UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/2003/98
11 July 2003

Original: ENGLISH

Substantive session of 2003
Geneva, 30 June-25 July 2003
Agenda item 13 (a)
Economic and environmental questions: sustainable development

Letter dated 2 July 2003 from the Permanent Representative of Maldives to the United Nations addressed to the President of the Economic and Social Council

I have the honour to forward herewith a memorandum prepared by the Government of the Maldives outlining its concerns on the issue of its graduation from least developed country status (see annex).

I would be most grateful if you would kindly arrange to have the text of the present letter and the memorandum attached circulated as a document of the Economic and Social Council under agenda item 13 (a).

(*Signed*): Mohamed LATHEEF
Permanent Representative

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Annex to the letter dated 2 July 2003 from the Permanent Representative of Maldives to the United Nations addressed to the President of the Economic and Social Council

Memorandum by the Government of Maldives outlining its concerns on the issue of graduation from least developed country status

Introduction

The present memorandum has been prepared to explain the concerns of the Government of Maldives on the issues relating to the graduation of the Maldives from the list of least developed countries. The Government hopes that the international community will give serious consideration to the contents outlined below. The memorandum will also be submitted to the 2003 substantive session of the Economic and Social Council in July. The Government hopes that justice will be done with regard to the matters raised herein before the Council decides upon the fate of a country.

Background

Least developed countries (LDCs) are those States that face structural handicaps to development through poverty, a narrow economic base and a low level of human resource capacity. The purpose of identifying LDCs was to grant them special treatment in development assistance and market access and other concessions, which over time have also included less onerous obligations in various international treaty regimes.

To identify LDCs, the United Nations Committee for Development Policy uses three benchmarks that look at: income; economic vulnerability; and level of human resources development. The criteria have evolved over time, with constant modification to make the indicators more sensitive to the actual situation of the countries being examined.

The main determinant of graduation, under the criteria used currently by the Committee for Development Policy, is the per capita income of a country. If a country, in two consecutive readings undertaken triennially, exceeds a certain benchmark for income, along with either of the other two indices, it is graduated, with the immediate loss of the benefits associated with LDC status.

To date, only one country, Botswana, has been graduated. Vanuatu met the criteria for graduation in 1997, but its graduation was delayed by the General Assembly that year, pending the development of a vulnerability index. Such an index has not been adopted by the United Nations, but in 1999, the Committee for Development Policy modified its index on economic weakness to incorporate some elements of vulnerability. Furthermore, it was agreed, in 1999,[1] that a country-specific "vulnerability profile" would be developed for each country on the threshold of graduation, covering, inter alia, aspects of vulnerability and structural handicaps not covered by the quantitative criteria.

In the review undertaken in 2000, Vanuatu did not meet the graduation criteria and that issue has not come up again. The review found that both Cape Verde and Maldives were eligible for graduation on the basis of the statistical indicators. However, the vulnerability profile for

Cape Verde highlighted the country's dependence on foreign aid, and therefore the Committee did not recommend the graduation of Cape Verde. Yet, the Committee recommended the graduation of Maldives. Nevertheless, on the basis of representations made by Maldives over the suitability of the criteria, the reliability of the data, the accuracy of the profile and the high costs of graduation, the Economic and Social Council requested the Committee for Development Policy to re-examine the recommendation regarding Maldives, and also to examine the question of smooth transition as provided for by the ground rules established by the General Assembly in 1991 when it envisaged the graduation of countries from the LDC category.

Although, in connection with the proposal to graduate Vanuatu, the issue of vulnerability came into sharp focus in 1997, the implications of graduation did not come under scrutiny until 2000 when the Committee for Development Policy was asked to re-examine its recommendation to graduate Maldives. In making that request in its resolution 2000/34, the Economic and Social Council called for two reports in the interest of observing the principle that graduation should not leave a country in a worse condition than before. One report was to be produced by the United Nations Conference on Trade and Development (UNCTAD) identifying the benefits that accrued to a country for being included in the LDC list, including an assessment of the impact on Maldives of graduation. The other was a report by the Secretary-General on what arrangements had been made by donors in response to General Assembly resolution 46/206 to ensure a smooth transition to graduating countries, including the identification of what additional measures could be taken in this regard.

In 2001, the Committee for Development Policy noted that the above information requested by Economic and Social Council resolution 2000/34 was not available and stressed that the Committee considered it essential that a concrete assessment of the potential loss of benefits be made in order to facilitate a smooth transition. By 2002, additional, albeit insufficient, information was obtained, leading the Committee to state that smooth transition was a principle of paramount importance and further that graduation should also be the beginning of a dynamic process of development. As a number of issues relating to graduation remain to be resolved, the Committee for Development Policy has called for a meeting of experts to examine the question of smooth transition. In fact, the two reports called for by Economic and Social resolution 2000/34 have only been partly completed.

Review and revisit of the Maldives case: the island paradox

The review of the Maldives case was to be conducted taking into account, among other things, the costs of graduation to Maldives. By the time of the review, in 2001, the required information from donors had not been forthcoming, and the case of Maldives was deferred to the triennial review of 2003. In the intervening period, considerable attention has been focused on the question of smooth transition for graduating countries and the need for further work in this area has been identified.

Further, the Committee for Development Policy, in its report of 2002, had identified what it called a paradox: "small island least developed countries that apparently demonstrate the greatest and steadiest prosperity with regard to income and human asset criteria are among the most structurally handicapped and/or vulnerable countries. These countries may therefore be among the least prepared to face a loss of concessionary treatment in the context of graduation."[2]

Given the paradox, the Committee for Development Policy reaffirmed the condition set out in General Assembly resolution 46/206 and stated that smooth transition was a “principle of paramount importance”,[3] especially as “graduating countries are likely to remain dependent, to varying degrees, on external support”.[4] In fact, the Committee in 2002 went further than resolution 46/206 in asserting that graduation should not only be smooth but must also signify “the beginning of a dynamic process of development”.[5] The Committee also noted that smooth transition should not necessarily mean phasing out the least developed country-specific advantages but implied that graduation should mean a redefinition of the range of benefits that are desirable for the graduating country. In fact, the Committee recognized that:

> “Such a redefinition may involve, besides the loss of some benefits, the retention of other concessions, including, if deemed necessary, concessions granted for an indefinite period, and the introduction of new concessions that would be adapted to the improved, but still fragile, economic situation of the country.”[6]

In the review of the LDC list undertaken in 2003, the statistical criteria indicate that Maldives and Cape Verde have reached the numerical benchmarks that were identified for graduation. However, the Committee for Development Policy had not recommended the graduation of either country, leaving that decision, unlike in the past, to the Economic and Social Council. Instead, the Committee for Development Policy notes the strong arguments against graduation highlighted in the country vulnerability profiles drawn up by UNCTAD for reference by the Committee. In the past, such considerations had been sufficient for the Committee to recommend non-graduation, and the Government is surprised that the precedent of 2000 had not been followed by the Committee, especially in using the profile to assess whether graduation was warranted. This is particularly so in view of the Committee’s own previous statements on how it would use the supplementary information in the profiles in identifying countries for graduation.[7]

In its report on its fifth session (7-11 April 2003), the Committee for Development Policy strongly recognized the problems related to graduation. The Committee noted that:

> “Despite the progress they have achieved, countries that qualify for graduation from least developed country status are likely to continue to have a limited capacity to withstand exogenous shocks. A sudden withdrawal of external support is likely to constitute such a shock and to have negative effects, possibly reversing some of the development progress achieved. Countries that qualify for graduation from least developed country category should be commended for their success and not penalized for it by the imposition of such a shock.”[8]

The Government of Maldives is of the view that the observation by the Committee for Development Policy that Maldives “technically qualifies” for graduation should not be considered in isolation from the issues related to the paramount principle of not imposing the penalty of an exogenous shock and further that the issue of the island paradox should be given due attention. Furthermore, eligibility for graduation should not be based merely on statistical qualification, but equally on the effectiveness of the principles and measures set for smooth transition. Moreover, the Government is also concerned about the quality of data used, the suitability of the criteria used, and about the practicality of the graduation rule.

Concerns about the quality of data and the country profile

Maldives remains concerned about the quality of the data used by the Committee for Development Policy in determining the development status of Maldives. In particular, the Maldives is concerned about being over-assessed for nutrition and education.

A survey carried out by the United Nations Development Programme (UNDP) in 1998 found that the nutritional quality in the country was comparable to that found in sub-Saharan Africa. Surveys carried out in 1995 and in 2001 have both found that malnutrition was severe in the country, with high rates of stunting, wasting and micronutrient deficiencies amongst children and very high rates of anaemia amongst girls and women of reproductive age. Undernourishment was as high as 49 per cent in the atolls; 30 per cent of children under the age of 5 were underweight; 25 per cent were stunted due to poor nutrition; while 50 per cent of women in all age groups were anaemic.[9] This is in stark contrast to the Committee's reliance on a statistic that shows that the per capita calorie intake is at 113 per cent of daily requirements. The statistic must take into account that a significant portion of food imports are consumed by the country's tourist and expatriate population, whose requirements are often sourced from domestic supply. It has been estimated that the food supply supports a population that is about 15 per cent higher than the Maldivian population.

On education, the statistical indicators over-assess the Maldives, and the vulnerability profile also fails to note the serious quality deficiencies that are masked by the quantitative information. While the Committee for Development Policy tabulates the human resource capacity of the Maldives using a secondary school gross enrolment ratio of 42.7 per cent, the reality is that only 11 per cent of those who complete grade 7 in the atolls are able to join a fully fledged secondary school.

The data do not take into consideration that even though the per capita income has been rising, the rate of economic growth has slowed down considerably since 1997, and that the two major industries of the country have been facing erratic market conditions and have experienced serious instability in income as a result of exogenous shocks. In fact, the sudden increase in per capita income depicted by the profile is not due to a sharp burst of growth in the economy since 2000, but rather the result of a revaluation of the national income. After peaking at 10.4 per cent in 1997, the growth rate declined to 4.8 per cent in 2000, and dropped further to 3.5 per cent in 2001. Although on the basis largely of a windfall in the fisheries sector, the economy grew at 6 per cent in 2002, the forecast for 2003 is a rate of 4.2 per cent, illustrating the trend of slower growth and the high volatility of a small and narrowly-based economy.

Although the profile was to be completed by UNCTAD in consultation with the Government in 2002, the first draft was not prepared until March 2003, and the summary of key findings, deemed essential for the Committee for Development Policy, was not submitted to the Government until early April 2003, just days before the Committee met, giving the Government insufficient opportunity to comment on the profile. Maldives is concerned that serious issues were left out of the profile and that the summary is not adequately representative of the main findings that are crucial for consideration by the Committee. Further, the profile does not address the macroeconomic implications of graduation at the present time, when the economic growth has slowed down drastically, nor does it discuss the implications of graduation on the demographic transition in the country that is only partially complete as of date. Moreover, while it finds many caveats concerning the appropriateness of the criteria to Maldives, and while it also identifies the serious impact graduation would have on exports, debt burden and institutional capacity-building, these issues are not sufficiently represented in the summary of findings.

Concerns about the adequacy of the criteria

More than anything else, Maldives remains concerned that the criteria are not sufficiently sensitive to the structural constraints of a small, widely-scattered and resource poor country, which faces enormous structural costs, particularly in the area of infrastructure development and transport. The problem of smallness, in terms of population, is further magnified severalfold by the fact that people live on 198 islands, of which more than 90 per cent (182 islands) have a population of less than 2,000 inhabitants; 71 per cent (140 islands) under 1,000 inhabitants; and nearly 40 per cent (76 islands) are inhabited by less than 500 people. The fragmentation of the small population into tiny island communities with poor, erratic and costly inter-island transport poses an abnormally huge challenge on the human resource capacity of the country. It also raises costs of production, imposes constraints on the development of employment opportunities, aggravates diseconomies of scale and entails exorbitantly high infrastructure development costs.

The criteria do not take into account what the long-term trends in relation to the indicators are or what they might imply. Thus, while Maldives exceeded the human assets index by 30 per cent of the cut-off mark in 1997, it had declined to 11.7 per cent in 2000 and to a mere 4.4 per cent in 2003. Moreover, the score on economic vulnerability fluctuated wildly, registering scores of 18 (1991), 11 (1994), 30.5 (1997), 32.2 (2000) and 36 (2003), clearly demonstrating a high degree of instability and vulnerability. While the Committee for Development Policy notes that graduation should be the beginning of a dynamic process of development, the criteria employed are not designed to register any information about whether the country’s growth trajectory is accelerating or decelerating.

While per capita income of Maldives has been highlighted, it is evident that the island paradox undermines the usefulness of the income criterion in identifying structural change or handicap. The income criterion does not draw a relationship between the income level and the ability to mobilize resources or to bear existing or projected debt burden. In fact, the country profile states that if Maldives is graduated, the result could be “an increased debt burden, which even a sustained growth pattern, considering the small economic base, would not be able to overcome”.

Further, the criteria focus on income aggregates, contending that disparities in income are not fully relevant to the fundamental definition of the LDCs. Such an approach however is inappropriate in the case of Maldives, where the wide geographic dispersal of the country into tiny population centres and the lack of natural resources impose severe structural constraints to development and limit income opportunities in the atolls. Income disparity in Maldives is not the result of policy but of structural handicap, where islands are small, thinly populated, remote and resource poor.

In fact, UNCTAD points out in the vulnerability profile of Maldives that the “issue of income distribution cannot be disregarded in any interpretation of the national income” for Maldives and notes that the “inequality is a direct reflection of the limited domestic income multiplier effect of tourism growth in the country”. It further notes that the income criterion "remains much insufficient to contribute to substantiating the case for graduation, considering the high structural costs imposed to a large part of the population, and the absence of quantitative consideration for environmental degradation and inequality in income distribution". To this one should add the high infrastructure development costs, transport costs and diseconomies of scale. In fact, UNCTAD notes that "Maldives is among countries most highly handicapped economically (facing exorbitant structural costs, especially in the areas of infrastructure development and transport).

Concerns about the relevance of the graduation rule

The rules for graduation were laid out by the General Assembly in 1991 in its resolution 46/206. In establishing the rule for graduation, the Assembly had stressed the principle that graduation should not result in the disruption of development of the country to be graduated, a matter also underscored in the 2003 report of the Committee for Development Policy. The Second United Nations Conference on the Least Developed Countries in 1990 envisaged the graduation of countries that could be deemed to have demonstrated sufficient socio-economic progress to be able to pursue progress in a less externally dependent manner.

However, the graduation rule adopted by the Committee for Development Policy in 1991 is designed only to determine which countries are performing better than most of the rest in the LDC group. Graduation is not subject to a demonstrated or presumed ability to sustain progress without the propitious conditions created on being designated an LDC. Nor is graduation based on an assessment as to whether a country has developed to a level whereby it can be deemed to have overcome the structural obstacles to development that warranted its inclusion in the list in the first place.

In fact, UNCTAD notes that by virtue of the fundamental definition of LDCs, which is that these countries are "structurally disadvantaged, essentially from external shocks and handicaps beyond their control", a linear progression to graduation cannot be presumed for all LDCs.[10] Accordingly, UNCTAD points to the permanency of some of the structural constraints facing many LDCs.

The notion of the island paradox highlights the structural handicaps facing small island countries and raises serious concerns about the adequacy of the graduation rule being faithful to the core issues that the Committee for Development Policy has time and again stated were the crucial concerns in identifying LDCs. These were primarily the structural handicaps imposed by poverty, a low level of human resource development and economic vulnerability. At the present time, the CDP, while asserting its interest in structural handicaps, gives primary importance to income level, so that even if a country was deemed to be vulnerable as measured by the economic vulnerability index used by the Committee for Development Policy, such country can be graduated if it exceeded the human assets level. Maldives believes that, despite all the attention that had been given to the question of economic vulnerability, by the Committee for Development Policy, the Economic and Social Council, the General Assembly, the Commission on Sustainable Development and even by various international organizations, from 1997 to the present day, the recognition of its importance has not been operationalized by giving it due weight in the graduation rule used by the Committee for Development Policy.

It is also not clear why one index is deemed to be more important than the other indices, and in particular why the economic vulnerability indicator is optional for graduation. The Committee for Development Policy had acknowledged the high vulnerability of Maldives in its re-examination of the Maldives case in 2001, but did not find it sufficient reason to retain Maldives in LDC list. It also comes as a surprise that the per capita income is used without reference to what measure of development it is purported to capture, when Maldives faces severe income inequalities that result not from policy, but rather from structural constraints of small communities, costly and deficient infrastructure, high diseconomies of scale and low employment opportunities. The per capita income of Maldives must be viewed in the context of what development opportunities it is supposed to indicate as well as the high infrastructure costs, and the high cost of living that results from steep transport costs and diseconomies of scale. The small size of the population and the dispersal of the islands severely distort the development correlates of a high per capita income, but this feature is not recognized by the Committee for Development Policy.

In fact, the country profile prepared by UNCTAD for consideration by the Committee for Development Policy does identify a number of shortcomings in the application of the income criterion to Maldives. It recognizes that the Gross National Income is not an appropriate indicator to substantiate a case to graduate Maldives because of the high structural costs, the absence of quantitative consideration for environmental degradation and the inequality of income. It further stated that the inequality of income "cannot be disregarded in any interpretation of income" and attributes such disparity directly to limited multiplier effect of economic activities.

The profile also notes the importance of the island paradox, which works directly to negate the primacy of the income criterion that is generally seen to provide a good basis to determine structural obstacles to development. But small islands with diseconomies, high infrastructure costs and limited prospects for economic diversification provide a caveat to the general faith in per capita income.

In this context the Government would like to reiterate the request made to the Economic and Social Council by the Committee for Development Policy in its report of 2003 that "in considering the questions of graduation and smooth transition at its substantive session of 2003, to underline the need for a more differentiated treatment of developing countries that face special disadvantages and vulnerabilities, such as small island developing States".[11]

Concerns about the impact of graduation

The concerns of Maldives about the impact of graduation have been acknowledged by the Committee for Development Policy in its reports of 2001, 2002 and 2003. In fact, the current report of 2003 states that "the Committee recognizes that Maldives faces special difficulties and costs because it is a small, widely dispersed island economy and that it may lose important international benefits if it graduates from the list of least developed countries",[12] and calls for a more differentiated treatment of countries with regard to graduation, where they face special disadvantages.

The Committee for Development Policy in its report of 2001, drew special attention to the need to examine the impact of graduation in relation specifically to market access, financial assistance and technical assistance. While information was scanty, the 2003 UNCTAD country profile on Maldives nevertheless highlighted the serious impact that these would have in relation to market access, debt burden and development assistance. Nothing however was quantified and therefore nothing reliable could be established about the extent and scale of the impact that graduation would have on the economy and society. And a number of critical issues were excluded, such as impact on macroeconomic performance and on demographic transition. The profile therefore does not constitute the concrete assessment of the potential loss of benefits called for by the Committee for Development Policy in 2001.

The UNCTAD profile notes that graduation would lead to the imposition of a 24.3 per cent tariff on fisheries exports to the European Union as Maldives would lose eligibility for duty-free access to the European Union granted to LDCs. The fisheries sector is the second most important industry, accounting for 11 per cent of the workforce and 10 per cent of foreign exchange earnings. Graduation would seriously undermine the viability of the fisheries industry, on which some 65 per cent of the population depend directly or indirectly, and which provides the main, and often the only source of employment in the atolls. Consequently, graduation would further increase the high income disparities and disrupt and dislocate efforts to develop the atolls.

Graduation would also affect the garments industry as exports depend on concessions on rules of origin criteria.

Maldives will also face more onerous obligations in multilateral regimes such as the World Trade Organization (WTO).

The UNCTAD profile notes that debt burden would increase following graduation and states that even if the country enjoyed sustained economic growth, it would not be able to overcome that debt burden. It should be observed that economic growth has slowed down considerably; almost 50 per cent below the forecasts made by the International Monetary Fund (IMF) in 2000, which itself projected a downward inflection. Although the UNCTAD profile had not taken this slowdown into consideration, it nevertheless “strongly advocated” the provision of “maximum concessionary financing”, which would not be possible if Maldives is graduated.

The profile further observes that in the area of technical assistance, “there is a wide range of needs that only the treatment currently granted under the LDC regime can satisfy”, which it asserted was “explained by the permanent need for strengthening institutional capacities in the context of the relative scarcity of skilled manpower”.

In short, the UNCTAD profile notes that “a hypothetical immediate graduation of Maldives would have serious consequences for the country”, and further that “considering the permanent structural handicaps Maldives is faced with (mostly related to smallness, remoteness, and severe environmental threats), there are modalities of special treatment that are considered essential to the country”.

Conclusion

Over the past three years, considerable attention has been given to the question of graduation, which has resulted in the identification of some of the issues that are of serious concern to graduating countries. The Committee for Development Policy had identified an island paradox and has also pointed out some of the key issues that need to be addressed prior to graduation. The latter includes the question of making a concrete assessment of the costs imposed on the country by being deleted from the list of LDCs, including the identification of the range of specific measures that would be required to ensure that graduation is smooth and further that it also signifies the beginning of a dynamic process of development.

However, the primary concerns of Maldives with regard to graduation still remain unaddressed. These are that the criteria do not sufficiently capture the development constraints and handicaps of Maldives as a small island country and further that the country still remains dependent on development assistance and that its market access would be seriously imperilled by loss of LDC status.

Maldives is also still concerned that insufficient attention is being given to the principle of smooth transition spelled out in General Assembly resolution 46/206 in that no assessment has been made of the impact of graduation on Maldives. The General Assembly has stipulated that graduation should not disrupt the development of a country, and this has been reiterated by both the Council and the Committee. Even so, nothing has been built into the graduation process to operationalize that principle.

The Government of Maldives is of the view that, quite apart from the questions relating to the quality of the data being used, the adequacy of the criteria and also the rule for graduation, there is a need, as more and more countries approach graduation, to review the issues relating to graduating in order to give operational effect to the principles asserted by General Assembly resolution 46/206, and by Economic and Social Council resolutions 2000/34, 2001/43 and 2002/36, and by the Committee for Development Policy in its reports for 2001, 2002 and 2003. It is imperative that not only a concrete assessment of the costs on graduation for each country be made, but also that concrete measures are also set in place to initiate a dynamic process of development. Graduation, in the absence of these measures, would be tantamount to the application of the kind of exogenous shock that the Committee for Development Policy itself has cautioned against in its 2003 report. As the Committee has stated, “a sudden withdrawal of external support is likely to constitute such a shock and to have negative effects, possibly reversing some of the development progress achieved”. The Government of Maldives fully agrees with the view of the Committee for Development Policy that “countries that qualify for graduation from the least developed country category should be commended for their success and not penalized for it by the imposition of such a shock”.

The Government is of the view that there is a strong case for the Economic and Social Council to delay graduation of any country until a concrete assessment of the impact of graduation can be made and until specific arrangements can be made to ensure that graduation does not impose an exogenous shock on the economy of the country to be graduated. Moreover, the fundamental issues that have been raised about the procedures and methods of graduation need to be addressed urgently, prior to proceeding with the current procedures whose inadequacy has become apparent in relation to the so-called island paradox.

The arguments raised in the UNCTAD profile do point out that graduating Maldives would be logically inconsistent with the requirements of smooth transition, especially in light of the pronouncement of the Committee for Development Policy asserting that smooth transition was a principle of paramount importance and further that graduation should also be the beginning of a dynamic process of development. Further, the issues highlighted in the UNCTAD profile about the relevance of the criteria, especially with regard to the insufficiency of the income criterion in the context of the island paradox, calls for a re-examination of the whole issue of graduation, whose current procedures experience has shown to be dated and insufficient, affecting not just one country, but all potential candidates for graduation.

In view of the foregoing, the Government of Maldives requests the following course of action:

1. **Undertake a thorough review of the graduation process in view of the pronouncements recently made by the Committee for Development Policy regarding the primacy of commending rather than penalizing countries that were performing well, and in view of the more complex issues that have come up since the notion of graduation was initially envisaged in 1990, and also in view of new research and relevant findings in the field.**

2. **Respond favourably to the call by the Committee for Development Policy for a more differentiated treatment on graduation of developing countries that face special disadvantages and vulnerabilities, such as small island States.**

3. **Revise the criteria in a more systematic manner to take into account the so-called "island paradox", which has been identified by both the Committee for Development Policy and UNCTAD.**

4. **The graduation rule so far has not produced a fair outcome, as can be seen from the cases of Cape Verde (1994, 1997, 2000 and 2003), Vanuatu (1994 and 1997) and Maldives (1997, 2000 and 2003). There is therefore a need to re-evaluate the graduation rule to take into account an assessment of the ability to sustain development or to secure a new phase of development pursuant to graduation and to give greater weight to issues of structural handicap and economic vulnerability.**

5. **The sequence for smooth transition needs to be carefully considered. It would not be prudent to graduate first and then to await commitments for special treatment which may not be forthcoming. A concrete assessment of the loss of benefits needs to be made to ensure a smooth transition, but insufficient data and methodological constraints have hindered the exercise. In such a scenario, the more practical course of action would be to retain countries on the LDC list until the issues surrounding graduation and smooth transition become clearer, rather than hastily create new categories of States, which is not feasible.**

Notes

[1] *Official Records of the Economic and Social Council, 1999, Supplement No. 13* (E/1999/33), chap. III, paras. 122 and 123.

[2] *Official Records of the Economic and Social Council, 2002, Supplement No. 13* (E/2002/33), chap. IV, para. 158.

[3] Ibid., para. 159.

[4] Ibid.

[5] Ibid., para. 161.

[6] Ibid., para. 159.

[7] *Official Records of the Economic and Social Council, 1999, Supplement No. 13* (E/1999/33), chap. IV, para. 124.

[8] *Official Records of the Economic and Social Council, 2003, Supplement No. 13* (E/2003/33), chap. IV, para. 25.

[9] Multiple Indicator Cluster Survey, MICS-1, 1995 and MICS-2, 2001.

[10] United Nations Conference on Trade and Development, *Vulnerability Profile of Maldives*, interim document No. CDP2003/PLEN/23, April 2003.

[11] *Office Records of the Economic and Social Council, 2003, Supplement No. 13* (E/2003/33), chap. IV, para. 31.

[12] Ibid., para. 21.
