

# Briefing on CDP work on LDCs

Matthias Bruckner  
Debapriya Bhattacharya  
Taffere Tesfachew  
José Antonio Ocampo

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# LDC Criteria review

- Standing CDP decision to keep criteria under review to reflect changes in development thinking and indicator availability

- Specific mandate by Member States in 2016

“recognize the importance of the reviews by the CDP of the graduation criteria for the LDCs, and recommend the reviews be comprehensive, taking into account all aspects of the evolving international development context, including relevant agendas”

- In 2017, CDP decided to embark on multi-year (2017-2020) work plan for the criteria review



# LDC criteria and indicators

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



GNI  
per capita



Human  
assets index  
(HAI)

- Percentage of population undernourished
- Under-five mortality rate
- 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 fisheries in GDP
- Share of population in low elevated coastal zones
- Victims of natural disasters
- Instability of agricultural production
- Instability of exports of goods and services

# Useful links

○ CDP website

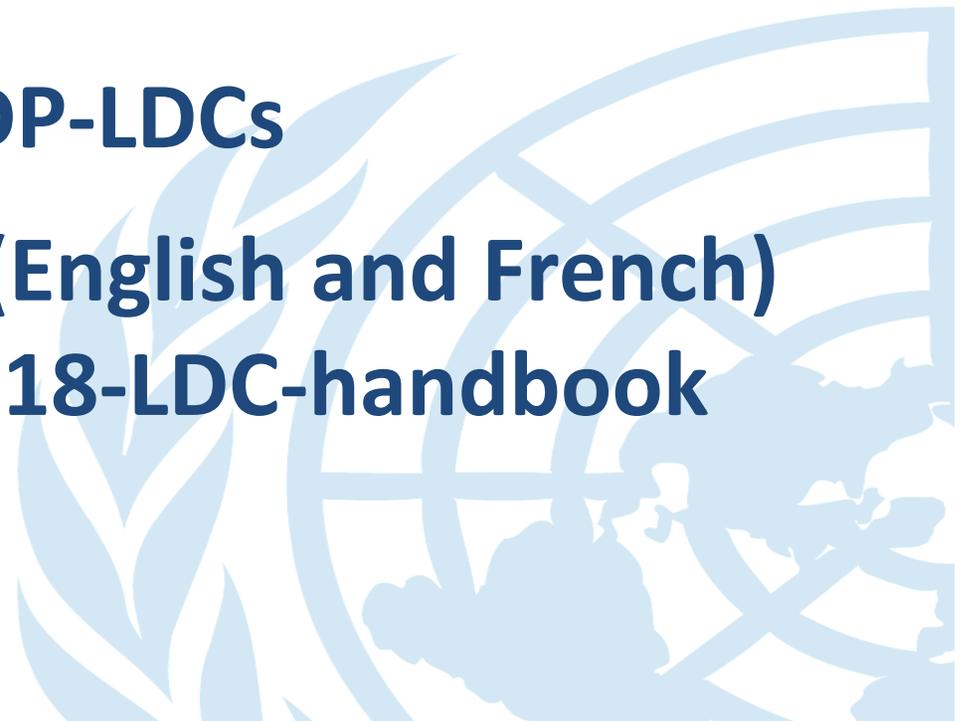
<https://cdp.un.org>

○ LDC website

<http://bit.ly/CDP-LDCs>

○ 2018 LDC Handbook (English and French)

<http://bit.ly/2018-LDC-handbook>



# Outcome and discussions

## Key points

- ❖ LDC category and criteria remain relevant in SDG era
  - ❖ Graduation as milestone towards achieving the SDGs
- ❖ Integrity of LDC category
- ❖ Strengthen application procedures and process
- ❖ Emphasize building resilience for vulnerable countries
- ❖ Basic structure of LDC criteria and graduation rule remain valid
- ❖ Identify and validate suitable indicators for refining LDC criteria
  - ❖ Robust methodologies and data availability



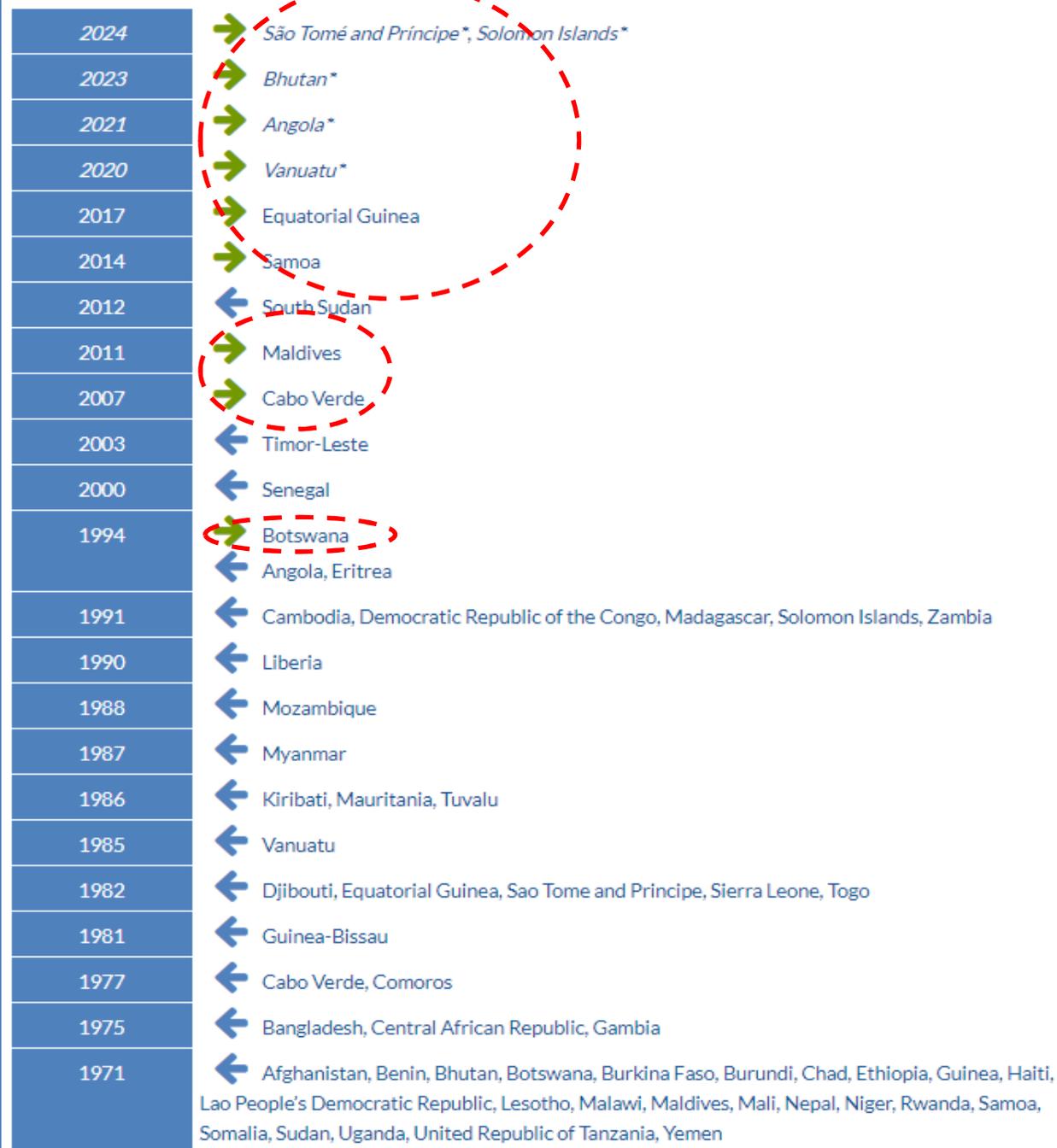
# Support for graduating countries



## Currently: 47 countries are LDCs

- **Angola, Bhutan, Sao Tome and Principe, Solomon Islands** and **Vanuatu** are graduating
- ECOSOC will make decision on **Kiribati** and **Tuvalu** no later than 2021
- CDP will consider **Bangladesh, Lao PDR, Myanmar, Nepal** and **Timor-Leste** for graduation in 2021

### Timeline of LDC membership changes



# Graduation implications

- Possible reductions in official development aid from bilateral donors and from multilateral institutions
- Loss of markets access preferences
- Loss of LDC-specific Special and Differential Treatment in the WTO
- Other LDC specific support (UN budget, travel benefits, etc)



# What can be done?

## One early consolidated UN graduation assessment

- Includes list of possible mitigating actions for review at the CDP

## UN

- UNRC to organize a **country-level Meeting on Graduation Support** to feed into CDP
- Recently graduated countries to present their experiences and needs for support, and for development and trading partners to highlight efforts at UN **Development Cooperation Forum**

## Graduating country

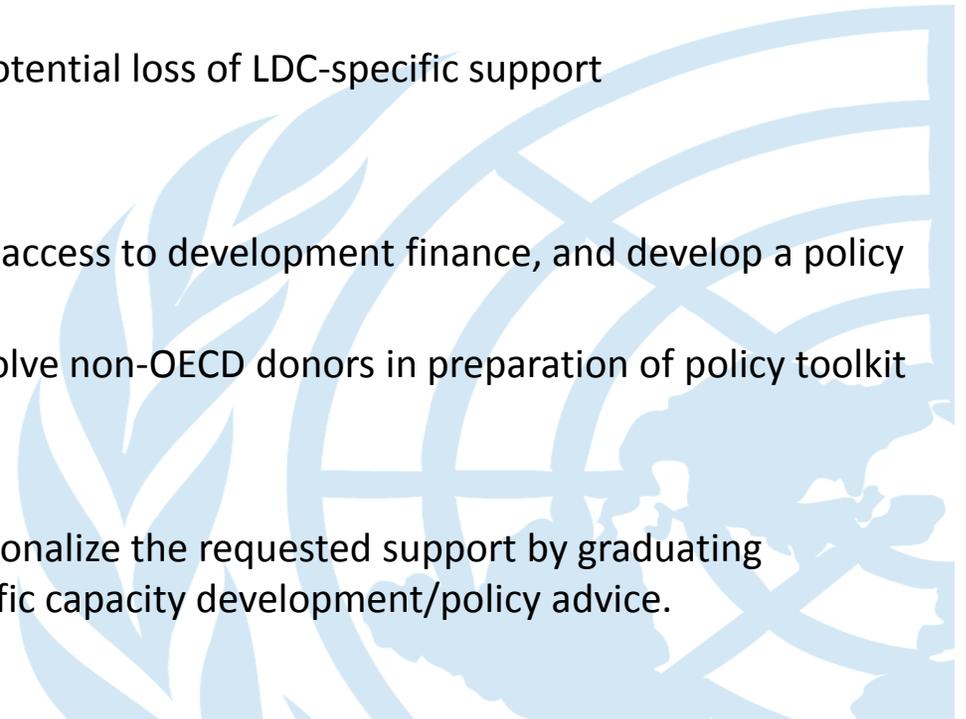
- Identify type of support needed to address potential loss of LDC-specific support

## Trading and development partners

- OECD review consequences of graduation on access to development finance, and develop a policy toolkit
- Consultation and participation process to involve non-OECD donors in preparation of policy toolkit

## Capacity development

- Explore **graduation support** facility to operationalize the requested support by graduating countries and to provide countries with specific capacity development/policy advice.



# Way forward

- Recommendations for attention of ECOSOC.

CDP proposed a number of recommendations in order to improve the graduation framework in support of graduating countries. The CDP will, in collaboration with relevant graduating countries, development and trading partners, further develop and pilot these recommendations as part of its work programme for 2019 and report on its findings in 2020.



**“Expanding Productive Capacity for Sustainable Development”:  
A Framework for Organizing the Programme of Action for LDCs for  
the period 2021-2030**

A CDP Proposal



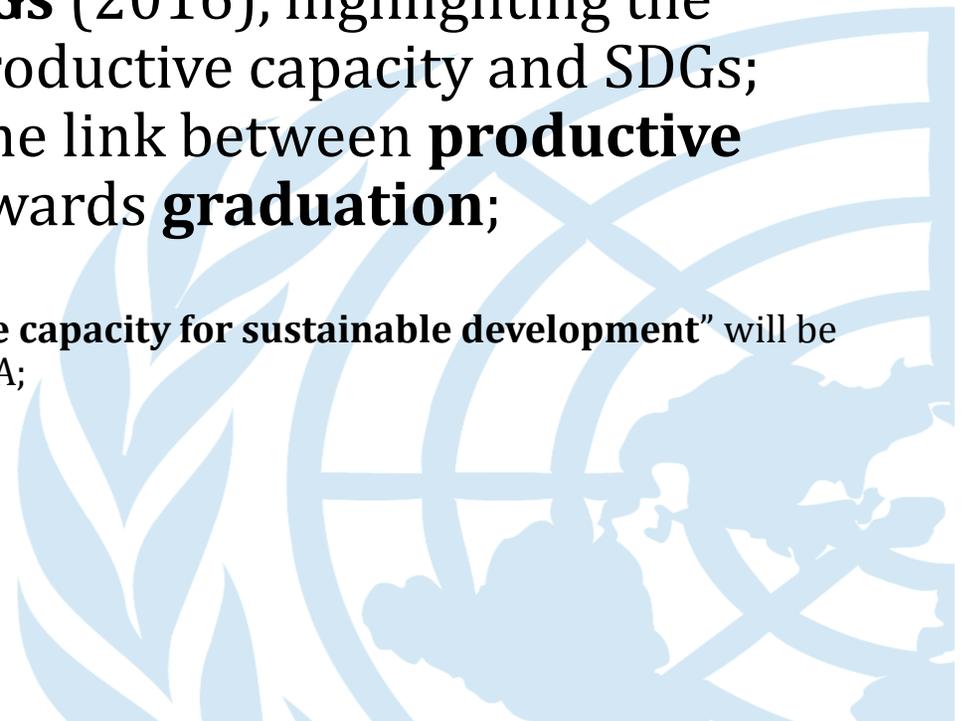
**“Expanding Productive Capacity for Sustainable Development”:  
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- **The 5<sup>th</sup> Conference (2021) – evaluate the IPoA and assess the lessons learned;**
- **Some key issues to be incorporated in the next PoA (not exhaustive!)**
  - ✓ **Graduation** - meeting the IPoA target and, if possible, going beyond;
  - ✓ **Additional measures** for graduating countries – ‘graduation with momentum’;
  - ✓ Recognizing **changes in the composition** of the LDC category and **implications** for policies and ISMs;
  - ✓ Aligning the PoA with **SDGs** – identifying policies for their implementation;
  - ✓ **Reducing vulnerability and building resilience** – the economic, social and environmental dimensions;
  - ✓ Addressing youth unemployment – creating decent jobs in the productive sectors;
  - ✓ **Technological learning and upgrading** – and creating innovative and competitive enterprises;
  - ✓ Identifying policies that promote **growth** and **structural transformation**;



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- The **root cause** of LDCs’ **structural impediments** is the limited development of their productive capacity;
- **Recognized** by LDCs – IPoA – listed as one of eight “**priority areas for action**”;
- The CDP carried out further studies on ‘productive capacity’ –
  - First, in the context of **SDGs** (2016), highlighting the **intrinsic link** between productive capacity and SDGs;
  - Then in 2017, assessing the link between **productive capacity** and progress towards **graduation**;
- The CDP believes that “**Expanding productive capacity for sustainable development**” will be a useful framework for organizing the next PoA;



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- What are the **advantages**:
  - The next programme will **focus on expanding productive capacity** to achieve structural transformation and **sustainable development**;
  - It will create ‘**coherence**’ between **macro and sectoral policies** and between **policies and the goals and targets** to be achieved;
  - It will make it relatively easier to **identify gaps** in productive capacity development and **tailor policies and ISMs** accordingly;
  - It will become easier to **monitor progress** in the **implementation of the PoA** and **countries’ performance over time** - because of the **Productive Capacity Index (PCI)** that UNCTAD has developed, covering over 50 indicators of productive capacity.

