



## Monitoring of countries that are graduating or have graduated from the list of least developed countries \*

The Committee monitored the development progress of Equatorial Guinea, Angola and Vanuatu. It noted that none of the countries appeared at risk of falling back into the least developed country category. It regrets that it did not receive any report from the countries concerned on the development and implementation of their transition strategies, which it sees as crucial

elements for making progress towards achieving the Sustainable Development Goals. The Committee remains concerned about the imbalance between the relatively high income and low level of human assets observed in Equatorial Guinea and Angola, as well as about the high level of vulnerability of Vanuatu to natural disasters and climate change.

### A. Introduction

The Committee is mandated under Economic and Social Council resolution 2018/27 to monitor the development progress of countries graduating and graduated from the least developed country category, in accordance with General Assembly resolution 67/221. The present report includes the cases of Angola and Vanuatu, which will

graduate in 2021 and 2020, respectively, as well as Equatorial Guinea, which graduated in 2017.

More detailed monitoring reports are available on the Committee's website.

### B. Graduating countries

#### Angola

The Committee noted that Angola was highly dependent on the oil sector and that its economic growth was affected by low international oil prices and reduced oil production. Real gross domestic product growth has been slow or negative over the past few years and is expected to recover slowly in the next one to two years. High inflation, unstable exchange rates and current account and fiscal deficits present challenges in maintaining macroeconomic stability.

Gross national income per capita is estimated to be approximately three times higher than the graduation threshold established at the 2018 triennial review (\$1,230). On the other hand, the human assets index

score remains low compared with countries with similar incomes. The economic vulnerability index score remains above the graduation threshold (see table).

Angola's overall productive capacities index is 43.3, which is lower than the average of 45.1 for least developed countries and far lower than the average of 50.0 for other developing countries (see table). The low productive capacities index score of Angola is mainly explained by limited private sector diversification.

The Government has not yet reported progress in the preparation of the smooth transition strategy. The Committee recommends that the Government channel its resources into improving human assets.

\* Excerpt from Committee for Development Policy, Report on the twenty-first session, See Official Records of the Economic and Social Council, 2019, Supplement No. 13 (E/2019/33)

## Vanuatu

Per capita gross domestic product growth has been stabilized at around 3 to 4 per cent per annum. Gross national income per capita is expected to remain well above the income graduation threshold (see table).

The human assets index score is stable and much higher than the graduation threshold. The country remains highly vulnerable to natural disasters and climate shocks, while showing remarkable resilience during recent natural disasters, such as the volcanic eruptions in 2018.

The productive capacities index is higher than the least developed country average, owing mainly to the high level of human capital.

No progress report on the country's preparations for a smooth transition strategy has been submitted by the Government. The Committee suggests that donors and trading partners extend the maximum possible support to countries with high vulnerability, including Vanuatu, following graduation.

## C. Graduated countries

### Equatorial Guinea

Equatorial Guinea, which graduated in June 2017, is the third largest oil producer in sub-Saharan Africa, after Nigeria and Angola. Equatorial Guinea continues to face serious challenges owing to declining oil production and limited investment in exploration of new oil fields. While gross national income per capita remains far above the graduation threshold (see table), the economy is projected to continue to contract by 2 per cent annually in the years to come.

Human assets have improved only slightly since last year, while vulnerability remains below the graduation threshold.

The productive capacities index score is much lower than the least developed country average, owing to low levels of development with respect to institutions, the private sector and human capital.

Equatorial Guinea has not submitted a progress report on the preparation or implementation of its smooth transition strategy. The Committee is concerned about the slow progress on human capital, given the resources the country possesses. The Committee urges Equatorial Guinea to implement development strategies to channel its resources into improving human assets and promoting economic diversification.

## Table

Least developed country criteria and productive capacities in 2019: monitored countries that are graduating or have graduated

	GNI per capita (US dollars)	EVI	HAI	Productive capacity index
<b>Graduation threshold (2018 review)</b>	<b>&gt;= 1,230</b>	<b>&lt;=32.0</b>	<b>&gt;=66.0</b>	<i>Not applicable</i>
Angola	3,942	39.3	55.9	43.3
Equatorial Guinea	7,561	24.6	58.1	42.9
Vanuatu	2,922	44.1	79.0	47.1

Source: CDP Secretariat, based on latest available data and the United Nations Conference on Trade and Development (UNCTAD)