

## The Criteria for the identification of the LDCs

---

In its latest triennial review of the list of Least Developed Countries in 2003, the Economic and Social Council of the United Nations used the following three criteria for the identification of the LDCs, as proposed by the Committee for Development Policy (CDP):

- a low-income criterion, based on a three-year average estimate of the gross domestic product per capita (under \$750 for inclusion, above \$900 for graduation);
- a human resource weakness criterion, involving a composite Augmented Physical Quality of Life Index (APQLI) based on indicators of: (a) nutrition; (b) health; (c) education; and (d) adult literacy; and
- an economic vulnerability criterion, involving a composite Economic Vulnerability Index (EVI) based on indicators of: (a) the instability of agricultural production; (b) the instability of exports of goods and services; (c) the economic importance of non-traditional activities (share of manufacturing and modern services in GDP); (d) merchandise export concentration; and (e) the handicap of economic smallness (as measured through the population in logarithm); and the percentage of population displaced by natural disasters. ([E/2004/33](#))

To be added to the list, a country must satisfy all three criteria. To qualify for graduation, a country must meet the thresholds for two of the three criteria in two consecutive triennial reviews by the CDP. In addition, since the fundamental meaning of the LDC category, i.e. the recognition of structural handicaps, excludes large economies, the population must not exceed 75 million.

In the 2000 review, Senegal was included in the list of LDCs. Timor-Leste was added to the list in 2003, bringing the total number of LDCs to 50.

With regard to the 2003 triennial review of the list, the CDP concluded that Cape Verde and Maldives qualified for graduation and recommended that they be graduated from the LDC category. The CDP also concluded that Samoa was eligible for graduation in 2006. Based on the CDP report, the ECOSOC will make a recommendation to the General Assembly, which is responsible for the final decision on the list of LDCs.

\*\*\*\*\*