combined primary and secondary school enrolment ratio
- Adult literacy rate

Economic vulnerability index (EVI)

- **Population**
- Merchandise export concentration
- **Share of manufacturing and modern services in GDP**
- **Instability of exports of goods and services**
- **Instability of agricultural production**

1991 — **LDCs are low-income countries suffering from long-term handicaps to growth, in particular, low levels of human resource development and/or severe structural weaknesses**

GDP per capita

Augmented physical quality of life (APQL)

- **Life expectancy at birth**
- **Per capita calorie supply**
- **Combined primary and secondary school enrolment ratio**
- Adult literacy rate

Economic diversification index (EDI)

- **Merchandise export concentration**
- Share of manufacturing in GDP
- **Share of employment in industry**
- **Per capita electricity consumption**

1971 — **LDCs are countries with very low levels of per capita gross domestic product facing the most severe obstacles to development**

GDP per capita

- **Adult literacy rate**

- **Share of manufacturing in GDP**

Source: CDP secretariat.

Note: **Bold** type indicates components that were added to the list for the first time in a particular year.

For both inclusion and graduation, recommendations by CDP do not follow automatically from meeting the criteria. The Committee also considers additional information outlined in the following sections on procedures for inclusion and graduation.

C. Procedures for inclusion in the least developed country category

The procedures for inclusion in the LDC category, summarized in figure I.6 and detailed below, are designed to be conducted over the course of less than a year. Inclusion is not mandatory and requires the agreement of the Government of the eligible country.

The procedures for inclusion are as follows:

Preliminary review by CDP subgroup

- During a preparatory meeting to the triennial review (known as the expert group meeting), usually held in January, a subgroup of CDP reviews the performance of Member States in developing regions that are not on the LDC list against the inclusion criteria.
- If the subgroup determines that the country qualifies for inclusion, the CDP secretariat notifies the Government, through the country's Permanent Mission to the United Nations in New York, of this preliminary finding and of its forthcoming consideration at the triennial review. In the notification, it invites the Government to provide its views on possible inclusion in the LDC category.
- The CDP secretariat also submits to the Member State a country assessment note that contains, among other information, an analysis of reasons for the recent deterioration of economic and social conditions, including an assessment of whether that deterioration is the result of structural or transitory factors.

Triennial review

- At the plenary meeting of CDP, typically held in late February or early March, the full membership of CDP reviews the preliminary findings, including the Government's views.
- If the Government has expressed objection to being included in the category prior to the plenary meeting, the finding of eligibility and the country's objection are recorded in the report of CDP to ECOSOC and no further action is taken.
- Otherwise, if CDP confirms the eligibility and recommends inclusion, the CDP secretariat notifies the Government accordingly.

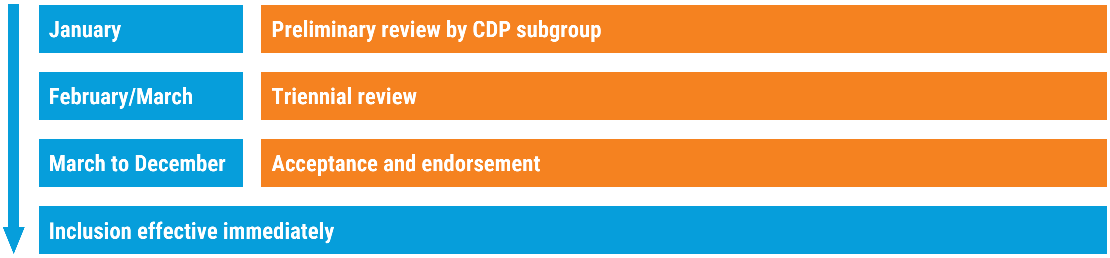
Acceptance and endorsements

- Unless the Government formally objects to the inclusion in response to the notification sent after the plenary session, CDP recommends, in its report to ECOSOC, the inclusion of the country in the list.

- Once ECOSOC endorses the CDP recommendation in its annual resolution on the report of CDP (typically adopted in June), the Government subsequently notifies the Secretary-General of its acceptance of inclusion in the LDC category.
- Afterwards, the General Assembly takes note of the recommendation through a resolution.
- The country becomes an LDC immediately, and the country is entitled to benefit from the support measures described in chapter II from that day on.

Figure I.6

Timeline for inclusion in the least developed country category
(over the course of the year in which the triennial review takes place)



Source: Adapted from the report of the Committee for Development Policy on its ninth session (19–23 March 2007) (*Official Records of the Economic and Social Council, 2007, Supplement No. 13* (E/2007/33(SUPP))), endorsed by the Economic and Social Council in its resolution 2007/34.

Note: Exact months may differ depending on the scheduling of the plenary meeting of the Committee.

Historical note

Between 1975 and 1991, there were no systematic reviews of the list of LDCs. After an initial review of the original list in 1975, conducted on the basis of a revision of the original criteria and data, decisions on inclusion followed an assessment of specific countries on the basis of the established criteria but initiated by a request through ECOSOC or the General Assembly.

Not all countries listed for consideration by the Committee for Development Planning were found eligible for inclusion, either because they did not meet the criteria or because the Committee was initially unable to make a decision in view of a lack of corroborating data (e.g., Angola, Kiribati, Liberia, Sao Tome and Principe and Tuvalu; all of them were later found eligible when data became available). Antigua and Barbuda, Dominica, Namibia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Seychelles and Tonga were not recommended for inclusion by the Committee for Development Planning.

Ten countries have been included in the category since the systematic reviews began in 1991. As of 2024, the newly independent South Sudan was the last country to be included in the LDC category (ECOSOC resolution 2012/32 and General Assembly resolution 67/136).

Since the 2021 triennial review, no country that was not already on the list of LDCs met the inclusion criteria. However, in several instances in the past, countries had expressed objections to being included after the Committee for Development Planning and subsequently, the Committee for Development Policy found that they met the criteria. These include Ghana (in 1994), Papua New Guinea (in 2006 and 2009) and Zimbabwe (in 2006, 2009, 2012, 2015 and 2018). In other instances, CDP did not recommend countries for inclusion as it viewed the countries meeting the criteria as a transitory phenomenon, rather than the result of structural impediments. These include Cameroon (1997), Congo (in 2000 and 2006) and Ghana (2000).

D. Procedures for graduation from the least developed category

Graduation from the LDC category is a multi-year process involving different stages and multiple actors, thereby providing the country and its international partners with the time needed to adapt to its new status as a developing country and minimizing the risk of premature graduations. Though graduation does not depend on the Government's consent, the process ensures that the views of the country are taken into consideration in the decision on the country's graduation. The graduation procedures have evolved over time, shaped by General Assembly resolutions, specific requests by ECOSOC and guidelines and additional recommendations by CDP. Figure 1.7 summarizes the standard graduation process, with further explanations below, as of the 2024 triennial review. In 2024, CDP initiated a review of the LDC graduation framework and procedures might be refined for future reviews.

Figure I.7

Simplified overview of standard graduation process

Meeting of the graduation critera for the first time **Year 0**	**CDP establishes at triennial review that country has met the graduation criteria for the first time**
Information gathering **Year 0 to 3**	**UNCTAD and UN DESA prepare country-specific analysis, in consultation with the country concerned and with other United Nations system entities**
Decision on graduation **Year 3**	**CDP establishes at consecutive triennial review that country has met the graduation criteria for the second time and recommends country for graduation, ECOSOC endorses and General Assembly takes note of the recommendation**
Preparatory period **Years 3 to 6**	**Country prepares for graduation and smooth transition with international community support**
Effective graduation date **Year 6**	**Country officially graduates from LDC status**
Transition period **Years 6+**	**Country implements smooth transition strategy; development and trading partners phase out LDC-specific support measures**

Source: Based on General Assembly resolutions 46/206 of 20 December 1991, 59/209 of 20 December 2004 and 67/221 of 21 December 2012, and the guidelines recommended by the CDP in the report on its ninth session in 2007 and endorsed by ECOSOC (resolution 2007/34).

Note: Actual length of the stages of the graduation process can take longer based on country-specific circumstances.

First triennial review (year 0)

- During the preparatory meeting (known as the expert group meeting) of the triennial review (usually held in January), a subgroup of CDP reviews preliminary data for the LDC criteria and, among other tasks, identifies those that meet the graduation criteria for the first time. A country that has met the criteria in the past but not in the previous triennial review is considered to be meeting the criteria for the first time.

- During the triennial review, at the plenary meeting (usually held in late February or early March), the full membership of CDP confirms the findings based on the final data for the LDC criteria. If a country is found to meet the graduation criteria for the first time, CDP takes the following steps:
  a. Notifies the Government of its finding in writing;
  b. Includes the finding in its report to ECOSOC; and
  c. Requests the United Nations Conference on Trade and Development (UNCTAD) to prepare a succinct vulnerability profile and the United Nations Department of Economic and Social Affairs (UN DESA) to prepare a succinct ex ante impact assessment to be used for the preparation of the graduation assessment, representing a consolidated United Nations voice and appraisal regarding graduation from the LDC category.

Information gathering (years 0 to 3)

- UNCTAD and UN DESA prepare the requested country analysis, in consultation with the country concerned and with other United Nations system entities:
  a. Vulnerability profiles are prepared by UNCTAD and are intended to (i) provide information on the country's economic and development situation; (ii) compare the values of the indicators used in the CDP criteria with relevant national statistics; (iii) contain an assessment of the country's vulnerability to the impacts of external economic and natural shocks, beyond the criteria of EVI; and (iv) indicate other structural features of the country that can be of relevance for the graduation decision (e.g., instability of remittances, dependency on tourism, high infrastructure costs due to geographical conditions and the impact of climate change);
  b. Ex ante impact assessments, prepared by UN DESA, examine the likely consequences of graduation from the LDC category. The impact assessment focuses on impacts related to the withdrawal, either upon graduation or after a transition period, of international support measures provided exclusively to LDCs in the areas of trade, development cooperation and participation in United Nations and other international forums (see chapter II). In preparing these assessments, DESA obtains inputs from development and trading partners and the United Nations system entities and other international organizations. The assessments incorporate comments received by the country concerned;
  c. Graduation assessments aim at representing a consolidated United Nations voice and appraisal regarding graduation. They contain succinct ex ante impact assessments and vulnerability profiles prepared by UN DESA and

UNCTAD; an overall description of the country's development prepared with the involvement of the United Nations country team; and forward-looking elements that could be considered for a smooth transition strategy. Independent from the succinct reports prepared as inputs towards the graduation assessments, both organizations could also prepare a more detailed report containing the findings of their research for the impact assessments and vulnerability profiles. These detailed findings could be posted on the CDP website and serve as a background document for CDP, officials at the country level and other stakeholders.

- The General Assembly and CDP have suggested that countries initiate preparations for a possible graduation early, particularly if graduation might have significant impacts. The Committee also encourages countries that have met the graduation criteria for the first time and their international partners to build knowledge and awareness of the graduation process and its impacts.
- The Committee secretariat and other relevant United Nations system entities are called upon to monitor the evolution of the country's performance in relation to the graduation criteria and the supplementary graduation indicators (see box I.2). The secretariat also shares preliminary data with the country in advance of the second triennial review, so as to resolve any data discrepancies. The Government is invited to present its views at the preparatory meeting for the second triennial review.
- The information gathering phase normally takes three years. However, in case CDP defers a decision on recommending the country for graduation, the phase is extended for an additional three years.

Box I.2

Supplementary graduation indicators

In 2020, the Committee for Development Policy decided to introduce a set of supplementary graduation indicators as an additional element of the graduation framework. The supplementary indicators complement both the official LDC criteria and the country-specific information of the graduation assessment and vulnerability profile. They contain methodologically sound indicators covering most LDCs and other developing countries. The supplementary indicators are relevant for graduation but are not a requirement for graduation. Accordingly, there are no thresholds for the individual indicators and they are not aggregated into a single index or multiple indices.

The supplementary indicators serve several purposes:

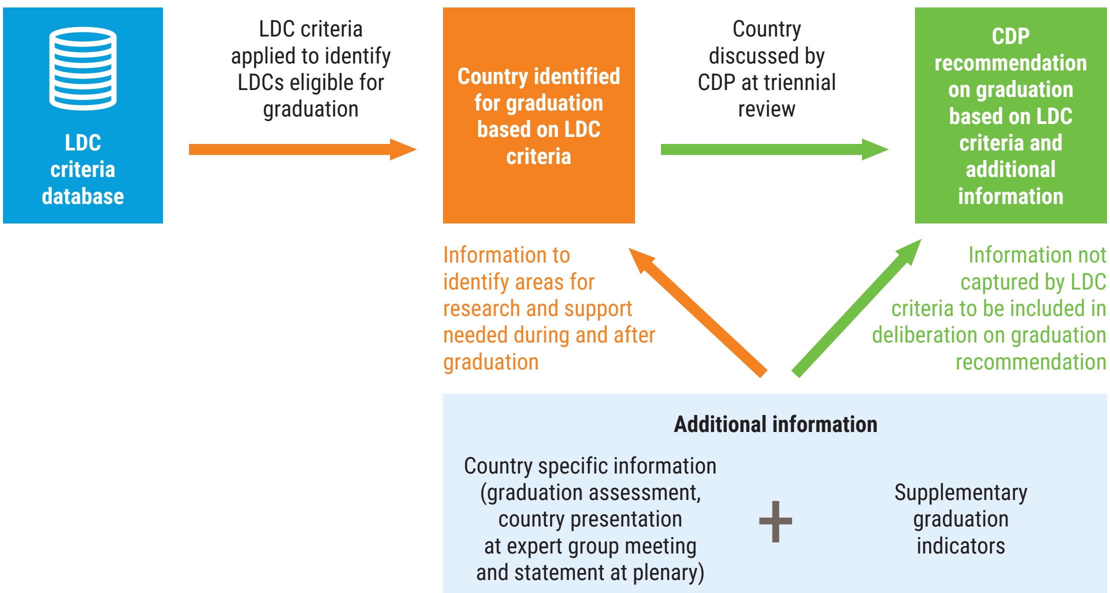
- Cover vulnerabilities and relevant factors not adequately captured in LDC criteria
- Function as a screening device for identifying discrepancies between performance against the criteria and broader vulnerabilities and factors
- Serve as an entry point for identifying priorities and support needs for smooth transition
- Improve alignment with efforts to achieve the Sustainable Development Goals
- Enhance monitoring of graduated and graduating countries

After applying the supplementary indicators at the 2021 triennial review, CDP decided to keep those indicators under review and, therefore, include adjustments for the 2024 triennial review. The current set and various visualizations are available on the CDP website at bit.ly/LDC-data.

Decision on graduation (year 3)

- At the preparatory meeting for the triennial review (usually held in January), a subgroup of CDP reviews the preliminary data against the LDC criteria. If the subgroup confirms that the country meets the criteria for a second consecutive time, it considers the required additional information, that is to say, since 2021, the graduation assessment (including vulnerability profile and impact assessment) and the supplementary graduation indicators. The subgroup may also obtain information from relevant United Nations system entities, including the resident coordinator, who participate as observers in the preparatory meeting. Furthermore, it may also consider additional analysis. For example, in 2020, ECOSOC requested CDP to undertake a comprehensive study on the impact of the coronavirus disease (COVID-19) on the LDC category. The study assisted CDP in fully incorporating into the 2021 triennial review the impacts of COVID-19 on LDCs, including graduating countries. Figure I.8 illustrates the role of LDC criteria and additional information in the decision-making process.
- Importantly, CDP consults with the country concerned. For that purpose, it invites the Government of the country to share its views on a possible graduation at the preparatory meeting.
- After the preparatory meeting, the Government is invited to submit its views and any additional information it wishes to bring to the attention of CDP in writing, for consideration at the Committee's plenary meeting.

Figure I.8
Role of least developed country criteria and additional information in the 2024 triennial review



Source: CDP secretariat.

- At the plenary meeting, the subgroup reports on its preliminary findings to the full CDP membership. Based on the analysis conducted by the subgroup and the written submission of the country, if the country has met the eligibility criteria for a second time, CDP may decide to recommend graduation. If it has serious concerns—for example, regarding the sustainability of the country's development progress—it may decide not to recommend graduation. In such cases, it typically defers its decision to the subsequent triennial review. It may also request updates with respect to the additional information material so that it may assess the validity of its concerns at the subsequent triennial review. If the country has not met the criteria, no further action is taken other than reporting on this finding to ECOSOC.
- The Committee includes these decisions in its report to ECOSOC. If it recommends the country for graduation, it also includes a statement as to whether the standard three-year preparatory period is appropriate or whether specific factors would entail a longer period, not exceeding five years. Moreover, it includes suggestions for policy priorities and the type of international support needed to ensure a smooth transition out of the category. For this purpose, it draws on the additional information and the consultations with the country.
- ECOSOC endorses the recommendation through its annual resolution on the Committee's report. The resolution is typically adopted in June or July, before the end of the ECOSOC cycle. In cases in which ECOSOC had been unable to find consensus on the recommendations, it has deferred the consideration to a later session, without further reference to CDP.
- The General Assembly takes note of the recommendation by CDP to graduate a country in a resolution adopted at its first session following the endorsement by ECOSOC of the Committee's recommendation. Hence, action by the Assembly can take place as early as mid-September of the year in which the second triennial review is conducted and as late as mid-September of the following year. The Assembly includes in its resolution the effective date of graduation.
- The decision phase usually takes less than a year. Nevertheless, should ECOSOC defer the consideration of the recommendation, the phase can be extended.

Preparing for graduation (years 3 to 6)

- The graduating country is invited to prepare and start implementing a smooth transition strategy (see section E), as part of its overall development strategy.
- The graduating country is recommended to establish a consultative mechanism, in cooperation with its development and trading partners. The consultative mechanism should facilitate the preparation of the smooth transition strategy as well as the identification of associated actions and the negotiation of their duration and phasing out over an appropriate period. It is recommended that the consultative mechanism be integrated with other relevant consultative processes and initiatives. The country might request that the resident coordinator facilitates the consultative process.

- The United Nations system, led by the resident coordinator at the country level and the inter-agency task force at the international level, stands ready to provide assistance in the preparation of the smooth transition strategy.
- Development and trading partners participate in the consultative mechanism and support the smooth transition strategy. The General Assembly invites them to extend LDC-specific international support measures beyond the actual graduation date for a limited time, to phase out these measures in a gradual manner and to provide specific support for graduation (see section E and chapter II) with specific measures.
- The Committee monitors the country's development progress and the preparation of the smooth transition strategy, in consultation with the Member State and based on reports received from the country. It includes its findings in its annual reports to ECOSOC (see section F for details).
- The standard length of the preparatory period is three years. The General Assembly may, however, grant a longer period. The preparatory period can also be extended by the Assembly during the course of the preparatory period, for example, in cases where the country is hit by a disaster or a severe external shock. For example, in 2023 the preparatory period for Solomon Islands was extended by three years, until 13 December 2027, following a recommendation by CDP and ECOSOC.

Effective graduation (year 6)

- The country begins its journey as a non-LDC from the date of its effective graduation, but there is no obligation for any action by the country itself.
- The country is no longer on the official list of least developed countries maintained by UN DESA.

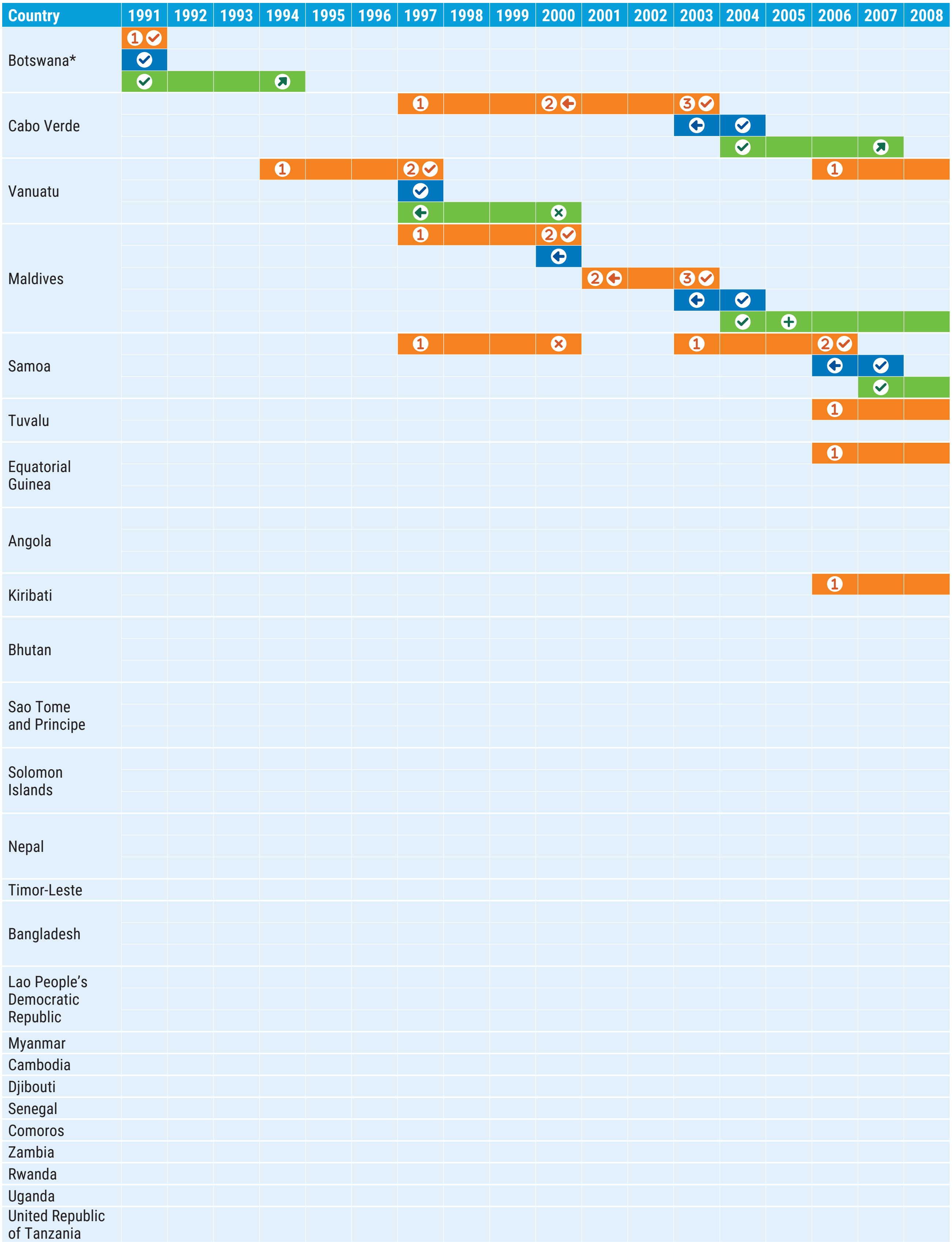
Transition (year 6+)

- The country implements its smooth transition strategy.
- Development and trading partners extend or phase out their LDC-specific international support measures and provide specific support for graduation, in line with established procedures and the smooth transition strategy and in a predictable manner.
- The Committee continues to monitor the country's development progress and the implementation of the transition strategy, in consultation with and based on reports received from the country. The monitoring is done on an annual basis for three years after graduation and then triennially thereafter, for two triennial reviews. The monitoring by CDP after graduation lasts for between seven and nine years, depending on the date of graduation.
- Certain LDC-specific support measures have a fixed transition period, within which graduated LDCs may continue to use such measures. In other cases, the length of an extension or provision of specific graduation support, if any, is determined by the provider of support on an ad hoc basis.

Figure I.9 (see next page) contains an overview of actual graduation timelines. For more details, please see the country-specific information on the CDP website.

Figure I.9

Timeline of Committee for Development Policy recommendations and resolutions of the Economic and Social

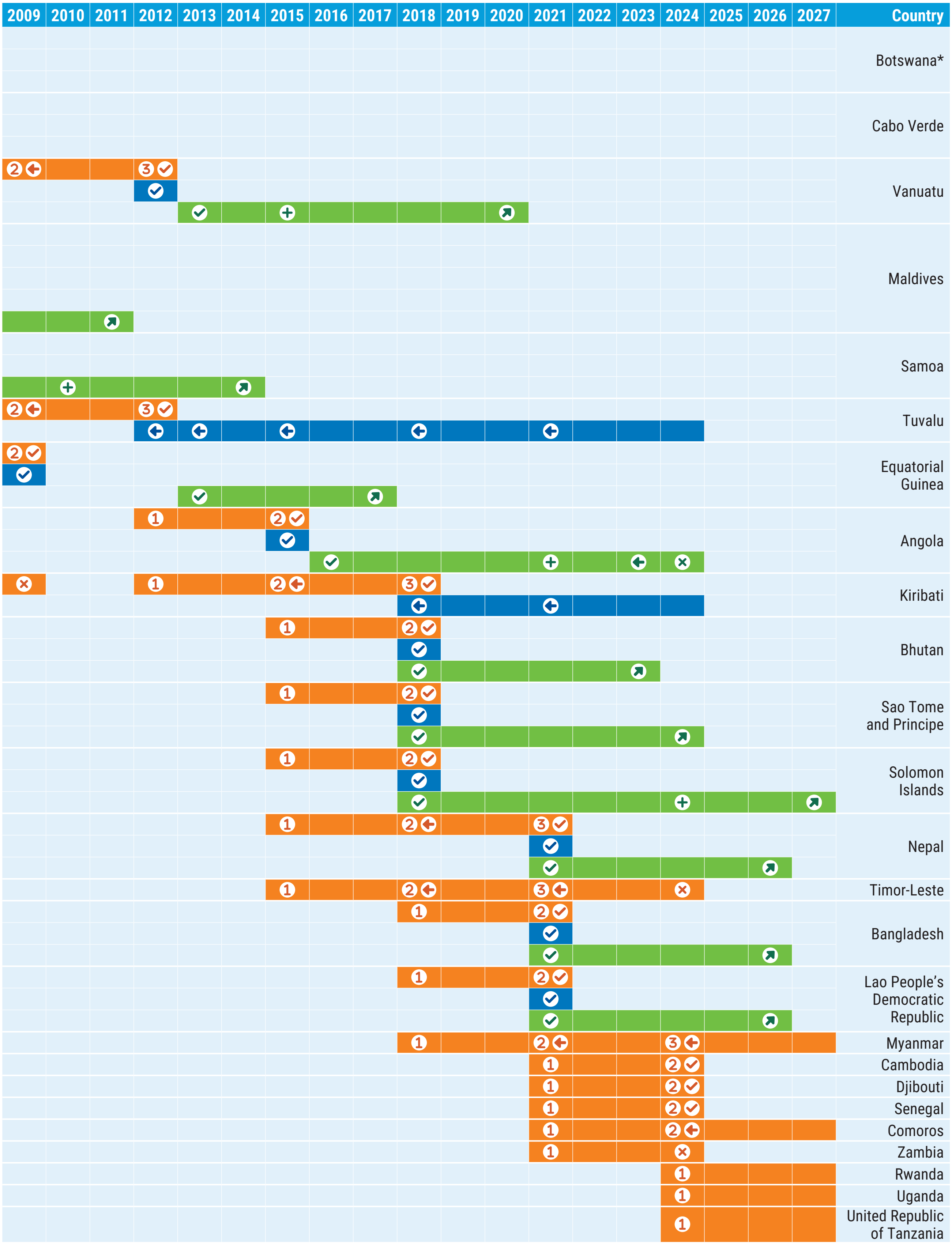


Source: CDP secretariat.

* Botswana's graduation process took place over a shorter time-frame as graduation procedures have changed over time.

Legends: Under CDP consideration; Under ECOSOC consideration; Officially graduating (General Assembly resolution issued)

Council and General Assembly on graduating and graduated least developed countries as of April 2024



1 criteria met for the first time
2 criteria met for the second time
3 criteria met for third time
deferred decision/consideration
graduation recommended (by CDP); recommendation endorsed (by ECOSOC); recommendation noted (by GA)
extension of transition period (GA)
graduation effective
graduation criteria no longer met

It is important to note that graduation from the LDC category is not equivalent to becoming a middle-income country nor to graduation from the concessional windows of multilateral development banks or from eligibility for official development assistance (ODA) (see box I.3). In fact, as of April 2024, 20 of the 45 LDCs are classified by the World Bank as lower-middle-income countries and one as an upper-middle-income country.

Box I.3

Graduation from the least developed country category vs. graduation from other categories of countries receiving international support measures

Graduation from the least developed country (LDC) category should not be confused with graduation from access to financing from multilateral development banks (such as graduation from the World Bank Group's International Development Association (IDA)) or from eligibility for official development assistance (ODA). Most institutions include specific thresholds for gross national income (GNI) per capita as the main criterion for graduation. Table I.2 presents the GNI per capita thresholds of various support instruments, as well as the thresholds of the widely used analytical income categories. In addition to the thresholds, the figure contains basic information on other criteria and key exceptions. However, for a full picture of the eligibility criteria, the reader should refer to the information available through the sources provided. It should be highlighted that changes in classification typically occur after the respective thresholds have been exceeded for a certain number of years and often become effective after some preparatory or transition period. The widely used analytical thresholds of the World Bank occasionally serve the operational purposes of other providers. For example, both Canada and the European Union graduate countries from the list of beneficiaries of their Generalized System of Preferences scheme once they reach the upper-middle-income threshold according to the World Bank for a number of years.

Hence, depending on the country characteristics and additional criteria, countries may undergo several transitions, simultaneously or consecutively.

E. Preparing for graduation and the concept of "smooth transition"

The importance, in terms of the country's development, of avoiding negative consequences due to graduation from the LDC category, for example from the loss of international support measures (see chapter II) was recognized early in the history of the LDC category and is reflected in the concept of "smooth transition" that is central to numerous General Assembly resolutions on LDC graduation. The Committee found in 2023 that the General Assembly resolutions require updating, a finding ECOSOC has welcomed. A new General Assembly resolution on smooth transition may provide further guidance on incentives and support measures for graduation.

The General Assembly has called for countries to integrate their preparations for sustainable graduation and its smooth transition beyond graduation into their long-term national sustainable development plans and development financing strategies, as appropriate. It has called upon development and trading partners to extend LDC-specific support measures for an appropriate period, or phase them out gradually, as well as to provide targeted support throughout the entire graduation and smooth transition process in order to avoid any disruptions to the development progress of graduating and graduated countries. The General Assembly has also assigned specific responsibilities to the United Nations development system in order to support graduation.

Table I.2

Income graduation thresholds in various country categories

GNI per capita threshold	Category	Institution	Other criteria	Comment
$1,135	Low-income to lower middle-income	World Bank		Analytical categories
$1,306	LDC	United Nations	HAI, EVI	Additional information and country consultations considered
$1,315	IDA eligibility	World Bank	Creditworthiness; assessment of macroeconomic prospects, debt, vulnerabilities, institutions, poverty, social indicators	The income threshold does not apply to small States. IDA countries above the income threshold receive loans at less concessionary terms
$1,315	Poverty Reduction and Growth Trust (PRGT) eligibility - inclusion	IMF	Trend in income, financial market access, short-term vulnerability	
$1,810	Gavi Alliance (GAVI) eligibility	GAVI		
$2,945	PRGT eligibility - graduation	IMF	Trend in income, short-term vulnerability	Higher income thresholds for small States ($3,945) and micro-States ($7,890)
$3,918	LDC	United Nations		Income-only exception, sustainability of income required, additional information and country consultations considered
$4,465	Lower-middle-income to upper-middle-income	World Bank		Analytical categories
$4,465	Global Fund to Fight AIDS, Tuberculosis and Malaria eligibility	Global Fund	Disease burden for HIV/ AIDS, tuberculosis and malaria	Small island developing States have an exception
$7,805	International Bank for Reconstruction and Development (IBRD) eligibility	World Bank	Access to credit markets, institutional development	IBRD countries above the threshold pay higher interest rates on IBRD loans, though exceptions apply
$13,150	Resilience and Sustainability Trust (RST) eligibility	IMF		Higher income threshold for small States ($32,875)
$13,845	ODA eligibility	Development Assistance Committee		Countries must have exceeded the threshold for three consecutive years
$13,845	Upper-middle-income to high income	World Bank		Analytical categories

Source: CDP secretariat, based on *Report of the Inter-agency Task Force on Financing for Development: Financing for Sustainable Development Report 2020*, United Nations, New York; Organisation for Economic Co-operation and Development (OECD), Development Co-operation Directorate, "Transition finance toolkit"; and various websites. Thresholds refer to data for the year 2022, except for the LDC threshold, which refers to the 2020–2022 average.

In order to improve coordinated United Nations system-wide support to countries preparing for LDC graduation, in 2017 the United Nations system created an inter-agency task force (IATF) on graduation and smooth transition, which is chaired by the Director of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS). The task force is working closely with the United Nations resident coordinators' offices and country teams, thereby ensuring linkages with and support to the Sustainable Development Cooperation Framework at the country level as well as with international financial institutions operating in-country. Its support is tailored to the unique needs of each LDC and includes the full mobilization and coordination of all parts of the United Nations system as well as mobilizing international support and resources, including partners from the global South to deliver technical assistance and/or facilitate peer learning among graduating countries. For specific examples, see box I.4.

Box I.4

Country-specific support provided by the inter-agency task force on graduation and smooth transition

Sao Tome and Principe (2019–2021): provided collaborative support and contributed to the preparatory process for a smooth transition and graduation in 2024.

Solomon Islands (2019–2021): provided integrated support, including a joint country mission, and contributed elements for a smooth transition road map for the country, which is scheduled to graduate in 2027.

Angola, Cambodia, Comoros, Djibouti, Senegal and Zambia (2021): a key objective of the task force is to generate political awareness and support as well as enhanced understanding of the graduation process in a country, including among the private sector and civil society. Awareness-raising efforts have been initiated for those countries in close collaboration with and with support from the resident coordinator and country team.

Bangladesh, Bhutan, Solomon Islands (2022–2023): offered a package of IATF-coordinated graduation support to the respective countries that is country demand-driven and country-specific.

This section links activities to be undertaken by countries preparing for graduation to the process described in section D (see figure I.10), and draws on the smooth transition strategy guidance note developed by UN DESA as the secretariat of the Committee for Development Policy. The guidance note is a direct response to several countries' request for a template to follow in preparing a national smooth transition strategy. It is intended only as a guide and not as a blueprint. It guides the country to note the stages in the graduation process and timeline and where the country is encouraged to start the process of preparing a national smooth transition strategy (STS). Two main principles guide the STS process:

1. Country-led, country-owned and existing country systems are used to the extent possible.
2. International community support is country-demand driven, timely and of high quality.

In addition, nine principles espoused in the 2030 Agenda for Sustainable Development (see General Assembly resolution 70/1, para. 74) and agreed to by Member States should also guide the STS process, given that the strategy could also serve as a springboard for advancing a country's development progress beyond graduation and towards sustainable development.

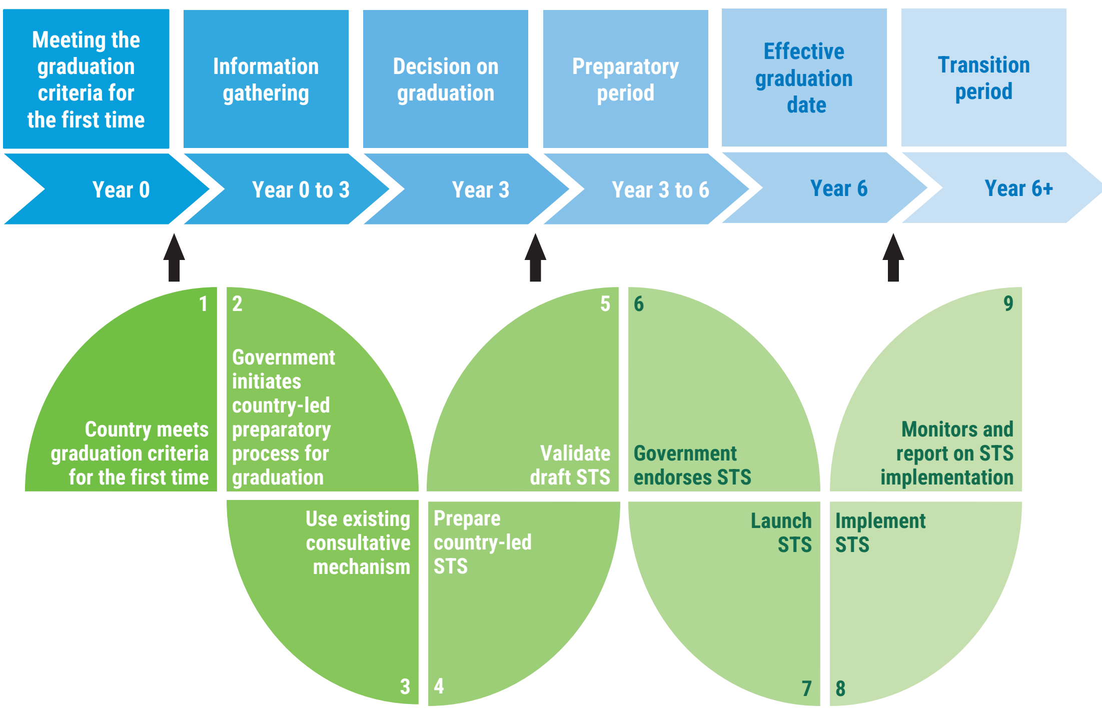
The STS process involves nine key steps:

Step 1: country meets the graduation criteria for the first time. After CDP finds that the country has met the graduation criteria for the first time and the country has been notified by UN DESA, the country, through its Government, may start to consider its ownership and leadership role over the entire process in terms of what it will require to ensure its readiness to prepare and manage graduation out of the LDC category and the approach and specific measures required to ensure a smooth transition. That consideration is crucial and will include how the Government and national stakeholders are to substantively engage and contribute to the preparation of the analytical information described in section D. The country may wish to organize awareness-raising sessions at the local, subnational and national levels in order to have as wide as possible an understanding of what it means to sustainably graduate out of the LDC category.

Step 2: Government initiates a country-led preparatory process for graduation from the least developed country category. A Government-led dialogue based on whole-of-government policy leadership with key players from the private sector and non-governmental organizations can consider how best to integrate LDC graduation

Figure I.10

Graduation process and timeline, and process for preparing a smooth transition strategy



into the country's existing national plans, policies and medium-term budgetary frameworks and associated processes. It is essential to have strategic engagement with the international community, at the outset, and for the Government to clearly outline the support it will need throughout the graduation process.

Step 3: use existing consultative mechanisms to facilitate the preparation of the strategy. As much as possible, the country should consider utilizing existing national consultative mechanisms that have whole-of-government leadership structures and are inclusive. Only where no appropriate mechanism exists is the country encouraged to establish a new and dedicated consultative mechanism for LDC graduation and smooth transition. An existing or new mechanism needs to be integrated with other relevant consultative processes and initiatives between the country and its development and trading partners. The consultative mechanism could have two key components: (a) national and local stakeholders — government, think tanks, the private sector, civil society and other actors; and (b) international partners — bilateral, multilateral and regional partners, the private sector, philanthropies and international non-governmental organizations. Having a component of the mechanism dedicated to national and local consultations allows the voices and interests of different segments and groupings within the country to be heard and considered in preparing the strategy and in implementing the process.

Including bilateral and multilateral development and trading partners as members of the consultative mechanism enables the country to identify and negotiate graduation support prior to preparing a smooth transition strategy. The negotiations required could be conducted at the bilateral level if that is more conducive to the desired outcome than in the larger international consultative mechanism.

A country can call upon the United Nations system for its support through its country presence, namely the resident coordinator and the country team. Further support from the inter-agency task force on graduation and smooth transition is available, upon request.

Step 4: prepare a country-led smooth transition strategy. The General Assembly recommended that the national smooth transition strategy include a comprehensive and coherent set of specific and predictable measures that are in accordance with the priorities of the graduating country, while taking into account its own specific structural challenges and vulnerabilities as well as its strengths (see Assembly resolution 67/221, para. 7), and should be implemented as part of the overall development strategy.

In order to ensure that a country-owned smooth transition strategy is of high quality, it is important that a country considers the strategic objective of the strategy, the approach to developing and implementing the strategy, the key elements or features of the strategy and that it ensures an inclusive and participatory engagement process. Sufficient time should be spent on a thorough analysis of the impacts of graduation and on the identification of the mitigating measures that will be needed to transition smoothly beyond graduation. Those measures become the smooth transition measures once they are negotiated with and agreed by development and trading partners. The draft strategy should be shared with all stakeholders invited to the validation workshop, well in advance of the workshop. Sharing the draft strategy a month before, at a minimum, allows for in-depth comments and feedback to be provided, which may add value to the draft strategy, although this may vary from country to country. Based on the comments received, a revised draft strategy is prepared for validation by the Government and a wide and inclusive spectrum of stakeholders.

Step 5: validate the draft strategy. A whole-of-government, country-led validation workshop should be organized and facilitated through the consultative mechanism. The scope and number of days needed for the workshop would depend on whether the country's strategy is being prepared as part of the formulation of a medium to long-term national development plan or as a separate document. It will also depend on the objectives of the workshop, as determined by the country.

Step 6: Government endorses the smooth transition strategy. The validated strategy should be endorsed by the Government so as to give it legitimacy as a prerequisite for its implementation and to garner support from the international community. Responsibility for the implementation of the actions or specific measures recommended in the strategy is to be clearly assigned within the Government, with indicative time frames. Ideally, the strategy should be endorsed well in advance of the date on which graduation becomes effective. Implementation of the strategy should begin as soon as possible after its endorsement. Prompt implementation is particularly important if the Government needs to initiate negotiations with bilateral partners. Such aspects need to be considered by a graduating country when preparing its overall road map and timeline for a smooth transition, including the commencement date for the implementation of the strategy.

Step 7: launch the smooth transition strategy. The launch can be a stand-alone event or as part of a bigger event of which the strategy is a key component. It should be seen as the opportunity to promote the key messages underpinning the importance of a smooth transition beyond graduation that requires commitment by all.

Step 8: implement the smooth transition strategy. Countries are encouraged, as invited by the General Assembly, to implement the smooth transition strategy as part of their overall development strategy and to incorporate it into future policies and strategies and the action matrix of the Diagnostic Trade Integration Studies under the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (EIF) (see Assembly resolution 67/221, para. 11).

Furthermore, the recent reform of the United Nations development system provides an opportunity for seeking synergies with the common country assessment and the country's United Nations Sustainable Development Cooperation Framework. Likewise, linkages can be identified with a country's voluntary national review, Diagnostic Trade Integration Study, World Trade Organization (WTO) Trade Policy Review, its poverty reduction and growth strategy and its national development strategy. Elements of a smooth transition strategy can be incorporated into such documents, depending on the stage of development or implementation of each document.

The resources required for the implementation of the strategy could also be reflected in a country's medium-term budget or fiscal framework, integrated national financing framework, development financing strategy and/or its external resource mobilization strategy, as well as being reflected by development and trading partners in their own multi-year funding mechanisms.

Step 9: monitor and report on the implementation of the strategy. If the country's smooth transition strategy is well integrated into its national sustainable development plan and budget and processes, then monitoring of the implementation of the strategy should also be embedded in the country's monitoring and evaluation framework. Annual monitoring and reporting on the implementation of the strategy should form part of existing national and sectoral monitoring and reporting, as well as the country's integral reporting requirements to CDP (see section F).

It is also useful for a country to develop a brief advocacy and communication strategy as a tool for higher levels of government to use in raising awareness, garnering support across the country and strengthening key partnerships for the implementation of the country's smooth transition strategy beyond graduation.

There is no specified length for the duration of the transition. The strategy should be formulated and implemented based on a time frame that responds to the country's specific needs and characteristics.

Importantly, there is no specified format for the smooth transition strategy. Among graduated and graduating countries, approaches to preparing a smooth transition strategy vary from country to country, see figure I.11.

Figure I.11
Select country approaches to a smooth transition strategy

Vanuatu established a National Coordinating Committee on LDC Graduation that is inclusive of the private sector and civil society and linked to the existing government decision-making mechanism. The Committee identified what was required to address the negative impacts of the loss of LDC-specific support measures; what responses were already addressed in the country's long-term national strategic plan (2016–2025) and sector policies; and 24 specific measures to be reflected in the country's smooth transition strategy (STS) as a separate document. Vanuatu also made an early start with implementation of its STS, months before its effective graduation out of LDC category. It also conducted a mid-term review of its STS (2023) and has implemented 75 per cent of the 24 smooth transition measures. Further, Vanuatu mainstreamed remaining measures in departmental national corporate planning and annual business planning and budgeting process.

Bhutan approved the 13th Five Year Plan (2024-2029) as STS, following the recommendation by the national task force on graduation that the STS be integrated into the national development plan to ensure that required interventions were mainstreamed and integrated into the overall development plan rather than maintained as a separate standalone strategy document. Bhutan integrated the SDGs as well as the six priorities of the Doha Programme of Action in its 13th Five Year Plan to ensure the country's graduation is sustainable and irreversible. The plan places strategic importance to economic growth and is geared towards addressing challenges related to economic diversification, productivity enhancement through adoption of technology and innovation and quality health and education outcomes. Implementation of the plan is through a "whole of government" approach that is anticipatory, citizen-centered and lean governance systems to deliver transformative development outcomes. Bhutan emphasized that country-specific graduation support from the international community is needed for implementation of its plan. Private sector development and investment promotion for building resilience is a key area of support needed.

Samoa decided that the best transition strategy following graduation would be to ensure that it was able to fully implement its national development strategy. It integrated the issue of graduation into the Strategy for the Development of Samoa (SDS 2016–2020) as well as into its efforts in relation to the Sustainable Development Goals, the Samoa Pathway, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction 2015–2030.

Cabo Verde set up a donor support group (Grupo de apoio à transição) to prepare a transition strategy to adjust to the phasing out of the support measures associated with LDC membership, as well as a Budget Support Group composed of Government entities and multilateral and bilateral donors to align and harmonize donor support around the Growth and Poverty Reduction Strategy.

Solomon Islands initiated early preparation for possible graduation within the first three years of meeting the graduation criteria for the first time (2015). The country sought the support of the United Nations and international community to gather and analyse information on the implications of its graduation due to loss of international support measures. Upon meeting the graduation criteria for the second time and being recommended for graduation, the Solomon Islands prepared a roadmap for its STS and commenced negotiations of various economic partnership and trade agreements to mitigate trade related negative impacts of graduation. COVID-19 and its related border closures and movement restrictions prevented the country from undertaking critical country consultations, and hence stalled the country's preparation for two years. Solomon Islands has resumed preparations and has taken a two-pronged approach, capturing some of the pre-existing longer-term development issues in its national plan and developing an STS as a standalone document but linked to its national development strategy and budgeting process. The country also integrated the development-peacebuilding- humanitarian nexus in its approach.

Sao Tome and Principe undertook an analysis to determine if an STS was needed, given that the negative impacts of graduation due to a loss of international support measures were negligible, what approach to employ, and the necessary conditions to guarantee a smooth transition. Sao Tome and Principe decided to integrate measures addressing critical cross-cutting issues to improve the country's overall institutional capacity in its development plans in the hope of increasing its economic competitiveness and productivity.

The Lao People's Democratic Republic set graduation as a national priority since 2000 and in successive quinquennial national socio-economic development plans (NSEDPs). The country launched and discussed the approach and process of preparing its STS at the 13th High-Level roundtable meeting (2021). Lao People's Democratic Republic adopted an approach and process that provided an inter-ministerial and multi-stakeholder platform to hold several rounds of technical, policy and high-level dialogues to discuss priority reforms, strengthen partnerships and cooperation required for effective and sustainable graduation. The Lao PDR STS has a threefold objective to prepare for a smooth, quality and sustainable graduation and includes a monitoring and evaluation component that will enable it to report to the CDP as required. The country's STS was developed, validated and endorsed by the Government as a policy framework and accompanies the country's 9th NSEDP with the objective to prepare for effective graduation in 2027 and, beyond graduation, move the country towards high-quality, green, sustainable and focused development progress.

Bangladesh positioned sustainable graduation as a springboard critical for achieving national and global development agendas by 2023, upper middle-income country status by 2031, and a high-income knowledge-based smart developed economy by 2041. The country adopted a "whole of society" holistic and systematic approach with highest level leadership through a 22-member National Committee on LDC Graduation under the chairmanship of the Principal Secretary to the Honorable Prime Minister. The Committee and its seven sub-committees have assessed the negative impacts and positive opportunities related to graduation, undertaken several country-specific studies on specific issues, identified several actions to adapt to a post-graduation era and aim to prioritise specific smooth transition measures in a time-bound action plan as a key part of the country's STS. Bangladesh is also using existing national expertise, consultative mechanisms, institutional arrangements, and expertise to draft, consult and implement their STS.

Nepal formed a high-level Steering Committee under the chairmanship of the Honorable Vice-Chair of the National Planning Commission (NPC) at the federal level to oversee and guide the preparation of an STS to ensure smooth transition beyond effective graduation. The country consulted experts and policymakers within NPC and stakeholders across a wider segment of the country – provincial government representatives, development partners, private sector and civil society – as well as peer learning and exchanges with other graduating countries. Nepal focused on six major areas (macroeconomic stability and financial sustainability; trade and investment; economic transformation; building productive capacity; climate change and disaster risk management; and, social inclusion and integration). The STS seeks to bring together the entire federal, provincial and local governments of Nepal, multi-lateral and bilateral development partners, private sector, civil society, cooperatives and South-South partners in tackling the most pressing challenges the country will face due to LDC graduation. The STS is expected to be adopted in 2024. The 16th National Development Plan – to be developed with a long-term vision of good governance, social justice and prosperity – will complement the STS.

Box I.5 lists some additional resources on graduation and smooth transition.

Box I.5

Resources on graduation and a smooth transition out of the least developed country category

- UN DESA, *LDCs at a glance: graduated country fact sheets*.
- United Nations *LDC Portal* (International Support Measures for Least Developed Countries). The portal is maintained by UN DESA and includes dedicated pages on support for LDC graduation.
- UNCTAD (2022), *Strategy for Graduation with Momentum: Bridging Pre-graduation and Post-graduation Development Processes in the Least Developed Countries*, UNCTAD Policy Brief No. 99, Geneva.
- UN DESA (2021), *Smooth Transition Strategy guidance note*.
- Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (2017), *A guide to least developed country graduation*.
- UNCTAD (2022), *The Least Developed Countries Report 2016 – The path to graduation and beyond: making the most of the process*, Geneva.
- Committee for Development Policy (2012), *Strengthening smooth transition from the least developed country category*, CDP Background Paper No. 14, ST/ESA/2012/CDP/14 (February).
- General Assembly resolutions 59/209 of 20 December 2004 and 67/221 of 21 December 2012, both entitled *Smooth transition for countries graduating from the list of least developed countries*.

F. Monitoring and reporting during the transition

At the request of ECOSOC and the General Assembly, CDP monitors:

a. the development progress of countries that are in the process of graduating from the LDC category, on an annual basis;[9]

b. the development progress of graduated countries, in consultation with the respective Governments, on an annual basis for three years after graduation and triennially thereafter, coinciding with the two subsequent triennial reviews.[10]

In the monitoring exercise, CDP considers information it receives from the countries, which have been invited by the General Assembly to report to the Committee on the preparation and implementation of their transition strategy.[11] The monitoring allows CDP to bring any signs of deterioration in the development progress of the concerned country to the attention of ECOSOC.[12]

Table I.3 summarizes the current reporting and monitoring schedule for graduating and newly graduated countries.

9 Report of the Committee for Development Policy on its fifteenth session (18–22 March 2013) (*Official Records of the Economic and Social Council, 2013, Supplement No. 13* (E/2013/33)), and Economic and Social Council resolutions 2008/12 and 2013/20.

10 General Assembly resolutions 59/209 and 67/221.

11 General Assembly resolution 67/221.

12 Report of the Committee for Development Policy on its tenth session (17–20 March 2008) (*Official Records of the Economic and Social Council, 2008, Supplement No. 13* (E/2008/33(SUPP)), chapter IV).

Table I.3

Reporting and monitoring on transition out of the least developed country category

		After graduation	
	Before graduation	**First three years**	**Following four to six years**
Graduating/ graduated country	Invited to report annually to CDP on the preparation of the transition strategy	Invited to report annually to CDP on the implementation of the transition strategy	Invited to report to CDP every three years (before the triennial review)
CDP	Monitors development progress and reports to ECOSOC	Monitors development progress in consultation with the graduated country and reports annually to ECOSOC	Monitors development progress in consultation with the graduated country as part of the triennial reviews

Source: General Assembly resolutions 59/209 and 67/221; Economic and Social Council resolutions 2008/12 and 2013/20; and report of the Committee for Development Policy on its fifteenth session (18–22 March 2013) (*Official Records of the Economic and Social Council, 2013, Supplement No. 13 (E/2013/33)*).

The guidelines on reporting requirements for a smooth transition from the least developed country category, developed by the Committee in 2013 and which built on the relevant General Assembly resolutions and earlier guidelines and were endorsed by ECOSOC,[13] made the following recommendations regarding reporting:

Reporting by graduating countries on the preparation of the transition strategy:

- Countries are invited submit their reports to CDP by end of November for the first three years after the General Assembly has taken note of the CDP recommendation for the country to graduate.
- Reports should include a summary of progress achieved in the setting up of a consultative mechanism (including information on participants, meetings convened and their objectives and outcomes, support by United Nations institutions in convening the meetings); identification of the LDC-specific support measures most relevant to the country and corresponding details about the level of commitments made by development and trading partners in maintaining or phasing out those measures; information on the preparation of the transition strategy (key issues to be addressed, measures taken or to be taken by the country, decisions made and pending actions); and the latest version of the smooth transition strategy.

Reporting by graduated countries:

- The report should include an overview of progress made in implementing the smooth transition strategy and information on whether the measures by the Government of the graduated country and the commitments by its development and trading partners identified in the transition strategy are being fulfilled.
- In cases where support is being reduced or withdrawn, the report should indicate how this is affecting the country. This would assist CDP in its assessment and enable it to bring any negative effects to the attention of ECOSOC as early as possible.

13 See E/2013/33, chapter V; and Economic and Social Council resolution 2013/20.

Reports by the Committee:

- Reports by CDP on graduating and graduated countries contain a review of a selected set of indicators and other relevant country-specific information with the purpose of assessing any signs of deterioration in the development progress of the country; and a review of the information provided by the country on the preparation or implementation of the transition strategy.
- In the case of graduated countries, before finalizing its report to ECOSOC, the Committee, through its secretariat, consults with the New York-based representative of the graduated country to the United Nations about the conclusions of its draft report, so that the Government's views can also be considered by the Committee in its final report to ECOSOC.

Monitoring reports on graduating and graduated countries can be found on the CDP website at https://bit.ly/LDC-monitoring.

In 2021, the Committee reviewed its experiences with the monitoring and found the monitoring system to be ineffective.[14] It had received only seven reports from monitored countries, out of 33 invitations sent in line with the relevant resolutions and guidelines. CDP identified three main factors that limit the incentives for countries to participate in the monitoring:

- The current monitoring mechanism is conducted only once a year, just prior to the plenary meeting of the Committee.
- In case of an urgent situation, no immediate response can be organized.
- Support and mitigating measures, including General Assembly resolutions on extending the preparatory period, are not linked with the outcomes of the monitoring.

In response to those shortcomings, CDP has started to develop and implement an enhanced monitoring mechanism that is responsive to emerging crises and that better links monitoring to specific support, including possible extensions of the preparatory period. The enhanced mechanism expands the coverage of annual monitoring reports and introduced regular consultations between CDP and countries. It also includes a new process to quickly react to interruptions to the graduation process arising within the annual monitoring cycle, and strengthens the link between monitoring and support, including by mobilizing the existing crisis management expertise of the United Nations system and other international entities, utilizing the convening power of UN-OHRLLS. ECOSOC and General Assembly have called upon Member States and relevant United Nations system entities to support these efforts. The Committee is reviewing the implementation of the enhanced monitoring mechanism and may make proposals for its further improvement.

14 See E/2021/33, chapter VI.

CHAPTER

II

International support measures for the least developed countries

Countries belonging to the least developed country (LDC) category have access to support measures beyond those available for other developing countries. These measures can be grouped into three main areas: international trade; development cooperation; and support for participation in international forums. The sections below present an overview of the main support measures in each of these areas. More detailed information on international support measures for LDCs can be found on the LDC Portal.

A. Trade-related support measures[1]

Trade-related international support measures aim at supporting the integration of LDCs into the global economy. They are framed by commitments set out in World Trade Organization (WTO) agreements, ministerial declarations and decisions, as well as by internationally agreed commitments as part of global development agendas, such as the 2030 Agenda for Sustainable Development and the successive programmes of action for LDCs (see chapter I, figure I.4). The main categories of trade-related support measures for LDCs are:

1. Preferential market access for goods;
2. Preferential treatment for services and service suppliers;
3. Special treatment and flexibilities to implement WTO rules;
4. Special treatment and flexibilities regarding obligations under regional agreements;
5. Special priority in trade-related technical assistance and capacity-building.

1 The authors are grateful for the inputs received from the World Trade Organization (WTO) secretariat, provided without prejudice to the position of WTO members, and to UN ESCAP.

1. Preferential market access for goods[2]

Most major trading partners provide duty-free, quota-free (DFQF) market access or preferential tariffs, as well as preferential rules of origin, for products imported from LDCs. Specific provisions have been put into place to enable trade preferences to developing countries, with special treatment for LDCs, under WTO rules.[3] Box II.1 contains information on the main milestones in the development of LDC-specific

Box II.1

Milestones in preferential market access for goods exports from least developed countries

The Enabling Clause, 1979. The granting of non-reciprocal preferential market access to developing countries was initially made possible with the adoption, in 1971, of a temporary waiver from the obligation contained in article 1 of the General Agreement on Tariffs and Trade (GATT) to grant most-favoured-nation (MFN) treatment to all contracting parties. In 1979, the decision on "Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries" (known as the "Enabling Clause") allowed derogations to MFN treatment on a permanent basis. It enabled developed country members of GATT to give differential and more favourable treatment to the exports of developing countries and to grant special treatment to LDCs in the context of any measure in favour of developing countries. The Enabling Clause forms the legal basis for the Generalized System of Preferences that covers the trade preferences schemes of most developed countries for developing countries, and within which many countries also have sub-schemes with further preferences for LDCs.

Decision on Waiver, 1999. Developing country members of the World Trade Organisation (WTO) were allowed to extend preferential market access to LDCs through the adoption of a special waiver in 1999. The waiver was initially granted for 10 years and has since been extended on several occasions, most recently to 2029.

Decisions on duty-free and quota-free market access since 2001. Market access initiatives for LDCs gained momentum with the Third United Nations Conference on the Least Developed Countries, held in Brussels in 2001, and with the launch of the Doha round of trade negotiations at the WTO. At the Sixth Ministerial Conference of the WTO, held in Hong Kong, China, in 2005, members committed to further improving market access conditions for LDCs. Developed country members and developing country members in a position to do so committed to providing duty-free and quota-free (DFQF) market access on a lasting basis for all products originating from all LDCs. Members experiencing difficulties in making that commitment agreed to provide DFQF market access on at least 97 per cent of products imported from LDCs, defined at the tariff line level. At the Ninth Ministerial Conference, held in Bali, Indonesia, in 2013, WTO members were called to improve duty-free and quota-free market access for LDCs. A specific decision on market access for cotton was taken at the Tenth Ministerial Conference, held in Nairobi, in 2015.

Decisions on preferential rules of origin since 2013. Following a call for simple and transparent rules of origin for LDCs, as set out in the Hong Kong Ministerial Declaration in 2005, a decision adopted at the Ninth Ministerial Conference (Bali, 2013), contained guidelines to facilitate market access for LDCs under non-reciprocal preferential trade arrangements. At the Tenth Ministerial Conference, held in Nairobi in 2015, another decision provided more detailed directions on specific issues, including: i) expanding possibilities for cumulation; ii) determination of substantial transformation, including higher thresholds for the use of non-originating materials; and iii) simplified documentary and procedural requirements. The WTO's Committee on Rules of Origin reviews developments in preferential rules of origin applicable to imports from LDCs on a regular basis and reports thereon to the General Council. The WTO's Committee on Trade and Development annually reviews the steps taken to provide duty-free and quota-free market access to LDC products.

2 Important references on the subjects covered in this section are United Nations Conference on Trade and Development (UNCTAD)'s series of handbooks on the generalized systems of preferences (GSPs) and on market access and rules of origin for LDCs; the WTO's Preferential Trade Arrangements Database and the annual note prepared by the WTO secretariat on market access for products and services of export interest to least developed countries. The latest note was issued in October 2023.

3 Giving certain countries preference over others violates the most-favoured-nation (MFN) principle that underpins the multilateral trading system, so specific provisions have been put into place to enable these preferences to be given to developing countries, with special treatment for LDCs.

preferential market access for goods. Most of the time, preferences are extended to all LDCs recognized by the United Nations.

a. Duty-free, quota-free market access and preferential tariffs

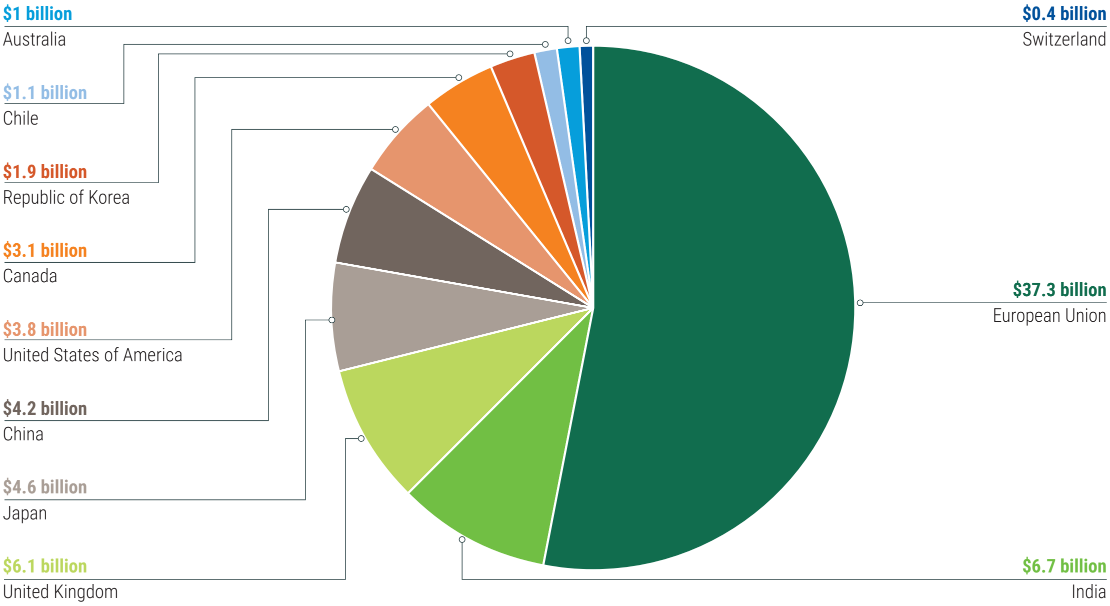
Most developed countries grant either full or nearly full DFQF market access to LDCs, and several developing countries have extended DFQF market access to a significant number of products from LDCs. Table II.1 (see page 34) summarizes multilateral non-reciprocal LDC preference schemes that are in place. The WTO database on preferential trade arrangements contains detailed information for each WTO member providing or benefiting from these arrangements. In addition, the South Asian Free Trade Area and the Asia-Pacific Trade Agreement grant greater preferences (coverage and tariff margins) to LDC members (see section II.A.4).

The practical significance of preferential market access schemes depends on the country's productive capacities, type of export products and the existence of other preferential trading arrangements.[4] Figure II.1 shows the distribution of imports utilizing LDC-specific benefits, covering the 10 schemes with the highest utilization. Based on the latest available data, more than $70 billion worth of merchandise

Figure II.1

Imports utilizing least developed country-specific preference scheme, 2022

Billions of United States dollars



Source: CDP secretariat, based on WTO preferential trade arrangements database, accessed 12 April 2024.

4 See WTO, Committee on Rules of Origin, note by the Secretariat on the utilization of trade preferences by least developed countries: 2015–2019 patterns and trends (G/RO/W/204).

Table II.1

Major multilateral non-reciprocal preference schemes for least developed countries undertaken by World Trade Organization members, 2023 (or latest available year)

Preference-granting member	Duty-free tariff-line coverage
Armenia (2016)	43.9% (excludes electrical machinery, chemicals, iron and steel products, alcoholic beverages)
Australia	100%
Canada	98.5% (excludes dairy and other animal products, meat, meat preparations, cereal products).
Chile (2022)	99.5% (excludes cereals, sugar, milling products)
China[a]	96.3% (excludes chemicals, transport vehicles machinery and mechanical appliances, electrical machinery, paper)
European Union[b]	99.8% (excludes arms and ammunition)
Iceland	96.7% (excludes meat, food preparations, vegetables, dairy and other animal products, plants and trees)
India (2021)	94.1% (excludes plastics, coffee and tea, alcoholic beverages, tobacco, food residues)
Japan	97.8% (excludes fish and crustaceans, footwear, milling products, cereal products, sugar)
Kazakhstan (2022)	63.4% (excludes vehicles, machinery, beverages, articles of iron and steel)
Kyrgyz Republic (2020)	57.6% (excludes meat, fruits, chemicals, wood and paper, machinery)
Montenegro	93.6% (excludes fish and crustaceans, alcoholic beverages, meat and dairy products)
New Zealand	100%
Norway	100%
Republic of Korea	89.4% (excludes fish and crustaceans, mineral fuels, oil seeds and oleaginous fruits, wood products, vegetables)
Russian Federation (2021)	61.2% (excludes transport vehicles, machinery and mechanical appliances, beverages, iron and steel products, electrical machinery, meat products, articles of wood)
Switzerland	100%
Taiwan Province of China	32.2% (excludes machinery and mechanical appliances, chemicals, electrical machinery, fish and crustaceans, plastics)
Tajikistan (2019)	11.7% (includes duty-free access for machinery, glass products, petroleum products)
Thailand (2022)	67.8% (excludes transport vehicles, electrical machinery, machinery and mechanical appliances, iron and steel products, apparel and clothing)
Türkiye	78.2% (excludes iron and steel products, fish and crustaceans, food preparations, meat, oil seeds and oleaginous fruits)
United Kingdom	99.7% (excludes some arms and ammunition)
United States[c]	82.8% (excludes apparel and clothing, cotton, fibers, footwear, dairy and other animal products)

Source: CDP secretariat, based on WTO (2023), Note by the Secretariat on Market access for Products and Services of Export Interest to Least Developed Countries (30 October).

a The information for China refers to 2021. Since January 2022, LDCs that have established diplomatic relations with China are all eligible to preferential tariffs on 98% of tariff lines, implemented after an exchange of notes with China. See Customs Tariff Commission Announcements No. 10 and No. 8, available in the WTO preferential trade arrangements database.

b The European Union's Generalized System of Preferences (GSP) regulation, which includes the EBA, expires at the end of 2027 and was, at the time this document was concluded, under review. Should negotiations on the review of the regulations be concluded successfully before 2027, the extension would be repealed, and the regulation substituted with the new one. All subsequent references to the EU's GSP and the EBA refer to the current regulation.

c Refers to the United States' Generalized System of Preferences (GSP) for least developed beneficiary developing countries. Legal authorization for duty-free treatment under the GSP programme lapsed on 1 January 2021. The renewal of the GSP is being considered by the Congress of the United States. The United States also offers 96.9 per cent duty-free, quota-free coverage to eligible Sub-Saharan countries under the African Growth and Opportunity Act, which is not LDC-specific.

products benefit from LDC-specific schemes each year, with the European Union being by far the largest destination of these exports.

There are several reasons why not all imports from LDCs enter under LDC-specific preferential schemes. Some export products of LDCs are already subject to zero MFN tariffs in the most significant markets, or the exporting country may have access to other, non-LDC specific, preference regimes such as the United States of America's African Growth and Opportunity Act, Economic Partnership Agreements with the European Union or the United Kingdom, or regional trading arrangements such as the Association of Southeast Asian Nations (ASEAN) Free Trade Area. Exporters in LDCs may also have difficulties in fulfilling the requirements to determine compliance with the preferential rules of origin.

b. Preferential rules of origin for goods

Rules of origin are the criteria used to define whether a product is considered to originate in a certain country and thereby whether it can benefit from preferential market access. Whereas for some products the determination of origin is straightforward, for others, particularly those produced through global value chains, determining where the product was made is not as simple. Rules of origin are used to determine the extent to which a product needs to be produced in a certain country in order to be eligible for preferential treatment.

WTO members adopted two sets of rules of origin guidelines at the WTO Ministerial Conferences held in Bali and Nairobi in 2013 and 2015, respectively, with a view to making rules of origin simple and transparent (see box II.1). Below are some examples of preference programmes which include preferential rules of origin:

- In the European Union, since 2011, the general threshold for non-originating materials is 70 per cent for LDCs and 50 per cent for other Generalized System of Preferences (GSP) beneficiaries; and product-specific origin requirements are more lenient. In textile and apparel products, the rules of origin permit single-stage processing for LDCs while for developing countries they require double transformation.
- In the United States, an article produced in an LDC beneficiary of its GSP may count inputs from least developed and other beneficiary countries in its regional association towards the 35 per cent domestic content requirement for satisfying the rules of origin on certain articles.
- In Canada, up to 60 per cent of import content is allowed for the product to benefit from the LDC preferential tariff, as opposed to 40 per cent for non-LDC products to benefit from the general preferential tariff. In addition, all beneficiaries of the LDC preferential tariff are regarded as one single area for cumulation purposes, while all beneficiaries of the general preferential tariff are regarded as a single area. There are special rules in place for LDCs regarding textiles and clothing.
- The United Kingdom's Developing Countries Trading Scheme allows 75 per cent non-originating content in approximately half of the HS2 chapters; alternative

rules (e.g., change of tariff sub-heading or maximum non-originating content of 75 per cent for almost all product-specific rules); a single rule for entire chapters in the case of most chapters; and extended cumulation.

There are also LDC-specific rules of origin under regional agreements. For example, under the South Asian Free Trade Area, the general criteria are change of tariff heading plus 30 per cent for LDCs as opposed to 40 per cent for non-LDCs. Under the Asia-Pacific Trade Agreement, the value-addition threshold for LDCs is 35 per cent as opposed to 45 per cent for non-LDCs, and regional cumulation is allowed where the regional value addition is 50 per cent for LDCs as opposed to 60 per cent for non-LDCs.

c. *Preferential market access after graduation*

Some LDC-specific preferential schemes contain provisions that extend eligibility beyond the date of graduation (see table II.2). For example, countries graduating from the LDC category automatically retain eligibility to the European Union's Everything but Arms initiative for a period of three years. China, Türkiye, and the United Kingdom also extend eligibility for 3 years after graduation. In other markets, some graduated countries have retained preferential treatment for a period after the date of graduation either because there are no automatic procedures for their removal from the list of beneficiaries, or because there is an administrative lag, or a combination of reasons.

Table II.2

Smooth transition provisions in selected least developed country-specific market access arrangements

Markets	Smooth transition provisions
European Union, China, Türkiye, United Kingdom	Smooth transition period of 3 years (either from the date of graduation or from any applicable administrative acts acknowledging graduation).
Australia, New Zealand	Countries are not automatically removed from the list of beneficiaries. In Australia, the government would need to amend the Schedule setting out the beneficiaries. Several graduated countries have remained on the list.
Canada	Canada relies on the United Nations' list of LDCs to determine and update eligibility for the Least Developed Country Tariff Programme (LDCT). However, graduation from the list has not resulted in automatic graduation out of the LDCT, which is subject to government discretion. At the time of writing, Canada had manifested the intention to provide an additional 3 years of duty-free benefits under the LDCT program following a country's graduation from the United Nations list of LDCs.
Chile, Japan, India Thailand, Republic of Korea, Norway, Switzerland, Eurasian Economic Union	No pre-established smooth transition period. In some cases, there may be a lag between graduation and loss of preferential treatment due to administrative procedures. In some cases, exceptions apply (in Norway, low-income countries with fewer than 75 million inhabitants continue to benefit; in Switzerland, countries that have adhered to an international initiative for debt relief in which Switzerland participates and that have not yet eliminated their debt are accorded LDC treatment).
United States	The U.S. Generalized System of Preferences (GSP) statute authorizes the President to designate any beneficiary developing country as a least-developed beneficiary developing country (LDBDC). There is no time frame identified in the statute for removing an LDBDC for purposes of GSP benefits, and UN LDC graduation does not automatically affect the country's designation under GSP as an LDBDC.

Source: CDP secretariat, based on government sources.

The General Assembly, in its resolution 67/221, invited trading partners that have not established procedures for extending or phasing out preferential market access, *inter alia*, DFQF treatment, to clarify in a predictable manner, as a general measure or at the consultative mechanism, their position with regard to the extension of the LDC-specific preferences, the number of years of the extension or the details concerning the gradual phasing out of the measures (see chapter I, section D). In October 2023, WTO members adopted a decision encouraging preference-granting members to provide a smooth and sustainable transition before withdrawing DFQF market access after graduation.

Once countries have graduated and no longer benefit from the LDC-specific arrangements, they may, depending on eligibility criteria, continue to have access to preferential market access schemes under the standard GSP schemes where applicable, other applicable non-reciprocal arrangements, regional agreements or bilateral agreements, including Economic Partnership Agreements.

The European Union, the United Kingdom and Norway have non-reciprocal preferential market access schemes that lie, in terms of coverage, in between the LDC-specific ones and the standard GSP. The Special Arrangement for Sustainable Development and Good Governance (GSP+) in the European Union, under current regulations, grants duty-free access to most of the products covered by the standard GSP. Eligibility for GSP+ requires the ratification and implementation of 27 conventions on human rights, labour rights, environmental protection and good governance, and meeting certain vulnerability criteria. In the United Kingdom, low-income and lower-middle income countries meeting certain vulnerability criteria are eligible for Enhanced Preferences under the Developing Country Trading Scheme, which grants duty-free market access for 85 per cent of tariff lines.[5] Under Norway's GSP+ scheme, beneficiaries are granted duty-free access for clothes and textile products and certain agricultural goods, and lower tariffs for others in comparison with standard GSP beneficiaries. All lower-middle-income countries with populations of less than 75 million and low-income countries are eligible for GSP+. In 2023, Canada amended its Customs Tariff legislation, extending the mandate for the General Preferential Tariff (GPT) and Least Developed Country Tariff programmes until the end of 2034 and creating the authority for a new General Preferential Tariff Plus (GPT+) programme which, once operationalized, is intended to provide tariff benefits beyond those of the GPT programme to countries that conform to international norms relating to sustainable development and labour and human rights.

2. Preferential treatment for services and service suppliers

Increasing LDCs' participation in services trade is a shared objective of the international community, recognized in the General Agreement on trade in Services (GATS). In 2011, WTO members adopted a decision to provide preferential treatment to LDC services and services suppliers, also known as the "LDC services waiver".[6] The LDC

5 See Mohammad A. Razzaque (2023), "What the United Kingdom's new Developing Countries Trading Scheme means for least developed countries (LDCs), including countries in the graduation process", CDP Background paper No. 55, United Nations, New York.

6 See WTO documents WT/L/847 and WT/L/982.

services waiver is currently valid until December 2030, but does not apply once a country graduates from the LDC category. Twenty-five WTO members (with the European Union counting for one) have notified measures under the LDC services waiver, indicating sectors and modes of supply.

Countries that graduate from the LDC category are not required to undertake new GATS commitments after graduation. Studies have shown that while the measures notified under the LDC services waiver resulted in greater transparency, they have not resulted in significant preferences for LDCs. Hence, graduation from the LDC category is likely to be of little consequence for preferences in services.[7]

3. Special treatment and flexibilities to implement World Trade Organization rules

As of April 2024, 35 of the 45 countries included in the list of LDCs were WTO members, two (Comoros and Timor-Leste) have signed accession protocols and will become members of the WTO following the deposit of their respective instruments of acceptance of the Protocol, while five others were in the process of acceding (see table II.3).

LDCs that are members of WTO benefit from special considerations in the implementation of WTO agreements. Special and differential treatment provisions for LDCs provide flexibility in the implementation of WTO rules and respond to technical assistance needs. They take into account the limited institutional capacities of LDCs; can protect their policy space; and can support them in increasing their participation in international trade by addressing supply-side constraints and supporting trade-related elements of development strategies.

LDCs that are in the process of joining the WTO benefit from support for the accession process (see box II.2).

Box II.2

Support to least developed countries for the process of accession to the World Trade Organization

Guidelines to facilitate the accession process for least developed countries (LDCs) were adopted by the General Council in 2002 and strengthened in 2012. The guidelines encourage World Trade Organization (WTO) members to exercise restraint in seeking market access concessions and commitments on the trade in goods and services from acceding LDCs in these processes. They contain benchmarks on goods and services commitments on transparency in accession negotiations; special and differential treatment and transition periods; and technical assistance. The accession of LDCs was recognized as one of the systemic issues under the work programme of the LDCs. The Sub-Committee on LDCs regularly monitors the accession of LDCs and serves as one of the forums in which acceding LDCs and WTO members can exchange views and share experiences. The Director General reports on accessions on an annual basis. Part of China's "Least Developed Countries and Accessions Programme" under the framework of WTO (the "China Programme") is aimed at assisting acceding Governments in joining WTO.

Source: CDP secretariat, based on official documents.

7 WTO and Enhanced Integrated Framework (2020), *Trade Impacts of LDC Graduation*, Geneva.

Table II.3

Least developed countries in the World Trade Organization, as of April 2024

LDC Members of the WTO			
Country	**Year of accession**	**Country**	**Year of accession**
Afghanistan	2016	Madagascar	1995
Angola	1996	Malawi	1995
Bangladesh	1995	Mali	1995
Benin	1996	Mauritania	1995
Burkina Faso	1995	Mozambique	1995
Burundi	1995	Myanmar	1995
Cambodia	2004	Nepal	2004
Central African Republic	1995	Niger	1996
Chad	1996	Rwanda	1996
Democratic Republic of the Congo	1997	Senegal	1995
Djibouti	1995	Sierra Leone	1995
Gambia	1996	Solomon Islands	1996
Guinea	1995	Togo	1995
Guinea-Bissau	1995	Uganda	1995
Haiti	1996	United Republic of Tanzania	1995
Lao People's Democratic Republic	2013	Yemen	2014
Lesotho	1995	Zambia	1995
Liberia	2016		
Countries that have signed accession protocols (will become WTO members 30 days following the deposit of their respective instruments of acceptance of the Protocol)			
Country	**Date of accession protocol signature**	**Country**	**Date accession protocol signature**
Comoros[a]	Feb-24	Timor-Leste[a]	Feb-24
Ongoing accessions			
Country	**Date initiated**	**Country**	**Date initiated**
Ethiopia	Feb-03	South Sudan	Dec-17
Sao Tome and Principe	May-05	Sudan	Oct-94
Somalia	Dec-16		

Source: CDP secretariat, based on WTO, "Least-developed countries".

Note: Eritrea, Kiribati and Tuvalu are neither members nor seeking accession. "Date initiated" refers to the date of establishment of the Working Party.

a The Protocols of Accession of Comoros and Timor-Leste were signed at the Thirteenth Ministerial Conference of the WTO in February 2024. These countries will become members of the WTO 30 days following the deposit of their respective instruments of acceptance of the Protocol.

Table II.4 provides an overview of the main special and differential treatment provisions for LDCs under WTO agreements and related decisions.[8] Some LDC-specific provisions applied only for certain time periods after the entry into force of the

8 More detailed information is available on the LDC Portal and WTO website. Every effort has been made to ensure accuracy. The information contained herein does not replace legal texts or official policy documents and does not aim to be exhaustive.

respective WTO agreements. In addition to these provisions, there are also a number of references within agreements and decisions whereby WTO members commit to taking into account the needs of LDCs, to ensure capacity-building for LDCs in the fulfilment of their commitments as members of WTO, and to further their participation in world trade.

Table II.4

Main provisions on special and differential treatment to least developed countries under World Trade Organization agreements and related decisions

Agreement/Decision	Support measure
Understanding on the Balance-of-Payments Provisions of General Agreement on Tariffs and Trade (GATT)	Simplified procedures when invoking trade restrictions for balance-of-payment reasons (paragraph 8)
Agreement on Agriculture and related decisions	Exemption from undertaking commitments on the reduction of agricultural support (Art. 15.2)
	Special flexibilities under the *Decision Concerning the Possible Negative Effects of the Reform Programme on LDCs and NFIDCs*. Applies to LDCs and net food importing developing countries (NFIDCs). (Art. 16; Decision adopted by the Trade Negotiations Committee at the Uruguay Round; list of beneficiaries is contained in G/AG/5/Rev.12, March 2023)
	Exemption from the prohibition of granting export subsidies until the end of 2030 (LDCs and NFIDCs) (2015 Ministerial Decision on Export Competition (WT/MIN(15)/45 – WT/L/980)
	Longer repayment periods for export financing support (LDCs and NFIDCs) (WT/MIN(15)/45-WT/L/980)
	Less frequent notifications to WTO regarding domestic support (G/AG/2)
Sanitary and Phytosanitary (SPS) Measures and related decisions[a]	WTO Members are to take particular account of LDCs in preparing and applying SPS measures (Art. 10)
Technical Barriers to Trade (TBT)	WTO Members are to give priority to the needs of LDCs when providing advice and technical assistance to members (Art. 11.8)
	The TBT Committee is required to take into account the special problems of LDCs in granting time-limited exceptions under the TBT Agreement (Art. 12.8)
Agreement on Subsidies and Countervailing Measures and related decisions	LDCs (and other countries with gross national income (GNI) per capita below $1,000 in constant 1990 dollars) are exempted from the prohibition of export subsidies (article 27.2 and Annex VII of the Agreement and paragraph 10.1 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns (WT/MIN(01)/17))
Trade Facilitation Agreement (TFA)	Longer deadlines under the early warning mechanism, in case an LDC has difficulties in implementing categories B and C measures (article 17)
	Longer time frame (4 years rather than 18 months) for new implementation dates for measures shifted from category B to category C before approval from the Trade Facilitation Committee is required (article 19)
	Longer grace period from dispute settlement (8 years from the date of implementation of category B or C measures (article 20))
Trade-Related Aspects of Intellectual Property Rights (TRIPS) and related decisions	Exemption from applying all substantive TRIPS standards until 1 July 2034 (article 66.1, latest extension IP/C/88)
	Exemption from providing protection for pharmaceutical patents, from providing the possibility of filing mailbox applications and from granting exclusive marketing rights until 1 January 2033 (IP/C/73 and WT/L/971)

Agreement/Decision	Support measure
Trade-Related Aspects of Intellectual Property Rights (TRIPS) and related decisions (*continued*)	Waiver from notification requirements for issuing compulsory licenses for exports of pharmaceutical products to LDCs or other countries with insufficient manufacturing capacities in the pharmaceutical sector (article 31 bis). When notifying its need for a pharmaceutical, an importing WTO member is required to confirm that it has insufficient or no manufacturing capacity in the pharmaceutical sector. LDCs are exempt from that requirement as they are deemed to have insufficient manufacturing capacity. A developing country member or LDC that produces or imports pharmaceuticals under compulsory licences and which is party to a regional trade agreement (RTA) in which at least half of the members are LDCs can export the pharmaceuticals to other members of the RTA that share the same health problem without any further notification under the system.
	Developed country members are to provide incentives to encourage the transfer of technology to LDCs (Article 66.2)
Dispute Settlement Understanding and related decisions	Particular consideration should be given to the special situation of LDCs in all stages of a dispute involving an LDC. Members should exercise due restraint in raising matters involving an LDC (Art. 24.1)
	LDCs can request the Director-General of the WTO or the Chairman of the Dispute Settlement Body to provide their good offices, conciliation and mediation for settling disputes (article 24.2)
Trade Policy Review Mechanism	LDCs may have a longer period between trade policy reviews than other countries (Annex 3)

Source: CDP secretariat, based on the texts of WTO agreements and decisions and information provided by the WTO secretariat.
a See also the special terms for LDCs under the Standards and Trade Development Facility (STDF) in section II.A.5.

In addition to special and differential treatment provisions under the WTO agreements and related decisions, there are measures to support LDCs within WTO. Discussions in the Sub-Committee on the LDCs follow the work programme for the LDCs, which covers systemic issues of interest to LDCs in the multilateral trading system. The China Programme provides support to an internship programme, annual round tables on accession-related themes, the participation of LDC coordinators in selected meetings and a South-South dialogue on LDCs and development, among other forms of support. The LDC Group benefits from the support of a dedicated resource person in the LDC Unit of the Development Division at WTO (see section II.A.5 for more on technical assistance and capacity-building within WTO).

WTO members that graduate from the LDC category continue to benefit from a range of special and differential treatment provisions that apply to all developing members.[9] The LDC Group at WTO has submitted proposals for smooth transition provisions for countries that graduate from the LDC category under the WTO system. In 2024, WTO members agreed that countries that graduate shall continue to benefit from the application of the Special Procedures Involving LDCs set out in Article 24 of the Dispute Settlement Understanding for a period of three years; and will continue to be eligible for LDC-specific technical assistance (see below) for a period of three years.[10] They also instructed the Sub-Committee on LDCs to continue to work on the remaining provisions of the LDC request.

9 See WTO, "Note by the secretariat on special and differential treatment provisions in WTO agreements and decisions" (WT/COMTD/W/271).
10 See WTO, "WTO smooth transition support measures in favour of countries graduated from the LDC category" (WTO/MIN(24)/34).

4. Special treatment and flexibilities regarding obligations under regional agreements

Certain regional trade agreements contain special provisions for LDCs in addition to the preferential tariffs and rules of origin mentioned above:

- South Asian Free Trade Area (SAFTA) (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, India, Pakistan and Sri Lanka): among other measures, LDCs benefit from smaller sensitive lists adopted by some of the partners (meaning they receive tariff concessions on a larger number of products) and preferential rules of origin (requirement of change of tariff heading and value addition of 10 per cent less than the requirement for non-LDCs). The SAFTA agreement contains a special provision for Maldives (article 12), which graduated from the LDC list in 2011, granting it LDC-equivalent treatment in the Agreement and in any subsequent contractual undertakings.
- Asia Pacific Trade Agreement (Bangladesh, China, India, Lao People's Democratic Republic, Mongolia, Republic of Korea and Sri Lanka): LDCs benefit from larger lists of tariff concession items as well as deeper tariff concessions (higher margin of preference for market access) in some of the partners and have additional flexibility in rules of origin (domestic value requirement of 35 per cent instead of 45 per cent).[11]
- Pacific Agreement on Closer Economic Relations Plus: while tariff reduction by non-LDCs started from the date of entry into force (13 December 2020), tariff reduction by LDCs will start after each country's graduation from the LDC category or after 10 years, whichever is later; and tariff elimination will take up to 25 years or more.[12]
- Regional Comprehensive Economic Partnership (RCEP) Agreement: RCEP includes 10 ASEAN countries and five Asia-Pacific economies (Australia, China, Japan, New Zealand and Republic of Korea). Under Article 15.6, member countries with LDC status (currently Cambodia, Lao People's Democratic Republic and Myanmar) are entitled for special and differential treatment in the form of either exemption or delayed implementation of the RCEP commitments. They also have access to economic cooperation support, including official development assistance and aid for capacity building and trade reforms. Additionally, Article 19.18 provides special and differential treatment for LDC Parties whereby the Complaining Party is obligated to exercise due restraint in raising matters where an LDC Party is involved.[13]
- In the ASEAN-Australia-New Zealand Free Trade Agreement, article 18 provides that parties shall exercise due restraint in raising matters under dispute settlement procedures involving and LDC party and, if applicable, in applying compensatory measures.

11 For more information, see Economic and Social Commission for Asia and the Pacific, "Asia-Pacific Trade Agreement".

12 As of April 2024, the agreement is in force for ten parties: Australia, the Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Nauru had signed but not ratified the Agreement. For more information, see Australia, Department of Foreign Affairs and Trade, Pacific Agreement on Closer Economic Relations Plus, "Trade in goods".

13 For more information, see RCEP legal text.

- The African Continental Free Trade Area Agreement (AfCFTA), which was launched on 1 January 2021, draws a distinction between LDCs and non-LDCs for the tariff negotiations. LDCs have 10 years to achieve 90 per cent liberalization, while non-LDCs have 5 years. The remaining 10 per cent of tariff lines are divided into two categories: 7 per cent can be designated sensitive products and 3 per cent of tariff lines can be excluded from liberalization entirely. LDCs have 13 years to eliminate tariffs on sensitive products and may maintain their current tariffs for the first 5 years, backloading liberalization during the remaining 8 years. Non-LDCs have 10 years to eliminate tariffs on sensitive products and may also retain the status quo, starting liberalization in year 6. Both LDCs and non-LDCs may exclude 3 per cent of tariff lines, but the excluded products may not account for more than 10 per cent of their total trade.[14]

5. Special priority in trade-related technical assistance and capacity-building

A number of mechanisms are in place to support LDCs through technical assistance and capacity-building related to trade. LDCs have received approximately a third of aid for trade disbursements in recent years. The Doha Programme of Action for LDCs aims at doubling aid for trade to LDCs by 2031.

- The Enhanced Integrated Framework (EIF) supports LDCs in building strong trade institutions, ensuring evidence-based analysis and investing in productive sectors with high export potential. At the time of writing, the EIF was approaching the end of its second phase and an interim facility had been instituted as discussions continued in a taskforce at the WTO on a future aid for trade mechanism for LDCs.[15] The EIF's current graduation policy allows countries that graduate from the LDC category to remain eligible to receive support from the EIF for five years after graduation. Deliberations on a future support mechanism will likely consider a smooth transition period.
- LDCs have priority in technical assistance delivered by WTO members and the secretariat under the Agreement on the Application of Sanitary and Phytosanitary Measures. The Standards and Trade Development Facility (STDF) has a target of allocating at least 40 per cent of total project financing to LDCs or other low-income countries (OLICs). There is also a lower co-financing requirement for technical assistance. The minimum required contribution from LDCs and OLICS is 10 per cent, as opposed to 20 per cent for lower-middle-income countries and 60 per cent for upper-middle-income countries. The STDF has a transition mechanism for countries graduated from LDC status, which allows for LDC graduates to continue to benefit from the 10 per cent contribution requirement for LDCs for a period of three years following graduation.

14 See Trudi Hartzenberg (2019), "The African Continental Free Trade Area Agreement: what is expected of LDCs in terms of trade liberalisation?", August; and Gerhard Erasmus and Trudi Hartzenberg (2021), "Trade under AfCFTA Rules started on 1 January 2021, but hard work lies ahead", blog, 10 February.

15 Enhanced Integrated Framework (2024), "Update on the EIF Programme: the EIF Interim Facility", 13 February.

- LDCs are a priority for the technical assistance offered under the WTO's biennial technical assistance and training plan 2024–2025, which includes trade policy courses designed specifically for LDCs. LDCs are also a priority in different internship programmes at the WTO, and benefit from China's LDCs and Accessions Programme, which aims at facilitating the participation of LDCs in WTO discussions. In 2024, WTO members agreed that countries that graduate from the LDC category will continue to benefit from LDC-specific technical assistance and capacity building under WTO's technical assistance and training plan for three years after graduation.[16] They also continue to benefit from a wide range of technical assistance products offered by the WTO Secretariat under its biennial technical assistance plan.
- The Advisory Centre on WTO Law provides legal advice on issues related to WTO, WTO dispute settlement support and capacity-building, and LDCs do not have to join as members in order to benefit from its services.

In addition to LDC-specific support for training and capacity-building related to trade, LDCs have access to instruments available to all countries or all developing countries. For example, the ePing notification alert system of UN DESA, WTO and International Trade Centre (ITC) provides countries with timely access to notifications under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and the WTO Agreement on Technical Barriers to Trade and facilitates dialogue among the public and private sector in addressing potential trade problems at an early stage. At the WTO, a Trade Facilitation Agreement Facility has been created to deliver support to LDCs and developing countries so that they may fully benefit from the Trade Facilitation Agreement. ITC works to build the capacity of private actors in developing countries so they can take advantage of the global trading system.

B. Development cooperation

As developing countries, LDCs are recipients of official development assistance (ODA) and other forms of development cooperation provided by bilateral donors and multilateral institutions and participate in South-South cooperation. Most development cooperation is not contingent on a country being an LDC. However, the policies of some donors and institutions give priority or more concessional terms to LDCs and there exist a number of mechanisms dedicated exclusively to LDCs. This section refers to the main provisions and mechanisms for LDCs in bilateral and multilateral cooperation. For a more detailed catalogue of measures, please see the LDC Portal.

1. Commitments in bilateral official development assistance flows to least developed countries

The definition of ODA used by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) is "government

16 See WTO, "WTO smooth transition support measures in favour of countries graduated from the LDC category" (WTO/MIN(24)/34).

aid designed to promote the economic development and welfare of developing countries".[17] ODA includes grants, "soft" loans and the provision of technical assistance, and can be provided bilaterally, from donor to recipient, or channeled through multilateral organizations such as the United Nations or the World Bank. LDCs received 21 per cent of total ODA disbursed by DAC countries in 2022.[18] ODA represents an important – in some cases critical – component of external financing in LDCs.

All developing countries, until they exceed the high-income threshold determined by the World Bank for three consecutive years, are eligible for ODA, but special quantitative and qualitative commitments have been made by providers of ODA in regard to LDCs.[19]

a. Quantitative commitments on official development assistance by donors

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the Programme of Action for the Least Developed Countries for the Decade 2011–2020 all reiterated long-standing commitments by developed countries to provide the equivalent of 0.15 to 0.20 per cent of their gross national income (GNI) in the form of ODA to LDCs. The Doha Programme of Action for Least Developed Countries for the Decade 2022–2031 encouraged ODA providers to consider setting a target to provide at least 0.20 per cent of GNI for ODA to LDCs. This is in parallel to a longstanding commitment to provide the equivalent of 0.7 per cent of GNI in ODA to developing countries. Individual countries and the European Union have made additional commitments with regard to the allocation of aid to LDCs.

In 2021–2022, 3 of 31 DAC countries fulfilled the commitment of providing the equivalent of 0.15 per cent to 0.20 per cent of GNI as ODA to LDCs. Overall, ODA flows from DAC countries to LDCs were equivalent to 0.08 per cent of GNI of the group of donors, while flows to developing countries were equivalent to 0.32 per cent. Between 3 and 46 per cent of DAC countries' total ODA went to LDCs (see figure II.2 on page 46).[20]

These commitments refer to the aggregate flows of ODA to LDCs and not to flows to individual countries. Because belonging or not to the LDC category is not, by itself, the only or the main criterion for the allocation of most development assistance, changes caused specifically by LDC graduation are typically limited.

b. Modalities of bilateral official development assistance: grant element

The DAC recommends that the average grant element in ODA to LDCs should be either 90 per cent of a given donor's annual commitment to all LDCs, or at least 86 per cent of the donor's commitments to each individual LDC over a period of three years.[21] Accordingly, most ODA extended to LDCs by DAC members is in the form of grants. In 2022, 85

17 See Net ODA data from OECD.

18 OECD-DAC, Development finance data, "Aid at a glance charts".

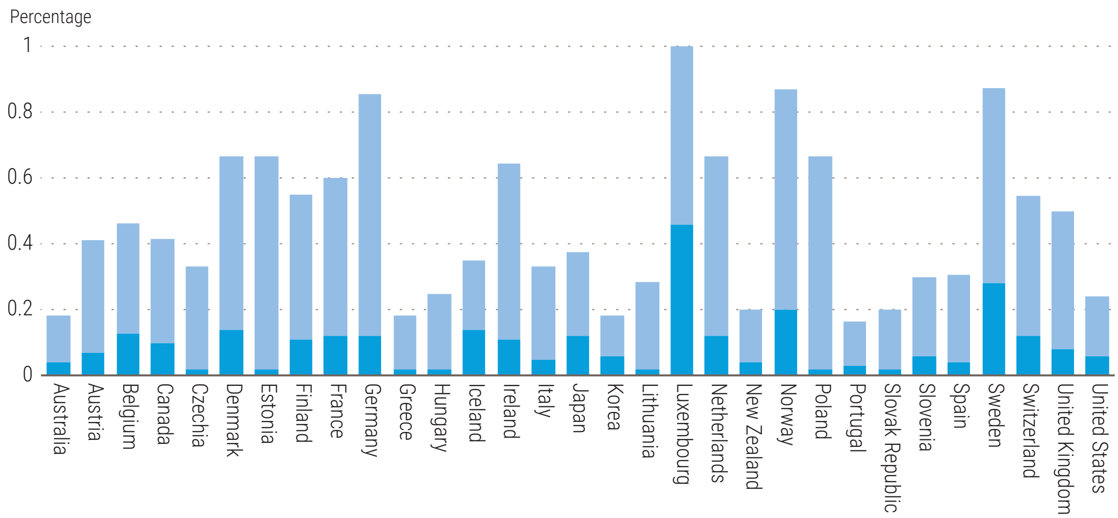
19 OECD reviews the list of countries eligible for official development assistance every three years.

20 OECD, "Statistics on resource flows to developing countries".

21 OECD, "Recommendation on the terms and conditions of aid" (OECD/LEGAL/5006), adopted on 28 February 1978.

Figure II.2

Aid from Development Assistance Committee countries – total and to least developed countries - as a percentage of donor gross national income, 2021-2022[a]



Source: CDP secretariat, based on OECD, "Statistics on resource flows to developing countries", table 31, accessed on 22 April 2024.
a Includes imputed multilateral flows.

per cent of ODA flows from DAC countries to LDCs were in the form of grants.[22] Starting in 2019, the LDC status of the recipient affects the extent to which concessional loans are counted as ODA. In the grant-equivalent approach adopted by DAC members to measure ODA, grants and the grant portion of concessional loans count as ODA. Loans to LDCs and other low-income countries require a higher grant equivalent component to be considered as ODA (at least 45 per cent for LDC, compared to 10–15 per cent for other ODA-eligible developing countries). Moreover, in order to determine the grant element, DAC uses differentiated discount rates – 6 per cent for upper-middle-income countries, 7 per cent for lower-middle-income countries, and 9 per cent for low-income countries and LDCs. Differentiating the discount rate implies that loans to LDCs or other low-income countries are recorded as a higher level of ODA than a loan extended under the same conditions to other country groups, which could provide an incentive for donors to allocate ODA to LDCs. DAC also applies the grant-equivalent method to other non-grant instruments, such as equities and guarantees.

c. Modalities of bilateral official development assistance: untied aid

DAC members have also undertaken commitments to improve the effectiveness of ODA by "untying" ODA to LDCs; in other words, not making aid conditional on the procurement of goods and services from the donor. In 2001, they adopted the

22 OECD Stat database, Development, Flow bases on individuals project, Creditor Reporting System (CRS).

Recommendation on Untying Official Development Assistance to the Least Developed Countries, which, since 2019, also applies to non-LDCs that are among the heavily indebted poor countries, other low-income countries, and World Bank International Development Association (IDA)-only countries and territories. The recommendation covers most forms of ODA, but excludes free-standing technical cooperation, and it was left up to members as to whether they could untie food aid. In its 2022 Report on the Recommendation on Untying Official Development Assistance, DAC found that the share of ODA covered by the recommendation that is reported as untied was at a 91.5 per cent in 2020, the second highest level historically, but that a few members persistently fall short of their untying commitments.[23]

d. Donor-specific terms and conditions for LDCs

Some donors have special modalities of ODA for LDCs:

- In Germany, financial cooperation is extended to LDCs mostly in the form of grants, whereas for other developing countries it is mostly extended in the form of soft loans.
- France enacted, in 2021, a new law on programming of development cooperation which stipulates that it will focus its bilateral development assistance, and particularly grants, on LDCs, and especially those in sub-Saharan Africa.
- In Japan, low-income LDCs have access to the most favourable terms under Japanese ODA loans, while non-LDC low-income countries and LDCs that are not low-income have access to a second category of preferential loans. Other developing countries have access to less favourable but still concessional terms for loans, according to their level of income and the nature of the project.
- In the Republic of Korea, LDCs benefit from the most favourable terms among five categories of beneficiaries under the Economic Development Cooperation Fund (the other four are based on GNI per capita).

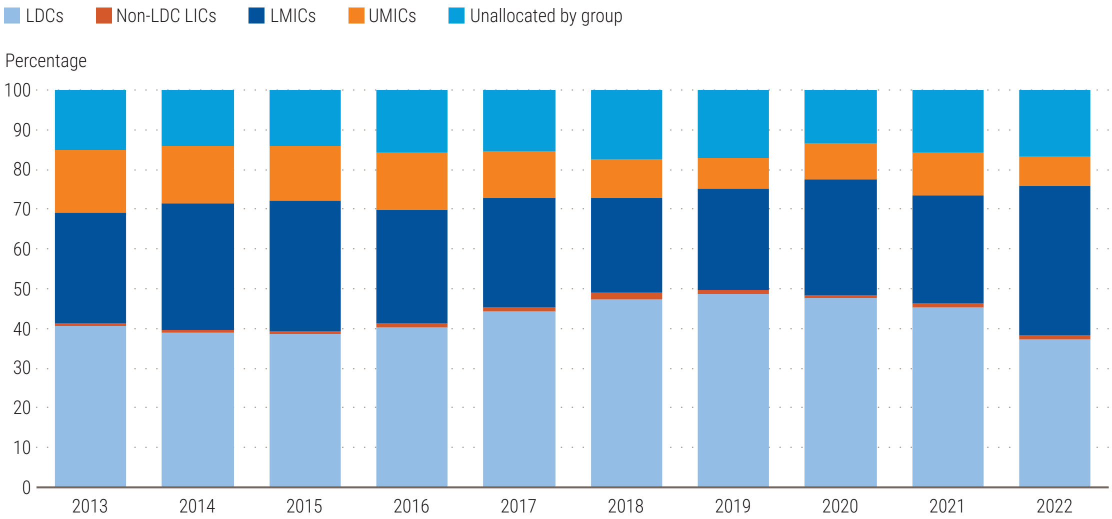
2. Multilateral and regional development cooperation

Several multilateral and regional development organizations, including the United Nations system, dedicate a significant share of their resources to LDCs. In 2021, 44 per cent of net disbursements of ODA by multilateral organizations went to LDCs (see figure II.3 on page 48). However, most organizations do not rely exclusively on LDC status as a criterion for the allocation of resources and some do not consider LDC status. This section provides an overview of the institutional policies of international financial institutions and the United Nations system with regard to LDCs and the LDC category. Instruments developed by these and other organizations specifically for LDCs are described in section 3.

23 OECD, Development Co-operation Directorate, Development Assistance Committee (2022), 2022 Report on the DAC Recommendation on Untying Official Development Assistance (DCD/DAC (2022)34/FINAL).

Figure II.3

Official development assistance disbursements by multilateral organisations, 2013-2023



Source: CDP Secretariat, based on OECD Data Explorer, accessed 22 April 2024.

Note: According to World Bank income classifications, LICs = low-income countries; LMICs = lower-middle-income countries; UMICs = upper-middle-income countries. The "More advanced developing countries" (MADCTs) included in the original data are counted here as UMICs.

It is important to note that many international organizations and initiatives dedicate a substantial part of their assistance to LDCs without necessarily having specific terms or priority for LDCs as such. This is the case of GAVI (The Vaccine Alliance), and the Global Fund. By prioritizing countries with the greatest challenges and vulnerabilities in their respective focus areas, they naturally prioritize many countries in the LDC category. Graduation from the LDC category does not affect assistance from these organizations.

a. International and regional financial institutions

Eligibility for concessional financing to developing countries by regional and multilateral financial institutions is generally not based on whether or not a country is an LDC, but on other factors such as GNI per capita and creditworthiness (see box I.3 and table I.2 in chapter I).[24] The World Bank, the International Monetary Fund (IMF), and most other international and regional financial institutions do not consider LDC status in determining the terms of its assistance to countries, but use per capita income and other criteria. A country's graduation from LDC status does not lead to a change in the terms or volume of assistance provided by these institutions.

24 An exception is made in favour of small island economies (with a population of fewer than 1.5 million people), in view of their fragility and limited creditworthiness. Several of these countries have continued to benefit from assistance provided by the World Bank's International Development Association (IDA), even though they had risen above the IDA income threshold. The International Monetary Fund uses similar exceptions for small countries and for microstates (see IMF (2023), *2023 Handbook of IMF Facilities for Low-Income Countries*, Washington D.C.)

Table II.5

Classification criteria of the Asian Development Bank

Creditworthiness	Per capita GNI cut-off		
	Below the per capita GNI cut-off	Above the per capita GNI cut-off	
		LDC	Non-LDC
Lack of	Group A (concessional assistance only)	Group A (concessional assistance only)	Group B (OCR blend). If at moderate or higher risk, then Group A.
Limited	Group B (OCR blend)	Group B (OCR blend)	Group B (OCR blend)
Adequate	Group B (OCR blend)	Group B (OCR blend)	Group C (Regular OCR only)

Source: Asian Development Bank (2023), "Classification and graduation of developing member countries", Operations Manual Policies and Procedures, section A, accessed on 16 April 2024.

Note: OCR = ordinary capital resources.

Among regional development banks, the Asian Development Bank (ADB) considers LDC status, among other factors, in the policy that guides the terms and conditions on which members access resources. The ADB classifies countries into groups that determine the type of financing provided. These groups are defined primarily in terms of income and creditworthiness, but whether or not a country is an LDC can, in some cases, affect the classification. For example, as shown in table II.5, an LDC that has a per capita income level below a certain threshold (currently the IDA's operational cutoff threshold) and is considered to lack creditworthiness will be classified in a category that receives concessional assistance only, whereas a non-LDC in the same situation might (depending on a range of factors such as risk of debt distress) be classified in a category that receives a blend of concessional and non-concessional resources. Depending on where a country lies in the matrix summarized in table II.5, graduation from the LDC category could trigger reclassification in some cases. Reclassification across groups is not, however, an automatic process, and is addressed on a case-by-case basis.

b. United Nations system

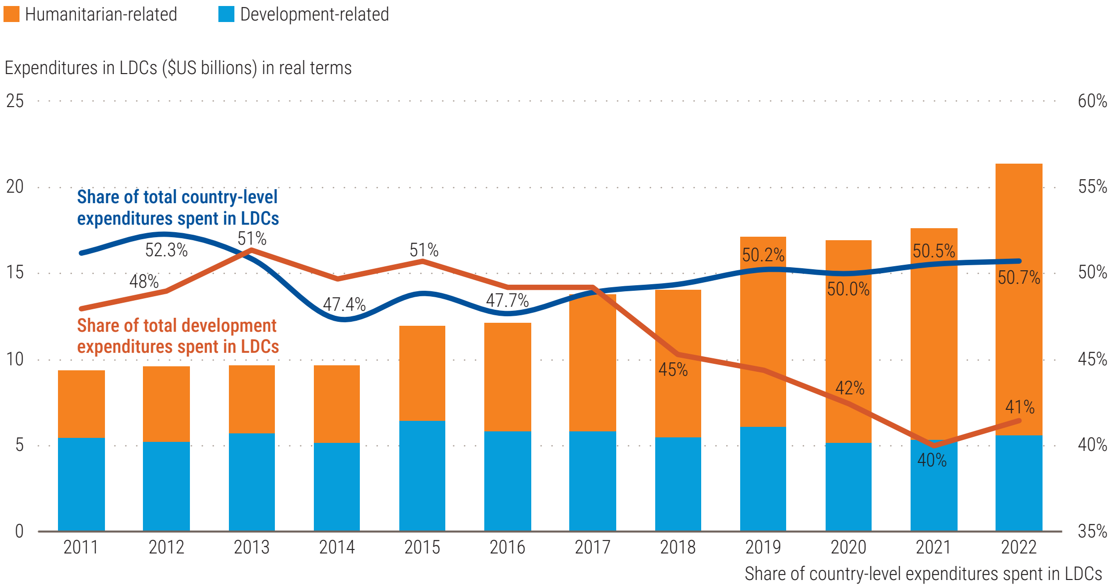
LDCs are a priority for the United Nations system, as reflected in the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Doha Programme of Action. United Nations system entities have put in place institutional mechanisms such as dedicated internal structures and staff; prioritized LDCs under strategic plans; and/or have special rules for budgetary allocations.[25] In some cases, support is provided to LDCs among other groups in special situations. Additionally, there are a number of instruments dedicated exclusively to LDCs. These are discussed in section II.B.3.

In 2022, LDCs received 50.7 per cent of total in-country expenditures by the United Nations development system (see figure II.4 on page 50). Total expenditures in LDCs increased 52 percent over four years, similar to the average for all host countries. Expenditure per capita in LDCs ($18.36) was substantially higher than average ($5.99),

25 Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) (2021), *United Nations Support to the Least Developed Countries*.

Figure II.4

Expenditures in the least developed countries, 2011-2021



Source: Report of the Secretary-General on the implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding of the United Nations development system (A/79/72/Add.1-E/2024/12/Add.1).

and comparable to that for small island developing States ($17.03) and landlocked developing countries ($20.56) (see A/79/72/Add.1-E/2024/12/Add.1).

Certain organizations, such as the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF), have targets for resource allocation to LDCs. These targets refer to aggregate resources allocated to LDCs, and do not necessarily apply directly to the allocation to individual LDCs:

- UNDP programmatic presence on the ground is financed primarily through core resources distributed to programme countries based on the target for resource assignment from the core (TRAC) system. TRAC is a three-tiered system in which TRAC-1 and TRAC-2 resources are linked in a combined pool to support country programming, while TRAC-3 resources are made available through a separate pool to support crisis response. The allocation of TRAC-1 and TRAC-2 takes into account a country's gross domestic product per person and its population size. By decision of its Executive Board, UNDP has a goal of ensuring the allocation of at least 60 per cent of TRAC-1 and TRAC-2 resources to LDCs. These rules do not cover non-core resources, which often account for a significant share of resources deployed in each country. Graduation from the LDC category could potentially affect a portion of the core resources dedicated to the country in the subsequent UNDP integrated budget cycle. However, the amount of resources available after graduation would depend on numerous factors, including the country's needs and overall UNDP funding.

- UNICEF is also required by its Executive Board to allocate 60 per cent of its regular resources to LDCs and 50 per cent to countries in sub-Saharan Africa. The resources are allocated based on a system that gives greater weight to countries with the lowest GNI per capita, highest under-5 mortality rate and largest child population. This naturally results in LDCs being the greatest beneficiaries, but also means that graduation itself does not affect the amount of resources allocated to a country.[26]
- Specific instruments managed or co-managed by United Nations system entities have provisions for LDCs. Among these, the Global Environment Facility (GEF) System for Transparent Allocation of Resources for the eighth replenishment period (GEF-8, 2022-2026) includes higher minimum allocation floors for LDCs and SIDS (see table II.6).
- Following a similar system, the Programming Directions of the Global Biodiversity Framework Fund (GBFF) establish that 36 per cent of GBFF resources, plus an additional 3 per cent initially (to be reprogrammed after 3 years if unused), should be allocated to LDCs and SIDS. Distribution of the GBFF also reflects potential global environmental benefits that can be generated in the country, as per the GEF-8 Biodiversity Focal Area country allocations.

Table II.6

Minimum allocation floors for GEF-8 under the System for Transparent Allocation of Resources (millions of United States dollars)

	Non-LDCs	LDCs and SIDS
Biodiversity	3	4
Climate change (mitigation)	1	2
Land degradation	1	2
Aggregate	**5**	**8**

Source: GEF Secretariat (2022), "Initial GEF-8 STAR Country Allocations" (GEF/C.63/Inf.05), 1 July.

Several organizations provide substantive support to LDCs, including policy analysis and information services, capacity-building, support in obtaining access to information and resources, and advocacy services. Such forms of support are not always reflected substantially in expenditures. Examples include:

- The Department of Economic and Social Affairs (UN DESA), the Economic and Social Commission for Asia and the Pacific (ESCAP), UNCTAD, the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), the World Trade Organization (WTO), the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) and the Food and Agriculture Organization of the

26 For more information, see United Nations Children's Fund, "Assessment of ways to enhance results-based budgeting and assessment of the resource allocation system" (UNICEF/2017/EB/4).

United Nations (FAO), among others, maintain dedicated research programmes or teams focusing on LDC issues.

- UN DESA provides support to LDCs in the form of analysis, data, information on support measures and capacity-building, as well as by supporting the work of CDP in its deliberations on inclusion and graduation from the LDC category (see chapter I). It collects and disseminates information on LDCs and countries that have recently graduated from the category, maintains the LDC Portal on international support measures, including support to graduation, and provides capacity-building, especially for graduating and recently graduated countries.
- UNCTAD produces an annual *Least Developed Countries Report* that addresses trends and issues of interest to LDCs, provides substantive support to the Enhanced Integrated Framework (see above) and provides capacity-building to LDCs.
- ESCAP produces an annual *Asia-Pacific Countries with Special Needs Development Report*, covering LDCs, LLDCs and SIDS, and provides capacity-building to LDCs in the region, especially on productive capacity, infrastructure, trade and institutional development.
- The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) advocates in favour of LDCs within the United Nations and with other partners, assists LDCs in mobilizing resources and other forms of support and provides support to group consultations of LDCs. It also monitors the implementation of programmes of action for LDCs.

Several organizations are committed to supporting countries through a "smooth transition" out of the category in response to General Assembly resolutions and the programmes of action for LDCs, including the Doha Programme of Action (see chapter I). UN-OHRLLS coordinates an inter-agency task force to that effect.

3. Mechanisms dedicated primarily to least developed countries, and their provisions for graduated countries

The following organizations and mechanisms are dedicated exclusively or primarily to LDCs and countries that have recently graduated (please see also the information on trade-related technical assistance and capacity-building in section II.A.5):

a. Technology Bank for the Least Developed Countries

The Technology Bank, inaugurated in 2018, supports LDCs in building their science, technology and innovation (STI) capacities. It conducts baseline science, technology and innovation reviews and technology needs assessments of LDCs, in collaboration with UNCTAD, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other organizations; works to stimulate the production of high-quality research in LDCs through capacity development and international research collaboration; and works to strengthen the capacity of academies of science in LDCs, in partnership with regional networks of academies, the regional commissions and regional development banks.

A number of initiatives have been introduced over time, including the Technology Access Partnership programme, in collaboration with WHO, UNCTAD and UNDP, to support the transfer of critical technologies to LDCs related to combating COVID-19 for the manufacture of medical equipment, medical devices and diagnostic kits; science, technology and innovation capacity-building programmes in LDCs in the areas of biotechnology in partnership with UNESCO and the World Academy of Sciences for the advancement of science in developing countries and the International Centre for Genetic Engineering and Biotechnology; a partnership in satellite technologies with the Office for Outer Space Affairs to train experts in LDCs and build capacity in the use of satellite technologies for development; SDG Impact Accelerator projects in Bangladesh and Uganda, in partnership with Türkiye and UNDP to unlock entrepreneurial talent and leverage emergent technologies to improve livelihoods; and an innovation programme focused on supporting LDCs to exploit their latecomer advantage in order to leverage existing technologies through entrepreneurial activity as well as enhancing their capacity to find, adapt and adopt proven, off-the-shelf technologies and indigenous technologies. The Technology Bank has also joined the Alliance for Affordable Internet, a partnership with the World Wide Web Foundation that aims to ensure equitable access to the Internet in LDCs.

After graduation from the LDC category, countries continue to have access to the Technology Bank for a period of five years.

b. Climate change: work programme for the least developed countries, the Least Developed Countries Expert Group and the Least Developed Countries Fund

In the United Nations Framework Convention on Climate Change, it is stated that “the Parties shall take full account of the specific needs and special situations of the least developed countries in their actions with regard to funding and transfer of technology” (art. 4 (9)). That understanding served as the basis for the establishment of an LDC work programme by the Conference of the Parties to the Convention in 2001, and to support flexibility provisions extended to the LDCs under the Convention and the Paris Agreement.

A Least Developed Countries Expert Group (LEG) was established in 2001 to provide technical guidance and support to the LDCs on the process of formulating and implementing national adaptation plans, the preparation and implementation of national adaptation programmes of action, and the implementation of the LDC work programme. It also provides technical guidance and advice on accessing funding from the Green Climate Fund (GCF) for the process of formulating and implementing national adaptation plans and supports the participation of LDCs in workshops and events organized under the framework of the Conference of the Parties and its subsidiary bodies.

The Least Developed Countries Fund (LDCF) was established in 2001 to support the LDC work programme, including the preparation and implementation of national adaptation programmes of action, and more recently includes work related to the process of formulating and implementing national adaptation plans. It is operated by the Global Environment Facility (GEF). As of February 2024, the LDCF has financed 408 projects and programmes with nearly $2 billion in grants. The approved strategy for 2022-2026 aims to double the allocation of finance, particularly for adaptation, and to increase support for planning and programming for climate adaptation actions. After graduation, countries are no longer eligible to receive new funding under the LDCF. Projects approved before and up until graduation would continue to receive funding in order to ensure the full implementation of those projects.

The Green Climate Fund (GCF) determines that, in the allocation of resources for adaptation, it takes into consideration the "urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States using minimum allocation floors". The fund aims for a floor of 50 per cent of adaptation funds to be allocated to these countries. The GCF has a simplified approval process, updated in 2022, for certain kinds of projects. Most of the projects approved under this process in its pilot phase were in LDCs, SIDS or African States. Countries that have graduated from the LDC category and that are considered particularly vulnerable, including SIDS or African States, will continue to benefit from the priorities under the GCF.

The Climate Risk and Early Warning Systems Initiative (CREWS) provides financial support to LDCs and SIDS to establish risk-informed early warning services, implemented by three partners, based on clear operational procedures. Graduated countries that are SIDS maintain access to CREWS; those that are not, are not eligible to participate in future phases of the project.

A number of other funds and initiatives are in place to support LDCs and other countries that are particularly vulnerable to the adverse effects of climate change.[27]

c. *Last mile finance: United Nations Capital Development Fund (UNCDF)*

The United Nations Capital Development Fund (UNCDF) has the objective of making public and private finance work for the poor in LDCs. It offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. In 2022, it operated in 37 LDCs. UNCDF's strategic priority for 2022-2025 are accelerating inclusive, diversified, green economic transformation; catalysing additional private and public flows of capital; and strengthening market systems and financing mechanisms.

After graduation, programmes can continue to be funded by the UNCDF, under the same conditions, for a period of three years. Assuming continued development progress, funding for another two years can be provided on a 50/50 cost-sharing basis with either the Government or a third party.

27 For more information, please see the LDC Portal's page on climate change.

d. *Investment Support Programme for the Least Developed Countries by the International Development Law Organization and the Office of the High Representative*

The Investment Support Programme for LDCs provides on-demand legal and professional assistance to LDC governments and eligible state-owned or private sector entities for investment-related negotiations and dispute settlement. The programme also supports training and capacity-building activities. It functions through a collaboration between the International Development Law Organization and UN-OHRLLS and its services are provided by private law firms and other experts, at no cost to LDCs.

After graduation, countries remain eligible to apply for assistance under the programme for a period of five years after the date of graduation.

4. The least developed countries in South-South and triangular cooperation

South-South and triangular cooperation have become increasingly important. LDCs have been actively involved in both. There are some instruments in which LDCs have been especially active. For example:

- The Least Developed Countries Renewable Energy and Energy Efficiency Initiative for Sustainable Development is dedicated to driving transformative change towards universal energy access and the transition to renewable energy and energy efficiency in all LDCs. It is fully owned and driven by LDCs and supported by the South Centre.
- The Least Developed Countries Universities Consortium on Climate Change is a South-South, long-term capacity-building initiative of universities in LDCs that focuses on networking and collaborative research, teaching and training on climate change issues.

Other initiatives are not dedicated specifically to LDCs but dedicate a significant part of their resources to these countries.

In general, whether or not a country is an LDC is not a major determinant of most South-South and triangular cooperation, and graduation is unlikely to impact these forms of cooperation.

5. Scholarships and other forms of financial support for education and research

Governments, United Nations system entities, educational institutions and private and other non-governmental organizations provide scholarships and funding for research to LDC nationals. These include scholarships for graduate degree programmes, fellowships for the capacity development of researchers, travel grants for participating in academic conferences, or research funds for conducting research projects (diplomatic training is addressed in the next section). In some cases, support is provided exclusively to nationals of LDCs; in others, LDC nationals are given priority. Examples include:

- Some of UNESCO's Fellowships Programmes prioritize nationals of LDCs. UNESCO also gives priority and provides financial support to nationals of LDCs (along with other country groupings) through its Participation Programme and offers a limited number of scholarships to some LDC candidates for education and training at several UNESCO centres.
- The World Academy of Sciences (TWAS) Research Professors Programme provides institutions and research groups located in LDCs with the opportunity to establish long-term links with TWAS members to assist in research activities and advanced training and so help develop the local scientific capacities. TWAS Members are appointed to institutions in LDCs for a period of five years, during which they visit the host institution three times for a minimum stay of one month each time.
- The TWAS-Samira Omar Innovation for Sustainability Award recognizes scientists from LDCs.
- The United Nations Technology Bank, TWAS and the International Centre for Genetic Engineering and Biotechnology (ICGEB) offer early-career scientists from LDCs exchange visits of up to 6-months at the ICGEB laboratories in Italy, India and South Africa in the fields of biomedicine, biotechnology and agriculture.
- Also in partnerships with the UN Technology Bank, the International Design Education Program provides scholarships for students from LDCs for a Master's degree in industrial design engineering at Zheijang University.
- The University of California Berkeley Law School LDC Scholarship grants a waiver of half of the tuition for LL.M. programmes for nationals of LDCs.

C. Support for participation in international forums

A number of support measures are in place to help LDCs participate in international decision-making forums, by limiting their mandatory budget contributions, providing support for travel, providing training for negotiators, or offering flexibility in reporting requirements under international agreements.

1. Caps and discounts on the contribution of least developed countries to United Nations system budgets

LDCs benefit from caps, discounts or other favourable conditions regarding their contributions to the budgets of United Nations system entities. These benefits are determined following the two main methods that apply to all Member States:

a. Most of the United Nations system budgets are based on the “scale of assessments” (i.e., the percentages of the budget for which each country is responsible) used for the United Nations regular budget. The scale is determined based on capacity to pay, which is calculated on the basis of indicators of GNI, debt burden and per capita income, among others. LDCs, exclusively, benefit from a maximum rate (currently 0.01 per cent of the budget). In practice, however, the assessment rate for most LDCs is below 0.01 per cent of the budget, owing to their income and other criteria affecting the calculation of the assessment rates;

b. A small number of agencies (ITU, World Intellectual Property Organization, Universal Postal Union) use a system based on classes of contributions. Each class of contribution corresponds to a certain share (or multiple) of a pre-determined unit of contribution. Countries decide which class they will belong to (and therefore how much they will contribute), but only LDCs can opt to contribute at the lowest levels.

Similar arrangements exist for secretariats of international conventions. In the case of the UNFCCC secretariat, no contribution from an LDC can exceed 0.01 per cent of the total, while for other countries, the applicable ceiling is 25 per cent.

Contributions to funds and programmes, such as UNICEF and UNDP, are voluntary. Contributions to WTO are determined based on members’ shares of international trade, without any specific concessions for LDCs.

Table II.7 summarizes the system for determining LDC contributions and the LDC-specific concessions, as well as the effects of graduation from the LDC category.

Table II.7
Rules for contributions by least developed countries to United Nations system budgets

Entity/operation	Rules	LDC-specific support	What happens after graduation
Regular budget (and Working Capital Fund)	A scale of assessments is determined every three years in a resolution of the General Assembly, based on capacity to pay, translated into indicators of gross national income (GNI), debt-burden and per capita income, among others. Each Member State is assigned a percentage (the assessment rate), corresponding to the share of the regular budget its contribution will equal. The minimum assessment rate is 0.001% and the maximum is 22%.	The maximum rate for LDCs is 0.01%.	The 0.01% cap no longer applies. This would raise the contributions of graduated countries that exceed the assessment rate of 0.01% according to the formula applied to determine capacity to pay. It has no impact on those that do not exceed that rate. LDC list changes effected subsequent to the approval of the scale would be reflected in a subsequent scale period (e.g., the scale approved in December 2024 would still consider an LDC a country scheduled for graduation in 2026).

Entity/operation	Rules	LDC-specific support	What happens after graduation
Peacekeeping operations	Contribution is based on the scale of assessments for the regular budget adjusted by a premium in the case of permanent members of the Security Council, and by discounts in the case of all countries with per capita gross domestic product below the Member State average. Member States are grouped into levels based on per capita GNI, with larger discounts applying for the levels of countries with lower incomes.	LDCs are entitled to the greatest discount: 90%.	The applicable discount rate for graduated countries with per capita GNI below the average for all Member States (most LDCs) would be 80%. The discount rate is reduced progressively for countries with incomes higher than average.
International Residual Mechanism for Criminal Tribunals	Half of the budget is paid for by Member States based on the scale of assessments applicable to the regular budget of the United Nations, and half in accordance with the rates of assessment applicable to peacekeeping operations.	LDCs benefit from the cap on the rate of assessment of the regular budget and the discount on the rate of assessment for peacekeeping operations.	The amount due by the graduated country will increase proportionally to any increases in the rate of assessment for the regular budget or peacekeeping operations budget.
Specialized agencies and related organizations: **FAO, ILO, UNESCO, UNIDO, WMO, WHO, CTBTO Preparatory Commission, IAEA, ICC, IOM, ISA, ITLOS, OPCW**	Contribution is based on the scale of assessments used for the United Nations regular budget, in some cases adjusted for more restricted membership by the application of a coefficient.	LDCs benefit from the cap on the rate of assessment of the regular budget. UNIDO, one of the entities that adjusts the scale by a coefficient due to more restricted membership, does not apply this coefficient to LDCs, whose rate may exceed 0.01%.	As for the regular budget, the 0.01% cap no longer applies. For UNIDO, the waiver on the application of the coefficient no longer applies after graduation.
International Telecommunication Union (ITU)	Voluntary selection of a class of contribution based on shares or multiples of an annual unit of contribution of CHF 318,000.	Only LDCs can contribute 1/8 or 1/16 of a unit of contribution.	In principle, the minimum contribution would be 1/4 of a unit of contribution. The ITU Council can authorize a graduated country to continue to contribute at the lowest classes.
World Intellectual Property Organization (WIPO)	Voluntary selection of classes of contribution, each corresponding to a share of a unit of contribution determined for every biennium, with only certain categories of developing countries eligible to contribute in the lowest class of contribution (class S).	Only LDCs can contribute at the lowest level—Ster—of the lowest class, with 1/32 of a unit of contribution.	Non-LDC developing countries with an assessment rate for the regular budget of less than 0.01% contribute 1/16; non-LDC developing countries with an assessment rate for the regular budget between 0.02% and 0.10% contribute 1/8. Others contribute 1/4 and up.

Entity/operation	Rules	LDC-specific support	What happens after graduation
Universal Postal Union (UPU)	Voluntary selection of class of contribution, each corresponding to a share (from 1 to 50 units) of a predetermined unit of contribution.	Only LDCs can contribute at 0.5% of a unit of contribution. Small island developing States with a population of under 200,000 can contribute at 0.1% of a unit.	Graduated countries contribute at least 1 full unit of contribution. In exceptional circumstances the Council of Administration may temporarily authorize non-least developed countries to be placed in the class of 0.5 units.

Source: CDP secretariat, based on information published or provided by the respective organizations.

Note: FAO, Food and Agriculture Organization of the United Nations; ILO, International Labour Organization; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNIDO, United Nations Industrial Development Organization; WMO, World Meteorological Organization; WHO, World Health Organization; CTBTO, Comprehensive Nuclear-Test-Ban Treaty Organization; IAEA, International Atomic Energy Agency; ICC, International Criminal Court; IOM, International Organization for Migration; ISA, International Seabed Authority; ITLOS, International Tribunal for the Law of the Sea; OPCW, Organisation for the Prohibition of Chemical Weapons.

Some organizations and conventions also grant greater flexibility for LDCs in arrears in the payment of their contributions. In the framework of the Rotterdam on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants, LDCs are exempt from the prohibition of eligibility to the respective Bureau of the Conference of the Parties and subsidiary bodies for countries in arrears for two years or more.

2. Support for travel

Representatives of LDC Governments receive travel support to participate in the annual sessions of the General Assembly. The United Nations pays for the travel (but not for subsistence expenses) for up to five representatives per LDC attending a regular session of the General Assembly; one representative per LDC attending a special or emergency session of the General Assembly; and one member of a permanent mission in New York designated as a representative or alternate to a session of the General Assembly.

After graduation, if requested, travel benefits can be extended for a period of up to three years.

A number of United Nations organizations and Conventions have also established financial mechanisms to fund the participation of LDCs in their processes. For example,

- a specific trust fund has been established in UN-OHRLLS for the travel, daily subsistence allowance and terminal expenses of up to two representatives from each LDC to attend major conferences sponsored by the United Nations and ministerial meetings;
- a trust fund established under UNFCCC funds the travel of two delegates to the sessions of the subsidiary bodies of the Convention and the travel of three representatives for participation in sessions of the Conference of the Parties;

- WHO funds the travel of one representative to the World Health Assembly and the sessions of the Executive Board;
- The United Nations Office on Drugs and Crime funds the travel of one representative to the United Nations Congress on Crime Prevention and Criminal Justice (every 5 years) and to the Conference of the States Parties to the United Nations Convention Against Corruption;
- UNIDO funds the travel of the Minister of Industry and Commerce (or equivalent) to the biennial Ministerial Conference of the Least Developed Countries, and provides other forms of travel support;
- LDCs receive travel support to attend the Ministerial Conferences of WTO.

Other organizations provide financial support for the participation of LDCs in various international conferences and meetings, including those of the United Nations Convention against Corruption, the WHO Framework Convention on Tobacco Control, ITU (fellowships to attend meetings of the Telecommunication Development Advisory Group), the Montreal Protocol on Substances that Deplete the Ozone Layer to the Vienna Convention for the Protection of the Ozone Layer, FAO/WHO Codex Alimentarius Commission), the World Organization for Animal Health, the International Plant Protection Convention Secretariat and the International Criminal Court, as well as processes within the United Nations Secretariat, including the United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea.

3. Capacity-building for participation in negotiations

Least developed countries themselves have formed dedicated LDC groups in several international institutions, enabling them to negotiate jointly rather than individually or as part of larger, often more heterogenous, country groups to advance issues of mutual interest. Moreover, several organizations have programmes to help build the capacity of LDCs to participate in negotiations.

For example:

- The United Nations Institute for Training and Research (UNITAR) provides diplomatic training at a lower cost for LDCs and has fellowships for nationals of LDCs to participate in its Multilateral Diplomacy Programme and core diplomatic training courses;
- The WTO secretariat conducts dedicated courses for LDC participants in Geneva, including an introductory trade policy course for LDCs as well as a one-week intermediate course on priority issues for LDCs in WTO (see section II.A.5 on trade-related capacity-building).
- The Voluntary Technical Assistance Trust Fund to Support the Participation of Least Developed Countries and Small Island Developing States in the Work of the Human Rights Council provides training on human rights and engagement with

the Council, fellowship programmes and practical induction trainings for delegates, annual briefings to delegates in New York on engagement with the General Assembly, and regional workshops;

- The LDCF has funded programmes to build the capacity of LDCs to participate effectively in climate change processes, including the training of senior government officials, and the development of negotiation strategies and knowledge products. The LDC Group maintains a list of resources for LDC climate change negotiators. The International Institute for Environment and Development supports the LDC Group with on-demand legal, strategic and technical advice in climate negotiations.

4. Other forms of support for participation in international forums

a. Flexibility in reporting requirements

Under certain agreements, LDCs have greater flexibility in reporting requirements. Section B contains some examples of this in the area of trade and implementation of WTO commitments. Under UNFCCC, LDCs and SIDS are accorded flexibility with regard to reporting, which refers mainly to the timeline for the submission of reports such as national communications and the biennial update reports (LDCs and SIDS are invited to submit their reports at their discretion). LDCs and SIDS were permitted to submit their first biennial update reports at their discretion and not required to do so by the 2014 deadline, like other non-Annex I Parties. Flexibility is also extended with respect to the details to be included in the different reports and associated review processes.

b. Support for the costs of diplomatic representation

The Canton of Geneva subsidizes the rental costs of the permanent missions of LDCs in Geneva, up to a certain monthly limit.

CHAPTER III

Indicators, methodology and data sources for least developed country criteria

A. Overview

As discussed in chapter I, the Committee for Development Policy (CDP) utilizes three criteria to identify least developed countries (LDCs):

a. Gross national income (GNI) per capita;

b. The human assets index (HAI);

c. The economic and environmental vulnerability index (EVI).

GNI per capita serves as a measure of the income and the overall level of resources available to a country, whereas HAI and EVI measure main structural impediments to sustainable development. Both HAI and EVI are indices composed of several indicators (see below). These indicators have been selected by CDP on the basis of their relevance to measuring structural impediments, their methodological soundness and the availability of the data with regard to frequency and coverage. In order to ensure comparability across countries, all indicators are based on internationally available data.

The criteria and results for all Member States of the United Nations in developing regions[1] are published on the CDP website. Applying the criteria to all these countries ensures that prospective candidates for inclusion are identified. Moreover, as the LDC category aims to address the challenges of the "least developed among the developing countries",[2] the criteria and indicators need to allow for a comparison between LDCs and other developing countries.[3]

This chapter describes in detail the methodology and data sources used for the calculation of the LDC criteria. Country examples are used to illustrate these calculations

1 For the list of countries in developing regions, see United Nations Department of Economic and Social Affairs (UN DESA), Statistics Division, Methodology, "Standard country or area codes for statistical use (M49)", "Historical and updated classification of developed and developing regions" (as of May 2022).

2 General Assembly resolution 2768 (XXVI).

3 From a technical point of view, indicator values for non-LDCs also play a role in the calculations for converting indicator values into index scores (see box III.2).

and are based on the 2024 triennial review.[4] LDC indicators, methodology and data sources are occasionally updated to reflect changes in the understanding of sustainable development and in the availability of data. Updated information on the LDC criteria will be made available on the CDP website, at http://bit.ly/CDP-LDCs.

B. Gross national income per capita

1. Definition, methodology and data sources

a. Definition and rationale

GNI per capita provides information on the income status and the overall level of resources available to a country. GNI is equal to the gross domestic product (GDP), less primary incomes payable to non-resident units (e.g., investment income flowing to foreigners), plus primary incomes receivable from non-resident units (e.g., wages and salaries received by residents who temporarily work abroad for foreign companies, proceeds from fishing licensing fees sold to foreign fishing fleets, etc.).

b. Methodology

GNI in local currency is recorded in the national accounts in accordance with the relevant international standards.[5] It is then converted into a common currency, the United States dollar, using the World Bank Atlas method to calculate conversion factors (see box III.1). The Atlas method is based on market exchange rates but aims at reducing the impact of short-term exchange rate fluctuations on GNI in United States dollars. GNI in United States dollars is then divided by the annual population of a country to determine GNI per capita.

c. Data sources

GNI per capita is calculated by UN DESA's Statistics Division (UNSD) on the basis of its National Accounts Main Aggregates (AMA) Database. The Database contains GNI data in local currencies for all Member States of the United Nations as well as population data from UN DESA's Population Division. To calculate the Atlas exchange rate, UNSD uses AMA data on exchange rates (from the International Monetary Fund (IMF) or other suitable sources) and GDP deflators, as well as data on the relative weights of currencies in the special drawing rights (SDR) from IMF.

To reduce the impact of short-term fluctuations on GNI, CDP takes an unweighted average of the latest three years of GNI per capita calculated by UNSD as its income measure; for example, for the 2024 triennial review, the average GNI per capita figures for 2020, 2021 and 2022 were used.

4 All data for the triennial reviews since 2006, including country-specific data sources, are available at www.bit.ly/LDC-data

5 The latest standard is the System of National Accounts 2008, even though a number of countries still use previous versions of the System of National Accounts to compile their national accounts.

Box III.1

The World Bank Atlas method

The World Bank Atlas method uses the Atlas conversion factor for converting all currencies into a common currency. The conversion factor for any year is the average of a country's exchange rate (local currency to US dollars) for that year and its exchange rates for the two preceding years, adjusted for the difference between the rate of inflation in the country and international inflation. The objective of the adjustment is to reduce any changes to the exchange rate caused by inflation.

A country's inflation rate between year t and year *t-n* (r_{t-n}) is measured by the change in its gross domestic product (GDP) deflator (p_t):

$$r_{t-n} = \frac{p_t}{p_{t-n}}$$

International inflation between year t and year *t-n* $\left(r_{t-n}^{SDR\,\$}\right)$ is measured using the change in a deflator based on the International Monetary Fund's unit of account: special drawing rights (SDRs). Known as the SDR deflator, it is a weighted average of the GDP deflators (in SDR terms) of China, Japan, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the euro area, converted to US dollar terms; weights are the amount of each currency in one SDR unit.

$$r_{t-n}^{SDR\,\$} = \frac{p_t^{SDR\,\$}}{p_{t-n}^{SDR\,\$}}$$

The Atlas conversion factor (local currency to the US dollar) for any country for year *t* (e_t^{atlas}) is given by:

$$e_t^{atlas} = \frac{1}{3}\left[e_t + e_{t-1}\left(\frac{r_{t-1}}{r_{t-1}^{SDR\,\$}}\right) + e_{t-2}\left(\frac{r_{t-2}}{r_{t-2}^{SDR\,\$}}\right)\right]$$

where e_t is the average annual exchange rate (local currency to the US dollar) for year *t*.

Source: World Bank, "The World Bank Atlas method: detailed methodology". The source contains additional explanations and sample calculations.

2. Inclusion and graduation thresholds

The threshold for inclusion is set at the three-year average of the level of GNI per capita, which the World Bank uses to define low-income countries. In the 2024 review, the threshold for inclusion in the LDC category was $1,088.[6] The threshold for graduation is set at 20 per cent above the inclusion threshold; it was $1,306 in the 2024 review. The income-only graduation threshold (which enables a country to be eligible for graduation, even if none of the other two criteria are met) is three times the normal graduation threshold and was set at $3,918 in the 2024 review.

As the World Bank adjusts its income threshold every year, the inclusion and graduation thresholds of the GNI criterion are correspondingly adjusted from one triennial review to the next. It is important to note, however, that the World Bank adjusts its thresholds with a measure for world inflation.[7] This implies that the inclusion and gaduation thresholds can be regarded as being constant in real terms.

6 The World Bank thresholds for its low-income-country category were $1,045 in 2020, $1,085 in 2021and $1,135 in 2022.

7 The World Bank uses the special drawing rights deflator as a measure of world inflation. See also box III.1.

3. Gross national income values for the 2024 triennial review

Figure III.A.1 in the appendix shows the GNI data of all developing countries included in the 2024 triennial review, while figure III.A.2 shows all review countries with a GNI per capita of less than $7,000 (this includes all LDCs).

The figures show that the majority of LDCs continue to have very low per capita income (both in absolute terms as well as relative to other developing countries). In the 2024 review, 16 LDCs had GNI per capita figures above the graduation threshold. Eleven of these countries are already at various stages of the graduation process discussed in chapter I of this *Handbook*. The other five meet only the income graduation threshold (established at $1,306 at the 2024 triennial review) and are therefore not yet eligible for graduation.

C. Human assets index

1. Composition

The human assets index (HAI) is a measure of the level of human capital. Low levels of human capital are major structural impediments, not only because they are a manifestation of unsustainable development, but also because they limit the possibilities for production and economic growth, prevent poverty eradication, exacerbate inequalities and hamper resilience to external shocks.

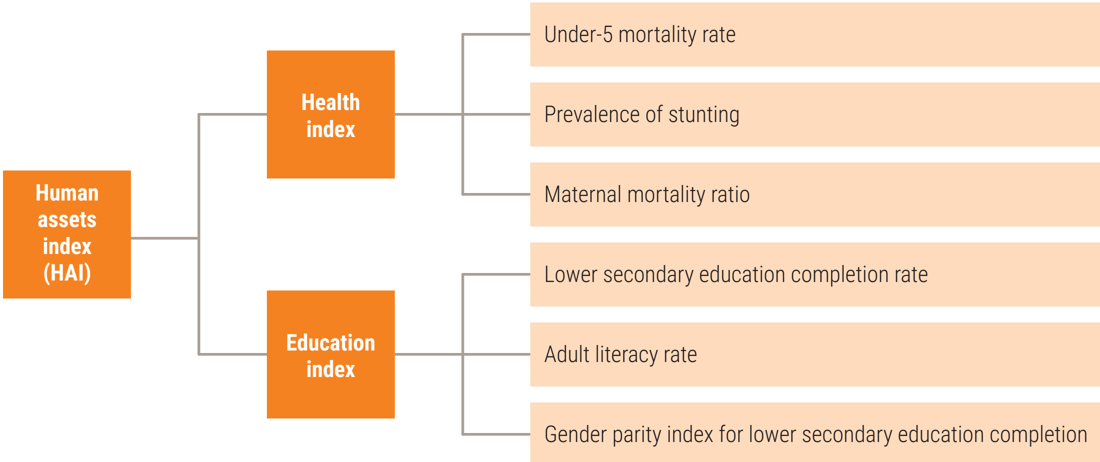
Good health is an integral part of human well-being in all its dimensions. Improving the health status of populations increases their economic productivity, improves educational achievement and reduces poverty. A low level of education is a major obstacle to development, as it implies an overall shortage of skills for the organization and functioning of the economy and reflects a low capacity to absorb technological advances.

As discussed in chapter I, CDP regularly reviews the LDC criteria and occasionally introduces refinements to reflect advances in the understanding of impediments to sustainable development and improvements in data availability. In 2023, CDP decided to replace the indicator on the gross secondary school enrolment ratio with an indicator on the lower secondary school completion rate. While this indicator does not measure education quality, it addresses long-standing concerns of CDP with the enrolment rate, particularly the neglect of drop-out rates and concerns on the quality of administrative data. The new indicator provides an improved measure for the level of skills deemed necessary for significant future development progress. To ensure consistency of the LDC criteria, CDP also decided to replace the gender parity index for gross secondary school enrolment with gender parity index for lower secondary school completion.

The HAI still consists of six indicators, three on health and nutrition and three on education (see figure III.1). All six indicators have an equal weight of one sixth in the overall HAI. A higher HAI represents a higher development of human capital.

Figure III.1

Composition of the human assets index



Source: CDP secretariat.

As HAI indicators are measured in different units, indicator values are first converted into index scores between 0 and 100. The average of these index scores is then the final HAI score of a country. Box III.2 describes the methodology (known as the max-min procedure) used for converting the indicator values into index scores.

2. Inclusion and graduation thresholds

Since 2014, inclusion and graduation thresholds for HAI have been fixed at their 2012 review levels, with adjustments permitted for eventual changes in indicators, methodologies or data sources in future reviews.[8]

Despite the changes to the composition of HAI introduced in 2023, the overall distribution of index scores around the thresholds remains unaffected, so that an adjustment of thresholds was unnecessary. Thus, the HAI threshold for inclusion in the LDC category at the 2024 triennial review was set at 60, the same value as in 2012, and the graduation threshold was set at 10 per cent above the inclusion threshold, at 66.

8 Previously, the thresholds for HAI and EVI had been established for each review based on the distribution of HAI (and EVI) values of a reference group, which changed over time (see *Official Records of the Economic and Social Council, 1991, Supplement No. 11* (E/1991/32)).The move to absolute thresholds enabled countries to qualify for graduation if they made significant progress in overcoming the structural impediments they faced, independently of the progress (or regress) of other countries (see *Official Records of the Economic and Social Council, 2014, Supplement No. 13* (E/2014/33)).

Box III.2

Max-min procedure to convert indicators into indices

In order to construct indices whose values can range between 0 and 100, the minimum and maximum admissible values—also known as lower and upper bounds—must first be determined. The CDP bases these bounds on the distribution of indicator values among all developing countries (see tables III.1 in section C.3.g. and and table III.4 in section D.4). However, in order to reduce the impact of extreme outliers on the distribution of index values, the bounds may be set higher (lower) than the actual minimum (maximum) value of the indicator's data set. The bounds are generally kept constant across triennial reviews. In addition, for one indicator (victims of disasters), the values are transformed using the natural logarithm in order to address possible distortions caused by highly skewed distributions of indicator values, or to account for the fact that the associated impediments are clearly non-linear in indicator values.

The basic formula for converting an indicator value (*V*) into an index score (*I*) is:

$$I = 100 \times \frac{V - min\_value}{max\_value - min\_value}$$

where,

min_value is the minimum admissible value (lower bound) and,
max_value is the maximum admissible value (upper bound).

For countries with indicatorss values below (above) the lower (upper) bound, the actual indicator value is replaced with the lower (upper) bound resulting in an index score of 0 (100).

In a few cases, indicator and criteria point in opposite directions. For example, a high under-5 mortality rate signifies a low (rather than high) level of human assets. In these cases, the following adjusted formula is used.

$$I^* = 100 - I = 100 \times \frac{max\_value - V}{max\_value - min\_value}$$

Again, actual indicator values are replaced with lower or upper bounds, if necessary.

Source: CDP secretariat.

3. Definition, methodology and data sources of the indicators

a. Under-5 mortality rate

i Definition and rationale

The indicator is defined by the World Health Organization (WHO) and other relevant organizations as "the probability of dying between birth in a specific year or period before reaching the age of five, if subject to age-specific mortality rates of that period". It is expressed as deaths per 1,000 live births. The under-5 mortality rate (U5MR) provides comprehensive information on the health impacts of social, economic and environmental conditions in a country. Even though the indicator specifically measures child survival, it is seen as suitable and the best available measure for the overall health status of a population, in particular in LDCs.

ii. Methodology

The United Nations Inter-Agency Group for Child Mortality Estimation (IGME) estimates U5MR at a specific point in time on the basis of all available country-specific estimates that are deemed to be of sufficient quality. Country-specific estimates are derived from a variety of sources, including vital registration systems and sample surveys that ask women about the survival of their children in a detailed manner or in a summary format. Whereas the use of complete vital registration systems is the preferred method, these systems are generally absent in LDCs, so nationally representative surveys or censuses are the main source of data. The estimation method chosen by IGME ensures that the data are comparable across countries and takes into account the differences in data quality across individual estimates and data sources.[9]

iii. Data sources

To calculate HAI, CDP uses IGME's Child Mortality Estimation (CME) database, which is updated annually. CDP uses the estimate for the latest available year, which is typically two years before the triennial review year; for example, the estimate for 2022 was used for the 2024 triennial review.

b. Prevalence of stunting

i. Definition and rationale

The indicator is defined as the percentage of children under 5 years of age who fall below minus 2 standard deviations (moderate and severe) from the median height-for-age of the WHO Child Growth Standard population. The percentage of children who have a low height for their age (stunting) reflects the cumulative effects of undernutrition and infections since and even before birth. Stunting is the result of long-term nutritional deprivation and often results in delayed mental development, poor school performance and reduced intellectual capacity. This measure can therefore be interpreted as an indication of poor environmental conditions or the long-term restriction of a child's growth potential.

ii. Methodology

The UNICEF-WHO-World Bank Joint Child Malnutrition Estimates (JME) group estimates the indicator by collecting national data sources that contain information on child malnutrition — specifically, data on the height, weight and age of children under 5 to generate national-level estimates of the prevalence of stunting. These national-level data sources mainly comprise household surveys (e.g., multiple indicator cluster surveys, demographic and health surveys, Standardized Monitoring and Assessment of Relief and Transitions surveys and Living Standards Measurement Studies). As national surveys are administered sporadically, the JME group applies a

9 For a detailed description of the estimation method used for the under-5 mortality rate data used by the CDP, see Leontine Alkema and others (2014), "Child mortality estimation 2013: an overview of updates in estimation methods by the United Nations Inter-agency Group for Child Mortality Estimation", *PLoS One*, vol. 9, No. 7 (July).

statistical model to enable comparisons across countries during the same year.[10] The estimation methods used by JME account for differences in definitions (i.e., age and growth references) and data quality across sources.

iii. Data sources

The CDP uses the country-level modeled estimates as reported by the JME group, available from UNICEF. Estimates for countries not included in JME are obtained from the Institute for Health Metrics and Evaluation.

To ensure consistency across indicators and time, CDP uses the estimates from two years before the triennial review; for example, the estimate for 2022 was used for the 2024 triennial review.

c. *Maternal mortality ratio*

i. Definition and rationale

The indicator is defined by WHO and other relevant organizations as "the number of women who die from pregnancy-related causes while pregnant or within 42 days of pregnancy termination per 100,000 live births during a given time period". Maternal mortality is a leading cause of death and disability among women of reproductive age, that is, at an age when death and disability have particularly negative social and economic effects. The maternal mortality ratio (MMR) represents the risk associated with each pregnancy and also captures broader development handicaps such as poorly developed health systems and gender inequality.

ii. Methodology

MMR is calculated by dividing the recorded (or estimated) number of maternal deaths by the total recorded (or estimated) number of live births in the same period and multiplying the result by 100,000. Measurement requires information on pregnancy status, timing of death (during pregnancy, childbirth or within 42 days of termination of pregnancy) and cause of death. The Maternal Mortality Estimation Inter-agency Group (MMEIG), which consists of WHO, UNICEF, the World Bank and the United Nations Population Fund, estimates the indicator using data collected through civil registration and vital statistics systems, censuses, household surveys, reproductive-age mortality studies, verbal autopsies and other specialized studies. The estimation method used by MMEIG accounts for differences in definitions and data quality across sources. In cases of missing data, it also utilizes data on relevant covariates (e.g., GDP per capita, skilled-birth attendance and total fertility rate).[11]

10 The model is a penalized longitudinal mixed-model with a heterogenous error term, for details see UNICEF, WHO and World Bank (2021), Technical Notes from the Background Document for Country Consultations on the 2021 Edition of the Joint Malnutrition Estimates).

11 For details of the methodology, see John R. Wilmoth and others (2012), "A new method for deriving global estimates of maternal mortality", *Statistics, Politics and Policy*, vol. 3, No. 2 (July)

iii. Data sources

CDP uses the indicator estimated by MMEIG, which is available on the WHO website and is regularly updated. CDP uses the estimate for the latest available year, which is typically three to four years before the triennial review; for example, the estimate for 2020 was used for the 2024 triennial review.

d. Lower secondary education completion rate

i. Definition and rationale

The indicator measures the percentage of a cohort of children or young people aged 3–5 years above the intended age for the last grade of lower secondary education who have completed that grade. It provides information on the share of population with a level of skills deemed to be necessary for significant developmental progress.

ii. Methodology

The Global Education Monitoring Report team of UNESCO is estimating the indicator using censuses and nationally representative household surveys. Age and sex-specific country-level completion rates from each survey or census are produced based on data reflecting the number of years of education completed for each individual and official schooling schedules of the country. These completion rates are dispersed over several years by reconstructing retrospective data. Finally, time series of school completion rates are estimated using a statistical model.[12]

iii. Data sources

CDP uses the indicator reported by UNESCO in its Visualizing Indicators of Education for the World (VIEW) database. As data are not available for every year for every country, CDP uses the value of the latest available year from the primary data source within a five-year period. For example, the latest available data within the period 2019–2023 was used for the 2024 triennial review. If such data is not available, CDP uses older estimates from the primary data source or estimates from additional official databases, reports or publications.

e. Adult literacy rate

i. Definition and rationale

The indicator measures the number of literate persons aged 15 and above, expressed as a percentage of the total population in that age group. The indicator provides information on the size of the base available for enlarging the trained and skilled human resources needed for development.

12 For details, see UNESCO Global Education Monitoring Report and Dharamshi, and others (2022), A Bayesian model for estimating Sustainable Development Goals indicator 4.1.2: School completion rate, Journal of the Royal Statistical Society: Series C (Applied Statistics), 71 (5).

ii. Methodology

According to UNESCO, persons are considered literate if they can read and write, with understanding, a simple statement related to their daily lives. However, the definition of literacy and methods of estimation vary across countries. For instance, when the indicator is derived from census data, it is normally based on self-declaration. If surveys are used, either self-assessments or brief literacy tests are used to estimate whether individuals are literate or not. Some countries also use information on educational attainment as a proxy for literacy. Occasionally, UNESCO uses its Global Age-specific Literacy Projections (GALP) Model to estimate current literacy rates based on previous data.

iii. Data sources

The indicator is reported by UNESCO Institute for Statistics (UIS) in its UIS Data Centre database. The database also contains information on country-specific methodologies for estimating literacy rates. Estimates for countries not reported by UNESCO are obtained from additional official databases, reports or publications from other international organizations.

As data are not available for every year for every country, CDP chooses the latest available year within a five-year period. For example, the latest available data within the period 2018-2022 was used for the 2024 triennial review. If such data is not available, CDP uses older estimates from the primary data source or estimates from additional official databases, reports or publications.

f. Gender parity index for lower secondary education completion

i. Definition and rationale

The indicator measures the ratio of girls to boys completing lower secondary education. It provides information on gender inequities in education that have long term negative impacts on sustainable development, in particular discrimination against girls. An index of less than 1 suggests that girls are more disadvantaged than boys regarding learning opportunities, and an index of greater than 1 suggests the reverse.

ii. Methodology

The indicator is calculated by dividing the female lower secondary education completion by the male lower secondary education completion. The age group for lower secondary education may differ across countries, depending on the national curriculum. Female and male lower secondary completion rates are estimated using the methodology described above.

iii. Data sources

The indicator is calculated by dividing female by male lower secondary school completion rates as reported by UNESCO in its Visualizing Indicators of Education for the World (VIEW) database. As data are not available for every year for every country, CDP uses the value of the latest available year from the primary data source within a five-year period. For example, the latest available data within the period 2019–2023 was used for the 2024 triennial review. If such data is not available, CDP uses older estimates from the primary data source or estimates from additional official databases, reports or publications.

4. Human assets index calculation: selected examples

Tables III.1 and III.2 and figure III.2 illustrate the calculation of HAI using Burundi, Cambodia, Chad and Mozambique from the 2024 triennial review as examples.

Table III.1 presents the bounds for each of the six HAI indicators and shows how indicator values are converted into index values (see also box III.2 on the max-min procedure). The data value is the actual indicator value obtained for each country from the sources described above. The column "Max-min procedure" shows the

Table III.1

Calculation of human assets indices of selected countries, 2024 triennial review

Indicator	Lower bound	Upper bound	Country	Data value	Max-min procedure	Index
Under-5 mortality rate (per 1,000 live births)	10	175	Cambodia	23.7	100 × (175 − 23.7) / (175 − 10)	91.7
			Mozambique	66.2	100 × (175 − 66.2) / (175 − 10)	65.9
			Burundi	50.5	100 × (175 − 50.5) / (175 − 10)	75.5
			Chad	102.9	100 × (175 − 102.9) / (175 − 10)	43.7
Prevalence of stunting	2.5	52.5	Cambodia	22.3	100 × (52.5 − 22.3) / (52.5 − 2.5)	60.4
			Mozambique	36.4	100 × (52.5 − 36.4) / (52.5 − 2.5)	32.2
			Burundi[a]	56.5	100 × (52.5 − 52.5) / (52.5 − 2.5)	0.0
			Chad	32.3	100 × (52.5 − 32.3) / (52.5 − 2.5)	40.4
Maternal mortality ratio (per 100,000 live births)	5	1,200	Cambodia	218	100 × (1,200 − 218) / (1,200 − 5)	82.2
			Mozambique	127	100 × (1,200 − 127) / (1,200 − 5)	89.8
			Burundi	494	100 × (1,200 − 494) / (1,200 − 5)	59.0
			Chad	1,063	100 × (1,200 − 1,063) / (1,200 − 5)	11.4
Lower secondary education completion rate	10	100	Cambodia	58.6	100 × (58.6 − 10) / (100 − 10)	54.0
			Mozambique	10.9	100 × (10.9 − 10) / (100 − 10)	1.0
			Burundi	28.2	100 × (28.2 − 10) / (100 − 10)	20.3
			Chad	18.1	100 × (18.1 − 10) / (100 − 10)	9.0
Adult literacy rate	25	100	Cambodia	83.8	100 × (83.8 − 25) / (100 − 25)	78.4
			Mozambique	59.8	100 × (59.8 − 25) / (100 − 25)	46.4
			Burundi	75.5	100 × (75.5 − 25) / (100 − 25)	67.4
			Chad	27.3	100 × (27.3 − 25) / (100 − 25)	3.0
Gender parity index for lower secondary education completion	0.4	1	Cambodia[a]	1.2	100 × (1.0 − 0.4) / (1 − 0.4)	100.0
			Mozambique	0.6	100 × (0.6 − 0.4) / (1 − 0.4)	39.5
			Burundi	0.7	100 × (0.7 − 0.4) / (1 − 0.4)	51.1
			Chad	0.5	100 × (0.5 − 0.4) / (1 − 0.4)	21.8

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

a As the data value is above the upper bound, the upper bound replaces the actual data value in the max-min procedure (see box III.2).

Table III.2

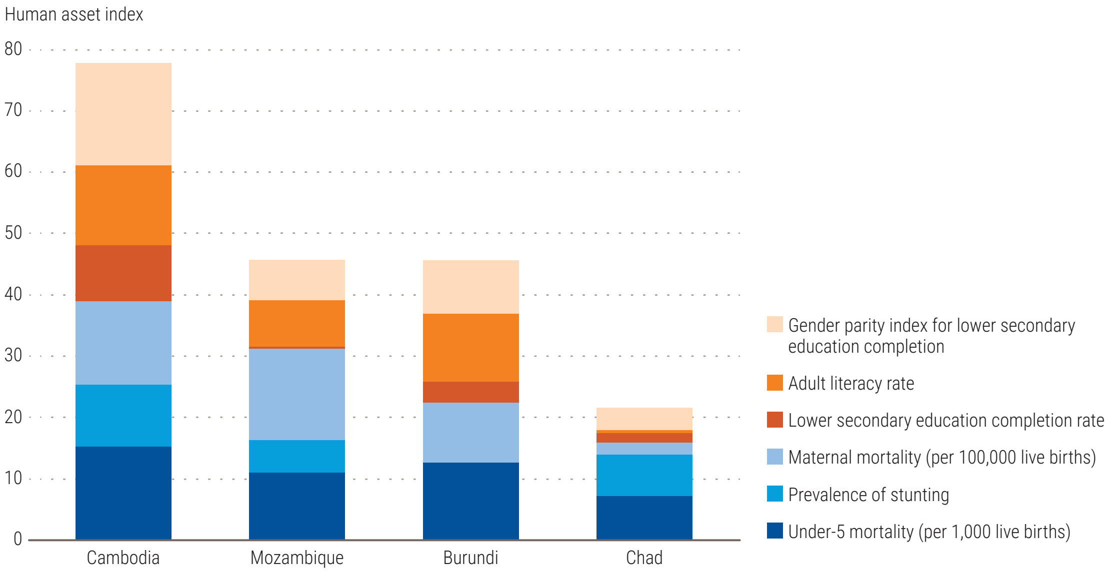
Human assets indices of selected countries, 2024 triennial review

Country/ index	Weight	Cambodia	Mozambique	Burundi	Chad
Under-5 mortality rate	1/6	91.7	65.9	75.5	43.7
Prevalence of stunting	1/6	60.4	32.2	0.0	40.4
Maternal mortality ratio	1/6	82.2	89.8	59.0	11.4
Lower secondary education completion rate	1/6	54.0	1.0	20.3	9.0
Adult literacy rate	1/6	78.4	46.4	67.4	3.0
Gender parity index for lower secondary education completion	1/6	100.0	39.5	51.1	21.8
Human assets index	**1**	**77.8**	**45.8**	**45.5**	**21.5**

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

Figure III.2

Composition of the human assets indices of selected countries, 2024 triennial review



Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

calculation performed to derive the index for each country and indicator using the data value and the lower and upper bounds as inputs. Note that while the three education indicators use the basic formula (I) described in box III.2, the three health and nutrition indicators use the adjusted version (I^*). This is because higher child and maternal mortality and stunting rates correspond to lower human assets.

As noted earlier, HAI reflects the average of the index scores of the six HAI indicators using equal weights. Table III.2 shows the HAI calculation for the four sample countries using the corresponding index scores computed in table III.1.

Figure III.2 displays the composition of HAI of the four sample countries as a graph using the corresponding data from table III.2.

5. Human assets index values for the 2024 triennial review

Figure III.A.3 in the appendix shows the HAI score of all countries included in the 2024 triennial review. It shows that most LDCs have significantly lower HAI scores than other developing countries. Only three non-LDCs have HAI scores below the LDC inclusion threshold, whereas 17 LDCs have HAI scores above the graduation threshold. Fifteen of these countries also surpass the GNI or EVI thresholds and are therefore at one of the various stages of the graduation process discussed in chapter I. The remaining two countries have not yet reached the GNI or EVI graduation thresholds and thus are not yet eligible for graduation.

D. Economic and environmental vulnerability index

1. Composition

The economic and environmental vulnerability index (EVI) measures the structural vulnerability of countries to economic and environmental shocks. High vulnerability is a major impediment to sustainable development in LDCs in view of their heightened exposure to shocks and the long-lasting negative impacts of those shocks. To an extent, all countries are vulnerable to some specific adverse shocks. Thus, when using vulnerability as an explicit criterion to designate countries as LDCs, there is a need to focus on those sources of vulnerability that: (a) accentuate or perpetuate underdevelopment; (b) are not the result of misguided policies but, instead, are such that they limit policymakers' capacity to respond to shocks; and (c) are beyond a country's control.

CDP understands vulnerability as the risk of being harmed by exogenous shocks. Vulnerability depends on the magnitude and frequency of such shocks; on the structural characteristics of the country concerned which affect the degree to which it is exposed to such shocks; and the country's capacity to react to shocks. There is no explicit resilience component in EVI, as some aspects of resilience are policy-related and therefore non-structural. Moreover, other key factors of resilience, such as income and human capital, are measured by the other two criteria for the identification of LDCs, namely GNI per capita and HAI.

In terms of economic shocks, EVI focuses on trade shocks; with regard to environmental shocks, EVI covers natural hazards, weather shocks and climate change. These shocks potentially affect economic activity, consumption, employment, the well-being of the population and the natural resource base of economic and social development. Moreover, they are mostly exogenous, at least from the perspective of LDCs, even though the frequency and magnitude of trade shocks and environmental shocks (e.g., climate change) are to some extent dependent on policy choices made at the international level.

In 2023 CDP decided to adapt the methodology of the merchandise export concentration index to cover not only product but also market concentration, given that the problem of a narrow set of export markets exposes many LDCs to the risk of country-specific external demand shocks. Noting the improved coverage of data from the Sendai Framework monitor reported by the United Nations Office for Disaster Risk Reduction, including for selected Sustainable Development Goals targets, CDP adopted the monitor as a main data source for the victims of disasters indicator owing to its official status and the high quality of the data.

The EVI is still composed of eight indicators: four indicators on economic vulnerability and four on environmental vulnerability (see figure III.3). All eight indicators have an equal weight of one eighth in the overall index. A lower EVI score indicates lower economic and environmental vulnerability.

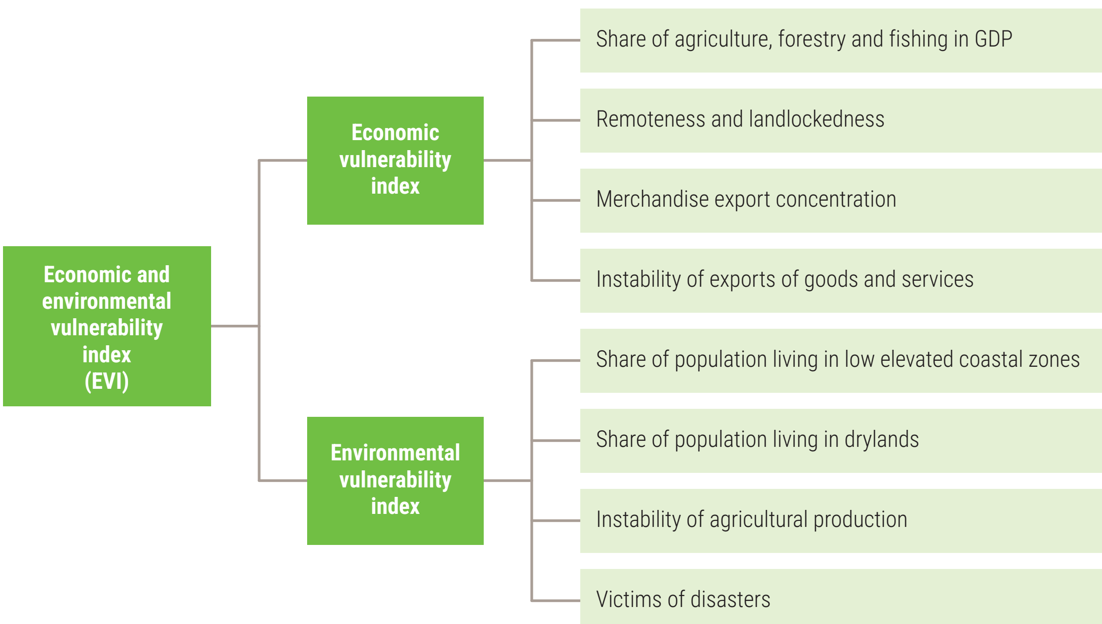
As these indicators are expressed in different measurement units, indicator values are first converted into an index score of between 0 and 100, using the max-min procedure described in box III.2, which is also applied to HAI components, as discussed above.

2. Inclusion and graduation thresholds

As in the case of HAI, the inclusion and graduation thresholds for EVI have been permanently fixed at the 2012 level. Despite the changes to the composition of EVI, the overall distribution of index scores around the thresholds remains unaffected, so that an adjustment of thresholds is unnecessary at this time. Thus, the EVI threshold

Figure III.3

Composition of the economic and environmental vulnerability index



Source: CDP secretariat.

for inclusion in the LDC category was set at 36 in the 2024 triennial review, the same value as in 2012. The graduation threshold was set at 10 per cent below the inclusion threshold, at 32.

3. Definition, methodology and data sources of the indicators

a. Share of agriculture, forestry and fishing in gross domestic product

i. Definition and rationale

The indicator is defined as the percentage share of the agriculture, hunting, forestry and fishing sectors (categories A+B in the International Standard Industrial Classification of All Economic Activities (ISIC) rev. 3.1) in the gross value added of a country. It provides information on countries' exposure to shocks caused by their economic structure, because agriculture, hunting, forestry and fishing are particularly subject to natural and economic shocks.

ii. Methodology

The indicator is calculated by dividing the value added of agriculture, hunting, forestry and fishing by the total gross value added of all sectors. Gross value added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector. Data for value added in agriculture, hunting, forestry and fishing (either combined or separately) and for gross value added are reported annually by countries to UNSD through the United Nations National Accounts Questionnaire.

iii. Data sources

CDP uses data published annually by UNSD in its National Accounts Main Aggregates Database in the series "Value Added by Economic Activity, Percentage Distribution".

CDP applies the three-year average of the latest available years reported by UNSD for all countries; for example, for the 2024 triennial review, the 2020–2022 average was used.

b. Remoteness and landlockedness

i. Definition and rationale

The remoteness and landlockedness indicator is defined as a trade-weighted average of a country's distance from world markets. Location is a factor that has a bearing on exposure and resilience, as countries situated far from major world markets face a series of structural handicaps, such as high transportation costs and isolation, which affect the economy's ability to export and import, and render countries less able to respond to shocks in an effective way. Countries isolated from main markets have difficulty in diversifying their economies, even in the current era of globalization and the Internet. Remoteness and landlockedness are structural obstacles to trade and growth and possible sources of vulnerability when shocks occur. The indicator takes into account the increased transport costs incurred by landlocked countries.

ii. Methodology[13]

The indicator measures the trade-weighted average minimum distance for a country to reach a significant fraction (50 per cent) of the world market. For its calculation, the CDP secretariat uses two sets of data: (a) the bilateral physical distance between a country and all other countries; and (b) the market share of each actual or potential trading partner in world markets (exports and imports). Figure III.4 illustrates the necessary steps for the calculation of the remoteness and landlockedness indicator. The steps are described in more detail in the following paragraphs.

Figure III.4

Flow chart for calculating remoteness values

Step 1
Calculated minimum average distance of country

→

Step 2
Remoteness value
Using logarithm tranformation and min-max procedure

→

Step 3
Adjusted remoteness value
Applying coefficient of 15% for landlocked countries

Source: CDP secretariat.

Step 1: For each country under consideration, all countries are sorted in ascending order by the physical distance to the considered country. The world market shares of all countries (ordered by distance) are then added up until their cumulative share reaches 50 per cent of the world market. The minimum average distance is then calculated as the weighted average of the distances of actual and potential trading partners to the country under consideration, with trading partners' market shares used as weights.

Figure III.5 shows the countries (in blue) included in the remoteness calculation for Bangladesh (shown in orange). These are the countries whose markets are the nearest to Bangladesh and whose cumulative share in world exports and imports is 50 per cent.

Step 2: The minimum average distance is then transformed into logarithms and converted into the remoteness value by using the following formula:

Where,

$$r_i = 100 \times \frac{\ln(d_i) - \ln(d_{min})}{\ln(d_{max}) - \ln(d_{min})}$$

i is the country index;
r_i is the remoteness value of country i;
d_i is the minimum average distance of country i;

13 For a more detailed description of the methodology, see Committee for Development Policy secretariat (2015), "Measuring remoteness for the identification of LDCs", August.

d_{min} is the smallest average distance (2000 km); and
d_{max} is the largest average distance (10,300 km).

The values d_{min} and d_{max} are based on the smallest and largest minimum average distance values of all Member States of the United Nations in developing regions. The formula is the same as in the max-min procedure used for calculating index values (see box III.2), but in the case of remoteness, the max-min procedure is applied twice: once in the second step while constructing the indicator value and then later when the index values are calculated.

Step 3: An adjusted remoteness value (r_i^*) is computed to take into account the particular situation of landlocked countries. These countries, facing higher barriers to trade, often confront relatively higher transport costs for a given distance. The adjustment factor is 15 per cent.

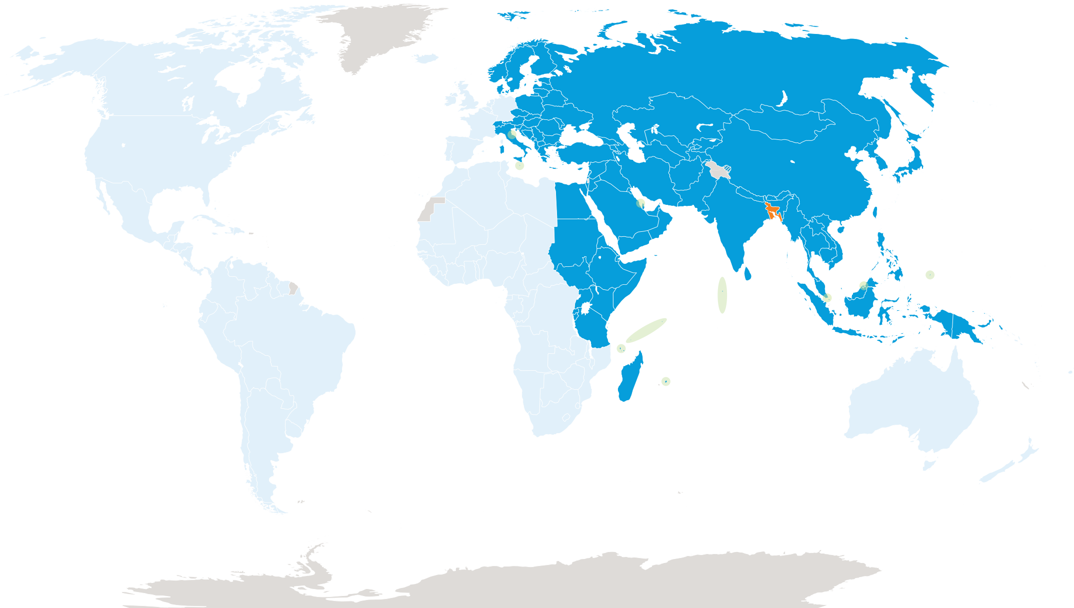
$$r_i^* = 0.85 \times r_i + 0.15 \times l_i$$

where,

$$l_i = \begin{cases} 100 \text{ if } i \text{ is landlocked} \\ 0 \text{ otherwise} \end{cases}$$

Figure III.5

Bangladesh: countries included in the calculation of the remoteness indicator, 2024 triennial review



Bangladesh.
Countries whose markets are the nearest to Bangladesh and whose cumulative share in world exports and imports is 50 per cent.
Source: CDP secretariat.
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Table III.3 demonstrates the three steps of the calculation of the remoteness and landlockedness index for Bangladesh and Nepal.

Table III.3

Calculation of remoteness indicator for Bangladesh and Nepal, 2021 triennial review

	Bangladesh	Nepal[a]
Calculated minimum average distance (km)	**4,067**	**3,974**
Logarithm transformation Largest average distance = 10,300 Smallest average distance = 2,000	$100 \times \frac{\ln(4{,}067) - \ln(2{,}000)}{\ln(10{,}300) - \ln(2{,}000)}$	$100 \times \frac{\ln(3.974) - \ln(2{,}000)}{(10{,}300) - \ln(2{,}000)}$
Remoteness value	**43.3**	**41.89**
Adjustment for landlocked countries landlocked = 100 all other = 0	0.85 × 43.30 + 0.15 × 0	0.85 × 41.89 + 0.15 × 100
Adjusted remoteness value	**36.8**	**50.6**

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

a Landlocked country.

iii. Data sources

The indicator is calculated by the CDP secretariat based on data on bilateral distances between the capitals or major cities in the world, obtained from the Centre d'études prospectives et d'informations internationales (CEPII) data series "dist_cepii". World market shares are calculated based on the components "exports of goods and services" and "imports of goods and services" reported by UNSD in its National Accounts Main Aggregates Database in the series "GDP by Expenditure, at current prices — US Dollars".

In order to reduce the impact of short-term fluctuations in exports and imports, CDP uses the three-year average of the latest available years reported by UNSD for all countries; for example, for the 2024 triennial review, the 2020–2022 average was used.

c. Merchandise export concentration

i. Definition and rationale

The indicator measures the product and market concentration of a country's exports and provides information on the exposure to trade shocks resulting from a concentrated export structure. As currently applied, export concentration excludes services. This is largely due to methodological differences in terms of both data collection and reporting. A more concentrated export structure indicates higher vulnerability to shocks, as a relatively larger part of the export-oriented sectors can be potentially affected by product- or market-specific shocks.

ii. Methodology[14]

The indicator is a Theil index derived from all bilateral exports flows of all individual products at the Standard International Trade Classification (SITC) three-digit level to all foreign markets applying the following formula:

$$T = \frac{1}{n \times m} \sum_{k=1}^{n} \sum_{j=1}^{m} \left(\frac{X_{kj}}{\mu} \ln\left(\frac{X_{kj}}{\mu} \right) \right)$$

where,

n is the number of different (potential) products;
m is the number of different (potential) markets these products can be exported to;
X_{kj} is the value of exports of product k to market j; and

$\mu = \frac{1}{n \times m} \sum_{k=1}^{n} \sum_{j=1}^{m} X_{kj}$ is the average export flow.

The index T can range between 0 (in case the same amount of each product is exported to each market) and $\ln(n \times m)$ (in case a country exports a single product to a single market).

iii. Data sources

CDP secretariat calculates the indicator based on the merchandise trade matrix reported for all countries by UNCTAD in its UNCTADstat database in the series "Merchandise: Product concentration and diversification indices of exports and imports, annual" under the section "International merchandise trade", subsection "Trade indicators".

CDP applies the three-year average of the latest available years reported by UNCTAD for all countries; for example, for the 2024 triennial review, the 2020–2022 average was used.

d. Instability of exports of goods and services

i. Definition and rationale

The indicator measures the variability of the value of exports around its *r* trend, calculated over a 20-year period. It is defined as the standard deviation of the difference between the value of annual export earnings and its multi-year trend. Highly variable export earnings cause fluctuations in production, employment and the availability of foreign exchange, with negative consequences for sustainable economic growth and development. High export instability indicates heightened vulnerability to trade shocks. To reflect the fact that export instability is a greater impediment for countries that depend more on trade, the volatility of exports in terms of volume around their trend are weighted with the country's trade dependency (the ratio of exports

14 For a detailed description of the methodology, see Bruckner (2023), Measuring export concentration for identifying least developed countries, CDP Background paper No. 59, United Nations, New York.

plus imports to GDP). The latest three-year average of the trade dependency ratio was used for the 2024 triennial review.

ii. Methodology

The indicator is calculated in three steps. First, the trend in export earnings of each country is determined from the following regression equation:

$$\ln(X_t) = \alpha + \beta \ln(X_{t-1}) + \gamma t + e_t$$

where,

X_t is the value of exports of goods and services at constant United States dollars in year t;
t is the time variable (each year in the sample period);
e_t is the error term in year t; and
α, β and γ are the regression coefficients.

The equation is estimated separately for each country, using standard ordinary least squares. In this formulation, the trend is assumed to have both a deterministic and a stochastic component. For this reason, the de-trending method used for this indicator is called a mixed-trend regression.

Then, the standard deviation of the differences between trend and actual values is used as the instability measure:

$$S = \sqrt{\sum_t \frac{\hat{e}_t^2}{(N-1)}}$$

where,

$\hat{e}_t = \ln(X_t) - \hat{\alpha} - \hat{\beta}\ln(X_{t-1}) - \hat{\gamma}t$;
$\hat{\alpha}$, $\hat{\beta}$, $\hat{\gamma}$ are the estimated regression coefficients; and
N is the number of observations.

Finally, the trade dependency scores (the ratio of exports plus imports to GDP) are applied as weight to the instability value.

iii. Data sources

The indicator is calculated by the CDP secretariat, utilizing data reported by UNSD in its National Accounts Main Aggregates Database in the series “GDP by Expenditure, at constant 2005 prices — US Dollars” on the exports of goods and services in constant United States dollars. Trade dependency is calculated based on data from the series “GDP by Expenditure, at current prices — US Dollars” from the same data source.

CDP secretariat calculates the indicator based on data for the latest available 20 years. Thus, the instability value for the 2024 triennial review was calculated on the basis of data for the period 2003–2022.[15] For the trade dependency weights, the 2020–2022 averages were used.

15 Due to the inclusion of lagged exports in the regression, 21 years of data (2002–2022 in the case of the 2024 triennial review) are needed as input for the calculation.

e. *Share of population in low elevated coastal zones*

i. Definition and rationale

The indicator measures the share of the population of a country who live in low elevated coastal zones, defined as areas contiguous to the coast below a certain elevation threshold. Currently, an elevation threshold of five metres is used. The indicator intends to capture vulnerability to coastal impacts (including sea level rise and storm surges) associated with climate change.

ii. Methodology

The indicator is calculated by dividing the number of people living in areas contiguous to the coast with an elevation of less than five metres by the total population of the country. Classification of areas into elevation zones is done based on satellite data. Spatially distributed population data is based on census or administrative records as well as on the distribution and density of built-up areas.[16]

iii. Data sources

CDP uses the indicator produced by the Center for International Earth Science Information Network at Columbia University and the City University of New York (CUNY) Institute for Demographic Research.

f. *Share of population living in drylands*

i. Definition and rationale

The indicator measures the share of the population of a country who live in drylands. Drylands and their fragile ecosystems are particularly sensitive to changing rainfall patterns and land degradation induced by climate change. The expansion of drylands is expected to continue as a result of continental warming, threatening to aggravate poverty, food and water insecurity in affected areas.

ii. Methodology

The indicator is calculated by the CDP secretariat using readily and publicly available spatial population and climate data. The indicator uses the concept of "drylands" of the United Nations Convention to Combat Desertification (UNCCD), which refers to arid, semi-arid and dry sub-humid areas, defined as areas where the ratio of precipitation to potential evaporation, is between 0.05 and 0.65. In line with common practice, the indicator uses 30-year averages of this ratio (known as aridity index).[17] To avoid counting

16 For details on the methodology of the indicator, see National Aeronautics and Space Administration (NASA), Socioeconomic Data and Applications Center, "Low elevation coastal zone urban-rural population and land area estimates (1990, 2000, 2015), version 3" and K. MacManus et al (2021), Estimating Population and Urban Areas at Risk of Coastal Hazards, 1990–2015: How data choices matter, Earth System Science Data, 13, 5747-5801.

17 For a discussion, see M. Cherlet et al, eds. (2018), World Atlas of Desertification: Rethinking Land Degradation and Sustainable Land Management, 3rd ed., Luxembourg, Publication Office of the European Union. See also UNCCD for the text of the Convention and for an example of understanding the concept of drylands.

transitions from arid land (an aridity index between 0.05 and 0.2) to hyper-arid land (an aridity index of less than 0.05) as a reduction in drylands and, thus, a decline in vulnerability, hyper-arid areas are also included as long they had an aridity index of 0.05 or higher in the past 20 years. The final indicator is derived by dividing the population living in drylands by the total population of a country.

iii. Data sources

The indicator is calculated by the CDP secretariat based on an aridity index derived from high-resolution climate data from the University of East Anglia Climatic Research Unit (CRU TS version 4) and gridded population data from the Center for International Earth Science Information Network at Columbia University, version 4.

The indicator includes the latest 30 years for which data coverage is complete; for example, for the 2024 triennial review, the period 1993–2022 was used for the calculation of the aridity index and 2022 data for population.

g. Instability of agricultural production

i. Definition and rationale

The indicator measures the variability of agricultural production around its trend, defined as the standard deviation of the differences between production and its trend over a given period of time (20 years). A high variability of agricultural production is indicative of high vulnerability to natural shocks, as such variability often reflects the impacts of natural shocks, including droughts and disturbances in rainfall patterns.

ii. Methodology

The indicator is calculated in two steps. First, the trend in agricultural production of each country is determined from the following regression equation:

$$\ln(X_t) = \alpha + \beta \ln(X_{t-1}) + \gamma_t + e_t$$

where,

X_t is the index of total agricultural production in volume terms in year t;
t is the time variable (each year in the sample period);
e_t is the error term in year t; and
α, β and γ are the regression coefficients.

The equation is estimated separately for each country using standard ordinary least squares. In this formulation, the trend is assumed to have both a deterministic and a stochastic component. For this reason, the de-trending method used for this indicator is called a mixed-trend regression.

Finally, the standard deviation of the differences between trend and actual values is used as the instability measure:

$$S = \sqrt{\sum_t \frac{\hat{e}_t^2}{(N-1)}}$$

where,

$\hat{e}_t = \ln(X_t) - \hat{\alpha} - \hat{\beta}\ln(X_{t-1}) - \hat{\gamma}t$;
$\hat{\alpha}$, $\hat{\beta}$, $\hat{\gamma}$ are the estimated regression coefficients; and
N is the number of observations.

iii. Data sources

The indicator is calculated by the CDP secretariat on the basis of data reported by the FAO in its FAOSTAT database as "Gross production index number" in the series "Agriculture + (Total)" under "Production" and "Production Indices".

The CDP uses the trend of the latest available 20 years; thus, for the 2024 triennial review, the trend was calculated over the period 2001–2021.[18]

h. Victims of disasters

i. Definition and rationale

The indicator measures the number of people who are victims of disasters per 100,000 population. Victims of disasters are defined as people killed, missing or directly affected (i.e., people who have suffered injury, illness or other health effects; who were evacuated, displaced, relocated or have suffered direct damage to their livelihoods, economic, physical, social, cultural and environmental assets) as a direct result of the hazardous event. The scope of disaster applies to small-scale and large-scale, frequent and infrequent, sudden and slow-onset disasters caused by natural or man-made hazards, as well as related environmental, technological and biological hazards and risk. The indicator reflects vulnerability to natural shocks, in particular the human impact of disasters associated with these shocks.

ii. Methodology

The share of victims is calculated by dividing the annual number of victims by the total population of the country (estimated as of mid-year) and multiplied by 100,0000.

iii. Data sources

CDP uses the sum of the values of the "Number of directly affected persons attributed to disasters per 100,000 population" and "Number of directly affected persons attributed to disasters per 100,000 population" as reported by the Sendai Framework monitor to the SDG database. Data gaps are filled by the CDP secretariat calculations, based on disaster data from EM-DAT and on population data from UN DESA.[19] In order to account for fluctuations of disasters over time, annual indicator values are averaged over a period of 15 years. Data for the 2024 triennial review refer to the 2008–2022 average.

18 Owing to the inclusion of lagged agricultural production in the regression, 21 years of data (2000–2021 in case of the 2024 triennial review) are needed as input for the calculation.

19 United Nations (2022), World Population Prospects 2022 Revision, New York: Department of Economic and Social Affairs.

4. Economic and environmental vulnerability index calculation: selected examples

Tables III.4 and III.5 and figure III.6 illustrate the calculation of EVI for the 2021 triennial review using Cambodia, Sierra Leone, South Sudan and Zambia as examples.

Table III.4

Calculation of economic and environmental vulnerability indices of selected countries, 2024 triennial review

Indicator	Lower bound	Upper bound	Country	Data value	Max – min procedure	Index
Share of agriculture, forestry and fishing in GDP (percentage of GDP)	1	60	Cambodia	24.1	100 × (24.1 – 1) / (60 – 1)	39.1
			Sierra Leone[a]	60.7	100 × (60 – 1) / (60 – 1)	100.0
			South Sudan	4.1	100 × (4.1 – 1) / (60 – 1)	5.2
			Zambia	3.3	100 × (3.3 – 1) / (60 – 1)	3.9
Remoteness and landlockedness (location index)	10	90	Cambodia	43.8	100 × (43.8 – 10) / (90 – 10)	42.2
			Sierra Leone	50.0	100 × (50.0 – 10) / (90 – 10)	49.9
			South Sudan	64.2	100 × (64.2 – 10) / (90 – 10)	67.7
			Zambia	80.8	100 × (80.8 – 10) / (90 – 10)	88.5
Merchandise export concentration (Theil index)	4	10	Cambodia	6.0	100 × (6.0 – 4) / (10 – 4)	33.0
			Sierra Leone	7.2	100 × (7.2 – 4) / (10 – 4)	53.2
			South Sudan[a]	10.2	100 × (10 – 4) / (10 – 4)	100.0
			Zambia	7.8	100 × (7.8 – 4) / (10 – 4)	63.5
Instability of exports of goods and services (index)	0	50	Cambodia	10.2	100 × (10.2 – 0) / (50 – 0)	20.5
			Sierra Leone	18.5	100 × (18.5 – 0) / (50 – 0)	36.9
			South Sudan	34.3	100 × (34.3 – 0) / (50 – 0)	68.6
			Zambia	10.3	100 × (10.3 – 0) / (50 – 0)	20.6
Share of population living in low elevated coastal zones (percentage of population)	0	35	Cambodia	2.0	100 × (2.0 – 0) / (35 – 0)	5.7
			Sierra Leone	3.5	100 × (3.5 – 0) / (35 – 0)	10.1
			South Sudan	0.0	100 × (0.0 – 0) / (35 – 0)	0.0
			Zambia	0.0	100 × (0.0 – 0) / (35 – 0)	0.0
Share of population living in drylands (percentage of population)	0	100	Cambodia	0.0	100 × (0.0 – 0) / (100 – 0)	0.0
			Sierra Leone	0.0	100 × (0.0 – 0) / (100 – 0)	0.0
			South Sudan	64.2	100 × (64.2 – 0) / (100 – 0)	64.2
			Zambia	46.6	100 × (46.6 – 0) / (100 – 0)	46.6
Instability of agricultural production (index)	1.5	20	Cambodia	6.6	100 × (6.6 – 1.5) / (20 – 1.5)	27.8
			Sierra Leone	11.9	100 × (11.9 – 1.5) / (20 – 1.5)	56.3
			South Sudan	8.1	100 × (8.1 – 1.5) / (20 – 1.5)	35.6
			Zambia	7.9	100 × (7.9 – 1.5) / (20 – 1.5)	34.5
Victims of disasters (per 100,000 population)	0.05	15	Cambodia	0.21	100 × ((ln(0.21) – ln(0.05)) / (ln(15) – ln(0.05))	24.9
			Sierra Leone	0.06	100 × ((ln(0.06) – ln(0.05)) / (ln(15) – ln(0.05))	3.1
			South Sudan	11.00	100 × ((ln(11.0) – ln(0.05)) / (ln(15) – ln(0.05))	94.6
			Zambia	1.64	100 × ((ln(1.64) – ln(0.05)) / (ln(15) – ln(0.05))	61.2

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

a As the data value is above the upper bound, the upper bound replaces the actual data value in the max – min procedure (see box III.2).

Table III.5

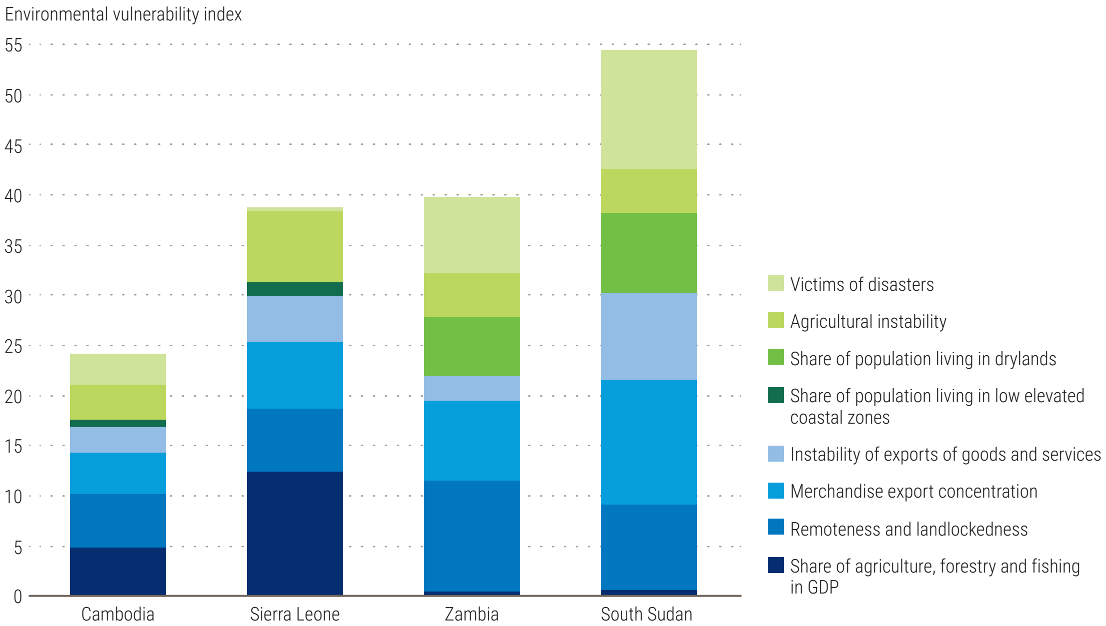
Economic and environmental vulnerability indices of selected countries, 2024 triennial review

Country/Indicator	Weight	Cambodia	Sierra Leone	Zambia	South Sudan
Share of agriculture, forestry and fishing in GDP	1/8	39.1	100.0	3.9	5.2
Remoteness and landlockedness	1/8	42.2	49.9	88.5	67.7
Merchandise export concentration	1/8	33.0	53.2	63.5	100.0
Instability of exports of goods and services	1/8	20.5	36.9	20.6	68.6
Share of population living in low elevated coastal zones	1/8	5.7	10.1	0.0	0.0
Share of population living in drylands	1/8	0.0	0.0	46.6	64.2
Agricultural instability	1/8	27.8	56.3	34.5	35.6
Victims of disasters	1/8	24.9	3.1	61.2	94.6
Economic and environmental vulnerability index	**1**	**24.1**	**38.7**	**39.8**	**54.5**

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

Figure III.6

Composition of the economic and environmental vulnerability indices of selected countries, 2024 triennial review



Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

Table III.4 presents the bounds for each of the EVI indicators and then demonstrates how indicator values are converted into index values (see also box III.2 on the max-min procedure). The data value is the actual indicator value obtained for each country from the sources described in the previous sections. In the case of remoteness and landlockedness, the data value represents the adjusted remoteness value rather than the distance in kilometres. The column "max-min procedure" shows the calculation for deriving the index for each country and indicator using the data value and the lower and upper bounds as input. As noted in box III.2, values for victims of disasters are first transformed into logarithms to account for the skewness of their distribution. For all indicators, higher indicator values imply higher vulnerability, so the basic formula (*I*) is used.

As noted earlier, EVI reflects the average of the index values of the eight EVI indicators using equal weights. Table III.5 shows the EVI calculation for the four sample countries using the corresponding index scores computed in table III.4.

Figure III.6 sets out the composition of the EVI of the four sample countries in a chart, using the corresponding data from table III.5.

5. Economic and environmental vulnerability index values for the 2024 triennial review

Figure III.A.4 in the appendix shows the EVI scores of all countries included in the 2024 triennial review. While on average LDCs have significantly higher EVI scores than other developing countries, there are also a number of non-LDCs that are highly vulnerable, in particular small island developing States (SIDS), and landlocked developing countries (LLDCs). As non-LDCs, though, these countries have higher human asset and national income levels than LDCs. In total, 28 non-LDCs have EVI scores above the LDC inclusion threshold, whereas 10 LDCs have an EVI value that is below the graduation threshold. Of these, four countries also meet the graduation thresholds for GNI and HAI and four countries meet the graduation threshold for HAI and are therefore at one of the various stages of the graduation process discussed in chapter I. The remaining two LDCs have not yet reached the GNI or HAI graduation thresholds and are therefore not yet eligible for graduation.

E. Summing up: the 2024 triennial review

In figure III.7, individual LDCs are represented by a bubble. The horizontal and vertical positions of the bubbles correspond to EVI and HAI scores, respectively, whereas the bubble size illustrates GNI per capita. The colour of each bubble reflects the performance of LDCs vis-à-vis the graduation thresholds and their status in the graduation process.

Moreover, figure III.7 and table III.6 show the results of the 2024 triennial review for LDCs, and simultaneously present the scores of the three different criteria. Fifteen countries met the eligibility criteria for graduation at the 2024 triennial review. In addition, nine LDCs passed the graduation threshold of a single criterion and were therefore not yet eligible for graduation. Almost half of the LDCs (21 countries) did not yet meet the graduation threshold of any of the LDC criteria.

Figure III.7

Results of the 2024 triennial review

Graduating LDCs

GNI, HAI and EVI
Bangladesh, Lao People's Democratic Republic

GNI and HAI
Sao Tome and Principe, Solomon Islands

HAI and EVI
Nepal

LDCs met criteria for the first time and are under CDP review

HAI and EVI
Rwanda, Uganda, United Republic of Tanzania

Graduation thresholds

LDCs recommended for graduation by CDP

GNI, HAI and EVI
Cambodia

GNI and HAI
Djibouti, Kiribati, Senegal, Tuvalu

LDCs met only one graduation threshold

GNI
Angola, Benin, Haiti, Mauritania, Timor-Leste

HAI
Gambia, Zambia

EVI
Guinea, Togo

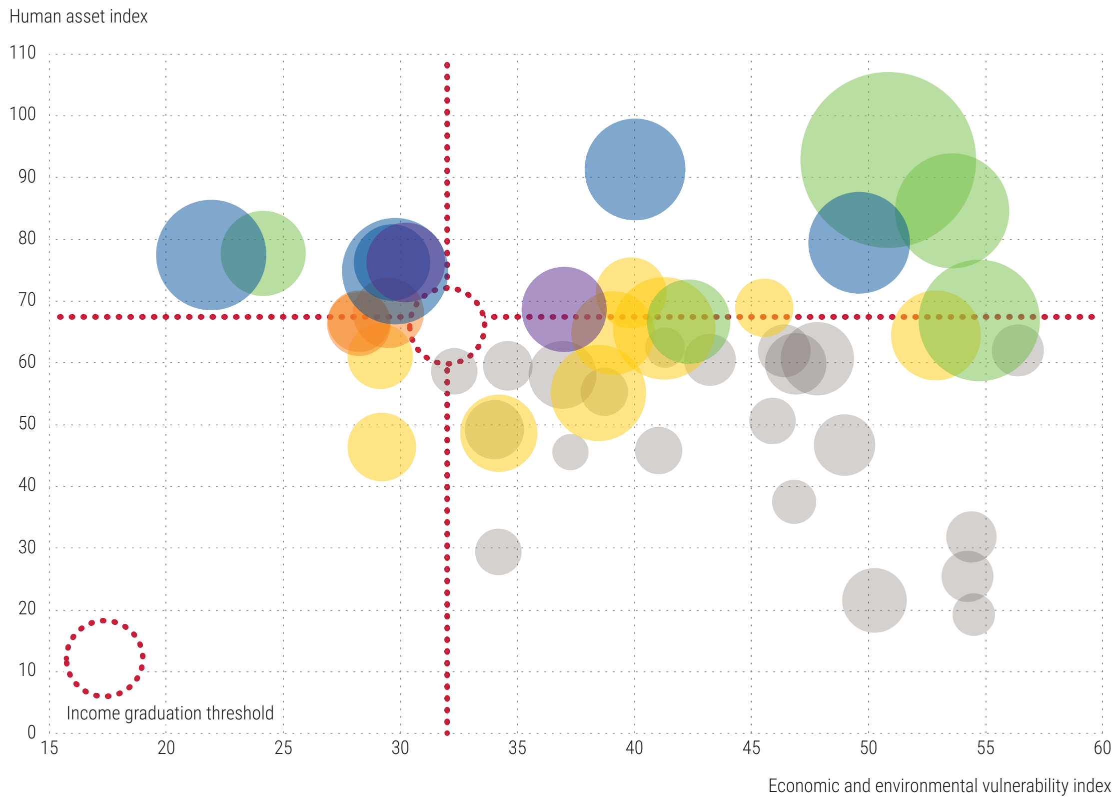
LDCs met graduation criteria at least two consecutive times, but deferred by CDP

GNI, HAI and EVI
Myanmar

GNI and HAI
Comoros

LDCs meeting no criterion

Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mozambique, Niger, Sierra Leone, Somalia, South Sudan, Sudan, Yemen



Source: CDP, 2024 triennial review, available at bit.ly/LDC-data.
Note: Bubble size designates value of GNI per capita.

Table III.6

Least developed country criteria for all least developed countries, 2024 triennial review

GNI per capita (United States dollars)		HAI		EVI	
Burundi	298	South Sudan	19.3	Eritrea	56.4
Yemen	350	Chad	21.5	Djibouti	54.7
South Sudan	395	Niger	25.5	South Sudan	54.5
Afghanistan	437	Central African Republic	29.4	Somalia	54.4
Central African Republic	473	Somalia	31.8	Niger	54.2
Liberia	473	Afghanistan	37.5	Kiribati	53.6
Madagascar	487	Burundi	45.5	Mauritania	52.9
Mozambique	491	Mozambique	45.8	Tuvalu	50.8
Sierra Leone	497	Guinea	46.4	Chad	50.2
Democratic Republic of the Congo	547	Mali	46.7	Solomon Islands	49.6
Somalia	573	Benin	48.6	Mali	49.0
Niger	589	Guinea-Bissau	49.2	Lesotho	47.8
Malawi	606	Liberia	50.6	Burkina Faso	46.9
Eritrea	609	Angola	55.2	Afghanistan	46.8
Sudan	619	Sierra Leone	55.3	Sudan	46.4
Gambia	750	Ethiopia	58.1	Liberia	45.9
Guinea-Bissau	764	Madagascar	58.6	Gambia	45.5
Burkina Faso	835	Democratic Republic of the Congo	59.5	Malawi	43.2
Mali	838	Burkina Faso	59.9	Senegal	42.3
Rwanda	843	Malawi	60.5	Yemen	41.3
Uganda	909	Lesotho	60.7	Timor-Leste	41.3
Chad	922	Togo	61.1	Mozambique	41.0
Togo	942	Sudan	62.0	Sao Tome and Principe	40.0
Ethiopia	1,008	Eritrea	62.0	Zambia	39.8
Guinea	1,037	Yemen	62.5	Haiti	39.1
United Republic of Tanzania	1,093	Mauritania	64.5	Sierra Leone	38.7
Zambia	1,113	Haiti	64.8	Angola	38.5
Lesotho	1,184	Timor-Leste	65.6	Burundi	37.3
Nepal	1,300	Uganda	66.3	Comoros	37.0
Benin	1,316	Senegal	66.7	Ethiopia	36.9
Myanmar	1,381	Rwanda	66.8	Democratic Republic of the Congo	34.6
Haiti	1,536	Djibouti	66.9	Central African Republic	34.2
Senegal	1,558	United Republic of Tanzania	68.1	Benin	34.2
Cambodia	1,590	Comoros	68.7	Guinea-Bissau	34.0
Comoros	1,603	Gambia	69.0	Madagascar	32.3
Mauritania	1,797	Zambia	71.4	Myanmar	30.2
Angola	2,027	Lao People's Democratic Republic	74.8	Lao People's Democratic Republic	29.8
Sao Tome and Principe	2,271	Nepal	76.3	Nepal	29.7
Solomon Islands	2,281	Myanmar	76.3	United Republic of Tanzania	29.5
Timor-Leste	2,314	Bangladesh	77.5	Guinea	29.2
Lao People's Democratic Republic	2,503	Cambodia	77.8	Togo	29.1
Bangladesh	2,684	Solomon Islands	79.4	Rwanda	28.2
Kiribati	2,916	Kiribati	84.6	Uganda	28.2
Djibouti	3,238	Sao Tome and Principe	91.4	Cambodia	24.1
Tuvalu	6,830	Tuvalu	92.9	Bangladesh	21.9

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

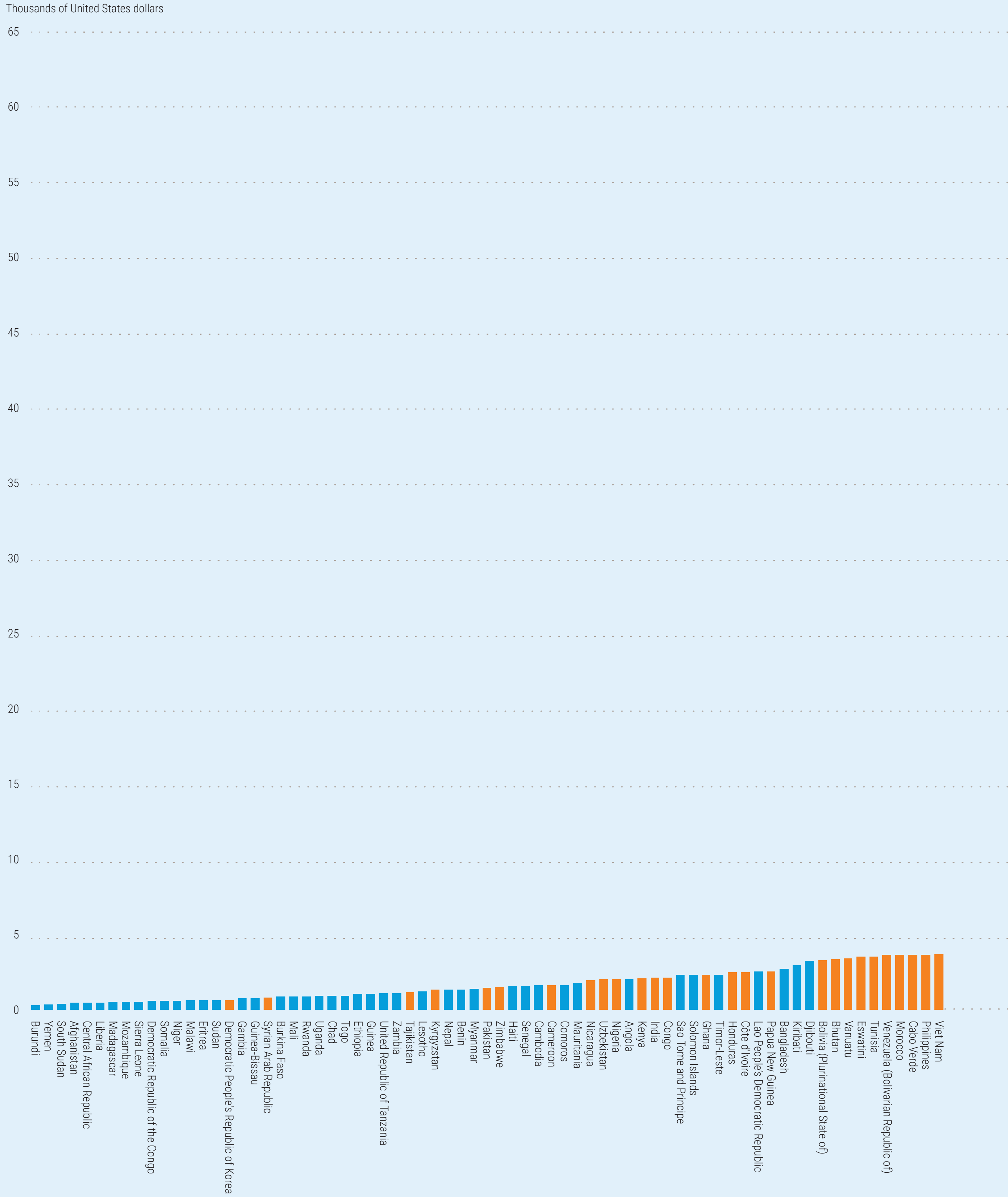
– – Graduation thresholds (GNI per capita $1,306 or above, HAI 66 or above, EVI 32 or below)

•••• Income only graduation exception threshold (GNI per capita $3,912 or above)

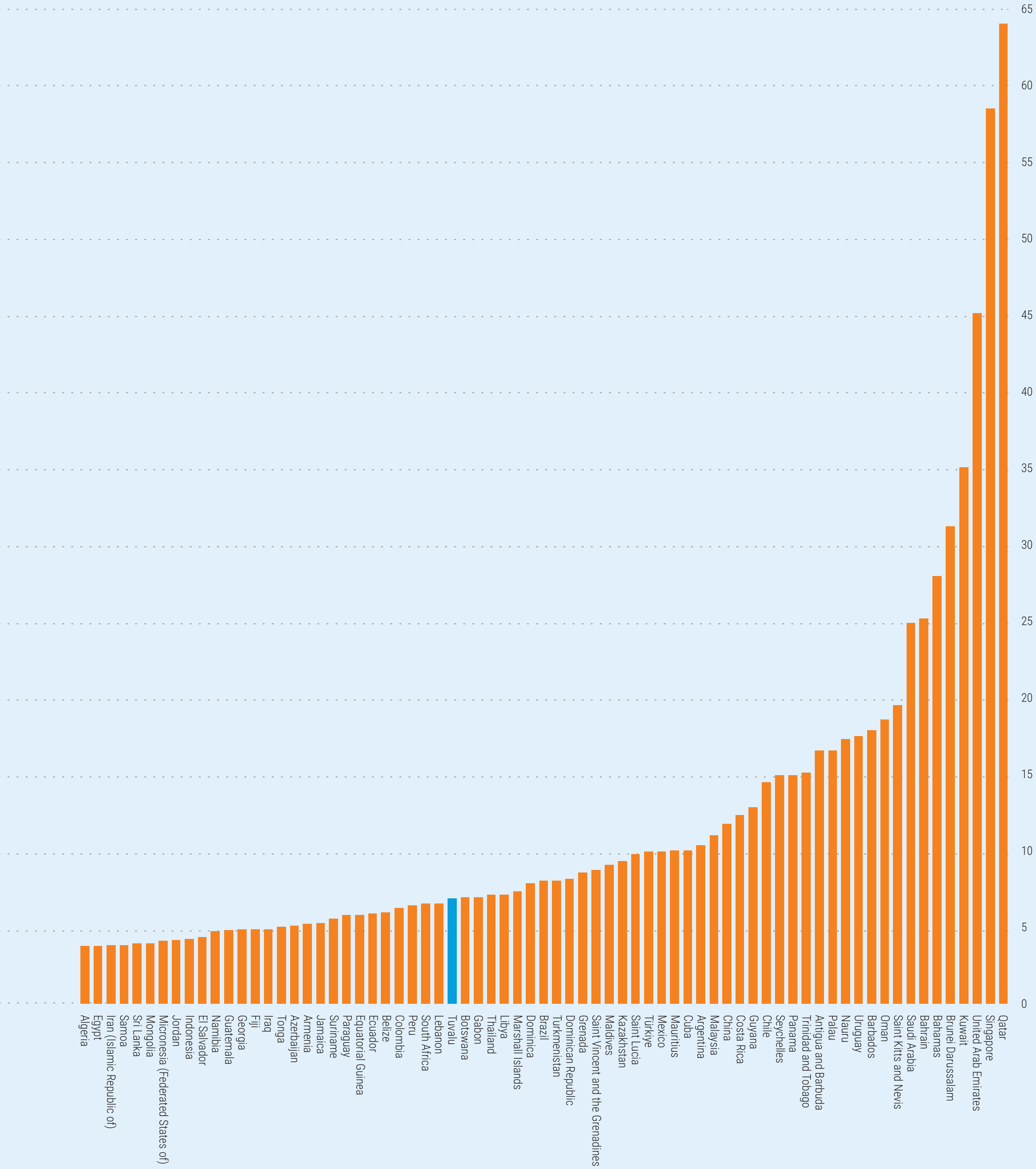
Appendix

Figure III.A.1

Gross national income per capita for all Member States in developing regions, 2024 triennial review



Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.



65
60
55
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45
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35
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25
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Algeria
Egypt
Iran (Islamic Republic of)
Samoa
Sri Lanka
Mongolia
Micronesia (Federated States of)
Jordan
Indonesia
El Salvador
Namibia
Guatemala
Georgia
Fiji
Iraq
Tonga
Azerbaijan
Armenia
Jamaica
Suriname
Paraguay
Equatorial Guinea
Ecuador
Belize
Colombia
Peru
South Africa
Lebanon
Tuvalu
Botswana
Gabon
Thailand
Libya
Marshall Islands
Dominica
Brazil
Turkmenistan
Dominican Republic
Grenada
Saint Vincent and the Grenadines
Maldives
Kazakhstan
Saint Lucia
Türkiye
Mexico
Mauritius
Cuba
Argentina
Malaysia
China
Costa Rica
Guyana
Chile
Seychelles
Panama
Trinidad and Tobago
Antigua and Barbuda
Palau
Nauru
Uruguay
Barbados
Oman
Saint Kitts and Nevis
Saudi Arabia
Bahrain
Bahamas
Brunei Darussalam
Kuwait
United Arab Emirates
Singapore
Qatar

Figure III.A.2

Gross national income per capita for all Member States in developing regions with a per capita GNI below

Thousands of United States dollars

Source: CDP, 2024 triennial review, available from bit.ly/LDC-data. LDCs ODCs Graduation threshold ($1,306) Inclusion threshold ($1,088)

7,000 United States dollars, 2024 triennial review

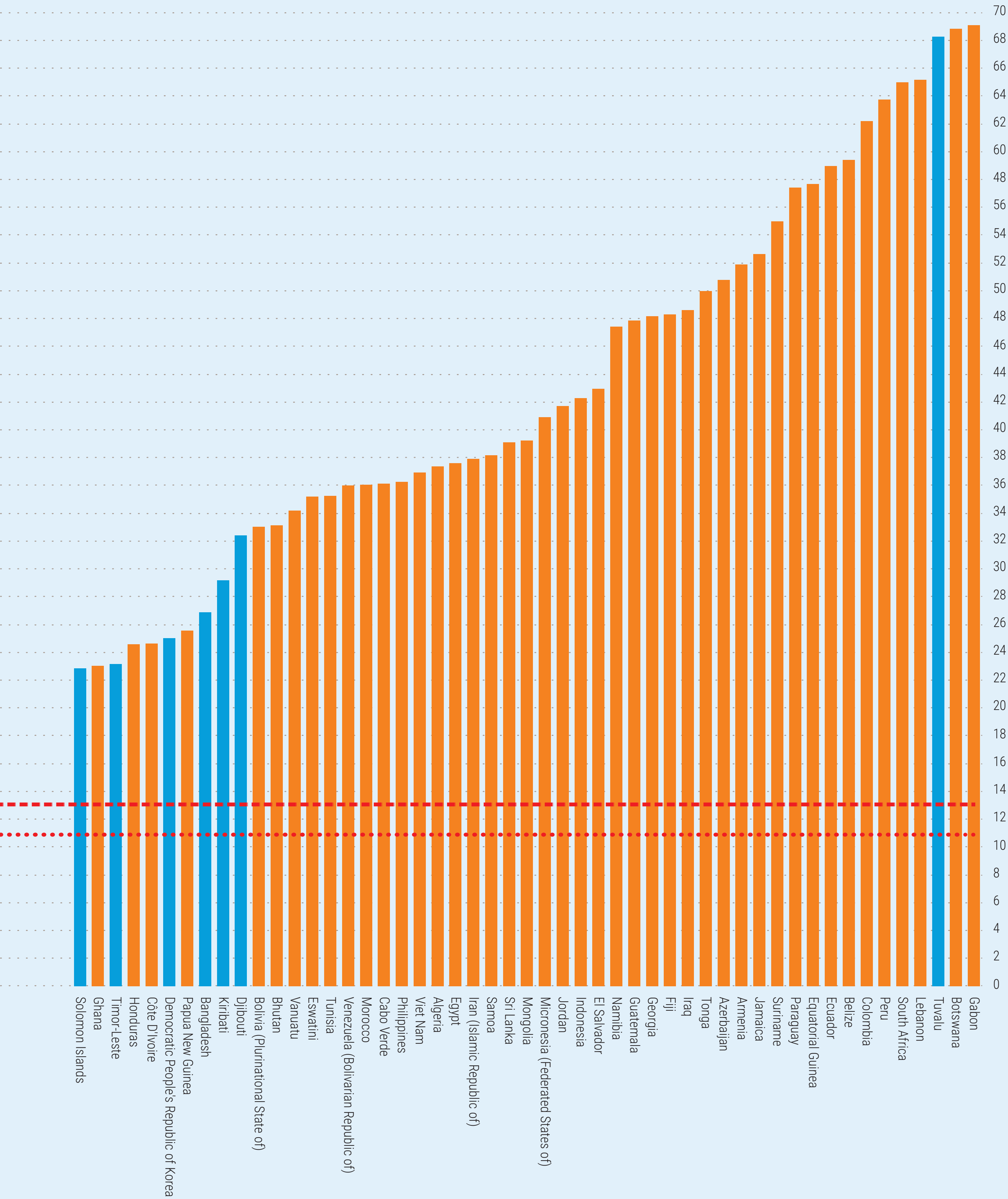
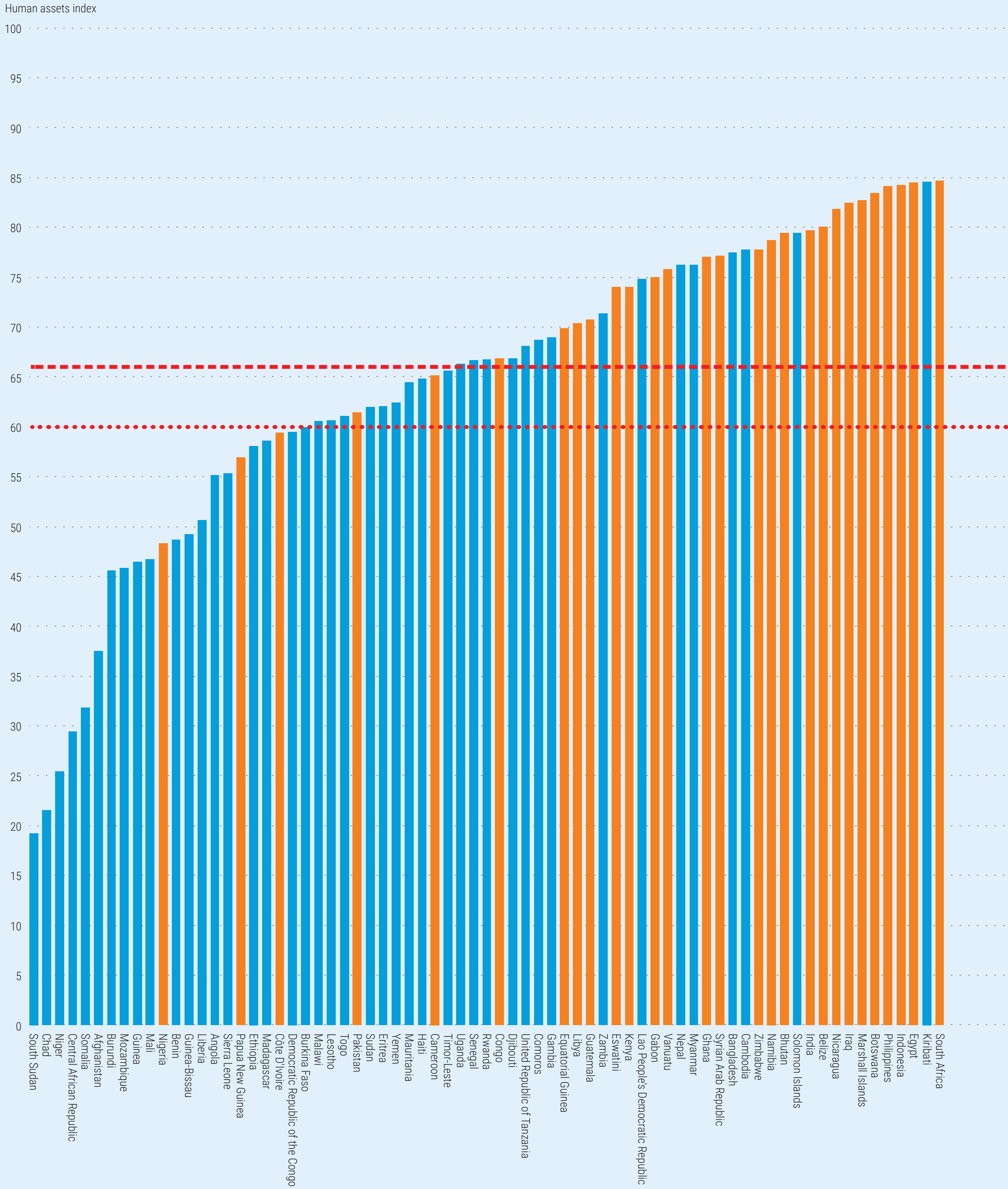
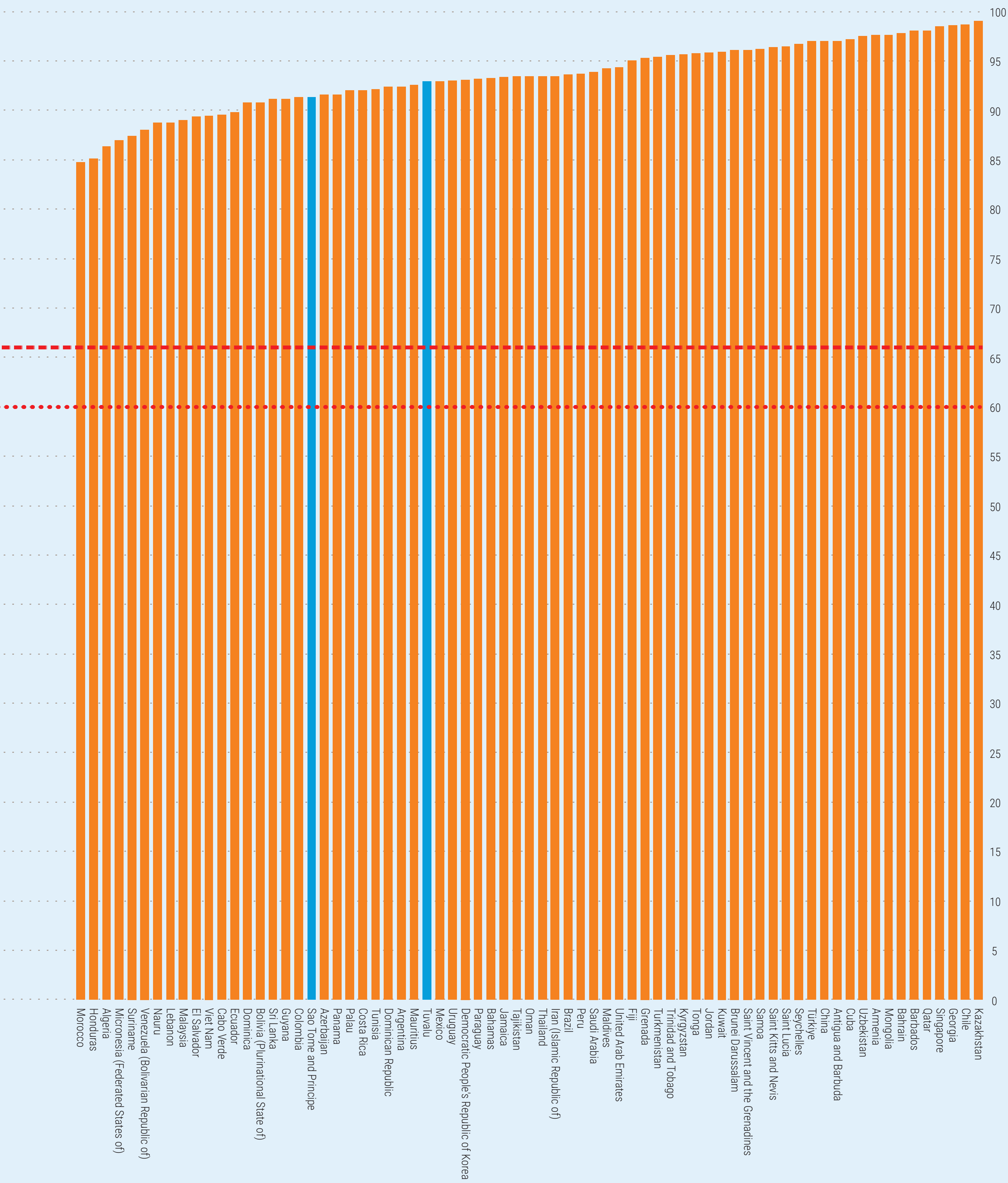


Figure III.A.3

Human assets index for all Member States in developing regions, 2024 triennial review



Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.



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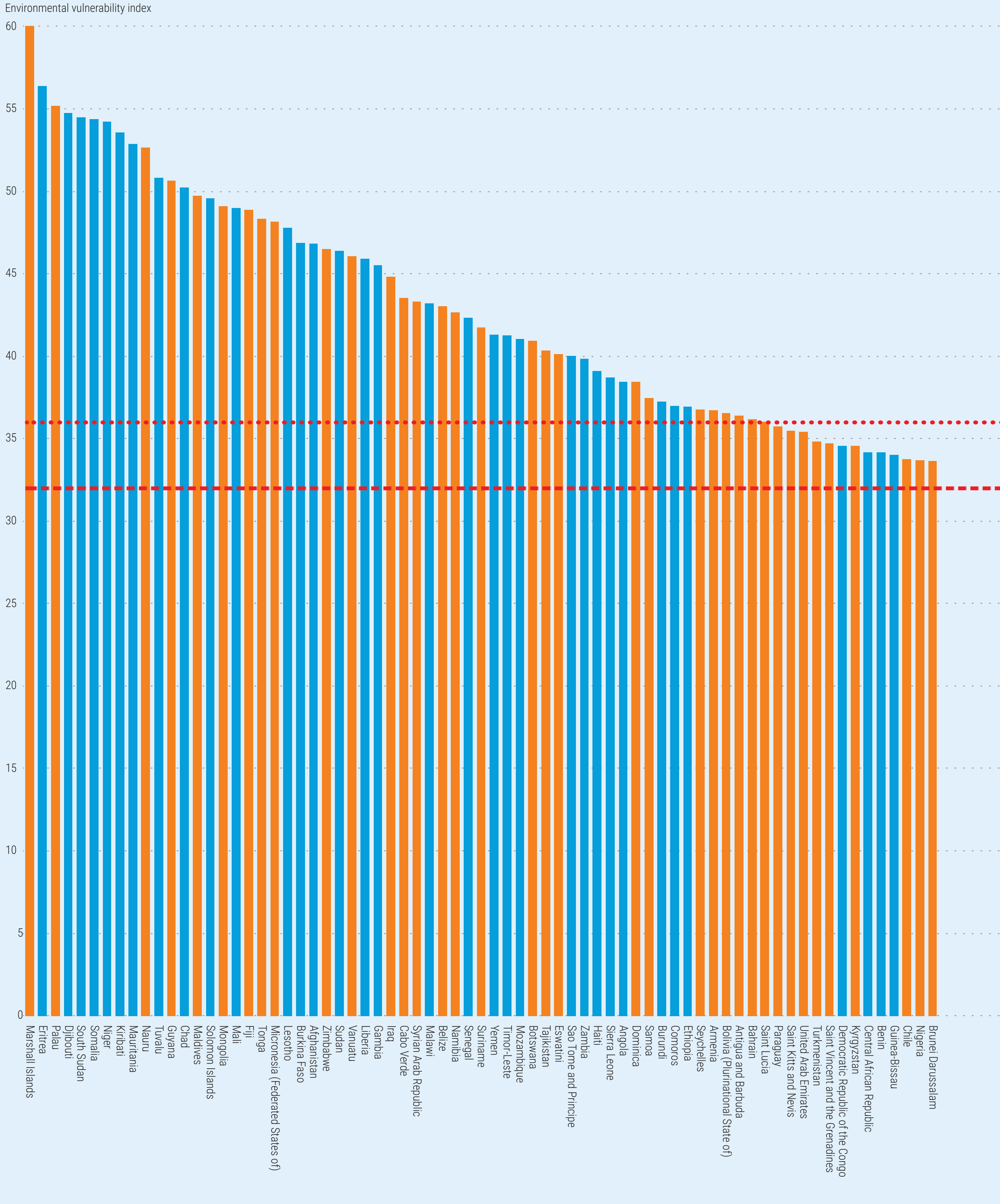
Morocco
Honduras
Algeria
Micronesia (Federated States of)
Suriname
Venezuela (Bolivarian Republic of)
Nauru
Lebanon
Malaysia
El Salvador
Viet Nam
Cabo Verde
Ecuador
Dominica
Bolivia (Plurinational State of)
Sri Lanka
Guyana
Colombia
Sao Tome and Principe
Azerbaijan
Panama
Palau
Costa Rica
Tunisia
Dominican Republic
Argentina
Mauritius
Tuvalu
Mexico
Uruguay
Democratic People's Republic of Korea
Paraguay
Bahamas
Jamaica
Tajikistan
Oman
Thailand
Iran (Islamic Republic of)
Brazil
Peru
Saudi Arabia
Maldives
United Arab Emirates
Fiji
Grenada
Turkmenistan
Trinidad and Tobago
Kyrgyzstan
Tonga
Jordan
Kuwait
Brunei Darussalam
Saint Vincent and the Grenadines
Samoa
Saint Kitts and Nevis
Saint Lucia
Seychelles
Türkiye
China
Antigua and Barbuda
Cuba
Uzbekistan
Armenia
Mongolia
Bahrain
Barbados
Qatar
Singapore
Georgia
Chile
Kazakhstan

Figure III.A.4

Economic and environmental vulnerability index for all Member States in developing regions, 2024 triennial review



Source: CDP, 2024 triennial review, available from bit.ly/LDC-data.

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Iran (Islamic Republic of)
South Africa
Madagascar
Peru
Uzbekistan
Bhutan
Ghana
Uruguay
Grenada
Myanmar
Venezuela (Bolivarian Republic of)
Kuwait
Democratic People's Republic of Korea
Lao People's Democratic Republic
Nepal
Papua New Guinea
Jordan
Nicaragua
United Republic of Tanzania
Libya
Pakistan
Georgia
Guinea
Togo
Kazakhstan
Lebanon
Azerbaijan
Viet Nam
Rwanda
Uganda
Bahamas
Cuba
Trinidad and Tobago
Cameroon
Argentina
Philippines
Thailand
Congo
Tunisia
Ecuador
Qatar
India
Jamaica
Mexico
Algeria
Dominican Republic
Morocco
Honduras
Colombia
Costa Rica
Cambodia
Sri Lanka
Oman
Gabon
Kenya
El Salvador
Panama
Malaysia
Brazil
Indonesia
Guatemala
Bangladesh
Singapore
Mauritius
Saudi Arabia
China
Equatorial Guinea
Côte d'Ivoire
Barbados
Egypt
Türkiye

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The Committee for Development Policy (CDP) is a subsidiary body of the United Nations Economic and Social Council. It provides independent expert advice to the Council on a wide range of issues related to the 2030 Agenda for Sustainable Development. The Committee is also responsible for reviewing the least developed countries (LDCs) category, making recommendations as to which countries should be included in the category or graduate therefrom, and monitoring the progress of countries during and after graduation from the category.

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