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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Summary

The present report contains the main findings and recommendations of the Committee for Development Policy at its nineteenth session. The Committee addressed the following themes: lessons learned from developing productive capacities from countries graduated and graduating from the least developed country category, as its contribution to the themes of the Economic and Social Council high-level segment and high-level political forum; monitoring the development progress of countries that are graduating and have graduated from the list of the least developed countries; a review of the criteria used in the identification of the least developed countries in preparation of the triennial review of the category in 2018, and the outline of a multi-year programme on a comprehensive review of the least developed country criteria; a review of the recognition and use of the least developed country category by United Nations development system entities; an update of the least developed country graduation platform for improving the understanding of and preparation for graduation from the least developed country category; and, total official support for sustainable development.

Expanding productive capacity in the least developed countries is critical in progress towards sustainable development, including the eradication of poverty. Developing productive capacity requires integrated polices in five areas: development governance; social policies; macroeconomic and financial policies; industrial and sectoral policies; and international support measures. Lessons learned point out that there are at least three pathways leading to graduation with different implications for productive capacity and overall progress towards sustainable development.

One pathway to graduation is through rapid but volatile income growth from natural resource exploitation. However, without sufficient investments in human assets and a lack of economic diversification, this pathway does not move countries towards achieving the sustainable development goals and often leaves large parts of the population in poverty. Weak development governance is the key constraint that prevents countries on this pathway from channelling natural resource revenues into social sectors. Not counting expenditures for human assets formation as investment further exacerbates a neglect of social sectors.

A number of mostly small countries are on a second pathway that combines income growth with investment in human assets. These economies typically specialize in sectors such as tourism or natural resources with low employment and limited backward and forward linkages to other sectors, reinforcing vulnerabilities and in some cases inequalities. Good development governance underpins success in these countries, based on State legitimacy and institution-building. This facilitates human assets development, prudent macroeconomic policies and a pragmatic and strategic application of industrial and sectoral policies. Some countries on this pathway harnessed official development assistance (ODA) for development by effective national coordination of donor support and adopted far-sighted diaspora and remittances policies.

A third pathway, typically associated with economies having large populations and internal markets, is characterised by investments in human assets and structural transformation towards high-productivity manufacturing and services, contributing to a steady, albeit slow, progress towards sustainable development, including the eradication of poverty. Productivity-enhancing agricultural reforms focusing on small-scale agriculture and massive investments in rural infrastructure are the launching pad of development. On this pathway, the State plays an active and crucial role in designing appropriate policies in all relevant areas and creating and constantly adapting development-focused governance structures.

In all pathways to graduation, peace and security are critical foundations for productive capacity and sustainable development. Strong national ownership of the development agenda and building of development-oriented institutions enables countries to successfully develop and adopt unorthodox social and macroeconomic policies, enabling resource-poor countries to rapidly increase access to health and education and create employment opportunities, in particular for women.

In its monitoring of the development progress of countries that are graduating and have graduated from the least developed country category, the Committee reviewed the progress of Samoa, which graduated in 2014, and of Angola, Equatorial Guinea and Vanuatu, which are graduating from the category. Samoa continues to make progress, although its income per capita growth is slowing and it remains vulnerable to economic and environmental shocks. The Committee noted the continued imbalance between per capita income and the level of human assets in Angola and particularly in Equatorial Guinea, and their heavy dependence on the oil sector. Vanuatu is recovering from Cyclone Pam of 2015, but it remains vulnerable to future natural disasters. The Committee underlined the importance of a smooth transition from the least developed country category, recommending that each graduating country develop a smooth transition strategy as soon as possible, and that donors and trading partners extend the maximum possible flexibility and support following graduation.

For more than 45 years, the least developed country category has been an important tool to promote global development. Recognizing the need for inter-temporal consistency and stability, the Committee affirmed the validity of the current criteria for the identification of the least developed countries and their application procedures for the 2018 triennial review of the least developed country category. However, to ensure that the least developed country criteria and its application reflect all aspects of the evolving international development context, including relevant agendas, the Committee decided to implement a multi-year work programme to conduct a full review of the criteria, including the basic structure, application procedure and indicators.

Over the years, the least developed country category has been useful to attract political support within intergovernmental negotiations, but to a much lesser extent to attract explicit assistance for least developed countries, including from the United Nations development system. The numerous references to least developed countries in the 2030 Agenda for Sustainable Development show the significant level of political support for least developed countries. Given the declining share of expenditures for operational activities for development of the United Nations system in the least developed countries, the Committee urges that the prominent place of the least developed countries in the 2030 Agenda prompt United Nations development system entities and other United Nations specialized agencies (including the World Bank and the International Monetary Fund) to use the least developed country category more in establishing country priorities and in the delivery of their work programme. Although all United Nations development system entities recognize the least developed country category, they do not all provide least developed countries-specific international support. While the mandate of some specialized agencies may not closely relate to the least developed countries, this is a concern for agencies whose aim is to promote sustainable development. Most United Nations development system entities do not have specific graduation support programmes or mechanisms for the least developed countries. As a result, these organizations may not always be able to support a smooth transition of graduating and graduated countries.

The least developed countries need improved access to information and analysis on graduation from the least developed country category and, to that end, the secretariat of the Committee for Policy Development is developing a web-based platform to provide and facilitate the sharing of information and analysis on graduation. Upon its completion, the Committee recommends that countries and relevant agencies and bilateral partners make full use of the platform.

The Committee considered issues related to the implications of a new development finance concept being developed by the Organization for Economic Cooperation and Development/Development Assistance Committee, provisionally known as total official support for sustainable development. The concept aims at monitoring and measuring flows that could be considered developmental but are not currently captured in ODA. The Committee emphasized that the concept should be defined as part of a transparent and inclusive process, with a representative body such as the Economic and Social Council playing a leading role. Critical questions to be clarified include how to ensure that flows are developmental; how to measure the additionality of development-oriented public funding that is channelled through private flows; how to consider finance for addressing global challenges; whether overlapping the concepts of total official support for sustainable development and ODA is superior to clearly separating ODA from other developmental flows; and whether or not recipients should lead the process rather than providers.

[25 April 2017]

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Chapter I

Matters calling for action by the Economic and Social Council or brought to its attention

A. Matters calling for action by the Council

Lessons learned in developing productive capacity

1. As part of its contribution to the 2017 theme of the Council, the Committee reviewed the experiences of 14 countries, including former least developed countries, current least developed countries approaching graduation and other developing countries, in developing productive capacities, progress towards graduation and the achievement of the sustainable Development Goals. The analysis found that domestic policies are most critical and that international support measures play an important enabling role. These experiences provide important lessons for all least developed countries and their development partners including the United Nations development system.

2. The Committee recommends that the Council request UNCTAD to further develop its monitoring methodology for measuring progress and identify obstacles in the development of productive capacity in least developed countries, taking into account the findings in chapter II of the present report. The Committee also recommends that UNCTAD share the outcome of its work as an input to the Department of Economic and Social Affairs impact assessments and the Committee monitoring reports on countries graduated or graduating from the least developed country category.

3. To further contribute to the smooth transition of countries graduating from the least developed countries category, the Committee recommends that the Council invite the Enhanced Integrated Framework, UNCTAD, the United Nations Development Programme, the United Nations Framework Convention on Climate Change, the United Nations Industrial Development Organization, the World Trade Organization, the United Nations regional commissions and other relevant international development partners to provide inputs to the impact assessments prepared by the Department of Economic and Social Affairs, highlighting these entities' operational activities related to building productive capacity in the least developed countries and the possible impact of graduation on these activities.

United Nations development system organizations' application of the least developed country category

4. As requested by the Council in its resolution 2016/15, on the Programme of Action for the Least Developed Countries for the Decade 2011-2020, the Committee looked into the reasons for and consequences of the non-application of the least developed country category by some United Nations development system organizations.

5. The Committee reviewed the findings of a survey conducted by its secretariat on the recognition and application of the least developed country category by United Nations development system entities, as well as the various types of international support measures made available by these entities to the least developed countries. The findings of the Committee are summarized in chapter V of the present report. The Committee recommends that the Council:

(a) Request United Nations development system entities not only to recognize the least developed countries category, but also to consistently apply the least developed countries category by providing international support measures, and request the United Nations development system entities to adopt common guidelines in this regard;

(b) Request international financial institutions, in particular the World Bank, the International Monetary Fund (IMF) and regional development banks, also to consider the least developed country category in their procedures for allocating resources and to design policies that consider the special situation of the least developed countries;

(c) Request United Nations development system entities to prioritize resource allocations to least developed countries, in line with General Assembly resolution 68/224;

(d) Request United Nations development system entities to establish procedures and provide resources to assist graduating least developed countries in their smooth transition from the least developed countries category;

(e) Request United Nations development system entities to allocate aid and other measures of support on sound, objective and transparent criteria, including the least developed country indicators (gross national income (GNI) per capita, human assets index and economic vulnerability index), as called for in General Assembly resolution 67/221, and other suitable multi-dimensional indicators;

(f) Request the Committee to present to the Council, triennially, an analysis of how the United Nations development system is applying the least developed country category.

Total official support for sustainable development

6. The Committee recommends that the Economic and Social Council co-facilitate with the Organization for Economic Cooperation and Development (OECD), with the full and active participation of recipient countries, the process of formulating and implementing the new concept of total official support for sustainable development through United Nations forums, including the high-level political forum on sustainable development, the Development Cooperation Forum, the Financing for Development Forum and the Statistical Commission, and with the active participation of the Committee.

B. Matters brought to the attention of the Council

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

7. The Committee reviewed the development progress of Angola, Equatorial Guinea and Vanuatu, which are scheduled for graduation in February 2021, June 2017 and December 2020, respectively.

8. It found that Angola and Equatorial Guinea continue to experience an economic slowdown owing to lower international oil prices. Both countries are characterized by an imbalance between the relatively high level of per capita income and the low level of human assets. The Committee acknowledges that the Government of Angola initiated the preparation of its smooth transition strategy, addressing economic vulnerability through diversification. The Committee strongly encourages Equatorial Guinea to urgently formulate and implement measures designed to promote human assets.

9. The Committee found that Vanuatu has been recovering from Cyclone Pam, but that Vanuatu's vulnerability to external shocks remains high. The Committee recommends that the Government of Vanuatu start a dialogue with trading and development partners to prepare a smooth transition strategy.

10. The Committee also reviewed the development progress of Samoa, which has graduated and is implementing its transition strategy. The Committee noted that Samoa continued to achieve slow but steady development progress, despite its high vulnerability to economic and environmental shocks.

11. The Committee recalled General Assembly resolution 67/221 and reiterated the importance of the participation of graduating and graduated countries in the monitoring process, in order to ensure that country perspectives are reflected in the monitoring reports prepared by the Committee.

Comprehensive review of the least developed country identification criteria

12. The Committee decided to implement a multi-year work programme for a comprehensive review of the least developed country criteria, in line with General Assembly resolution 70/294 and Economic and Social Council resolution 2016/15, which recommend that the Committee reviews of the graduation criteria for the least developed countries be comprehensive, taking into account all aspects of the evolving international development context, including relevant agendas. The outline of the multi-year programme (2017-2020) is summarized in chapter IV of the present report.

Criteria for identifying the least developed countries at the 2018 triennial review

13. The Committee confirmed its definition of the least developed countries as "low-income countries suffering from the most severe structural impediments to sustainable development". The Committee confirmed the validity of the current least developed country criteria and their application procedure, and will apply those criteria in the 2018 triennial review of the list of the least developed countries.

Information and analysis on least developed country graduation

14. The Committee emphasizes that the least developed countries need improved access to information and analysis on graduation from the least developed country category, and takes note of the web-based least developed country graduation platform being developed by the Committee secretariat. In this regard, the Committee recommends that, upon its completion, countries use the platform as a mechanism for sharing information on graduation, and that relevant United Nations and bilateral development partners contribute to the platform with relevant information and analysis related to least developed country graduation.

Total official support for sustainable development

15. The Committee recalls that the main purpose of the process of redefining aid is not to increase artificially the volume of development resources, but to increase the level of transparency and accountability among providers and to provide developing countries with a clearer understanding of the sources of their development financing. The Committee therefore emphasizes that:

- Interests of the recipient should remain paramount
- Only cross-border resources that are oriented to countries' development priorities as their primary purpose should be counted as development finance

- Donors' contribution to global public goods should be counted separately from total official support for sustainable development
- Private resources leveraged by official funds should also be counted separately from total official support for sustainable development.

Chapter II

Lessons learned in developing productive capacities from countries graduating and graduated from the least developed country category

A. Introduction

16. Structural challenges and the weak economic and social performance of the least developed countries are often ascribed to the limited development of their productive capacity. Productive capacity consists of the productive resources (natural, human, physical and financial), entrepreneurial and institutional capabilities, and production linkages that together determine the capacity of a country to increase production and diversify its economy into higher productivity sectors for faster growth and sustainable development. Hence, expanding productive capacity in the least developed countries is key in making progress towards sustainable development, including the eradication of poverty. Increased productive capacities enable structural transformation towards more productive activities and sectors, ideally creating enough decent jobs to reduce poverty on a broad scale. At the same time, structural transformation can also generate resources for social protection, aimed at those who are permanently or temporarily unable to escape poverty with their own resources. Given that the least developed countries feature widespread and persistent poverty, eradicating poverty at the global level requires a focus on least developed countries.

17. As previously highlighted by the Committee,[1] developing productive capacity requires integrated policies in five areas: (i) development governance; (ii) policies for creating positive synergies between social outcomes and productive capacity; (iii) macroeconomic and financial policies that support productive capacity expansion and increase resilience to external shocks; (iv) industrial and sectoral policies; and (v) international support measures in the areas of trade, official development assistance and international tax cooperation. Given the diversity among the least developed countries, one-size-fits-all policies will not be successful. Instead, the various country groups require different national strategies and different support from the international community.

18. Building on work in 2016, the Committee analysed the experiences of 14 graduated and graduating countries, as well as non-least developed countries' economies, in expanding productive capacity. It identified three pathways leading to graduation with different implications for productive capacity and overall progress towards achieving sustainable development. Whereas resource endowment and country size are co-determinants for the pathways, policies are most critical.

B. Pathway I: rapid growth through natural resource exploitation

19. One pathway to graduation is through rapid economic growth from natural resource exploitation. On that pathway there is a high risk of graduation without deepening productive capacity or meaningful social and economic transformation, leaving human assets and economic diversification at low levels and poverty widespread despite the relatively high level of aggregate income. Weak development governance is the key constraint that prevents countries on that pathway from channelling natural resource revenues into expanding productive

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[1] See *Official Records of the Economic and Social Council, 2016, Supplement No. 13* (E/2016/33), chap. II.

capacities for sustainable development. In addition, excessive dependence on exploitation of natural resources can reinforce the lack of transparency and accountability in the management of resource rents.

20. Domestic price distortions and the perception that economic policy reforms are less urgent, owing to high resource revenues, limit the likelihood of economic diversification in most resource-dependent economies. That is often exacerbated by non-transparent governance structures and lack of accountability, which can misalign the allocation of public expenditure between sectors that are identified as priority areas (for example, social sectors) and those where the actual public investment takes place, often consisting of mega infrastructure projects. An important lesson for other resource-rich least developed countries is to combine the building of a system of good governance with a planning process designed to match resources with social and productive public sector investments and monitor implementation regularly. Another lesson is the need to identify and develop strategies to enhance global value chain integration and boost domestic value-added.

21. Simple budget rules can help in moving towards a sustainable use of resources, but it is essential that investment in health and education is permitted to count as investment, even if that is a departure from national accounts conventions. Restricting investments to physical infrastructure further increases bias against social sectors, in particular if resource revenues dominate State revenues, as is often the case in countries following that pathway. However, experience also shows that lack of good development governance does not inhibit countries from devising production sharing agreements that enable them to appropriate a commensurate share of revenues. Hence, development governance deficits appear to affect public expenditures more than public revenues, so that expenditure policies require special attention.

C. Pathway II: economic specialization and investment in human capital

22. A number of mostly small graduated and graduating countries follow a pathway characterized by income growth driven by economic specialization and investment in human capital. A key driver of development progress, despite limited scope for economic diversification, is the quality of good development governance, which in some cases is complemented by traditional and customary laws and supported by concerted efforts in institution building and the maintenance, or reestablishment, of peace and political stability. "Good development governance" is not a given, but needs to be built through proactive policies aimed at building institutions, employing an inclusive approach to policy design and implementation and introducing rules and regulations that instil transparency and accountability in public administration and budget allocation.

23. Strengthening State legitimacy based on a national vision designed to generate and reinforce national identities is critical. This approach to good development governance is particularly relevant for the least developed countries where State legitimacy is often in question because of ethnic and geographical diversity. The perception that the State is acting in the long-term interests of all social groups can help ensure consent for difficult policy decisions.

24. This development governance framework enables countries to allocate significant resources in human asset development. It supports the adoption of a prudent macroeconomic and fiscal policy framework backed by prioritization of sectors based on (potential) comparative advantage and strategic planning. It also facilitates public investment in infrastructure development in general, as well as in

specific targeted sectors with the objective of encouraging economic specialization and stimulating increased domestic and foreign investment in priority sectors. Successful policies have often been the product of trial and error or the pragmatic response to changing circumstances.

25. ODA has played an important role in building productive capacity in many countries. One success factor for harnessing ODA for development is the importance of effective coordination of donor support, including by mainstreaming ODA into national development plans and adopting sector-wide approaches to programming. These are valuable lesson for the least developed countries that continue to rely on ODA for social sector investment, infrastructure development and job creation through public expenditure. Some countries have also adopted far-sighted diaspora and remittances policies, demonstrating how domestic policies can help maximize the benefits derived from the diaspora, including the mobilization of resources and knowledge needed to expand productive capacity.

26. However, the experience of countries following that pathway also shows that development through human development and economic specialization leaves a country vulnerable to economic and environmental shocks, though that is largely a consequence of fixed country characteristics, such as size and location. In addition, despite the success in building human capital, a number of countries continue to face high levels of social inequalities, which is partly explained by the limited employment and low backward and forward linkages of sectors such as tourism and national resources.

D. Pathway III: graduation through economic diversification, structural transformation and the development of human capital

27. Typically larger countries are on a pathway characterized by investments in human assets and structural transformation towards higher productivity manufacturing and services. These countries show that significant and meaningful progress can be achieved even within a short period when countries pursue the process of expanding productive capacity and structural transformation under conditions of peace and security.

28. For countries on that pathway, rural development has been the key launching pad for gaining the momentum for growth, expanding productive capacity and promoting structural transformation. That requires agricultural reforms focusing on small scale farmers and massive investment in rural development. Those reforms aim at rapid improvements in agricultural productivity and food security. Land use and tenure reforms that improve the rights of women, as well as public support to farmers through agricultural extension services and subsidizing inputs, have proven successful. That, in turn, increases human assets through reducing malnutrition, as well as sustained growth and the transfer of labour from agriculture to more modern sectors.

29. In all countries on that pathway, the State plays an active and critical role in designing appropriate macroeconomic, social, fiscal, trade and industrial policies, and in creating a development-focused governance structure. An important and distinctive feature is the significance given to institution-building in support of both policy implementation and sectoral level development, which provides a solid foundation for expanding productive capacity and progress towards graduation. In most cases, the institutional arrangements established have been the result, not the cause of, development.

30. Some countries have consciously tried to imitate the “developmental State model” applied in East Asian economies, where the State took a lead role in setting the development vision and creating, through public investment, the basic infrastructure and institutions necessary for expanding productive capacity and attracting private investment in priority sectors. The selection of priority sectors and activities has been an important feature of the policy-making process in all countries on that pathway, though the strategy of “picking winners” has not always been successful.

31. Ownership of the process of development is critical, as reflected in the choice of policies, including “unorthodox” macroeconomic and industrial policies and the importance attached to policy space and independence. Similarly, social policies have also been successfully “unorthodox”, closing gender gaps in health and education, including through changing social norms by empowering women in the delivery of social services. That includes institutional setups under which non-profit service providers deliver public health and education services, demonstrating the advantages of an inclusive development strategy involving both governmental and non-governmental actors. Another positive example has been the deployment of “health extension workers” throughout the country to achieve almost complete coverage with public health programmes.

32. International support for trade enhancing policies (in particular duty-free and quota-free access to most developed countries and in an increasing number of developing country markets) can be instrumental in integrating the least developed countries into the global economy, if they have sufficient (latent) capacity to take advantage of global market opportunities and adopt complementary domestic policy reforms. Few least developed countries are tapping into these trade support measures, which signals the need for greater industrial and technological upgrading along with a proactive negotiating capacity.

E. Productive capacity-building and structural transformation in non-least developed developing countries

33. The experiences of other developing countries that in the past shared key characteristics with the least developed countries reveal that these countries often face development challenges similar to the least developed countries, including the need to re-invest natural rents for sustainable development, ensuring that increased agricultural production also improves food security, the critical role of access to reliable and affordable energy and the need to ensure that higher productivity services generate sufficient employment opportunities. That implies that the least developed countries will need to continue expanding productive capacity and promoting policies and strategies for economic diversification, structural transformation, poverty reduction and sustainable development after graduating from the least developed country category.

34. An active integration into the world economy by attracting foreign direct investment and pro-actively participating in regional trade agreements combined with domestic reforms improving agricultural productivity and enabling the private sector to become a driving force can turn countries into globally important trading partners, provided that supply capacities can be rapidly developed. However, such a strategy is successful only if countries manage to upgrade their technological and skills base, so that they remain competitive by producing more sophisticated goods and services. It also depends on a favourable global economic environment, underscoring the importance of an open and development-oriented international trading system.

35. Experiences also show that while bold policy reforms can liberate the economy from unnecessary constraints and initiate structural transformation, the sustainability of the growth and development momentum depends on complementary and synergistic institutional reforms and good development governance ensuring transparency and accountability. Good development governance is not static; however, it needs to adapt over time to be able to promote innovation, for example, through strategic government procurement, to harness information technologies and to develop commensurate human capacities.

Chapter III
Monitoring the development progress of countries that are graduating and have graduated from the list of the least developed countries

A. Introduction

36. The Committee is mandated by Council resolution 2016/21 to monitor the development progress of countries earmarked for graduation from the least developed country category and to include its findings in its annual report to the Council. The present report includes the cases of Angola, Equatorial Guinea and Vanuatu, which will graduate in 2021, 2017 and 2020, respectively.

37. In its resolution 67/221, the General Assembly requested the Committee to monitor the development progress of countries that had graduated from the least developed country category and to include its findings in its annual report to the Council. Accordingly, the Committee reviewed the progress made by Samoa, which graduated in 2014.

38. The more detailed monitoring reports, including country submissions, are available on the Committee website.

B. Monitoring the development progress of graduating countries

Angola

39. The Committee noted that Angola is highly dependent on the oil sector and that its economic growth is affected by low international oil prices. Real gross domestic product (GDP) growth has continuously slowed over the past five years but is projected to pick up in the next two years, whereas inflation grew rapidly in the same period and the fiscal deficit is rising.

40. Gross national income per capita is estimated at approximately four times higher than the least developed country graduation threshold established at the 2015 triennial review of the list of the least developed countries ($1,242). While the human assets index score has improved, it is still low compared with similar-income countries. The economic vulnerability index score remains above the graduation threshold (see table).

41. The Government of Angola has initiated its work on finalizing its 10-step road map to prepare the smooth transition strategy. By the end of 2017, the Government will implement the first steps of the road map and start a consultation process with relevant stakeholders, including development and trading partners and the private sector. The Committee underlined the importance of smooth transition, recommending that the Government develop its smooth transition strategy as soon as possible, and that donors and trading partners extend the maximum possible flexibility and support following graduation.

Least developed country criteria in 2017: monitored countries that are graduating or have graduated

	GNI per capita (United States dollars)	*Economic vulnerability index*	*Human asset index*
Graduation threshold (2015 review)	≥ 1 242	≤ 32.0	≥ 66.0
Angola	5 186	37.0	44.5
Equatorial Guinea	13 275	29.1	55.1
Samoa	4 079	41.1	94.4
Vanuatu	3 039	48.5	80.5

Source: Committee for Development Policy secretariat, based on latest available data.

Equatorial Guinea

42. Equatorial Guinea, which is scheduled to graduate in June 2017, is the third largest oil producer in sub-Saharan Africa, after Nigeria and Angola, and continues to face serious challenges, owing to the decline in oil production and prices. Real GDP is projected to contract by 1-5 per cent annually during the period 2017-2021. Nevertheless, GNI per capita is forecast to remain far above the graduation threshold.

43. The economic vulnerability index score has improved and fallen below the graduation threshold, whereas progress in improving human assets is slow, with a human asset index score much lower than the graduation threshold (see table).

44. The impact of the graduation of Equatorial Guinea is expected to be minimal: oil dependency implies little preferential treatment by major importing markets and owing to its high income the country receives little ODA. The Committee did not receive any input from Equatorial Guinea to the monitoring exercise. The Committee urges the country to implement development strategies focusing on improving human assets.

Vanuatu

45. Vanuatu continues to recover from Cyclone Pam, which struck the country in March 2015 and also led to the postponement of graduation until 4 December 2020 (see General Assembly resolution 70/78). GNI per capita is expected to remain well above the income graduation threshold. However the budget deficit is projected to reach 17 per cent in 2017, owing to increased cyclone-related spending on infrastructure.[2]

46. The human asset index score is stable, and much higher than the graduation threshold. The country remains highly vulnerable and observed a slight increase in the economic vulnerability index score owing to the increase in the number of victims of natural disasters, reflecting the impact of the cyclone (see table).

47. Vanuatu’s smooth transition is premised on the full implementation of its national sustainable development strategy for 2016-2030, Vanuatu 2030, the People’s Plan.[3] The Government reported that it is in the process of establishing its national Least Developed Country Coordinating Committee, to be comprised of various relevant stakeholders. The Committee notes that the extended graduation

[2] International Monetary Fund, Vanuatu: 2016 Article IV Consultation, Country Report No. 16/336, October 2016.

[3] Available from https://vanuatudaily.files.wordpress.com/2016/11/draft-vanuatu-2030-national-sustainable-development-plan.pdf.

period will allow Vanuatu to intensify the efforts towards preparing a smooth transition strategy. The Committee recommended that donors and trading partners extend the maximum possible flexibility and support following graduation.

C. Monitoring the development progress of graduated countries

Samoa

48. Samoa graduated from the least developed country category in January 2014. The country has continued to make progress since graduation, although economic growth is projected to stagnate for several years to come, owing to slow global economic growth, uncertainty over the revival of agriculture and diminished prospects for the manufacturing export sector.[4]

49. GNI per capita is estimated to remain over three times higher than the graduation threshold. Samoa continues to maintain very high levels of human assets, but it remains vulnerable to economic and environmental shocks. The Committee welcomes the effort made by the Government of Samoa, which continues to engage with its trading and development partners to minimize possible negative impacts of graduation. The smooth transition strategy will be implemented as an integral part of the Strategy for the Development of Samoa 2016/17-2019/2020: Accelerating Sustainable Development and Broadening Opportunities for All.[5] According to the Government, graduation has had no significant impact on development progress.

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[4] See International Monetary Fund, World Economic Outlook Database, October 2015; International Monetary Fund, 2015 Article IV consultation, July 2015; and Department of Economic and Social Affairs, *World Economic Situation and Prospects 2017* (United Nations publication, Sales No. E.17.11.C.2).

[5] Available from www.mof.gov.ws/Services/Economy/EconomicPlanning/tabid/5618/Default.aspx.

Chapter IV

Comprehensive review of the least developed country identification criteria and the criteria for the 2018 review

A. Introduction

50. The least developed country category, the only official United Nations development category, has drawn a range of international support measures from the international community. The least developed countries are often also given priority in the international development agendas, as exemplified in the 2030 Agenda for Sustainable Development.

51. Since 1991 the Committee has identified the least developed countries through triennial reviews, the most recent of which took place in March 2015.[6] The Committee regularly reviews the least developed country criteria, based on a consistent set of principles. The 2016 Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action resolved to "recognize the importance of the reviews by the Committee for Development Policy of the graduation criteria for the least developed countries. We recommend that the reviews be comprehensive, taking into account all aspects of the evolving international development context, including relevant agendas".[7] That mandate, reiterated subsequently by the Council, warrants a review of the criteria that is broader than the one usually undertaken in the context of a triennial review.[8]

52. To fulfil the mandate, the Committee will conduct a comprehensive review of the least developed country criteria by 2020. The multi-year programme allocates sufficient time to incorporate results from new activities into the review, in addition to the usual steps taken by the criteria reviews of the Committee. It also allows the still evolving nature of the relevant international development agendas to be taken into account.

53. For the least developed countries close to the graduation threshold, stability and consistency of the criteria is of utmost importance for their development planning, including planning for graduation and smooth transition. Given the importance of the consistency of the least developed country category and maintaining the stability of the criteria, the Committee will apply the existing criteria and procedures for its triennial review in 2018. Possible refinements resulting from the comprehensive criteria review would become effective in 2021.

B. Principles of the least developed country criteria and the relevant international agendas

54. Over time, the Committee has revised the least developed country criteria to improve the identification of the least developed countries. In 2008, the Committee stated explicitly that refinements and changes to the criteria were to be made only in response to new developments in terms of research and data availability and reliability.[9] Each criteria review builds on previous work by the Committee, in order to avoid repeating previous discussions based on unaltered information.

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[6] See *Official Records of the Economic and Social Council, 2015, Supplement No. 13* (E/2015/33).
[7] General Assembly resolution 70/294, annex, para. 48.
[8] Economic and Social Council resolution 2016/15, para. 6.
[9] See *Official Records of the Economic and Social Council, 2008, Supplement No. 13* (E/2008/33).

55. The criteria review has been guided by the following principles:

(a) Intertemporal consistency of the list and equitable treatment of all countries;

(b) Stability in the criteria;

(c) Flexibility in the application of the criteria;

(d) Use of indicators for the calculation of the indices that are methodologically robust and available for all countries concerned.

56. Intertemporal consistency requires that refinements to the criteria and their application should not lead to a questioning of decisions on graduation and inclusion in the recent past. This implies that changes to the criteria are in general only gradual, as drastic revisions almost certainly affect graduation decisions.

57. Stability implies that refinements should be undertaken only if they lead to a significant improvement. This allows for better understanding of the methods used and may facilitate acceptance of the outcomes of its application by the main stakeholders.

58. Flexibility refers to the application, rather than the criteria themselves. To implement this principle, the Committee utilizes additional inputs before making recommendations on graduation or inclusion. In the case of graduation, these are vulnerability profiles, ex ante impact assessments and inputs from countries concerned, whereas for inclusion country profiles are prepared and the views of the country are sought. The principle also implies that the least developed country criteria need not necessarily include all binding constraints to sustainable development for all countries, as long as such constraints are included in the additional information material.

59. Methodological robustness and complete data availability are key to ensuring acceptance of the least developed country criteria and to allowing for their computation. Preference is given to well-established indicators regularly reported by international organizations, but the Committee also developed new indicators when no other suitable indicators were identified. Indicators preferably reflect data that are updated at least triennially, but some compromise is necessary in cases of very low frequency of data collection, in particular censuses and household surveys. Data should in principle be available for all developing countries and, for comparability reasons, preferably from a single source. In sum, data availability requirements for the least developed country indicators are far stricter than the requirements for monitoring indicators of international agendas, such as the Sustainable Development Goals indicators or the previously used Millennium Development Goal indicators.

60. As the midterm review of the mandate of the Istanbul Programme of Action calls upon the Committee to take relevant international development agendas into account, it is important to identify agendas to be included in the review. The chapter of the midterm review of the Istanbul Programme of Action containing the mandate explicitly references four agendas: the 2030 Agenda for Sustainable Development; the Addis Ababa Action Agenda; the Paris Agreement under the United Nations Framework Convention on Climate Change; and the Sendai Framework for Disaster Risk Reduction 2015-2030. The midterm review highlights the synergies between these four agendas and the Istanbul Programme of Action. The Programme of Action is a relevant agenda almost by definition and should therefore be included in the criteria review. In order to keep the criteria review manageable, the Committee decided to focus on the above-mentioned five agendas.

C. Work programme

61. The Committee will implement its 2017-2020 work programme in five steps:

(i) Review the basic structure of the least developed country criteria and its application principles;

(ii) Assess to what extent the least developed country indicators reflect the global development agendas, and identify areas of insufficient coverage;

(iii) Assess to what extent the indicators used for monitoring the relevant agendas reflect structural impediments to sustainable development;

(iv) Assess whether incorporation of indicators identified in step (iii) improves identification of the least developed countries;

(v) Identify additional indicators and assess whether their incorporation improves identification of the least developed countries.

62. Step (i) entails investigating whether the basic structure of the least developed country criteria (using three aggregate measures of income and structural impediments), the requirement of meeting two out of three criteria for graduation (with the income-only exception) and the asymmetries between inclusion and graduation, remain appropriate in the light of the evolving international development context.

63. Step (ii) involves mapping the least developed country indicators into goals and targets of the various agendas and, subsequently, reviewing whether the agendas contain areas that are not covered by the least developed country indicators. Currently only the 2030 Agenda for Sustainable Development and the Sendai Framework have official monitoring indicators. Indicators under development for monitoring the Addis Ababa Action Agenda will be included if available in time. Indicators used by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for monitoring the implementation of the Istanbul Programme of Action can be included. The Paris Agreement does not include explicit monitoring indicators, but climate change is covered also by the 2030 Agenda and the Istanbul Programme of Action.

64. Step (iii) involves assessing whether certain aspects contained in the relevant development agendas that are currently not adequately covered by the least developed country indicators reflect severe structural impediments. Such areas could, in principle, be included in the least developed country criteria framework and measured by the monitoring indicators of the various agendas. In order to benefit from past work of the Committee on the criteria, not only are the current least developed country indicators included in the analysis, but the indicators assessed by the Committee in the past are also. The result of this step will be an updated set of areas and candidate indicators that may be covered by the least developed country criteria framework.

65. Based on this, step (iv) entails assessing the indicators derived in step (iii) with regard to their methodological soundness and data availability, possible overlaps with existing indicators and potential impact on the intertemporal consistency of the least developed country category. For indicators that appear suitable to complement or replace existing indicators, the step also assesses whether potential benefits are significant enough to justify their inclusion.

66. Finally, a review in step (v) will aim to identify additional indicators that could significantly improve the least developed country identification and assess them in the same way as in step (iv).

D. Basic structure of the least developed country criteria and coverage of the 2030 Agenda for Sustainable Development

67. Regarding step (i), the Committee considered the basic structure of the least developed country criteria (using three aggregate measures of income and structural impediments), as well as the application procedure — the requirement of meeting two out of three criteria for graduation (with the income-only exception) — and the asymmetries between inclusion and graduation. The Committee confirmed that the structure and the application of the criteria remain appropriate in the light of the evolving international development context (see section E). However, while it implements the multi-year work programme, the Committee will further review the basic structure and the application procedures.

68. Regarding step (ii), as part of its work on the criteria review, the Committee undertook a preliminary analysis of the areas of the 2030 Agenda for Sustainable Development that are insufficiently covered by the least developed country criteria. It found that most least developed country indicators are already closely linked to the Sustainable Development Goals and that a significant number of Sustainable Development Goal indicators and areas have been reviewed by the Committee in the past for possible inclusion in the least developed country criteria, but rejected for various reasons. The reasons for discarding the indicators were: duplication issues, deficient or unavailable data, no structural impediment and country-specific issues. Nonetheless, the Committee found that a few areas of the 2030 Agenda are insufficiently covered by the current least developed country criteria and may require further review during the multi-year programme, and also noted that numerous indicators currently lack sufficient data. The Committee will continue work on its multi-year review after conducting the 2018 triennial review by completing step (ii) and moving to steps (iii)-(v) and finalize its work by March 2020.

E. Criteria for the 2018 triennial review

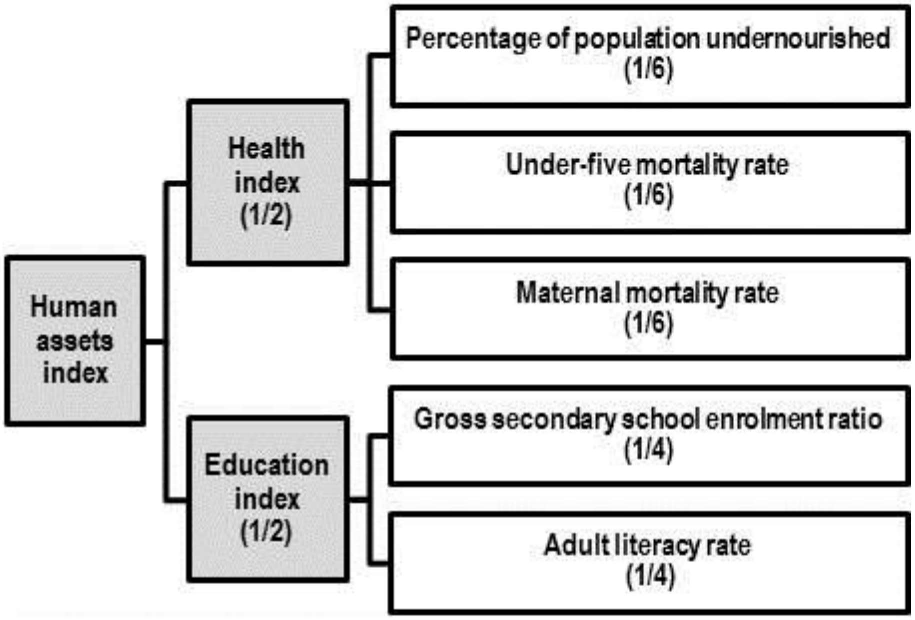
69. The identification of the least developed countries is based on three criteria: (i) GNI per capita; (ii) the human assets index; and (iii) the economic vulnerability index.

70. The Committee decided to conduct the 2018 triennial review with the present least developed country criteria and indicators and applying the established procedures for the inclusion and graduation thresholds.

71. The Committee uses the latest available three-year average of GNI per capita as a single indicator for the income criterion. In order to further improve the comparability of GNI per capita, the Committee will convert fiscal year GNI data into calendar year for countries where fiscal years are different from calendar years and only fiscal year GNI data are available, whenever feasible.

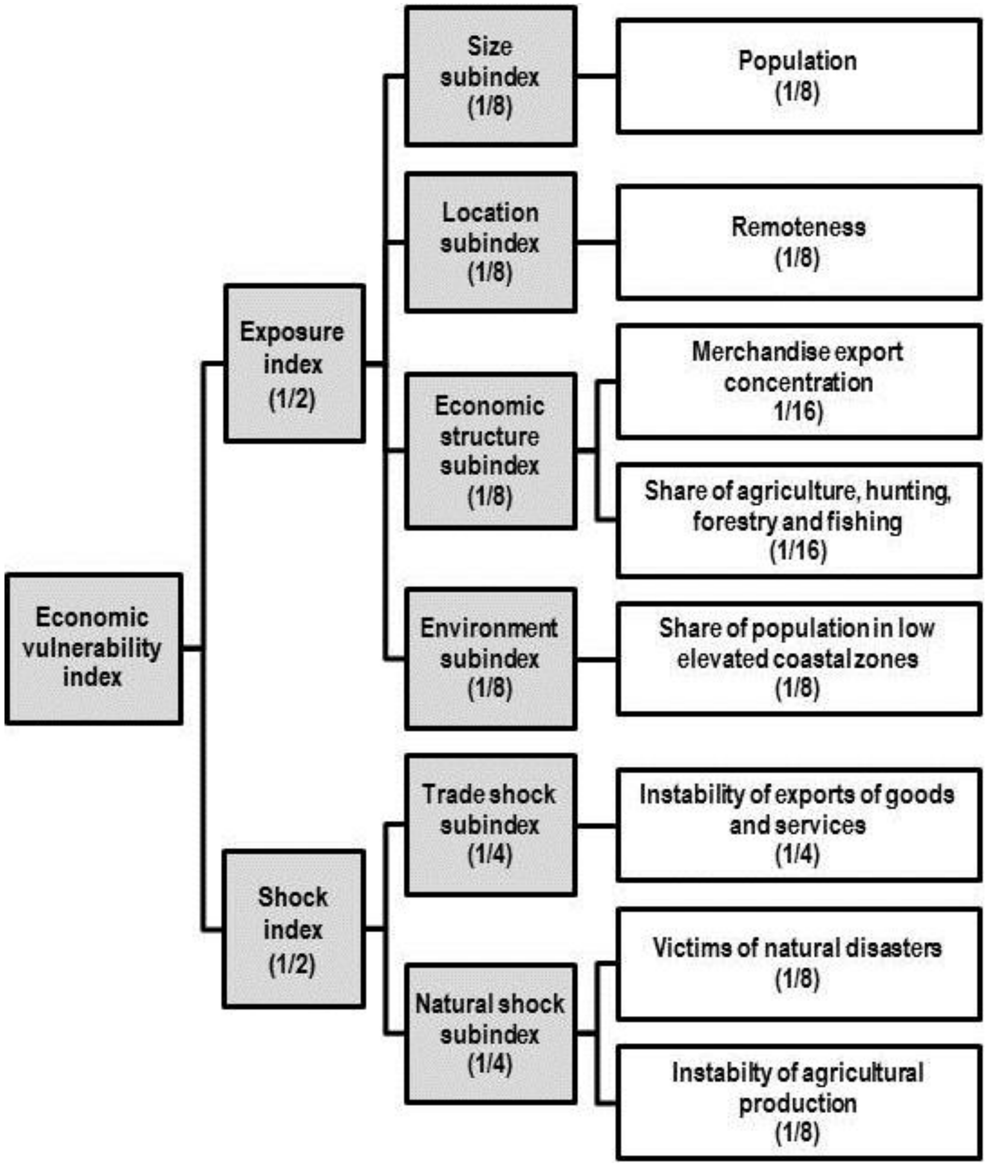
72. As decided in 2015, the Committee will utilize the maternal mortality ratio as a fifth indicator of the human asset index.[6] The structure and components of the refined human asset index are presented in figure 1, with numbers in brackets denoting the weight of components in the overall index.

Figure 1
Composition of the human asset index



73. The economic vulnerability index measures the vulnerability of countries to economic and environmental shocks. It is a structural index consisting of two main sub-indices: one reflecting the exposure to shocks and the other measuring the impact of shocks. The Committee confirmed the current structure and composition of the index as shown in figure 2.

Figure 2
Composition of the economic vulnerability index



74. The basic rules for identifying countries for inclusion and graduation are: (i) for inclusion, all three criteria have to be satisfied at given threshold values. For graduation, eligibility requires a country to satisfy two, rather than only one, criteria. However, countries with a sufficiently high and sustainable level of income may graduate, even if they fail to satisfy the other two criteria, as they can be expected to have sufficient resources available to improve human assets and confront structural constraints; (ii) graduation thresholds are established at a higher level than those for inclusion; (iii) to be recommended for graduation a country has to be found eligible at two successive triennial reviews; and (iv) recommendations do not follow automatically from eligibility; the Committee takes into account additional information contained in vulnerability profiles and impact assessments, as well as the views of the county concerned.

Chapter V

Reasons and consequences of the non-application of the least developed country category by United Nations development system entities

A. Introduction

75. The Political Declaration on the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020[10] invited the Committee to look into the reasons for and consequences of the non-application of the least developed country category by some United Nations development system organizations.[11] In response, the secretariat of the Committee conducted a survey to collect information on the recognition and application of the least developed country category by entities of the United Nations development system,[12] as well as the various types of support measures made available by those entities to the least developed countries.

76. In line with the terminology used in the mandate given to the Committee, The United Nations development system entities are considered to be in recognition of the least developed country category when confirming their position in the related survey question. The United Nations development system entities are categorized under non-application of the least developed country category when an organization does not offer least developed country-specific international support measures.

B. Findings

77. All the United Nations development system entities that responded to the survey recognize the least developed country category and all entities make contributions in various degrees with their activities to the development efforts in many least developed countries. Some entities responded that their work is not related to development and did not fully respond to all the questions posed in the survey.

78. The World Bank and IMF responded that they do not recognize the least developed country category. In their responses, both those entities reported that they are not part of the United Nations development system. However, they are specialized agencies of the United Nations system, and they cooperate with the United Nations development system in carrying out their mandate and take into account, as appropriate, the findings and recommendations of the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

79. While the survey responses indicate that the United Nations development system entities recognize the least developed country category, the recognition does not translate into a consistent application of priorities and budget allocation, and there are large variations in the type and level of least developed country-specific assistance. Assistance is often based on the entities' own policies, priorities and criteria, which may not necessarily relate to least developed country status.

[10] General Assembly resolution 70/294, annex, para. 118.

[11] See also Economic and Social Council resolution 2016/15.

[12] As contained in annex 1 of the paper entitled "The UN development system and its operational activities for development: Updating the definitions". Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/documents/2016/qcpr_sgr_terminology_paper.pdf.

80. All United Nations development system entities surveyed recognize the least developed country category by referencing the least developed countries in their programme priorities and strategic planning documents. Some United Nations development system entities also have percentage budget targets for their core budget allocated to the least developed countries. Some others have established least developed country-specific funding mechanisms or programmes for the least developed countries. Other such entities have "related" (not least developed country-specific) trust funds. In that regard, the Committee noted that a number of least developed country-specific support measures, including trust funds, have in recent years become less relevant as a mechanism for disbursing assistance. Furthermore, most United Nations development system entities provide support for travel of the least developed countries to participate in their international meetings and related processes. Few United Nations development system entities receive budget contributions from the least developed countries, and if least developed countries contribute, they do so under special conditions.

81. It is often unclear how the stated least developed country priority of United Nations development system entities translates into the budget allocation for the least developed countries because most entities do not have operational guidelines with clear budget targets, nor rules for budget allocations to the least developed countries. That may result in unpredictable resource flows to the least developed countries. Furthermore, most United Nations development system entities group the least developed countries alongside other country groupings to assign similar priority status and special priority treatment. Country groupings frequently mentioned as priorities alongside the least developed countries are the landlocked developing countries and the small island developing States. Other thematic groups are also mentioned as priorities alongside, or instead of, the least developed countries. Hence, there are only a few specific United Nations development system entities programmes for the least developed countries.

82. United Nations development system entities do not always have specific graduation support programmes or mechanisms for the least developed countries. Overall, the continuous United Nations entities' engagement after graduation is mainly determined on the basis of mutually agreed country programme frameworks (where available) and in the context of the United Nations Development Assistance Framework. Most entities continue to support the least developed countries after graduation, but that is often based on the requests received. Assistance is also often reviewed on a case-by-case basis, but there is no established institutional approach for the phasing out of least developed country-specific benefits. As a result, the entities may not always be able to support a country's smooth transition process, which the Committee thought may be of particular concern, as graduating countries need to adjust to changes for their development.

83. There is a need for United Nations development system entities to go beyond the mere recognition of the least developed country category and provide access to least developed country-specific international support measures. The Committee found that additional efforts are needed to reduce existing differences in the least developed country category application and improve the overall coherence and application of least developed country-specific international support measures. The Committee confirmed the findings contained in resolution 71/243 adopted on 21 December 2016 on the quadrennial comprehensive policy review, in which the General Assembly expressed its serious concern at the fact that the share of expenditure for operational activities for development of the United Nations system in the least developed countries is declining.

C. Way forward

84. The Committee noted that, while the mandate of some United Nations development system specialized agencies may not closely relate to the least developed countries, it is a particular concern that agencies whose aim is to promote sustainable development do not consistently apply the least developed country category. The Committee also sees with concern that the World Bank and IMF do not recognize this category. The Committee finds that some of the reasons for the non-application of the least developed country category are not clear and should be further studied. The Committee could further analyse how to implement such an approach, taking into account the mandates of United Nations development system entities.

85. The Committee further noted that over the years, the least developed country category has been useful in attracting political support within intergovernmental negotiations and, to some extent, for attracting least developed country-specific support. The numerous references to the least developed countries in the 2030 Agenda for Sustainable Development show the significant level of support for the least developed countries. Given the declining share of expenditures for operational activities of the United Nations system in the least developed countries and the prominent place of the least developed countries in the 2030 Agenda, the Committee urges all United Nations agencies to make active use of the least developed country category in establishing country priorities and in the delivery of their work programmes.

Chapter VI

Progress update on a graduation platform for improving the understanding of and graduation from the least developed country category

86. Despite the cataloguing of all international support measures on the Support Measures Portal for Least Developed Countries (www.un.org/ldcportal), many countries preparing for graduation still face challenges in fully understanding the type of least developed country-specific support from which they benefit and the policy implications of the possible loss of such support after graduation. To that end, the Committee secretariat is developing a web-based platform to provide information and analysis on graduation and to facilitate its sharing in-country and with external entities.

87. The platform will help countries map out and assess the type of least developed country-specific support currently used and available; enhance interministerial collaboration and private sector involvement in graduation; identify policy priorities in the use of international support measures and their phase-out; facilitate communication between government ministries and other stakeholders and with key development and trading partners; and help lay the groundwork for a useful smooth transition strategy. Upon its completion, the Committee recommends that countries, relevant agencies and bilateral partners make full use of the platform and that United Nations and bilateral development partners contribute to the platform with information and analysis on the least developed countries' graduation. Progress on the platform will be presented at the 2018 Committee plenary.

Chapter VII
Total official support for sustainable development

88. As a follow-up to its discussions during the plenary in 2016, the Committee for Development Policy considered issues related to the implications of a new development finance concept, provisionally known as total official support for sustainable development. The discussion on this theme benefitted from feedback from a representative of the OECD Development Assistance Committee.

89. The Development Assistance Committee is developing the total support for sustainable development concept as part of a review of ODA, aimed at monitoring and measuring flows that could be considered developmental but are not currently captured in ODA. The Development Assistance Committee is defining the new procedures for registering ODA, but many aspects of total official support for sustainable development remain imprecise, despite its significance for the 2030 Agenda for Sustainable Development.

90. The refinement of ODA has four dimensions. First, the revised rules of the Development Assistance Committee stipulate that concessional loans count as aid with their grant equivalent only instead of their face value, with minimum levels of concessionality depending on recipients' income. Second, the Development Assistance Committee broadened the scope of ODA to include certain peace and security expenditures, such as on the prevention of violent extremism. Third, the Development Assistance Committee is further specifying which expenditures related to the settlement of refugees can be registered as ODA. Fourth, the Development Assistance Committee decided that the concessional official support (measured where possible on a grant equivalent basis) in private sector instruments, including equity, credit enhancements, mezzanine finance and guarantees, should be counted as ODA, while the flows generated by such instruments should be counted as total official support for sustainable development.

91. While details on the technical discussion can be found in the relevant documentation, the process for defining ODA should be more transparent so that recipient countries and civil society can participate critically.

92. As the Development Assistance Committee recognizes, for any activity to be counted as ODA, it must prioritize the economic development and welfare of developing countries. Total official support for sustainable development, however, aims to cover a broader range of interests, some of which do not have development as their primary objective. According to the Development Assistance Committee, these interests may be developmental, but could also be of a commercial, cultural or political nature.

93. Taking into account the consultations between OECD and other stakeholders (including the Committee), the revised total official support for sustainable development framework distinguishes "cross-border flows" and "development enablers and global challenge". Even if definitions for the latter are still at an early stage, the Committee for Development Policy expressed concern that funds that do not leave the provider country may count as total official support for sustainable development.

94. As the Development Assistance Committee suggests, "cross-border flows" take a recipient perspective and include concessional and non-concessional official flows and those private resources mobilized by official funds. As the Development Assistance Committee recognizes, private resources can help support sustainable development, although incentives must be created to align private flows with the sustainable development goals. Public funds can help create these incentives

through guarantees, mitigating risk and promoting access to new sources of capital. It is still unclear, however, how total official support for sustainable development will measure the mobilization effect of official interventions. No convincing method exists to measure the additionality of public resources because it is difficult to establish causality and attribution; and it is not clear why private resources should be part of a measure of "official support".

95. The Committee for Development Policy considered that levels of transparency and inclusiveness of the process of defining total official support for sustainable development should be improved. Additionally, because total official support for sustainable development involves actors outside the Development Assistance Committee, the Committee for Development Policy emphasized that a more representative and inclusive body, such as the Economic and Social Council, must play a more prominent role in the definition and follow-up of the new concept. The proposed involvement of the high-level political forum, the Economic and Social Council forum on financing for development follow-up and the United Nations Statistical Commission is most welcome and needs to include all relevant technical and political aspects in order for total official support for sustainable development to be useful for monitoring the implementation of the 2030 Agenda for Sustainable Development.

96. It is important that modalities for defining total official support for sustainable development are resolved quickly, because in 2018 a first draft on total official support for sustainable development reporting procedures will be compiled and presented at the United Nations Statistical Commission. During the year, thematic working papers and pilot studies will be produced. The total official support for sustainable development task force will meet several times. At the end of 2018 a second draft of total official support for sustainable development reporting directives will be issued. Finally, in 2019, total official support for sustainable development data will be collected for endorsement by the United Nations Statistical Commission and presented at the high-level political forum.

97. The Committee for Development Policy recommended that by 2019 a number of questions should have been clarified. How is a new concept like total official support for sustainable development better than improving the measurement of already defined areas of development finance? Rather than aggregating different flows and expenditures into two overlapping measures (ODA and total official support for sustainable development), it may be better to recognize that flows are different in nature, have different purposes and generate different impacts.

98. Should total official support for sustainable development collect all financial instruments with development impact even if development is not their primary purpose? One option is to include activities only if they are clearly aligned with the priorities of the recipient countries. In that sense, should export credits and private funds mobilized by official resources be registered as total official support for sustainable development? How should the additionality of official resources be measured in those cases? In the same vein, should funds oriented to "development enablers and global challenges" that do not leave the provider country be counted as total official support for sustainable development?

99. Finally, should total official support for sustainable development rely only on provider-sourced data, if cross-border flows are supposed to take a recipient perspective? In that case, how can the statistical capacities of developing countries be strengthened so that they are able to report on flows they wish to report?

Chapter VIII
Future work of the Committee for Development Policy

100. The Committee will continue to align its work programme to the needs and priorities established by the Council, with a view to contributing effectively to the deliberations of the Council and assisting it in the performance of its functions.

101. The Committee will address the 2018 Economic and Social Council theme entitled "From global to local: supporting sustainable and resilient societies in urban and rural communities" and the theme of the high-level political forum "Transformation towards sustainable and resilient societies", within the framework of the Committee's multi-year work programme on "Leaving no one behind". In parallel with its work on those themes, the Committee will also initiate research and analysis on the voluntary national reviews as a key feature of discussions related to the Sustainable Development Goals.

102. The Committee will undertake a review of the list of the least developed countries in 2018. In addition to measuring the progress of countries through the established criteria of the category, vulnerability profiles and impact assessment reports will be prepared for Bhutan, Kiribati, Nepal, Sao Tome and Príncipe, Solomon Islands and Timor-Leste.

103. In accordance with the provisions of Economic and Social Council resolution 2013/20 and General Assembly resolution 67/221, for its session in 2018, the Committee will also monitor the development progress of the following countries graduating and graduated from the least developed country category: Angola, Equatorial Guinea, Maldives, Samoa and Vanuatu.

Chapter IX
Organization of the session

104. The Committee held its nineteenth session at United Nations Headquarters from 20 to 24 March 2017. Twenty-one members of the Committee, as well as observers from several organizations within the United Nations system, attended the session. The list of participants is contained in annex I to the present report.

105. The Department of Economic and Social Affairs of the United Nations Secretariat provided substantive services for the session. The Chair of the Committee opened the session and welcomed the participants. Subsequently, the Vice-President of the Council, the Permanent Representative of Chile, addressed the Committee. The Assistant-Secretary General for Policy Coordination and Inter-Agency Affairs of the Department of Economic and Social Affairs also addressed the Committee. Statements are available at: www.un.org/development/desa/dpad/document_cdp/statement/.

106. The agenda for the nineteenth session is available in annex II to the present report.

Annex I

List of participants

1. The following members of the Committee attended the session:

José Antonio Alonso

Giovanni Andrea Cornia

Le Dang Doanh

Diane Elson

Marc Fleurbaey

Sakiko Fukuda-Parr (Vice-Chair)

Ann Harrison

Rashid Hassan

Stephan Klasen

Zenebework Tadesse Marcos

Vitalii A. Meliantsev

Leticia Merino

Adil Najam

Léonce Ndikumana

Keith Nurse (Rapporteur)

José Antonio Ocampo (Chair)

Tea Petrin

Pilar Romaguera

Onalenna Selolwane

Lindiwe Majele Sibanda

Dzodzi Tsikata

2. The following entities of the United Nations system were represented at the session:

Enhanced Integrated Framework

Economic and Social Commission for Asia and the Pacific

Food and Agriculture Organization of the United Nations

Organization for Economic Cooperation and Development

United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

United Nations Capital Development Fund

United Nations Conference on Trade and Development

UN Development Operations Coordination Office

United Nations Development Programme

United Nations Framework Convention on Climate Change

United Nations Population Fund

World Trade Organization

Annex II

Agenda

1. Introductory and organizational session.
2. Informational session.
3. Inaugural session.
4. Celebrating 70 years of the Department of Economic and Social Affairs of the United Nations Secretariat and 5 decades of the Committee for Development Policy.
5. Non-application of the least developed country category by the United Nations development system.
6. Update on the development of a graduation platform.
7. Promoting productive capacity for sustainable development: lessons learned from the least developed countries.
8. Least developed countries criteria review.
9. Presentation by Bangladesh.
10. Update on the theme "Leaving no one behind".
11. Reviewing drafts of reports of the Secretary-General on poverty eradication.
12. Total official support for sustainable development.
13. Challenges of the Committee for Development Policy in years to come.
14. Monitoring of countries graduating and graduated from the least developed country category.
15. Defining the work programme of the Committee for Development Policy for the period 2017-2018.
16. Adoption of the report of the Committee for Development Policy on its nineteenth session.

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