

## Monitoring of Graduating Countries from the Category of Least Developed Countries

*Note by the Secretariat*

### I. Background

ECOSOC resolution E/2010/9 requests the CDP to monitor recent socio economic development progress of countries earmarked for graduation from the LDC category and to include its findings in its annual report to the Economic and Social Council (ECOSOC).<sup>1</sup> The main purpose of the monitoring is to assess any signs of deterioration in the development progress of the graduating country and bring it to the attention of the Council as early as possible.

Currently, Samoa is the only country earmarked for graduation by the General Assembly (GA). Equatorial Guinea was recommended for graduation by the Committee in 2009. The recommendation was endorsed by the Council in July 2009 but not yet taken note of by the GA. In expectation that the GA takes note of the recommendation, the CDP Secretariat included the country in its monitoring exercise.

To the extent permitted by available data, the monitoring includes updated data used in the criteria for determining LDC status – GNI per capita, human asset index (HAI) and economic vulnerability index (EVI), which underlined the CDP recommendation of graduation.<sup>2</sup> However, as most components of the HAI and EVI indices capture long term structural features, these indicators do not register significant variations in the the

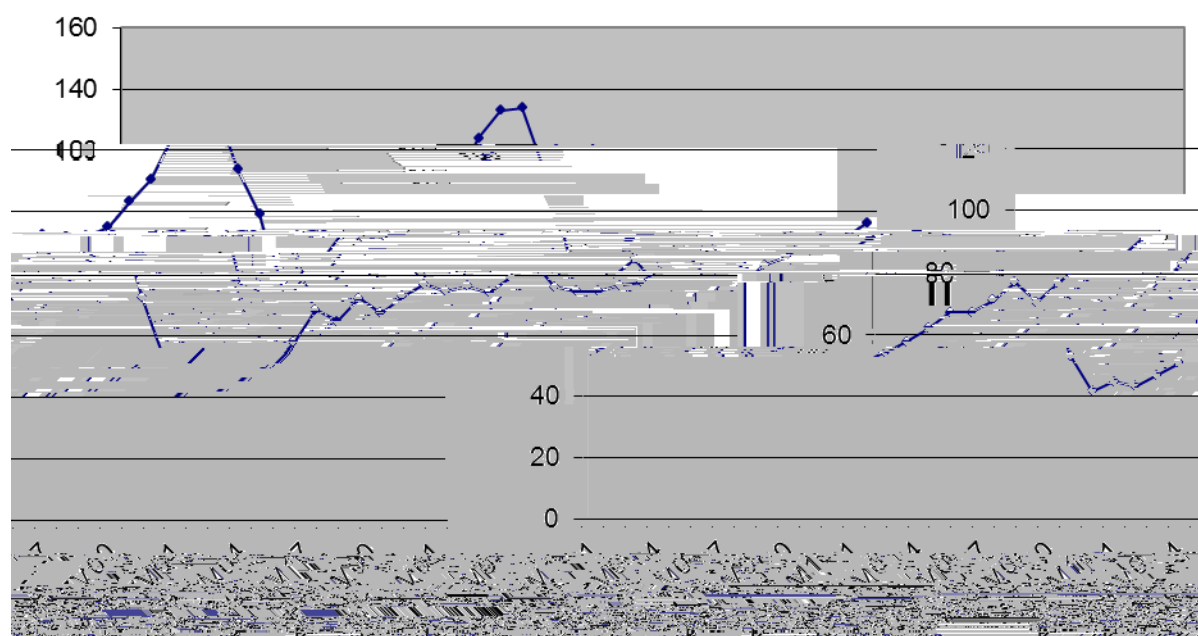
threshold to minimize the possibility short term reversals in status. Thus, the GNI per capita threshold for graduation is 20 per cent higher than the inclusion threshold. For HAI and EVI, the graduation thresholds are 10 per cent higher than the respective inclusion thresholds. Moreover, indices used for the inclusion in and graduation from the LDC category are based on component variables that are considered to be stable, with reliable data quality and availability. Thirdly, besides estimates for GNI, HAI and EVI, the CDP also relies on two critical assessments: a vulnerability analysis by UNCTAD and an ex ante impact analysis of graduation by UN DESA. These two reports bring in additional country specific information that is not necessarily captured by the HAI and EVI and may be relevant for the decision process. Lastly, a country should be found eligible for graduation in two successive rounds of the triennial evaluation of LDC status before a recommendation is made to the Economic and Social Council.

## **II. Equatorial**

**Table 1 Equatorial Guinea, selected indicators (2006-2011)**

Indicator	2006	2007	2008	2009	2010	2011
GNI per capita, Atlas method (current US\$) <sup>a</sup>	6,870	9,710	14,980	12,420	n.a.	n.a.
GDP (Current						

Figure 1 Average crude petroleum prices from January 2007 to January 2011 (US\$ per barrel)



Source: IMF, Primary Commodity Prices database

Guided by the country's National Development Plan 2020, the country's economic and social policies aim to build up basic infrastructure in support of improved social welfare and greater diversification. The availability of data on social outcomes is limited and not frequently updated, but some components of HAI have improved in the past decade: Literacy rate increased from 88.3% in 2000 to 93% in 2008; Under 5 mortality was 168 per one thousand children in 2000, but it declined to 145 by 2009.<sup>4</sup> The Human Development Index (HDI) of Equatorial Guinea also shows a slow but steady improvement from .51 to .53 during the period of 2005-2010. The average HDI of Sub-Saharan Africa remained between .37 and .39 in the same period.<sup>5</sup>

**Conclusion:** The economic prospects are favourable for Equatorial Guinea. The country's income per capita is likely to be sustained at a very high level relative to the graduation threshold, due to the stabilization and even increase of oil prices sustained by the recovery of global economy. Some

components of HAI suggest a slow but steady improvement in social indicators. The country is likely to continue to meet eligibility for graduation from the list of LDCs in the foreseeable future.