



**Committee for Development Policy**

United Nations Department of Economic and Social Affairs  
Development Policy and Analysis Division

# **Survey of Organizations of the UN Development System on the Application of the Least Developed Country Category**

CDP Plenary Session, March 2017



# Overview



- **Mandate and methodology**
- **Organizations that do not recognize the LDC category**
- **Organizations that do recognize the LDC category, and in what areas it is applied**
- **Recognition but non-application**
- **Consequences for non-application of LDC category and main messages**
- **Recommendations**



# CDP History reference

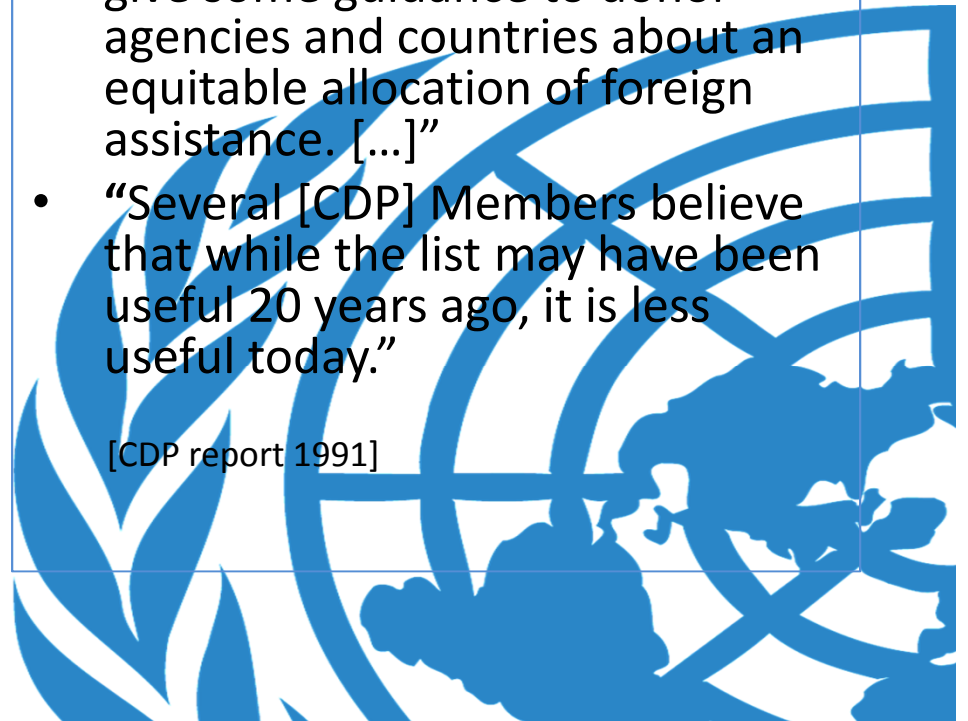


- **LDC category created in 1971 by CDP**
- **Category used to allow access to special support measures such as trade preferences, technical assistance and aid**
- **Category allowed international community to focus on poorest countries in IG deliberations and commitments**

## **Discussion on LDC category not new to CDP :**

- “The major purpose of constructing a list of countries classified as least developed is to give some guidance to donor agencies and countries about an equitable allocation of foreign assistance. [...]”
- “Several [CDP] Members believe that while the list may have been useful 20 years ago, it is less useful today.”

[CDP report 1991]





## **Mandate**

- **“We invite the Committee for Development Policy to look into the reasons and consequences for the non-application of the least developed country category by some United Nations development system organizations and to include its findings on this matter in its annual report to the Economic and Social Council.”** (A/RES/70/294 , para 118)

## **Methodology**

- **No clear definition of "United Nations development system"**
- **Survey development and analysis by the CDP Secretariat**
- **Self declared recognition of LDC category**





# Non-recognition of LDC category

## **International Monetary Fund**

**Offers specific lending facilities for countries according to their level of income and access to international financial markets. Resources not earmarked to specific member countries.**

## **World Bank**

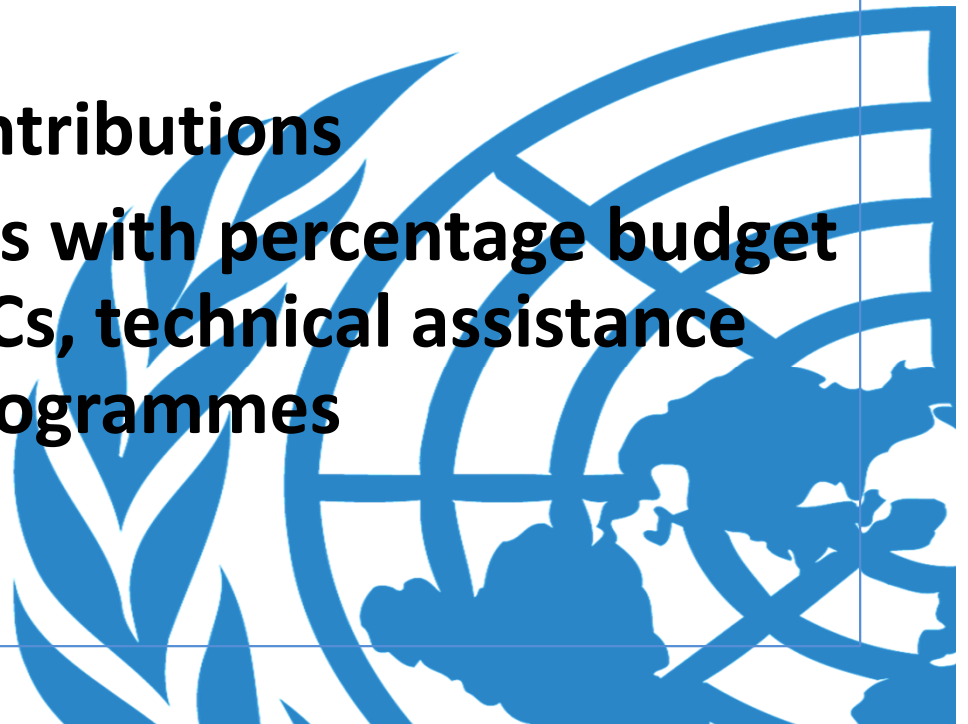
**WB's International Development Association (IDA) focuses on the world's poorest countries based on income.**



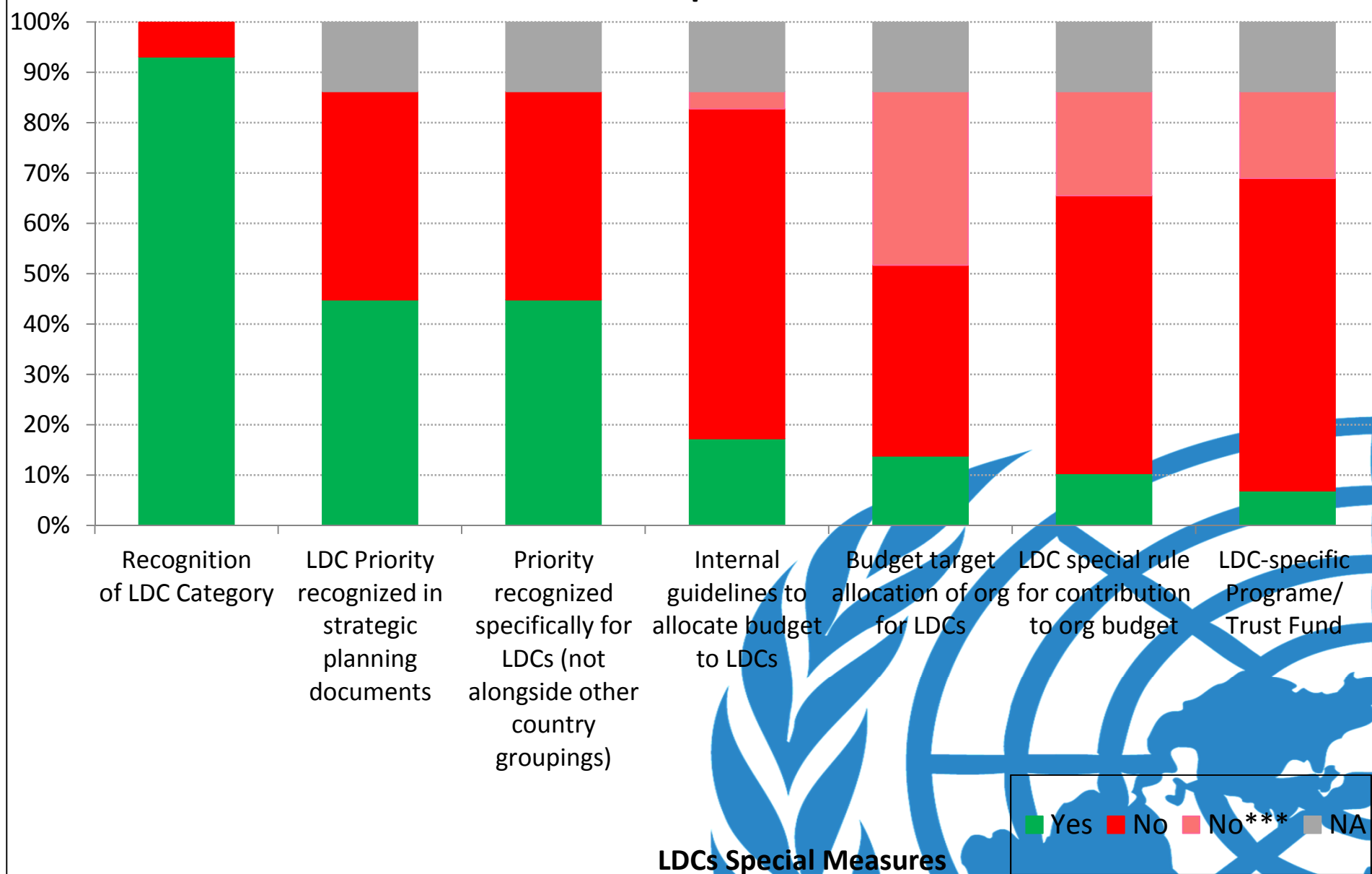


## Recognition and application of LDC category

- **All UNDS organizations surveyed recognize the LDC category**
- **Recognition mainly reflected in strategic planning documents**
- **Caps on LDC budget contributions**
- **Few UNDS organizations with percentage budget target allocation for LDCs, technical assistance TFs, and specific LDC programmes**
- **Travel support**



## Percentage of UNDS organizations surveyed that apply selected LDCs special measures



Source: CDP

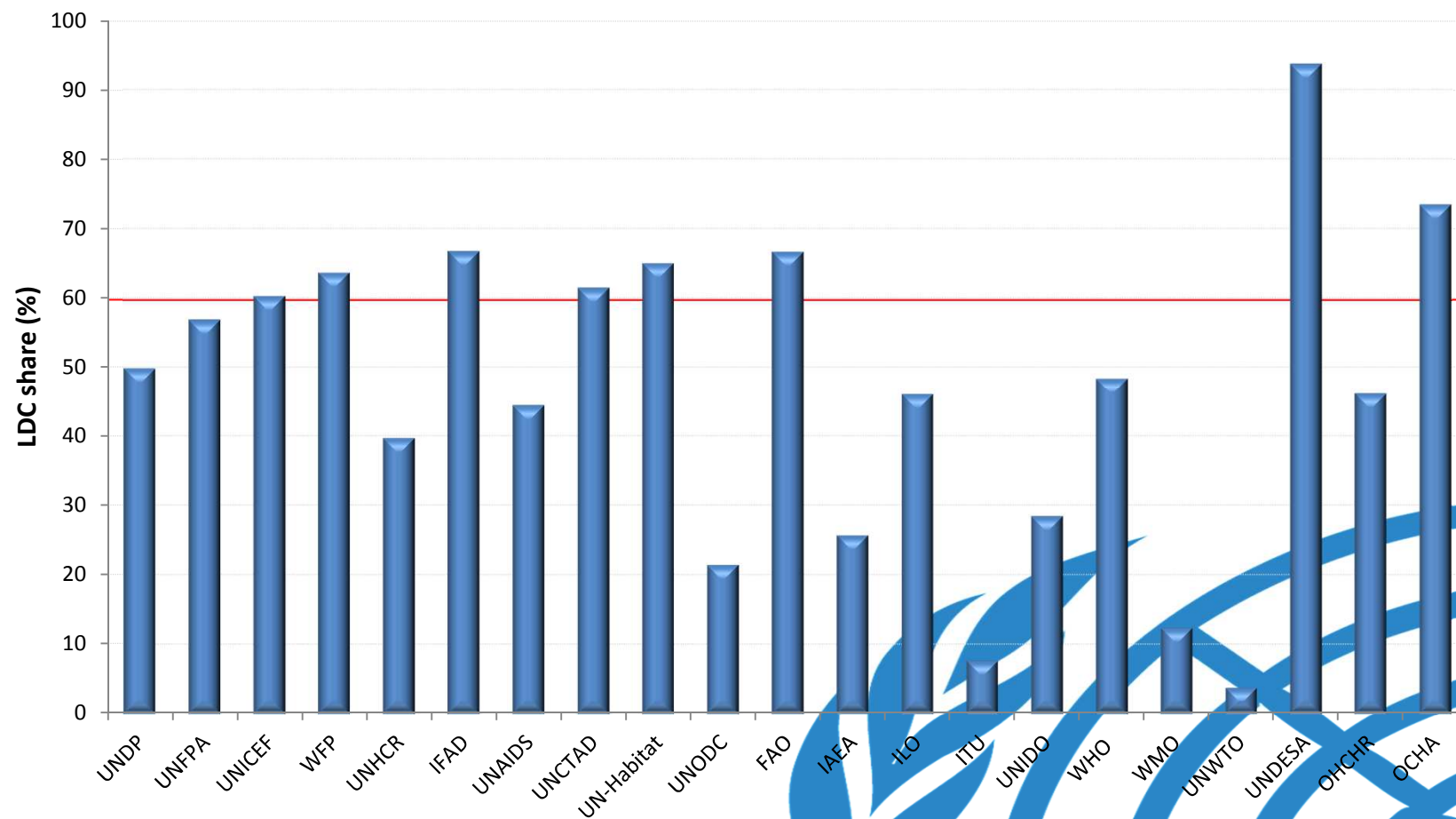
## LDC category recognized but not consistently applied



- **LDC category not applied by some UNDS organizations**
- **LDCs priority blending with other country groupings**
- **Few LDC specific TFs and programmes**
- **Absence of guidelines in favor of LDCs for approval of CD projects**
- **Limited measures in support of smooth transition**
- **Lack of budget target expenditures for LDCs**



## Share of LDCs in country-specific expenditures by selected UNDS (2013)



Year 2013

Data source:

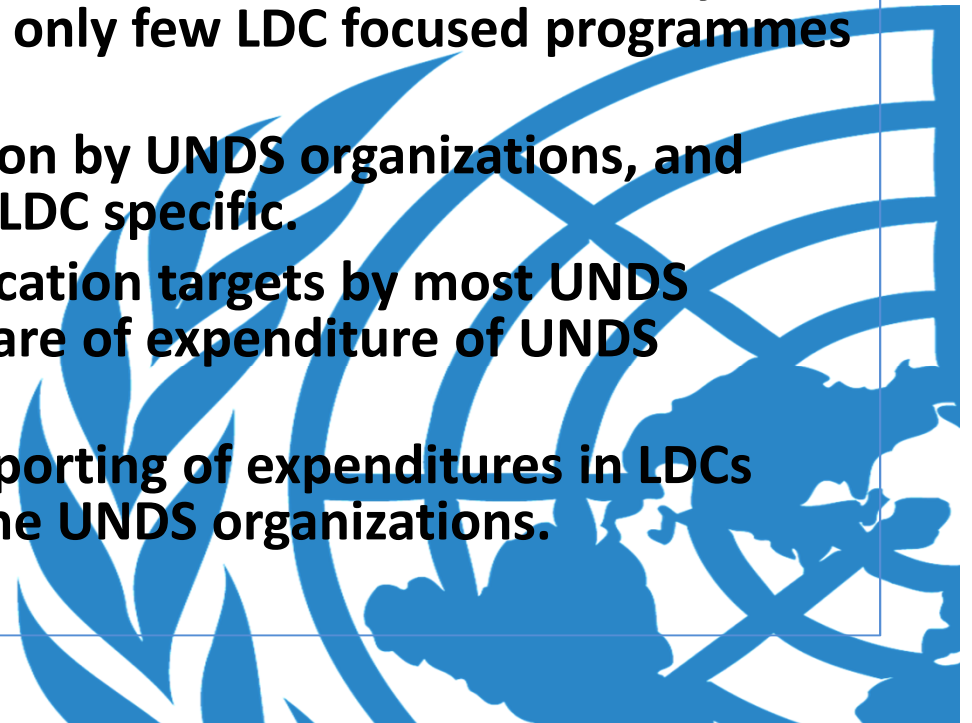
[http://www.un.org/en/ecosoc/newfunct/qcpr\\_funding.shtml](http://www.un.org/en/ecosoc/newfunct/qcpr_funding.shtml)

UNDS



## Consequences of non-application of LDC category and ISMs

- **Despite non-recognition of the LDC category, activities and funds disbursed to LDCs. However, some LDCs may be consistently left out as beneficiaries.**
- **As priority granted to LDCs often blended with other country groupings and not LDC specific, only few LDC focused programmes and TFs.**
- **No consistency in ISM application by UNDS organizations, and measures provided not always LDC specific.**
- **Absence of specific budget allocation targets by most UNDS organizations, and declining share of expenditure of UNDS organizations in LDCs.**
- **Inconsistent monitoring and reporting of expenditures in LDCs reduces the accountability of the UNDS organizations.**





**CDP**

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Thank you

