



# Review of the recognition and use of the least developed country category by United Nations development system entities\*

## Summary

The Committee noted that the least developed country category had been useful in attracting political support for least developed countries, but had, to a much lesser extent, led to explicit assistance from the United Nations development system. In line with its past reviews, the Committee urged the United Nations development system organizations to expand the use of the least developed country category in their programming and budgeting. It also noted that some United Nations development system entities providing least developed country-specific support did not have specific graduation support programmes or mechanisms to phase out support for graduating countries. As a result, those organizations may not always be able to support the smooth transition of graduating and graduated countries.

## Recommendations

The Committee recommends that the Council endorse its recommendation that the review of the recognition and use of the least developed country category by United Nations development system entities currently undertaken by the Committee be streamlined and included in the reports of the Secretary-General on the follow-up to the Fifth United Nations Conference on the Least Developed Countries and calls on relevant members of the United Nations development system to provide related information.

As mandated by the Council in its resolution 2017/29, the Committee assessed how the United Nations development system is applying the least developed country category. It noted the limited changes in the application of the least developed country category by the development system since the first and second reviews conducted in 2017 and in 2019, respectively.

The Committee underlined the importance for entities of the United Nations development system to give priority attention to the least developed country category in their programming and budgeting, and that treating least developed countries as a group based on their low per capita income, human asset development and economic and environmental vulnerability remains the fundamental premise for special support measures in their favour. It emphasized that United Nations development system entities must support smooth transitions of countries that are graduating from the least developed country category.

The Committee remained concerned that the International Monetary Fund (IMF) and the World Bank did not recognize and apply the least developed country category.

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\* Excerpt from Committee for Development Policy, Report on the twenty-fifth session, See Official Records of the Economic and Social Council, 2023, Supplement No. 13 (E/2023/33)

The Committee reviewed the results of a questionnaire on the application of the least developed country category by the United Nations development system, which was sent to members of the Inter-Agency Consultative Group for Least Developed Countries in 2022 in a joint effort with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to gather information both for a report of the Secretary-General on the implementation of the Doha Programme of Action and the mandated briefing by the Committee to the Council on how the United Nations development system is applying the least developed country category.

The questionnaire results showed that all United Nations development system organizations recognized the least developed country category. Through their activities, they make contributions to the development efforts in many least developed countries to varying degrees. However, the Committee noted with concern that IMF and the World Bank still did not recognize the category in their operations. As in 2017 and 2019, the recognition of the category by United Nations system organizations does not translate into a consistent application of priorities and budget allocation, and there are large variations in the type and level of assistance provided to least developed countries. No significant policy changes have been reported since 2017 with regard to the application of the category. Assistance is often based on the organizations' own policies, priorities and criteria, which are not necessarily related to least developed country status.

Although the least developed country category often receives priority in the strategic frameworks or programme priorities of United Nations development system organizations, that priority is often shared with other country groupings, such as landlocked developing countries and small island developing States, or with thematic groups closely related to the mandates of the organizations. Furthermore, few United Nations development system organizations have earmarked allocations or targets for shares of their core budgets to be allocated to least developed countries. Some organizations have internal guidelines on how to translate the stated priority into their budget allocations or their capacity development projects. The Committee noted with appreciation the existence of specific funding mechanisms and programmes for least developed countries but remains concerned at their small number.

The Committee urged the United Nations development system organizations to expand the use of the least developed country category in programming and budgeting. It also noted with concern that support to graduating and graduated countries and phasing-out of least developed country-specific benefits was often reviewed on a case - by - case basis rather than on the basis of an established institutional approach, despite the increasing number of graduating countries.

In an effort to avoid duplication and streamline efforts, the Committee considers that the review on the application of the least developed country category by United Nations development system entities currently undertaken by the Committee should be included in the reports of the Secretary-General on the follow-up to the Fifth United Nations Conference on the Least Developed Countries.