



Monitoring of countries that are graduating and have graduated from the list of least developed countries *

In its monitoring of countries that are graduating and have graduated from the LDC category, the Committee reviewed four graduating countries - Angola, Bhutan, São Tomé and Príncipe, and Solomon Islands-, as well as three graduated countries - Equatorial Guinea, Samoa and Vanuatu. The Committee expressed its

concern on the negative socio-economic impacts of the COVID-19 pandemic on all seven countries.

It will continue to monitor the countries closely in terms of the recovery from the COVID-19 crisis, focusing on macroeconomic and environmental sustainability.

A. Introduction

Mandated by E/RES/2020/10 and A/RES/67/221, the Committee reviewed four graduating countries - Angola, Bhutan, São Tomé and Príncipe, and Solomon Islands -, and three graduated countries - Equatorial Guinea,

Samoa and Vanuatu. The detailed monitoring reports are available on the Committee's website. Table 1 shows LDC criteria, Productive capacity index (PCI), and Statistical capacity index (SCI) for these countries.

B. Graduating countries

Angola

As it is highly dependent on the oil sector, Angola has been strongly affected by low international oil prices, reduced oil production, and the impacts of the COVID-19 pandemic. Debt, inflation, currency depreciation, current account and fiscal deficits are part of the challenges in maintaining macroeconomic stability.

The GNI per capita has been declining over the past years. The HAI, while improving, is lower than those in other countries with similar income levels. The EVI

remains high, and the PCI is very low. The SCI is much lower than the LDC average.

December 2020, the Government requested an extended preparatory period for smooth transition, based on the impact of low oil prices and COVID-19. In its resolution 75/259, the General Assembly provided the country with an additional three years, inviting Angola to prepare a smooth transition strategy (STS).

* Excerpt from Committee for Development Policy, Report on the twenty-third session, See Official Records of the Economic and Social Council, 2021, Supplement No. 13 (E/2021/33)

Table: Least developed country criteria, productive capacities index and statistical capacity index

	LDC criteria*			Productive capacities index**	Statistical capacity index***
	GNI per capita (US dollars)	EVI	HAI		
Graduation threshold (2021 review)	>= 1,222	<=32.0	>=66.0	<i>Not applicable</i>	<i>Not applicable</i>
Angola	3027	45.6	52.9	14.5	48.9
Bhutan	2,981	25.7	79.4	28.5	63.6
São Tomé and Príncipe	1,844	25.8	88.8	19.9	63.3
Solomon Islands	1,843	45.1	74.2	22.4	48.9
Equatorial Guinea	7,617	18.7	67.0	18.0	36.7
Samoa	4,118	28.2	96.3	29.1	60.0
Vanuatu	2,992	39.6	78.4	25.1	48.9
LDC average	1,274	39.1	57.6	17.7	58.1
Other developing countries average	9,223	31.0	88.0	28.4	56.1

Least developed country criteria, productive capacities index, and statistical capacity index

Source: *2021, Committee for Development Policy Secretariat; **2018, UNCTAD; ***2019, World Bank.

Bhutan

Bhutan meets all three graduation thresholds with sizeable margins. The productive capacity is on par with the other developing countries' (ODC) average. Bhutan also has good statistical capacity.

Bhutan submitted the country report on STS to the Committee, indicating that the country has started its

preparations for an STS premised on the full implementation of the national development plan. Bhutan is experiencing an economic downturn and disruption of planned socio-economic developmental activities due to the COVID-19.

São Tomé and Príncipe

São Tomé and Príncipe grew slowly in the past three years. Its merchandise exports are limited, and the country heavily relies on tourism. The country is in high debt distress, and its macro-economic stability is in question.

The country meets all graduation criteria. Productive capacity is at the average level of LDCs, while its SCI is relatively low.

The COVID-19 impacts – including on tourism –, fiscal balance and debt issues need close monitoring. The CDP recommends the country to resume its work on preparing for an STS.

Solomon Islands

The country was hit hard by the COVID-19 pandemic, while policy space is limited due to lower duty collections from the logging industry, and depleting resources.

The GNI per capita and HAI are well above the graduation thresholds. However, the EVI is very high due

to the natural-resource based economic structure as well as climate-change-induced vulnerabilities. It lags behind ODCs in the PCI, particularly in ICTs and transport. The SCI was relatively low.

C. Graduated countries

Equatorial Guinea

Equatorial Guinea is highly dependent on oil and continues to face serious challenges due to the decline in hydrocarbon production, compounded by low investment and the impact of COVID-19. Real gross domestic product has contracted rapidly since 2015 and other macroeconomic indicators also show a steady deterioration. Prospects for a rebound in oil production and exports remain unclear.

Samoa

Samoa has continued to make progress since its graduation in 2014, although the country is facing serious challenges in recovering from the impacts of COVID-19, particularly in the tourism sector.

Samoa continues to make progress in its gross national income per capita, and its human assets index and economic and environmental vulnerability index scores. Its productive capacity stands above the average for other developing countries. Samoa has difficulties in updating its national accounting data.

Vanuatu

In 2020, Vanuatu was hit by Cyclone Harold and then struck by COVID-19, resulting in a significant reduction in its gross domestic product. The country has limited policy space, with already low tax revenue. Its major income sources, namely, ODA, tourism and remittances, are likely to be heavily affected by COVID-19 in the coming years.

The gross national income per capita is more than double the least developed countries graduation threshold, and the human assets index score is high. The economic and environmental vulnerability index score has been improving, albeit slowly. Vanuatu still needs to catch up with other developing countries in terms of

The gross national income per capita is six times higher than the graduation threshold, but the human assets index score is far lower than other countries with similar income levels. Productive capacity is similar to the least developed country average and the statistical capacity index score is among the lowest in the world.

Equatorial Guinea has not yet submitted a report on its implementation of a smooth transition strategy since its graduation in 2017.

The Committee welcomes the effort made by the Government, which has continued to engage with its trading and development partners to minimize the negative impacts of graduation. After the transition period, Samoa continues to receive preferential market access based on regular trade preference schemes, regional trade agreements or WTO arrangements. Samoa is actively seeking financing to increase its resilience to natural disasters and climate change.

productive capacity. Its national accounting needs to be improved.

Vanuatu graduated from the least developed country category in December 2020, at a time when it was suffering from the impacts of Cyclone Harold and COVID-19. In its resolution 75/128, the General Assembly commended the commitment of Vanuatu to graduate and invited partners to provide full support to the implementation of the country's smooth transition strategy, including by extending international support measures, in particular those related to aid for trade and participation in international forums, until 4 December 2025.