

## Covid-19 and graduation from the LDC category

Covid-19 threatens to have devastating effects on the least developed countries (LDC). Their public health systems are often underdeveloped and unable to cope with widespread pandemic. Lockdowns and social distancing measures to stop the spread are more difficult to implement and can have particularly debilitating impacts on livelihoods. Moreover, LDC economies have little resilience to shocks such as the collapse of global demand, exacerbating the socio-economic consequences of the crisis.

The Committee for Development Policy (CDP) is deeply concerned about the possible negative impacts of the Covid-19 crisis on LDCs. The Committee is also anxious that Covid-19 may negatively impact the preparations of LDCs that are graduating and those to be considered for graduation at the next triennial review. The objective of this note is to inform stakeholders on how the CDP intends to address these impacts of Covid-19 in its work on LDCs.

The next triennial review of the list of LDCs is scheduled to take place from 22-26 February 2021, in accordance with the mandate of the CDP. The intention is to undertake the review at this date unless Covid-19 related disruptions would make it impossible. At the triennial review, the CDP will, as usual, consider the scores - based on the established LDC criteria (i.e., gross national income per capita, human assets index and economic and environmental vulnerability index) - for all United Nations Member States in developing regions. The LDC criteria for the 2021 triennial review will be calculated on basis of the most recent data available at the end of 2020 and will include data up to 2019. Hence, the LDC criteria scores will not show the impact of Covid-19.

At the 2021 triennial review, the CDP will decide whether to recommend the following five countries for graduation, provided they continue to meet the criteria: Bangladesh, Lao PDR, Myanmar, Nepal, and Timor-Leste. In making this decision, the CDP will not only consider the LDC criteria scores, but also additional information in the form of supplementary graduation indicators and country-specific analysis. This material will include information on Covid-19 and its impacts. In obtaining and reviewing this information, the CDP will also consult with the countries concerned. In case any of these countries are recommended for graduation, the CDP will also draw on this information, *inter alia*, for suggesting priorities and support needs required to ensure a smooth transition from the LDC category.

At the 2021 triennial review, the CDP will also identify countries that meet the criteria for graduation for the first time. The LDC indicators will not reflect the impact of Covid-19 in 2021. However, the CDP will start reviewing information on Covid-19 and its country-specific impacts after countries that meet the graduation criteria for the first time have been identified. The relevant information will also be reflected in the additional material to be considered at the subsequent triennial review scheduled for 2024.

In 2021, the CDP will also undertake its annual monitoring of countries that have graduated or are graduating from the LDC category. The CDP has resolved to further strengthen its internal monitoring procedures and will give specific attention, among others, to the impact of Covid-19 on these economies.

It will also inform the United Nations Economic and Social Council (ECOSOC) on these impacts, including on the priorities and support needs required for a smooth transition from the category.

For these purposes, the CDP and its Secretariat have started and will continue to gather information on and monitor the extent to which Covid-19 has spread in LDCs and assess the actual and anticipated impact on these countries. It will also monitor the response measures taken by LDCs themselves and the international community to mitigate the negative impact of Covid-19. The information gathering and monitoring will be constantly updated and available at <https://www.un.org/development/desa/dpad/least-developed-country-category/covid-19-and-the-lDCs.html>.

As the situation evolves, the CDP will continue to assess whether Covid-19 has further impacts on the triennial review, and the countries concerned.