



## Enhanced monitoring mechanism \*

### Summary

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.

### Recommendation

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.

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.

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\* Excerpt from Committee for Development Policy, Report on the twenty-fourth session, See Official Records of the Economic and Social Council, 2022, Supplement No. 13 (E/2022/33)

## Enhanced monitoring mechanism

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).

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.

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.

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

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

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.

The secondary way is an automated trigger, utilizing a set of predetermined crisis 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

## Strengthened support measures

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.

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.

The Committee suggests that the United Nations resident coordinator, in agreement with the country concerned, organize a round table with development

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.

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.

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.

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.

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.

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

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.

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.

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).

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.

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