United Nations

Committee for Development Policy

Report on the twenty-fourth session (21–25 February 2022)

Economic and Social Council
Official Records, 2022
Supplement No. 13
Committee for Development Policy

Report on the twenty-fourth session
(21–25 February 2022)
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.
**Summary**

The present report contains the main findings and recommendations of the Committee for Development Policy at its twenty-fourth session. The Committee addressed the following items: the contribution to the annual theme of the Economic and Social Council for 2022, “Building back better from the coronavirus disease (COVID-19) while advancing the full implementation of the 2030 Agenda for Sustainable Development”; the Committee’s inputs to the review by the Council of its subsidiary bodies; an analysis of the 2021 voluntary national reviews of the implementation of the 2030 Agenda for Sustainable Development; the monitoring of countries that are graduating or have graduated from the list of least developed countries; the work of the Committee on developing and implementing an enhanced monitoring mechanism for countries that are graduating or have recently graduated from the least developed country category; and additional matters related to the least developed countries.

With respect to the theme of the Economic and Social Council for 2022, the Committee focused on how industrial policies can be used to address the simultaneous challenges faced by Governments as they build forward from the COVID-19 crisis as well as the pre-existing crises of climate change and inequality. Industrial policies should contribute to the development of productive capabilities that can span across sectors and products and ensure productivity growth, with support from the education, skills-training and science and technology systems, and to the development of adequate infrastructure. Industrial policies should also strongly back the integration of micro-, small and medium-sized enterprises into broader productive networks. Post-pandemic industrial policies will need to take into account new realities, challenges and opportunities, including those associated with the green and blue economies, but they can draw important lessons from past experiences to ensure their effectiveness. Among those are the need to have clear goals, to be integrated in an economy-wide structural transformation strategy, to be time-bound and to incorporate accountability mechanisms as well as transparent and inclusive decision-making processes. Fulfilling the potential of industrial policy requires effective regional and global frameworks, effective institutions and cooperation, including South-South cooperation, oriented pragmatically to help developing countries to overcome constraints in finance, technology and information.

In response to the review by the Council of subsidiary bodies, the Committee assessed its working methods, programme of work and engagement with the Council in accordance with the guidance provided by the Council’s Vice-Presidency. The Committee found its work to be closely aligned with the 2030 Agenda, noting its mandate to provide recommendations to the Council on the graduation of countries from the least developed country category, the work on analysis of the voluntary national reviews and its annual contributions to the Council’s theme. In the assessments of its working methods, the members found them generally effective, highlighting the formation of thematic subgroups, the assignment of country rapporteurs and the organization of virtual expert group meetings and webinars. The Committee also noted its engagement with the Council through the events organized during its plenary session, the participation in events of the high-level segment of the high-level political forum on sustainable development as well as interactions with other subsidiary bodies and entities from within and outside the United Nations system.

The analysis by the Committee of the voluntary national reviews indicates that those presented in 2021 showed welcome improvements compared with earlier reports in the broader capture of all aspects of the 2030 Agenda and in increased
attention to previously underreported goals and targets, in particular those related to the environment. Two key continuing concerns are the lack of substance and analysis, which limits the potential of the reports to share meaningful experiences and lessons learned, and the lack of attention given to the transformative and integrated objectives of the 2030 Agenda.

In its monitoring of countries that are graduating and have graduated from the least developed country category, the Committee reviewed the development progress of one recently graduated country, namely, Vanuatu, and seven graduating countries, namely, Angola, Bangladesh, Bhutan, the Lao People’s Democratic Republic, Nepal, Sao Tome and Principe and Solomon Islands. The Committee expressed its concern at the limited national capacity of those countries to address diverse challenges, including the COVID-19 pandemic, natural disasters and debt sustainability. It urges the countries to continue reporting to the Committee on their progress on preparing and implementing the smooth transition strategy. The Committee will continue to monitor the countries closely, especially Angola and Solomon Islands, in terms of the recovery from the crises, focusing on socioeconomic as well as environmental sustainability issues.

The Committee also reviewed progress in developing and implementing its enhanced monitoring mechanism for countries that are graduating and have graduated from the least developed country category. It welcomed the positive feedback and interest by the countries in the mechanism. It adopted the procedures for an improved annual monitoring and agreed on next steps to finalize the new crisis response process within the mechanism as well as the development of strengthened measures that better link monitoring to special graduation support.

The Committee considered the ongoing preparations for the Fifth United Nations Conference on the Least Developed Countries and noted the agreement by Member States on the Doha Programme of Action for Least Developed Countries. It highlighted the need to start the implementation of the Doha Programme of Action on an expedited basis. In that regard, the Committee reviewed the progress in developing the integrated sustainable graduation support facility, now called iGRAD, and noted a scaling-up of the iGRAD pilot with an additional seven countries in 2022. It stressed the urgency of operationalizing the facility in 2022 and the importance of coordination and resource mobilization support from Member States and the wider international community. The Committee expressed its concern at the ongoing devastating socioeconomic impacts of COVID-19 on the least developed countries and committed itself to carefully considering the impacts in all its upcoming work on those countries.
## Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Matters calling for action by the Economic and Social Council or</td>
<td>6</td>
</tr>
<tr>
<td>brought to its attention</td>
<td></td>
</tr>
<tr>
<td>A. Matters calling for action by the Council</td>
<td>6</td>
</tr>
<tr>
<td>B. Matters brought to the attention of the Council</td>
<td>8</td>
</tr>
<tr>
<td>II. Building back better from the coronavirus disease (COVID-19) while</td>
<td>10</td>
</tr>
<tr>
<td>advancing the full implementation of the 2030 Agenda for Sustainable</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>III. Review by the Economic and Social Council of subsidiary bodies.</td>
<td>12</td>
</tr>
<tr>
<td>IV. Analysis of the 2021 voluntary national reviews</td>
<td>14</td>
</tr>
<tr>
<td>V. Monitoring of countries that are graduating or have graduated from</td>
<td>16</td>
</tr>
<tr>
<td>the list of least developed countries</td>
<td></td>
</tr>
<tr>
<td>A. Introduction</td>
<td>16</td>
</tr>
<tr>
<td>B. Graduated country</td>
<td>16</td>
</tr>
<tr>
<td>C. Graduating countries</td>
<td>17</td>
</tr>
<tr>
<td>D. Deferred countries</td>
<td>19</td>
</tr>
<tr>
<td>VI. Enhanced monitoring mechanism</td>
<td>20</td>
</tr>
<tr>
<td>VII. Additional matters related to the least developed countries</td>
<td>23</td>
</tr>
<tr>
<td>VIII. Future work of the Committee for Development Policy</td>
<td>25</td>
</tr>
<tr>
<td>IX. Organization of the session</td>
<td>26</td>
</tr>
<tr>
<td>Annexes</td>
<td></td>
</tr>
<tr>
<td>I. List of participants</td>
<td>27</td>
</tr>
<tr>
<td>II. Agenda</td>
<td>29</td>
</tr>
</tbody>
</table>
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

Annual theme of the Council for 2022: Building back better from the coronavirus disease (COVID-19) while advancing the full implementation of the 2030 Agenda for Sustainable Development

1. The Committee for Development Policy recommends that the Economic and Social Council encourage Member States to adopt and implement evidence-based industrial policies, defined as policies targeting the development of selected productive capabilities, as a means of building forward from the pandemic-induced crisis, address the pre-existing crises of climate change and severe and growing inequalities, and overcome low- and middle-income traps. Such policies must be time-bound, include accountability mechanisms to avoid capture by special interests, and be subject to regular evaluation. The Committee further recommends that the Council call on the relevant United Nations entities to support developing countries, in particular the least developed countries, in that regard. This includes, in addition to the provision of finance, facilitating the exchange of experiences and providing information services that support decision-making in the post-pandemic global economic reconfiguration. Those aspects of the multilateral system that are holding countries back from reaching their potential in developing science, technology and innovation capabilities should also be addressed, including issues related to intellectual property rights.

2. The Committee reiterates its recommendation that the Council call on development and trading partners to place the development of productive capacities at the centre of their support to least developed countries. The Committee also calls on the international community for an orderly workout from the unsustainable debt problems that several countries are facing and which are a major obstacle to their development and the recovery from the coronavirus disease (COVID-19) crisis.

Voluntary national reviews

3. The Committee recommends that the Council continue to explore how the voluntary national reviews can be made more effective for the purpose of sharing experiences on implementing the 2030 Agenda. This should be achieved by incorporating into those reviews more specific and substantive discussions and analysis on national and international policies, actions and strategies taken as part of the global social contract in pursuit of the achievement of the Sustainable Development Goals. Such reflections should review in particular the challenges of achieving the transformative and integrated objectives of the 2030 Agenda and include a reference to the key constraints faced by countries and the support needed.

4. The Committee also recommends that the Council and Member States undertaking voluntary national reviews strengthen the role of the reviews to share lessons learned among Member States and other stakeholders. Member States undertaking their second and successive reviews should report on how findings from earlier reviews were used to accelerate the implementation of the 2030 Agenda nationally and internationally.
5. The Committee further reiterates its recommendation that the Council and Member States undertaking voluntary national reviews explore ways to tap into new opportunities to make the review processes more inclusive, while ensuring adequate representation of groups that are disadvantaged. That requires the ongoing engagement of civil society and space in the review process for independent input from all stakeholders, including the presentation of shadow reports.

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

6. The Committee recommends that the Council call on the international community to continue providing assistance to graduating and recently graduated countries. In particular, the Committee recommends that the Council call for increased financing for development, particularly for the strengthening of public health systems in preparation for possible future pandemics and for the expansion of productive capacities, including for sustainable infrastructure, while ensuring the sustainability of external debt. Special attention should also be given to building climate resilience, taking into account the non-linear nature of climate risks and the difficulties of least developed countries in accessing climate financing, and disaster risk reduction, including assistance for the recovery of livelihoods and the provision of insurance coverage.

7. The Committee urges that trade-related international support measures, including access to all least developed country-specific trade preferences, and the special and differential treatment in the World Trade Organization agreements, especially in Trade-Related Aspects of Intellectual Property Rights, be extended for an appropriate time beyond graduation.

**Enhanced monitoring mechanism for countries graduating and graduated from the list of least developed countries**

8. The Committee recommends that the Council reiterate its call for support by Member States and relevant United Nations entities to the enhanced monitoring mechanism developed by the Committee for countries graduating and graduated from the list of least developed countries. As called for by the new Doha Programme of Action for Least Developed Countries, the enhanced monitoring mechanism aims to improve responsiveness to emerging crises and to better link monitoring to specific support. The Committee further recommends that the Council call upon graduating and recently graduated countries to integrate the monitoring of the implementation of smooth transition strategies into their monitoring and evaluation frameworks and to establish effective links to the Committee’s enhanced monitoring mechanism. Details of the mechanism are further outlined in chapter VI of the present report.

**Graduation support facility**

9. The Committee appreciates that the Doha Programme of Action welcomes the establishment of the integrated sustainable graduation support facility, iGRAD, which is the country-led and partnership-based global platform of dedicated capacity development support for countries moving up and out of the least developed country category. It recommends that the Council call upon Member States and the wider international community to support resource mobilization efforts to operationalize iGRAD. Such a country-led graduation support mechanism would be an important element in enabling countries to achieve graduation with momentum.
Information on international support for the least developed countries

10. The Committee recommends that the Council call upon United Nations system organizations and Member States to disseminate information on the support measures they extend specifically to the countries in the least developed country category, as well as information on support to countries that are graduating from the category, through the Least Developed Country Portal – International Support Measures for Least Developed Countries.¹

B. Matters brought to the attention of the Council

Review of the work of the subsidiary bodies of the Economic and Social Council

11. The Committee welcomes the review by the Council of the subsidiary bodies and looks forward to enhanced interactions with the Council and its subsidiary bodies and other United Nations entities. In contributing to the review, the Committee evaluated its working methods and programme of work and found them to be effective and closely aligned with the 2030 Agenda and made a number of suggestions as further detailed in chapter III.

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

12. The Committee monitored the development progress of eight countries that have graduated or are graduating from the list of least developed countries. Bangladesh, Bhutan, the Lao People's Democratic Republic, Nepal, Sao Tome and Principe and Vanuatu appear to be well on track towards a smooth transition. Owing to the impacts of the COVID-19 pandemic, a prolonged economic recession and the volatile commodity market, and with the scheduled graduation in 2024, Angola needs careful monitoring over the coming months for possible immediate attention or actions by the Government and the international community, including the Committee. Solomon Islands faces challenges from COVID-19 and other shocks but remains on track towards a sustainable graduation, while the Committee needs to continue to closely monitor the development progress of the country, which is scheduled for graduation in 2024.

13. All the countries monitored are facing challenges in maintaining macroeconomic stability, to varying degrees. With reduced fiscal space as a result of the impacts of COVID-19, it is difficult for those countries to pursue two policy objectives, namely, achieving short-term recovery and long-term sustainable development, at the same time. Policy interventions in each country need to be carefully designed and implemented to manage potential trade-offs.

14. The Committee recommends that all graduating countries include the following critical elements when developing their smooth transition strategies: (a) enhancing effective development governance, political stability and inclusiveness; (b) addressing inequalities and measures to reduce them, including those resulting from COVID-19; (c) building resilience against climate shocks and reducing disaster risks; (d) promoting South-South cooperation; (e) customizing the smooth transition strategies to promote productive capacity and diversification; (f) promoting technological upgrading and strengthening innovation systems; and (g) developing and adhering to a concrete timeline to complete the smooth transition strategy within two years of the adoption of the General Assembly resolution on graduation.

¹ See www.un.org/ldcportal; the information should be submitted to ldcportal@un.org.
Enhanced monitoring mechanism for countries graduating and graduated from the list of least developed countries

15. The Committee will implement the enhanced monitoring mechanism in stages, continuously improving and customizing it for each country monitored, as outlined in chapter VI of the present report. It welcomes the valuable consultations held with countries that are graduating, have graduated or whose graduation has been deferred. The Committee notes that the rising number of graduating and graduated countries is increasing the workload associated with preparing analytical reports and conducting consultations and therefore highlights the need to provide its secretariat with adequate resources in that regard. The Committee will review the implementation of the mechanism and report to the Council on lessons learned in the development and implementation in 2025.

Graduation support facility

16. The Committee welcomes the commitment by international entities to cooperate through iGRAD to build the capacity of graduating and recently graduated countries. The Committee requests its secretariat to operationalize iGRAD, jointly with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and in cooperation with the inter-agency task force on graduation and smooth transition. This forms part of the work of the Committee in improving assistance to graduating and graduated countries. It will further strengthen the coordination and coherence of United Nations system support in brokering and delivering integrated country-specific graduation-related advisory and capacity-building services. The Committee looks forward to receiving updates by its secretariat on the implementation of iGRAD in the coming years and will inform the Council on any relevant issues that may arise in that regard.

Other least developed country matters

17. The Committee welcomes the significant progress made towards graduation from the least developed country category over the past decade, with more than a third of least developed countries in various formal stages of the graduation process, and acknowledges the new target of the programme of action to enable another 15 to meet the criteria for graduation by 2031. However, the Committee is deeply concerned that a significant number of least developed countries, particularly those in Africa, would remain far behind and struggle to achieve graduation. It reiterates its previous findings that the lack of productive capacity is among the main root causes of underdevelopment of least developed countries. The Committee therefore recommends that priority be given to those elements of the Doha Programme of Action that enable least developed countries to expand productive capacities for sustainable development. Such efforts should ensure that modalities of international support and concrete deliverables take the heterogeneity of least developed countries into account, so that no least developed country is left behind.

18. The Committee remains concerned about the impact of COVID-19 on the development of all least developed countries. While the Committee welcomes that many of its key recommendations on that matter from 2021 have been shared and reflected in many policy documents adopted subsequently by the Council and other international forums, the slow pace of implementation must be addressed urgently. Most least developed countries continue to lag far behind all other countries in terms of vaccinations; the external debt of several remains unsustainable and the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative is not delivering on its promises; and there is very limited support for a sustainable and inclusive transformation of the economies of least developed countries.
Chapter II

Building back better from the coronavirus disease (COVID-19) while advancing the full implementation of the 2030 Agenda for Sustainable Development

19. Governments worldwide are facing simultaneous challenges, including recovering from an economic crisis of unprecedented scale, addressing deep and growing inequalities, securing the transition to low-carbon and environmentally sustainable economies, adapting to climate change and increasing resilience to shocks. Industrial policies, defined as policies aimed at developing productive capabilities with a view to contributing to productivity growth and other development objectives, can be instrumental in pursuing those simultaneous goals and addressing potential trade-offs, as well as overcoming low- and middle-income traps. The creation of stable and well-paying jobs and the formalization of workers and firms through industrial policies can reduce inequality, including gender inequality.

20. Industrial policy has been central to the countries that have managed to advance on a path of structural transformation. Future industrial policies will need to be designed to reflect new realities, challenges and priorities such as digitalization, decarbonization, the post-pandemic restructuring of firms and sectors, and the need to build resilience to shocks and adapt to climate change. They will also need to be embedded with strategies to develop the green economy, the blue economy and the care economy. Even considering this new and dynamic context, the experiences of the past provide important lessons for the effectiveness of future industrial policies.

21. In the past, industrial policy often focused on manufacturing. What was traditionally defined as the manufacturing sector was, and is, embedded in a complex network of services. What gave manufacturing its value as a catalyst of productive development were the capabilities developed and deployed in interaction with that network. Industrial policy should not be thought of only in terms of sectors or specific products. It should also pay attention to developing the productive capabilities that can ensure productivity growth and promote the move to higher value-added activities within and across sectors. Each country must set its priorities in terms of education and training, infrastructure (including digital infrastructure) and the development of science, technology and innovation capabilities.

22. There is no one-size-fits-all model or single theoretical framework for industrial policies, but experience shows that if they are to be effective, they must have clear goals, be pragmatic and reflect the resources, capabilities, sociopolitical and environmental contexts so that their implementation is feasible. They must be central in an integrated economy-wide structural transformation strategy, in line with macroeconomic, science and technology, trade, energy, environment and gender policies. Their design must consider potential geographic impacts, including consequences for internal migration and urbanization and opportunities for de-concentrating investments.

23. Effective industrial policy also requires mechanisms to prevent abuse, including rent-seeking behaviours. While businesses that benefit from industrial policy should not be paralyzed by the risk of failure, as innovation requires risk-taking, they should be held accountable. Enforceable innovation commitments, time-bound support, sunset clauses and regular evaluation of performance can help to ensure that both Governments and businesses are focused on producing results and that ineffective policies are not perpetuated. The relevant decision-making processes must be transparent and inclusive.

24. Industrial policy must reflect the diverse and dynamic nature of firms and sectors. Production networks that bring capabilities together are moving away from
the boundaries of the large corporation or conglomerate towards mosaics of firms, including micro-, small and medium-sized enterprises, cooperating across borders under diverse legal arrangements. Capability-based industrial policy requires a new generation of support services, particularly for micro-, small and medium-sized enterprises, such as providing adequate financing, technological services, business information and support to adopt better practices and export marketing services through public and joint private-public agencies. This would also include training and opportunities for entrepreneurs to share ideas, discuss challenges and address issues through lessons and peer learning from success in other countries.

25. Better integrating micro-, small and medium-sized enterprises into broader productive networks, which can play a role in reducing inequality, requires building their capabilities, including technological capacity, as well as incentivizing larger firms to develop local supplier networks. It also requires innovative financing solutions to lower the transaction costs that have kept many such enterprises outside the scope of interest of private capital and the opportunities in regional and global supply chains.

26. In countries where national development banks possess strong governance and risk assessment capabilities, those institutions can play an important role in supporting firms and sectors with potential for productivity growth, as well as financial inclusion, including access of micro-, small and medium-sized enterprises to credit. They, along with multilateral development banks, need to be part of a broader financing framework that is agile, inclusive and meets the needs of diverse firms and sectors. Financing frameworks also need to be able to mobilize private funds in a way that is compatible with a decentralized and fragmented network of firms, most often operating outside the boundaries of a single corporation or traditional conglomerates.

27. Fulfilling the potential of industrial policy and productive capacity requires effective regional and global frameworks, effective institutions and cooperation, including South-South cooperation, oriented pragmatically to help developing countries overcome constraints in finance, technology and information. The international community should increase the resources being invested in identifying the sector- and capability-specific lessons that can be of most practical use to policymakers.

28. The pandemic, climate change and other current crises of sustainable development require a revision of intellectual property frameworks that would provide developing countries access to the latest advances in technology, such as those for COVID-19 vaccines and treatment or clean energy technologies. That would provide opportunities for developing countries to participate in the co-development of technology rather than rely on the largely undelivered promise of technology transfer.

29. Innovative regional and global platforms should be explored to bring together elements of value chains, taking advantage of advances in technology and clean energy. Innovation in international cooperation on industrial policy starts with open dialogue across trade, climate, environmental and other relevant international arenas.

30. Of immediate concern for the multilateral system are the implications of industrial policies aimed at advancing a green transition towards low-carbon economies. Many countries are starting their transition, but often pursue this objective in a competitive manner, resorting to protectionist measures. Many developing countries are integrating into emerging value chains by providing natural resources for low-carbon technologies, perpetuating or even increasing their reliance on primary sectors. The green transition should promote rather than hinder the sustainable development of the most vulnerable countries. Commodity-dependent least developed countries in particular require support from the international community to secure diversification and structural transformation in this new and dynamic context.
Chapter III

Review by the Economic and Social Council of subsidiary bodies

31. The Committee welcomes the review by the Council of its subsidiary bodies and looks forward to supporting the review process over the coming months. The Committee assessed its working methods, programme of work and engagement with the Council and its subsidiary system in line with the guidance provided by the Council’s Vice-Presidency and found them to be effective and closely aligned with the 2030 Agenda and relevant conferences.

32. The Committee is mandated to provide recommendations to the Council on the graduation of countries from, and inclusion in, the least developed country category. The recommendations are evidence-based and rooted in a comprehensive methodology to assess progress on least developed country criteria and indicators, as well as country-specific analyses. The Committee recently further strengthened the evidence-based nature of the graduation process by introducing supplementary graduation indicators into the methodology and by developing an enhanced monitoring mechanism for countries that are graduating or have graduated from the least developed country category (see chapter VI).

33. The Committee undertakes analysis on key development challenges affecting all least developed countries and provided proposals for the new Doha Programme of Action for Least Developed Countries. The analyses and proposals are well reflected in, among others, the draft Programme of Action and the ministerial declaration adopted at the 2021 high-level political forum, indicating the impact of the Committee in this area of work. The Committee also guides the capacity-building and information services of its secretariat on least developed countries in general and on their graduation in particular.

34. The Committee has established a voluntary national review subgroup that has been analysing the reviews presented at the high-level political forum every year since 2017. The Committee report provides points for consideration by Governments and other stakeholders participating in the reviews. Its recommendations are aimed at enhancing the role of the voluntary national reviews as an effective instrument in accelerating the implementation of the Sustainable Development Goals.

35. Guided by the Council’s theme, the Committee produces reports and policy papers with analysis to inform its recommendations. The Committee has consistently advocated for the centrality of productive capacity to achieve the Goals, both in least developed countries and other developing countries. In response to the theme for 2022, chapter II discusses how industrial policy can help to address multiple and simultaneous challenges related to climate change, inequality and recovery from the COVID-19 crisis. The Committee intends to work on green transition and issues of debt and international finance in response to the Council’s theme for 2023.

36. The Committee is actively involved and in contact with the Council and its subsidiary bodies and other United Nations entities. Committee members have participated in the high-level segment and the integration segment in the past and, since 2022, the coordination segment, the Development Cooperation Forum, the high-level political forum and its side events, and other Council events as well as other forums within the United Nations. The Committee has engaged in collaboration with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the United Nations

---

2 Recent examples include the comprehensive study on the impact of COVID-19 and the multi-year work on expanding productive capacities.
Conference on Trade and Development, resident coordinator offices, regional commissions, the United Nations Office for Disaster Risk Reduction and, outside the United Nations system, the World Trade Organization, the International Trade Centre, the Organisation for Economic Co-operation and Development, the Enhanced Integrated Framework and multiple other partners in the area of coordination of support to graduating countries and policy analysis. Since 2018, it has conducted briefings on least developed country issues for Council members. In 2021, the Committee also introduced a “Council interaction” held after the conclusion of its plenary, which allowed for a more open discussion between Council members and the Committee. Concrete feedback on these events could assist the Committee in effective dissemination of its findings and recommendations as well as enhanced engagement with the Council.

37. In terms of good practices with respect to its working arrangements, the Committee notes that activities are undertaken in subgroups, thereby allowing members to focus on certain aspects of the workplan (Council theme, least developed country issues and voluntary national reviews). In its work on one of the key mandates, namely, identifying countries for graduation from the least developed country category, the Committee appoints, among its members, country rapporteurs to ensure continuity of participation in the graduation process during the years leading to a country’s exit from the least developed country category and closer engagement at the country level.

38. Through the establishment of the least developed country graduation assessment, the Committee fostered closer interaction with the least developed countries and regional coordinator offices, allowing the graduation process to be more inclusive and transparent. The Committee has also been organizing virtual webinars and expert group meetings over the past two years and has found them to be an efficient, effective, transparent and inclusive means of disseminating work and engaging with Member States and other stakeholders.

39. The Committee integrates its analytical work with the intergovernmental process and through its secretariat undertakes important capacity development work that informs the analysis and recommendations of the Committee to the Council.

40. With respect to the Council’s reform and review of subsidiary bodies, the Committee is looking forward to receiving additional guidance and to learning from the experiences of other subsidiary bodies. In particular, the Committee invites the Council to identify more targeted and specific questions or problems related to the broader Council theme to which it could contribute its unique and diverse experience and expertise. The Committee would also welcome a review by the Council of how the policy recommendations of the Council and its subsidiary bodies, including the Committee, are implemented by Member States and United Nations entities.

41. While a central resource for accessing the proceedings and schedules of subsidiary bodies exists on the “Economic and Social Council subsidiary bodies” webpage on the United Nations Secretariat website, a more comprehensive and searchable repository consolidating all events, reports, and outputs and publications of different subsidiary bodies and their secretariats could facilitate coordination and collaboration among the Council’s subsidiary bodies.
Chapter IV
Analysis of the 2021 voluntary national reviews

42. The Committee has conducted an analysis of the voluntary national reviews presented at the high-level political forum every year since 2018. In 2022, it conducted an analysis of the 40 voluntary national review reports presented in 2021. While there are welcome advances, key concerns raised by the Committee in the past on the scope and content of the reports remain. The reports reviewed do not reflect the transformative ambition of the 2030 Agenda, nor do they appear to be effectively used as tools for taking lessons learned into policy debates and processes.

43. Voluntary national review reports are largely descriptive and lack the substantive assessments and analyses required to serve their intended purpose of sharing experiences of national Governments, civil society, businesses and international partners. More detailed attention to and reflection on policies, strategies and actions taken, nationally and internationally, and their impact would facilitate the identification of experiences and lessons learned, which could in turn support improvements in the implementation of the 2030 Agenda.

44. COVID-19 pandemic impact and response. All the voluntary national reviews report on the severe impact of the pandemic on progress in the achievement of the Sustainable Development Goals, with most reports placing more emphasis on socioeconomic impacts than on health impacts. Many reports describe the disproportionate impact that the pandemic has had on marginalized and disadvantaged groups but do not reflect on why that is the case. Most reports detail the health response and social protection support, but a number leave out any mention of vaccine access. Only about a third of the reports refer to target 3.d on pandemic preparedness.

45. Leaving no one behind. The Committee is encouraged by the increasing attention given to the pledge to leave no one behind, which is mentioned in all reports. However, the focus of policy response, such as on the effects of the pandemic on vulnerable groups, is mostly on social protection measures for the vulnerable and marginalized groups, with less reflection on structural issues. Furthermore, only two reports mention reaching the furthest behind first and none refer to actions taken to avoid pushing people further behind. When identifying marginalized and disadvantaged groups, disabled persons, women and girls, the elderly and children are widely recognized, while references to indigenous people, religious or ethnic groups, lesbian, gay, bisexual, transgender, queer and intersex persons and people living with HIV/AIDS are rarer.

46. Income inequality. The trend of giving increasing attention to income inequality in the voluntary national reviews continues. However, there is underreporting of important Goal 10 targets, in particular those referring to financial market regulation and enhanced representation of developing countries in international decision-making. Furthermore, the notion of structural change, nationally and internationally, is still absent and there is still a focus on social safety nets and redistribution rather than on underlying fundamental causes of inequality.

47. Gender inequality. Three quarters of the reports have a dedicated section on Goal 5, which is a lower share than in previous years. Even fewer reports refer to specific targets and the treatment of gender inequality, and in most of them, the discussion is superficial. Only around half of the reports recognize gender pay gaps, and only one in four refers to any policies or strategies to address the issue.

---

48. **Environment.** The Committee found that there was a substantial increase in the attention given to climate action and clean energy, which had been underreported in the reviews presented in 2020. Sustainable consumption and production is discussed in almost all reports but, aside from waste reduction and management, the attention to individual targets is modest and the topic is not treated in much depth. Very few reports mention the mobilization of resources for ecosystem protection and sustainable management of forests. On the basis of a mapping of the interlinkages among environmental targets, as well as between environmental and other targets, the Committee explored how the reports address and refer to such interdependencies. For instance, the relationship between access to clean water and education is referred to in some reports.

49. **Partnerships and means of implementation.** Resource mobilization in general receives the most attention in the reporting on Goal 17. Other aspects, such as international commitments and the creation of enabling environments, are given less coverage in the 2021 reviews. As an example, only one quarter of the reports refer to policy coherence. That could indicate a failure to recognize and address the integrated nature of the sustainable development challenge and the transformative change needed to realize the ambitions of the 2030 Agenda. The Committee is also concerned that targets, such as investment promotion and market access, that specifically support the development of least developed countries, remain among the least reported targets overall. Furthermore, the importance of policy space is scarcely mentioned in any reports.

50. **Underreported goals and targets.** A general trend in past reports and again in the reports presented in 2021 is the lack of attention to means of implementation targets. Targets and themes related to technology transfer, capacity-building and inclusive and equitable globalization and trade remain among the least reported. This is true for the reporting on all Goals.
Chapter V

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

A. Introduction

51. As mandated in Council resolution 2021/11 and General Assembly resolution 67/221, the Committee monitored the development progress of one recently graduated country, namely, Vanuatu, and seven graduating countries, namely, Angola, Bangladesh, Bhutan, the Lao People’s Democratic Republic, Nepal, Sao Tome and Principe and Solomon Islands. The Committee also consulted with Tuvalu, as mandated in Council resolution 2021/11. The detailed monitoring reports, with recommendations on policy priorities and support needs, are available on the Committee’s website. The table below shows the least developed country criteria and productive capacity index scores for the countries monitored, to highlight longer-term socioeconomic development progress vis-à-vis the established criteria and the central role of expanding productive capacities for graduation (see chap. VI, para. 74).

Least developed country criteria for the countries monitored, 2022

<table>
<thead>
<tr>
<th>Least developed country criteria</th>
<th>Gross national income per capita (United States dollars)</th>
<th>Human assets index</th>
<th>Economic and environmental vulnerability index</th>
<th>Productive capacities index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation threshold</td>
<td>≥1 242</td>
<td>≥66.0</td>
<td>≤32.0</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Graduated country</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanuatu</td>
<td>3 050</td>
<td>77.1</td>
<td>46.3</td>
<td>29.4</td>
</tr>
<tr>
<td>Graduating countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angola</td>
<td>2 791</td>
<td>52.2</td>
<td>45.6</td>
<td>22.2</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>2 004</td>
<td>76.2</td>
<td>27.2</td>
<td>26.8</td>
</tr>
<tr>
<td>Bhutan</td>
<td>3 045</td>
<td>79.8</td>
<td>25.5</td>
<td>30.1</td>
</tr>
<tr>
<td>Lao People’s Democratic Republic</td>
<td>2 539</td>
<td>73.0</td>
<td>27.1</td>
<td>27.1</td>
</tr>
<tr>
<td>Nepal</td>
<td>1 198</td>
<td>76.5</td>
<td>23.8</td>
<td>26.3</td>
</tr>
<tr>
<td>Sao Tome and Principe</td>
<td>1 978</td>
<td>91.0</td>
<td>22.7</td>
<td>26.7</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>2 343</td>
<td>73.5</td>
<td>48.7</td>
<td>26.2</td>
</tr>
<tr>
<td>Averages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Least developed countries</td>
<td>1 391</td>
<td>58.5</td>
<td>39.0</td>
<td>23.9</td>
</tr>
<tr>
<td>Other developing countries</td>
<td>9 259</td>
<td>88.3</td>
<td>31.1</td>
<td>31.6</td>
</tr>
</tbody>
</table>


Note: Details on the least developed country criteria and sub-indicators of the human assets index and the economic and environmental vulnerability index are available on the Committee’s website. For details on the construction and interpretation of the productive capacities index, see the United Nations Conference on Trade and Development website. The productive capacities index values refer to 2018.

B. Graduated country

Vanuatu

52. Vanuatu graduated in December 2020. The country was heavily affected by Cyclone Harold in 2020 and the ongoing COVID-19 pandemic. Services exports, particularly tourism as the country’s major income source, has reduced significantly, but the economy is expected to rebound and to grow from 4 to 4.5 per cent in the coming years.
53. The Government of Vanuatu has been implementing the smooth transition strategy and is a pilot country of the sustainable graduation support facility iGRAD. The Government has held a country consultation meeting with the Committee, although it has not submitted its annual report on the smooth transition strategy to the Committee. The Committee recommends that the country implement the strategy in a phased approach. For example, promoting productive capacity, for instance by digitalizing the economy, should be the central part of the short-term recovery, as well as building resilience in the long run. It is suggested that Vanuatu continue to make efforts to overcome the limited statistical capacity with assistance from development partners.

C. Graduating countries

Angola

54. Angola is scheduled to graduate in February 2024. The Committee takes note that the COVID-19 pandemic has aggravated the overall macroeconomic situation in Angola, leading to the fifth consecutive year of economic recession, in 2020, and high public debt. Despite some recent improvements in 2021, along with higher oil prices, in 2023, the gross national income per capita in Angola could fall below the income-only graduation threshold, which was the basis of the Committee’s recommendation for Angola’s graduation in 2015. The country is still far from reaching the graduation thresholds in the other two least developed country criteria, with only small improvements in the human assets index and a further worsening of the economic and environmental vulnerability index.

55. The Committee considers the situation in Angola fragile and highlights the need to continue to monitor the situation closely. That will be achieved through the new enhanced monitoring mechanism (see chap. VI), which will also inform any further recommendation regarding the graduation of Angola.

56. The Committee welcomes the recent information provided by Angola regarding its efforts towards the preparation of the smooth transition strategy, while expressing concern at the very slow progress made in the preparation of said strategy in the past six years. The Committee recommends that Angola urgently finalize its smooth transition strategy. Structural transformation is most critical for Angola as an oil-dependent country, which also requires addressing trade-offs between long-term objectives and short-term macroeconomic stability. This transformation can be achieved only with a strong national commitment, assisted by international support.

Bhutan

57. Bhutan is scheduled to graduate in February 2023. Bhutan was highly successful in containing the COVID-19 pandemic through lockdowns and border closures at the earlier stages of the pandemic and through an effective vaccination programme in 2021. However, the strict containment measures did have severe economic implications and the gross domestic product dropped by an estimated 10 per cent in 2020. Growth has now returned, and the economy is projected to grow by 5 per cent in the 2021/22 financial year.

58. Bhutan has submitted its second annual report on the preparation of a smooth graduation and has been responsive to the Committee’s communications. The smooth transition strategy is being integrated into the thirteenth national development plan and the country seems to be well on track in its graduation preparations. The Committee’s main concern is the country’s heavy reliance on hydropower exports, tourism and agriculture. The Committee recommends that the Government continue its efforts to foster economic diversification, supporting in particular the development of small and medium-sized enterprises and cottage industries to help expand domestic
production and reduce import dependency. It also recommends that Bhutan strengthen and diversify its linkages with trading partners and in particular diversify its exports to India.

Bangladesh

59. Bangladesh is scheduled to graduate in November 2026. Bangladesh achieved robust economic growth, between 6 per cent and 8 per cent annually during the period 2015–2019, and a positive growth of 3.5 per cent in 2020, despite the COVID-19 pandemic. The Government’s fiscal balance decreased by 5.5 per cent, as it used existing fiscal space for active responses to the COVID-19 pandemic to protect the living conditions of the population. The debt to gross domestic product ratio rose to around 40 per cent but remains sustainable.

60. The Committee found that the Government of Bangladesh is well placed to prepare and implement the smooth transition strategy. The commitment and progress shown to date are commendable. The Committee suggests that the country’s strategy give attention to accelerating structural transformation within and across sectors, with research and development, technological learning, innovation and digitization as priorities. Domestic value chains should be promoted and productive capacities should be developed further, particularly human capital and institutions. It is recommended that Bangladesh diversify the destination markets of the export sector, while continuing negotiations with trading partners on smooth transition. A premature loss of preferential market access to key export markets may result in setbacks for a sustainable graduation.

Lao People’s Democratic Republic

61. The Lao People’s Democratic Republic is scheduled to graduate in November 2026. The country experienced robust economic growth, averaging over 6 per cent per annum during the period 2015–2019, but the growth slowed down significantly as a result of the COVID-19 pandemic. The negative impacts of COVID-19 added to the difficulty of maintaining macroeconomic stability and managing national debt, around 70 per cent of gross domestic product, owing to the high volume of loans contracted for large-scale infrastructure projects. The country has limited fiscal space to simultaneously maintain macroeconomic stability and recover from COVID-19.

62. The Government presented a strong commitment on graduation from the least developed country category and has established the consultative mechanism with trading and development partners, while drafting the smooth transition strategy. The Committee suggests that the Lao People’s Democratic Republic include concrete plans and activities in the strategy to reduce macroeconomic instability and achieve long-term sustainable and inclusive economic growth.

Nepal

63. Nepal is scheduled to graduate in November 2026. The Committee found that, while the country continues to meet the human assets index and economic and environmental vulnerability index criteria with solid margins, its gross national income per capita is still below the graduation threshold despite fast growth in recent years. This is due in part to the significant impacts of the COVID-19 pandemic on the tourism sector. Government expenditure for public health and welfare increased, but social protection for vulnerable people remained limited.

64. The Government of Nepal has taken steps to prepare its smooth transition strategy and has submitted the annual report to the Committee. The Committee recommends that the country take concrete measures to promote productive capacity, including by promoting the cottage industry and diversifying the economy.
Sao Tome and Principe

65. Sao Tome and Principe is scheduled to graduate in December 2024. The Committee notes that the country has been able, with external support, to effectively mitigate the socioeconomic impacts of the COVID-19 pandemic. The contraction of the tourism sector during the pandemic was more than compensated by higher public spending, including in social areas. Public debt remains sustainable, but accumulated arrears with bilateral partners are a main challenge.

66. The country continues to show improvement in all least developed country criteria indicators, and its graduation is not at risk. Nevertheless, the Committee notes the need for continuous monitoring, as the country remains highly dependent on external support and both the economy and the social sector are still fragile. The Committee regrets that it has neither received a smooth transition strategy report from the Government nor been able to hold consultations. It strongly urges the Government of Sao Tome and Principe to finalize and present the country’s smooth transition strategy.

Solomon Islands

67. Solomon Islands is scheduled to graduate in December 2024. Solomon Islands continues to make slow but steady progress in building human assets and increasing national income. The Committee notes progress in diversification away from logging towards sectors such as fisheries and minerals. However, the country remains very vulnerable owing to the high market concentration both in terms of products and markets as well as the high disaster risk. During the country consultation meeting, the Government reported that the country is severely affected by the recent outbreaks of civil unrest and the COVID-19 pandemic. Progress in preparing a smooth transition strategy has been stalled. Solomon Islands has yet to submit an annual report to the Committee, although it has been successful in ensuring continuous duty-free quota-free market access in the European Union and the United Kingdom of Great Britain and Northern Ireland.

68. The Committee further observes that Solomon Islands is facing substantial development challenges, with the preservation of macroeconomic stability, the strengthening of transparency and governance of public financial management as well as the extractive industries, improvement in the business environment, and progress on financial market development among the key issues. The Committee stresses the importance of good governance and public sector reforms in making progress in those areas.

D. Deferred countries

69. As mandated by the Council in its resolution 2021/11, the Committee reached out to the countries whose graduation had been deferred, namely, Kiribati and Tuvalu, to discuss the development challenges that the countries are facing. The Committee held a virtual consultation meeting with Tuvalu. While there are no COVID-19 cases yet, the pandemic is having significant economic and social impacts. The Government is strongly committed to participating in the enhanced monitoring mechanism that the Committee is developing and to establishing a regular communication channel with the Committee. Tuvalu has requested continued assistance from the United Nations system, not only with short-term response measures for crises but also long-term sustainable development. The Committee is looking forward to continuing the dialogue with Tuvalu and trusts that it will be able to hold country consultations with Kiribati as well.
Chapter VI

Enhanced monitoring mechanism

70. The Committee reviewed the progress in developing and implementing an enhanced monitoring mechanism for countries that are graduating or have recently graduated from the least developed country category. It welcomes the positive feedback and strong interest in its proposal received during the country consultations (see chap. V), the affirmative recognition in the Doha Programme of Action (A/CONF.219/2022/3, annex, para. 284) and the call by the Council on Member States and relevant United Nations entities to support the Committee’s efforts (Council resolution 2021/11, para. 6).

71. The mechanism will complement rather than duplicate existing national and international monitoring processes by focusing on disruptive events that may affect the smooth transition out of the least developed country category and the short-term and long-term implications of socioeconomic and environmental trends. The mechanism must be closely linked to a country’s own monitoring of its preparation and implementation of the smooth transition strategy.

72. The Committee decided that the enhanced monitoring mechanism would be implemented in stages and consist of three main elements: improved annual monitoring, the new crisis response process and strengthened support measures linked to the monitoring.

73. For all three elements, effective communication between the Committee and the graduating country is essential. Therefore, the Committee will (re)appoint for each graduating and recently graduated country one of its members as a country rapporteur, who will guide the Committee’s monitoring of the country concerned, supported by the secretariat. Each monitored country is invited to appoint a graduation focal point, who will communicate with the Committee’s country rapporteur, through the secretariat. However, this does not preclude other channels of communication between the country and the Committee.

Improved annual monitoring

74. The improved annual monitoring includes the following steps:

(a) The secretariat sends a request to the country to submit an annual report. In line with General Assembly resolution 67/221, the report by graduating countries should include information on (i) the establishment of a consultative mechanism, or the utilization of an existing one, with development and trading partners; (ii) commitments for and delivery of international support for graduation; (iii) the development of a smooth transition strategy; and (iv) if relevant, the socioeconomic impacts of the COVID-19 pandemic on graduation from the least developed country category. Reports by graduated countries should cover similar points, focusing on the implementation of the smooth transition strategies and challenges arising from the graduation;

(b) The Committee and the country hold a consultation meeting to discuss progress in the development and/or implementation of the smooth transition strategy, persistent and emerging development challenges and international support needs. These meetings would normally take place in the last quarter of each calendar year. Relevant United Nations entities will be invited to participate in the consultations. The Committee will also hold consultations with countries whose graduation has been deferred, in line with Council resolution 2021/11 and the new Doha Programme of Action;

(c) Under the guidance of the country rapporteur, the secretariat prepares a draft annual monitoring report. The report contains: (i) an overview of the main socioeconomic developments in the country, including a set of economic indicators; (ii) the least
developed country criteria and supplementary graduation indicators; (iii) the productive
capacity index; (iv) an assessment of statistical capacity; and (v) a description of the
progress achieved in preparing and implementing the smooth transition strategy, based
on the report submitted by the country and the country consultations;

(d) The Committee will include key points from the annual monitoring and
policy recommendations agreed upon at the Committee’s plenary session in its annual
report to the Council. It will alert the Council in cases where the development
progress of graduating or graduated countries has been or is at risk of being reversed.
The full monitoring reports and reports by the country will be made available on the
Committee’s website.

Crisis response process

75. The crisis response process enables the enhanced monitoring to react in a timely
manner to an adverse situation that may arise in a graduating or graduated country
during the course of the year. There are two ways that the crisis response process can
be triggered. The primary way is a request by the country, directly or through the
United Nations resident coordinator, alerting the Committee that it faces a crisis
situation caused by external events that potentially affects the smooth transition of
the country out of the least developed country category.

76. The secondary way is an automated trigger, utilizing a set of predetermined
危机 indicators that are monitored against defined thresholds. These indicators will
be based on high-frequency – at least quarterly, but preferably monthly or weekly –
data. Initial draft sets of indicators have been prepared by country rapporteurs on the
basis of discussions with the Government and with the assistance of the secretariat.
The final selection of the indicators and thresholds will be made in consultation with
the Government and will be accompanied by data mapping and data management
plans. The Committee will keep crisis indicators and thresholds under review and
revise them in consultation with the Government as appropriate.

77. Once the crisis response process is triggered, the country rapporteur conducts a
brief crisis assessment on the nature of the crisis and the potential impact on
graduation within two weeks, assisted by the secretariat and other Committee
members, as appropriate. The Committee Bureau reviews the assessment within two
weeks and suggests a course of action to be taken. During that time, it may hold
further consultations with the country and relevant United Nations entities.

78. The Committee will share the crisis assessment with the Government, the
President of the Council and the United Nations resident coordinator. When sharing
the assessment, the Committee will also indicate whether it views additional, crisis-
specific graduation support measures as necessary.

Strengthened support measures

79. As highlighted by the Committee and emphasized in the draft Doha Programme
of Action, to be effective, the enhanced monitoring mechanism must be linked to
support measures. That holds both for crisis responses and for the regular annual
monitoring.

80. The Committee will include observations on graduation support needs in its
crisis assessments as well as in its annual monitoring reports. In cases in which the
Committee finds that additional graduation support is necessary, its Chair will send a
letter to the High Representative for the Least Developed Countries, Landlocked
Developing Countries and Small Island Developing States and the President of the
Council alerting them of the need to mobilize the crisis management expertise of the
United Nations and other international entities, if necessary. Underscoring the need
for further development of the link between monitoring and country-specific support and bearing in mind that the enhanced monitoring mechanism will be developed in stages, the Committee has considered a number of initial proposals.

81. The Committee suggests that the United Nations resident coordinator, in agreement with the country concerned, organize a round table with development and trading partners, including providers of South-South cooperation, to discuss measures to address additional graduation support. Alternatively, graduation aspects may also be integrated into other relevant round-table discussions.

82. The Committee also reiterated its proposal to include dedicated sessions on graduation support in appropriate forums or other events of the Council, such as the Development Cooperation Forum. Least developed countries could be invited to share their experiences with their smooth transition strategies at the global level, for example, at the annual ministerial meeting of the least developed countries.

83. Whenever the Committee views that a country’s development requires an extension of the preparatory period, it will include such views in its report to the Council and/or its crisis assessment. The Committee stresses that recommending an extension requires detailed information on the status of preparation and/or implementation of the smooth transition strategy. Hence, the Committee would normally be unable to recommend extensions for countries that have not participated in the annual monitoring exercises.

Next steps

84. The Committee agreed that the enhanced monitoring mechanism should continue to be implemented in stages. The improved annual monitoring has been successfully implemented during the current cycle, and the Committee will continue to explore further improvements.

85. The Committee notes that details of the crisis response process, including the country-specific crisis indicators, the exact specification of the trigger process and the formal steps of the follow-up process must be defined in consultation among the Committee, the countries concerned and relevant United Nations entities.

86. Further work is required with respect to linking the enhanced monitoring to support measures. The Committee considers it important to develop more specific graduation support measures by development and trading partners, including the United Nations system, whether in reaction to crises or more generally. It also emphasizes the need to integrate the monitoring of the implementation of smooth transition strategies into the country’s monitoring and evaluation framework, which highlights the need for data-related capacity-building. The Committee recalls the role of iGRAD in that regard (see chap. VII).

87. The Committee notes that the successful implementation of the enhanced monitoring mechanism requires close cooperation among relevant entities of the United Nations. It highlights the critical role of the inter-agency task force on graduation and smooth transition at the international level and of the resident coordinator at the national level. Consultations with those entities will be needed to ensure that appropriate working methods are put in place to support the implementation of the enhanced monitoring mechanism.

88. The Committee also notes that the increased number of countries to be monitored and the inclusion of countries whose graduation has been deferred in the consultation processes increases the demand on the secretariat to assist the Committee in preparing analysis and reports. Hence, it reiterates its call to increase the capacity of the secretariat in that regard and to provide it with resources that are adequate to enable the Committee to effectively implement its monitoring mandates.
Chapter VII

Additional matters related to the least developed countries

89. The Committee welcomes the significant progress made towards graduation from the least developed country category over the past decade, with more than a third of the least developed countries in various formal stages of the graduation process, and acknowledges the new target of the new Doha Programme of Action to enable another 15 of the least developed countries to meet the criteria for graduation by 2031. However, the Committee is deeply concerned that a significant number of least developed countries, particularly those in Africa, will remain far behind and struggle to achieve graduation.

90. The least developed countries, their development and trading partners and the international community should translate the Doha Programme of Action into the adoption and, most importantly, the implementation of concrete policies and activities. Experience has shown that if countries lack the capability of implementing the “right” policies, those policies will fail to achieve the desired objectives.

91. The Committee reiterates its previous findings that lack of productive capacity is among the main root causes of the underdevelopment of least developed countries. It therefore recommends that priority be given to those elements of the Doha Programme of Action that enable the least developed countries to expand productive capacities for sustainable development. Those efforts should ensure that modalities of international support and concrete deliverables take the heterogeneity of the least developed countries into account, so that no least developed country is left behind.

92. The Committee remains highly concerned about the impact of COVID-19 on the development of the least developed countries, which often face the most severe socioeconomic impacts of the pandemic and the recovery. It reconfirms that it will pay close attention to COVID-19 impacts when holding consultations in the context of the monitoring of graduating and graduated countries (see chaps. V–VI) and the preparations for the 2024 triennial review. It will also consider this issue in its upcoming 2023 review of the least developed country criteria and their application procedures. As in the past, the Committee will make refinements to the current methodological approaches and criteria used to classify countries as least developed countries, if deemed necessary, within the scope of its mandates and longstanding principles.

93. The Committee is looking forward to reviewing, at its next plenary, preliminary drafts of the graduation assessments for the countries to be considered for graduation at the 2024 triennial review, as outlined in its 2021 report to the Council (E/2021/33, chap. VI.B). This will provide an opportunity for the Committee to identify any other issues that may require further analysis in order to successfully conduct the next triennial review.

94. The Committee also reviewed the progress made in developing the integrated sustainable graduation support facility, now called iGRAD, which the Committee had suggested in 2019 (E/2019/33, para. 76). It appreciates the inclusion of iGRAD in the Doha Programme of Action as a country-led support mechanism established by the Committee for Development Policy secretariat of the Department of Economic and Social Affairs in collaboration with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, as Chair of the inter-agency task force on graduation and smooth transition. The Committee welcomed the iGRAD partnerships initiated by its

---

secretariat with non-United Nations entities, including the Development Centre of the Organisation for Economic Co-operation and Development Cooperation, on production transformation policy reviews in graduating least developed countries. Strengthened United Nations coordination, new partnerships with non-United Nations entities and support with resource mobilization efforts from Member States and the wider international community will be necessary to operationalize iGRAD and to fulfil commitments to graduating and graduated countries for sustainable graduation in the decade of action.

95. The Committee reiterates the importance of sharing accurate information on the least developed country graduation process, including the least developed country criteria. It highlights the recent Least Developed Country Handbook published in 2021 together with the Department of Economic and Social Affairs and notes the increased availability of graduation-related data on the Committee’s website. It invites the least developed countries to make use of this information in their preparations for graduation and, in that regard, calls upon relevant United Nations entities to assist the least developed countries in those efforts. It also welcomes the recent revisions to the least developed country portal and invites all countries and stakeholders to provide the necessary information on the provision and utilization of support measures. This would facilitate a reduction in the information barriers that impede the utilization of international support measures.

---


Chapter VIII

Future work of the Committee for Development Policy

96. The Committee for Development Policy will continue to align its work programme with the needs and priorities established by the Economic and Social Council, with a view to contributing effectively to the Council’s deliberations and assisting it in the performance of its functions. In that context, the Committee, in addressing the theme of the Council for 2023 “Accelerating the recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development at all levels”, intends to work on green transition and issues of debt and international finance. In parallel, the Committee will also continue its research and analysis on the voluntary national reviews as a key feature of discussions related to the Sustainable Development Goals.

97. In preparation for the triennial review of the list of least developed countries in 2024, for its session in 2023, the Committee will review and fine-tune current methodological approaches and criteria used to classify countries as least developed countries.

98. In accordance with the provisions of Economic and Social Council resolution 2021/11 and General Assembly resolution 67/221, the Committee will also monitor the development progress of Vanuatu, which has graduated from the least developed country category, and the following graduating countries: Angola, Bangladesh, Bhutan, the Lao People’s Democratic Republic, Nepal, Sao Tome and Principe and Solomon Islands. The Committee will hold consultations with those countries as well as with Kiribati and Tuvalu, countries whose graduation has been deferred, in accordance with the provisions of Council resolution 2021/11.

99. In accordance with the provisions of Council resolution 2017/29, the Committee will undertake the preparations necessary to brief the Council on how the United Nations development system is applying the least developed country category. It will also continue its work related to support for graduating and graduated countries, including on the enhanced monitoring mechanism as outlined in chapter VI of the present report.
Chapter IX

Organization of the session

100. The Committee held its twenty-fourth session virtually from 21 to 25 February 2022. Twenty-two members of the Committee, as well as observers from several international organizations, attended the session. The list of participants is included in annex I to the present report.

101. The Department of Economic and Social Affairs provided substantive services for the session. The Chair of the Committee opened the session and welcomed the participants. Subsequently, the President of the Economic and Social Council and the Under-Secretary-General for Economic and Social Affairs addressed the Committee. Statements are available on the Committee’s website at https://www.un.org/development/desa/dpad/publication/cdp-plenary-2022/.

102. The agenda for the twenty-fourth session is contained in annex II to the present report.
Annex I

List of participants

1. The following members of the Committee attended the session:
   Adriana Abdennur
   Sabina Alkire
   Debapriya Bhattacharya
   Sofia Borges
   Ha-Joon Chang
   Stefan Dercon
   Sakiko Fukuda-Parr
   Ahmed Galal
   Arunabha Ghosh
   Trudi Hartzenberg
   Rolph van der Hoeven
   Anne-Laure Kiechel
   Carlos Lopes
   Jacqueline Musiitwa
   Keith Nurse
   José Antonio Ocampo Gaviria
   Annalisa Prizzon
   Liliana Rojas-Suarez
   Taffere Tesfachew
   Kori Udovicki
   Natalya Volchkova
   Xufeng Zhu

2. The following entities of the United Nations system and other international organizations were represented at the session:
   Committee of Experts on Public Administration secretariat
   Economic Commission for Africa
   Economic and Social Commission for Asia and the Pacific
   International Trade Centre
   Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
   Office of the United Nations High Commissioner for Human Rights
   Organisation for Economic Co-operation and Development
   United Nations Capital Development Fund
   United Nations Conference on Trade and Development
United Nations Industrial Development Organization
United Nations Office for Disaster Risk Reduction
World Trade Organization
Annex II

Agenda

1. Opening session.
2. Committee for Development Policy at a glance.
3. Theme of the Economic and Social Council.
4. Review of the subsidiary bodies of the Economic and Social Council.
5. Voluntary national reviews.
6. Overview of least developed countries.
7. Theme of the Economic and Social Council (continued).
8. Monitoring of least developed countries.
9. Capacity development issues of least developed countries.
10. Monitoring of least developed countries (continued).
11. Least developed country workplan.
13. Interaction with the Economic and Social Council.