

BACKGROUND

ANGOLA TRANSITION AND GRADUATION FROM LDC CATEGORY

1. Angola is a key moment in its development process, as its Graduation from Least Developed Country (LDC) has been confirmed for February 2021 by Resolution, A/Res/70/253, adopted by the General Assembly on 12 February 2016.
2. Even though the country is going through a complex financial time due to the downfall of international oil prices, it is also true that key processes are unfolding, such as the preparation of the review/update and extension of the Long-Term Development Strategy, as well as the elaboration of its next National Development Plan 2018-2022, which should include the elements related with the Sustainable Development Goals and be aligned and harmonized with the diversification strategy of production and exports, thus creating the basis for the LDC Graduation Strategy.
3. It is under this context that Angola prepares to draft its National LDC Transition Strategy towards Graduation on February 2021, which must have a strong focus on the Human Asset Criteria¹ and the Economic Vulnerability Criteria², as these are the two Graduation Criteria that were not met by the country when found eligible for Graduation.
4. By the request of the Angolan Government, through the Ministry of Planning, a UN high level technical mission, led by UNDP arrived to Angola from October 24 to 27 October 2016, to provide technical assistance in the preparation of the National LDC Transition Strategy towards Graduation. In the context of this mission, several consultations among Government and key stakeholders took place. The main outcome of the work developed was The Roadmap for an Smooth Transition Strategy from the LDCs Group: A Ten Point Agenda (Attached)
5. Under the lead of the Ministry of Planning, the Angolan Government has produced its First National LDC Graduation Report that will be sent to UN CPD on Monday, February 20, 2016. This report includes the key actions that will be taken forward in 2017.

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6. As it is known, in March 2012, the United Nations Committee for Development Policy (CDP) found Angola eligible for graduation from LDC status by virtue of the exceptional ("income only") graduation criterion. The Graduation criteria are 3: Income Criteria, Human Asset Criteria, and Economic Vulnerability Criteria. The rationale for recognizing a Graduation case under the "income only" exit rule is that rapid (typically, oil-propelled) prosperity should allow prompt action toward socio-economic transformation at national level, without concessionary external support.
7. In early 2013, the Government established an inter-ministerial committee co-chaired by the Ministry of Foreign Affairs (MIREX) and the Ministry of Planning and Territorial Development (MPDT) to coordinate and monitor the processes that will lead to Angola's Graduation from LDC on February 2021. In July, 2013, a UN multi-disciplinary technical team composed of experts from UNDP, and the UN Secretariat LDC Unit, undertook a consultation, formulation and support Mission. The Mission met with the Government, the United Nations Country Team (UNCT) and key development partners.
8. In 2014, the Government of Angola, with UNDP support, participated in the inter-ministerial meeting on new partnerships for production capacity-building in LDCs, held in Cotonou - Benin; knowledge exchange study visits were carried out to the Maldives, Cape Verde, Botswana, the World Trade Organization (WTO) and other international trade organizations. The same year with support from the World Bank, Angola participated in a training on the Bretton Woods's institutions and implications of the Graduation from the World Bank's point of view.
9. In December 2014, the UN Conference on Trade and Development (UNCTAD) prepared a "Vulnerability Profile of Angola". In January 2015, the United Nations Department of Economic and Social Affairs (UNDESA) conducted an ex-ante evaluation of the possible consequences of Angola's Graduation from Least Developed Country status. In February 2015 with the support of UNDP and UNCTAD, Angola organized a workshop on LDC Graduation.
10. At the end of 2015, the Angolan Government requested an extension of the Graduation transition period from 2018 to February 2021. The main reason for this request was the downfall of international oil prices. The extension was approved.
11. To be fully prepared for Graduation by February 2021, Angola should start as soon as possible to work a Transition Strategy that is completely linked with its next National Development Plan, Multi-Annual National Budget and the Sustainable Development Goals. This process should consider the involvement of the different partners, public and private, national and international, through dialogue and cooperation.

¹ Human Assets Index (HAI): A composite index based on the following 4 indicators: * percentage of undernourished people in the population * under-five mortality rate * gross secondary school enrolment rate * adult literacy rate

² Economic Vulnerability Index (EVI): a composite index based on the following 8 indicators: * population * average distance from major markets * share of population living in low-lying areas * share of agriculture, forestry and fisheries in GDP * merchandise export concentration index * share of victims natural disasters in the population * index of instability of agricultural production * index of instability of exports of goods and services.