



Committee for Development Policy
United Nations Department of Economic and Social Affairs
Development Policy and Analysis Division

Ex-ante impact assessment of likely consequences of graduation

**Briefing for delegations on graduation
from the LDC category
New York, June 25th 2015**

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Background

- Introduced in CDP2007
- Countries found eligible for first time (+ updates)
- Supplement VP; additional information
- Likely consequences of graduation for economic growth and development
- Identification of potential risk factors and gains
- CDP2008: Implications loss of LDC status (ISMs)
- Requires cooperation donors, trading partners, development agencies, concerned LDC

LDC status → Access to Special International Support Measures (ISMs)

A. Official Development Assistance:

- ⇒ Financial flows and technical assistance
- ⇒ Bilateral and multilateral donors

B. International trade:

- ⇒ Preferential Market Access
- ⇒ SDT on WTO obligations
- ⇒ Others

C. General support:

- ⇒ Caps contribution to UN budget, PKO discount contributions
- ⇒ Travel funds
- ⇒ Others

A 3D rendered orange humanoid figure is walking up a long, grey staircase that recedes into the distance. The figure is positioned on the left side of the frame, moving towards the right. The staircase is composed of many steps, creating a strong sense of perspective. The background is plain white.

THE REPORT: STEPS

The report: steps

- Desk research by CDP-DESA
- Identification main ISMs used by the country and their suppliers
- Inquiry on likely policy stance towards country after graduation
- Consultations relevant development agencies on smooth transition provisions
- Draft circulated to country for comments
- Draft also circulated to UNDP country office and RC
- Comments reviewed and incorporated when applicable
- Draft report revised by CDP-DESA and presented at EGM preceding the triennial review (usually in January)
- Country still able to further comment at the EGM
- Report finalized for CDP plenary (usually in March)
- Important: this is a Secretariat paper

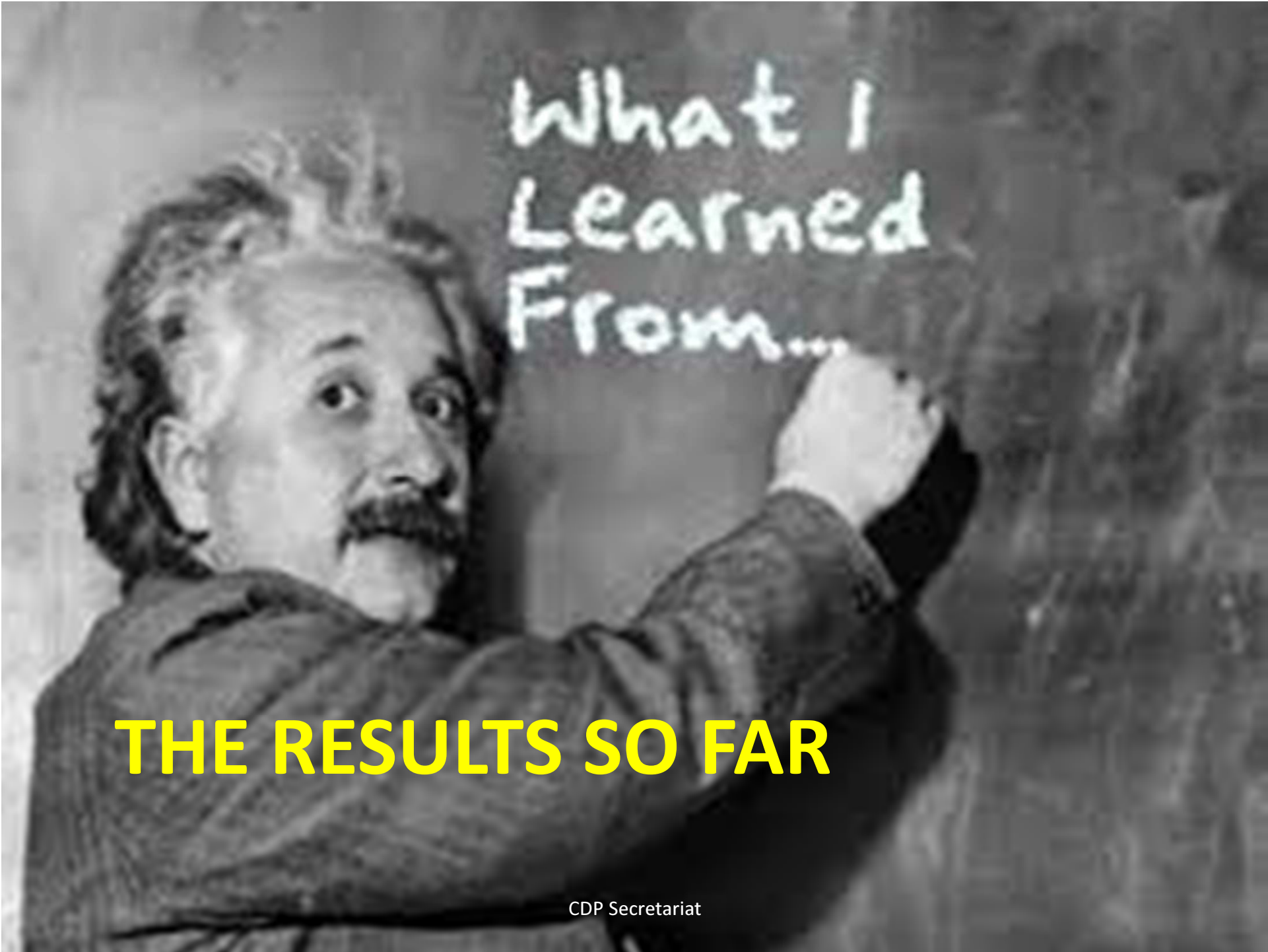


WHAT IS AN EX-ANTE IMPACT ASSESSMENT?

CDP Secretariat

What is it? What is it not?

- Before intervention
- Identification of LDC specific ISMs being used
- Identification of possible challenges due to eventual phasing out of ISMs
- Qualitative assessment
- Limited exercise: no counterfactuals, static
- Not model based: costly; methodological issues (disentangling impacts, disentangling purposes - ODA); data availability limitations; unsuitability (WTO SDTs)

A black and white photograph of Albert Einstein, with his characteristic wild hair and mustache, looking over his shoulder towards the camera while writing on a chalkboard. The text on the board is written in a simple, hand-drawn font.

What I
Learned
From...

THE RESULTS SO FAR

The experience thus far

- Five countries:
 - Angola (2015)
 - Equatorial Guinea (2009)
 - Kiribati (2009, 2015)
 - Tuvalu (2009, 2012 update)
 - Vanuatu (2009, 2012 update)
- ✓ Main findings/experience:
 - SIDS and fuel exporters
 - Positive country and development/trading partner participation
 - Limited DFQF use
 - WTO SDTs: relevant for Angola only; Vanuatu accession? (2012)
 - ODA: marginal for fuel exporters; important for SIDS (grant element). Donors pledged to continue support; flows not LDC based

The experience thus far

✓ Main findings (cont.):

- Budget caps: Angola and Equatorial Guinea
- EIF: Angola (DTIS 2006, no follow up), EG (inactive?); relatively limited resources; seemed more relevant for LDC-SIDS
- GEF/LDC Trust Fund: main issue for SIDS. Travel benefits too

➤ Challenges:

- Information and data availability (trade data)
- Limited country awareness about LDC specific ISMs



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Reports available at CDP website:

[www.un.org/en/development/desa/policy/
cdp/ldc/ldc_impact_assessment.shtml](http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_impact_assessment.shtml)