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Recognition and Application of the Least Developed Country Category by UN Development System Organizations

by Teresa Lenzi

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1 Introduction¹

The least developed countries (LDCs) are developing countries suffering from severe structural impediments to sustainable development and, in order to assist them, international support measures (ISMs) have been made available by the international development community. The support measures fall into three main areas: international trade; official development assistance (ODA), including development financing and technical cooperation; and general support. The United Nations Department of Economic and Social Affairs (UN DESA) has taken the lead in cataloguing these measures (see www.un.org/ldcportal).

This paper analyzes the advantages that LDCs have derived from the various LDC-specific international support measures due to their LDC status. It identifies the reasons why some UN development system organizations may not use the LDC category in their allocation of development assistance and support measures. The analysis focuses on support from the UNDS organizations related to ODA and general support measures. Trade related support measures fall under the purview of the World Trade Organization,

and are not discussed in this paper. The analysis was undertaken in the context of a UN General Assembly mandate in response to the Mid-term Review of the Implementation of the Istanbul Programme of Action for the LDCs for the Decade 2011-2020.²

2 Methodology

The data for the development of this paper was collected through a survey (see annex 2) addressed to forty-seven UN development system organizations in November 2016. Twenty-nine organizations submitted a response (see annex 3). The findings have been analyzed and included in this paper. As there is no official definition of what constitutes the “United Nations development system”, the list of United Nations development system organizations is taken from the Independent Experts’ paper on “The UN development system and its Operational Activities for Development: Updating the Definitions,”³ prepared for the 2016 Quadrennial Comprehensive Policy Review (QCPR).⁴ The QCPR is the mechanism through which the General Assembly assesses the effectiveness, efficiency, coherence and impact of UN operational activities for development and is the primary policy instrument to define the way the UN development system operates to support programme countries. QCPR resolutions guide the UN development system towards supporting the implementation of the 2030 Agenda for Sustainable Development.

To clarify definitions, UNDS entities are in “recognition of the LDC category” when confirming their position vis-à-vis recognition of LDC status in the related survey question. UNDS entities are considered under “non-application of the LDC category” when an organization does not offer LDC-specific international support measures.

1 This paper was adapted from a paper used as background material for the 2017 CDP Plenary’s discussion on the topic “Reasons and consequences of the non-application of the least developed country category by UN development system entities”. This document should not be considered as the official position of the United Nations or the organizations that responded to the survey on which the data for this paper is based.

2 As contained in General Assembly resolution 70/294. Paragraph 118 states: “We reiterate that treating the least developed countries as a group on the basis of their low per capita income, human asset development and economic vulnerability remains the fundamental premise for special measures in their favor, and that wider recognition of the least developed country status could stimulate and facilitate better integration of the Istanbul Programme of Action into development policies. 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.”

3 https://www.un.org/ecosoc/sites/www.un.org/ecosoc/files/documents/2016/qcpr_sgr_terminology_paper.pdf

The survey also covers specialized agencies that cooperate extensively with the UNDS.

4 <https://www.un.org/ecosoc/en/oas-qcpr>

3 Non-recognition of LDC category

The World Bank and International Monetary Fund (IMF) do not recognize the LDC category. However, they cooperate with the UNDS in carrying out their mandate and take into account, as appropriate, the findings and recommendations of the QCPR of the operational system of the United Nations. During the data collection process, both organizations did not provide a reason for their non-recognition of the LDC category.

The World Bank and IMF do not take LDC status into consideration in the conceptualization of their lending modalities or in the design of country specific programmes. The IMF has established specific lending facilities for countries according to their level of income and access to international financial markets. Resources are not earmarked to specific member countries and are furnished on an as-needed basis. The World Bank also does not take LDC status into consideration in determining its budget allocation. The World Bank's International Development Association (IDA) focuses on the world's poorest countries based on income.⁵ IDA does not offer credits or grants to LDCs at conditions that are different from those reserved to IDA-eligible countries.

⁵ As of 1 July 2016, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2015; lower middle-income economies are those with a GNI per capita between \$1,026 and \$4,035; upper middle-income economies are those with a GNI per capita between \$4,036 and \$12,475; high-income economies are those with a GNI per capita of \$12,476 or more. The updated GNI per capita estimates are also used as input to the World Bank's operational guidelines that determines lending eligibility.

4 Recognition of LDC category

With the above-mentioned exceptions of the World Bank and IMF, all organizations that responded to the survey⁶ recognize the LDC category. Some organizations that are part of the UNDS group responded that their work is not development related, hence decided to not fully respond to all the questions posed in the survey (OCHA, UNU). Nonetheless, both organizations stated that they recognize and appreciate the importance of the LDC category, witnessed through their partnerships established with many LDCs.

a. Recognition and application of LDC category

LDCs identified as a priority

The main evidence of the LDC category recognition is reflected in the organizations' programme priorities. Some organizations have included LDCs as a clear priority in the organizations' strategic documents and consider them as the focus of analytical reports. Others have strategies to mainstream the LDCs Programme of Action for the Decade 2011-2020⁷ in their mandate, a work programme on the LDCs, or make general recommendations such as to have LDCs support integrated in their regular work programme.

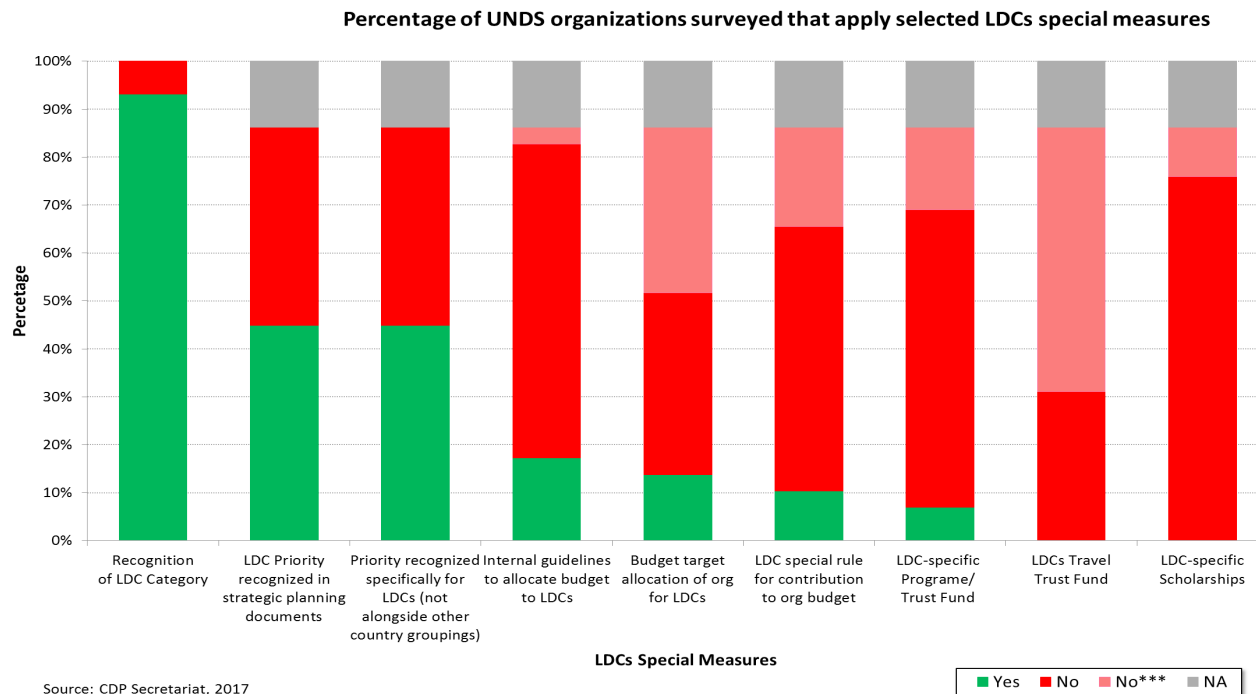
Some organizations report that the LDC priority of their organization is also demonstrated by their organizational set up. For example, some have LDC Units established in their organizational structure (for instance, UNCTAD has a Division on "Africa, Least Developed Countries and Special Programmes (ALDC)," and ESCAP has a Section on "Countries with Special Needs", which covers LDCs, small island developing states and landlocked developing countries).

⁶ See Annex 3 for list.

⁷ <http://unohrrls.org/UserFiles/File/IPoA.pdf>

Figure 1

Percentage of UNDC organizations surveyed that apply selected LDCs special measures



No*** : Although there is no measure set in place specifically for LDCs, the organizations have some related measures which benefit LDCs.

NA : Organization did not reply to the relevant survey question.

However, while noting that the LDC category features in programme priorities in UNDS organizations, such priority recognition in practice is translated differently and varies widely among organizations. Below is an analysis of various areas of LDC-specific support. A color-coded chart (figure 1) visually shows the different practices across organizations.

Caps on LDC budget contributions to UNDS

For all UN Secretariat entities, LDCs contributions to the regular budget are capped at 0.01 per cent of the total UN budget, regardless of their national income or other factors (i.e., at no more than \$271,356 per country in the case of the regular budget for 2015). LDCs are entitled to a 90 per cent discount in their contributions to peacekeeping operations, that is, they contribute 10 per cent of their regular budget assessment rates.

Overall, few UNDS organizations request budget contributions from LDCs. If LDCs contribute, they

do so under special conditions.⁸

Budget allocation to LDCs and LDC-specific funding mechanisms

Some UNDS organizations (UNDP and UNICEF) have percentage budget targets for their core budget

⁸ For example, UN Volunteers (UNV) reported that it has a specific rule related to government cost-sharing when the contribution comes from an LDC: government cost-sharing general management support is set at 3% minimum instead of 8% minimum for third party cost sharing. IAEA exempts LDCs from the payment of the National Participation Cost which is 5% of the resources allocated mainly to national technical cooperation programmes. Some organizations report that they operate based on voluntary contributions, such as UNCDF. The latter reported that some LDCs (two) contribute to their core resource base.

allocated to LDCs (60%), based on a system approved by their Executive Boards.⁹

Few organizations (e.g. UNV) report internal rules for allocation of resources to the LDC category. For UNV, priority is given “explicitly” to LDCs in the selection and approval of development projects and LDC status determines the regional allocation of UNV’s Special Voluntary Fund investments.

UNCTAD (LDC Trust Fund) and UNCDF (Last Mile Finance Trust Fund) have an established LDC-specific funding mechanism for LDCs.

UNEP and UNDP are part of the National Adaptation Plans (NAP)- Global Support Programme (GSP)¹⁰ which targets LDCs specifically with financing from the Least Developed Country Fund of the Global Environment Facility.¹¹

Travel support

Based on the data collected, there are no LDC-specific Trust Funds set up for travel support. Nonetheless, most UNDS organizations provide support for travel of LDCs to participate in their international meetings and related processes. Some organizations also have internal guidelines that prioritize the participation of LDCs in intergovernmental and multi stakeholder events that they organize, and some award fellowships to LDCs in order to participate in seminars and workshops.

b. Recognition but non-application of LDC category

LDC category not applied

In a response submitted in 2011,¹² UNAIDS reported that it does not apply the LDC category in the implementation of its work programme. The reason is that UNAIDS employs its own criteria that reflect its organizational mandate and its resources are earmarked according to its programme priorities (HIV epidemic priorities). UNAIDS budget is raised entirely from voluntary funding.

The IAEA also reports that it does not apply the LDC status and there is no specific allocation of resources for this category.

Lack of priority setting in budget expenditures and LDC-specific funding mechanisms

Recognition of the LDC category does not always translate into the setting of priorities in budget allocation and capacity development activities of UNDS entities. This may result in unpredictable resource flows to LDCs. For instance, according to the Secretary-General’s QCPR report, in 2013, LDCs accounted for 57 per cent of total development-related expenditure.¹³ In 2014, expenditures in LDCs represented some 53 per cent,¹⁴ thus indicating a relative decrease in funding, which has raised concerns from Member States.¹⁵ For details on UNDS budget expenditures in LDCs in 2013 see figure 2.

It is unclear how the stated LDC priority of UNDS organizations in their strategic planning and programme documents translates into budget allocation for LDCs because most organizations do not have operational guidelines with clear budget targets, nor rules for budget allocations to LDCs (with the

9 Between 2008 and 2012, about 50% of UNDP’s resources were allocated to LDCs. In 2012, budget allocated to LDCs/LLDCs/SIDS was slightly above USD 2.6 billion.

10 <http://www4.unfccc.int/nap/Support/Pages/NAPGSP.aspx>

11 <https://www.thegef.org/about/funding>

12 <http://esango.un.org/ldcportal/web/16736/-/new-survey-results?groupId=19804> UNAIDS did not reply to the 2016 survey request.

13 Paragraph 35 (A/70/62 E/2015/4)

14 Paragraph 39 (A/71/63 E/2016/8)

15 Para 40 of the QCPR resolution A/RES/71/243.

The Data Challenge

The budget expenditures considered in the analysis in this paper are specific on operational activities for development. http://www.un.org/en/ecosoc/newfunct/qcpr_funding.shtml.

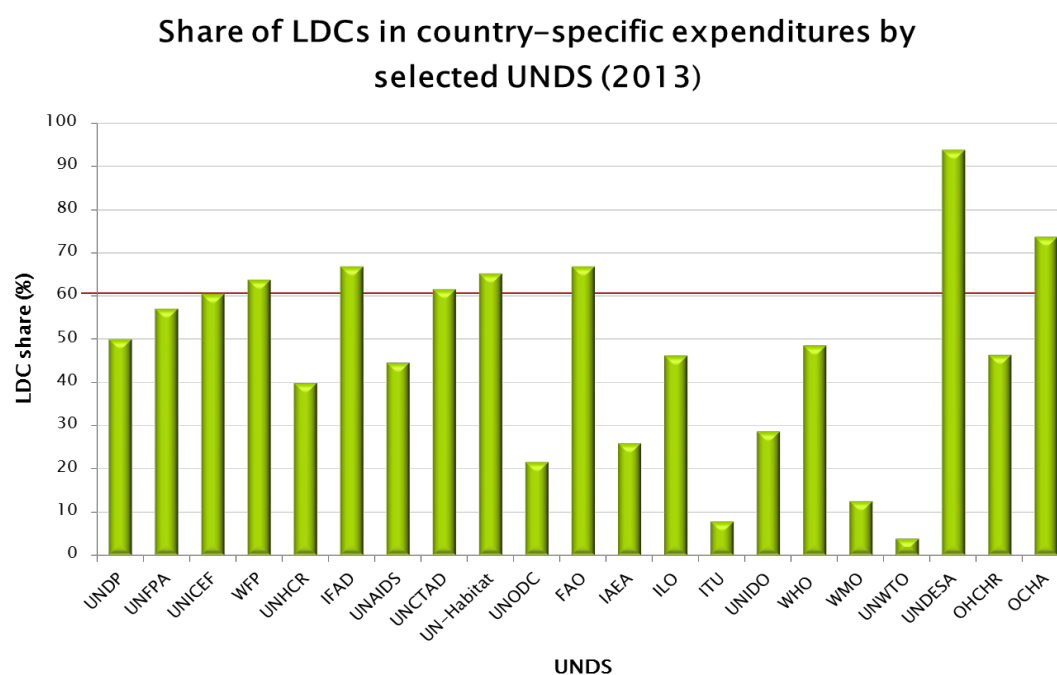
In UN statistics, both core and non-core funding from Governments to the UN system are classified as contributions to the UN for its operational activities. Other data sources contain total flows (including peacekeeping, norm and standard setting and other activities), and not just operational activities for development. DESA and OECD/DAC both report on UN funding for operational activities for development, but there are some discrepancies observed in the data. OECD/DAC classifies only core contributions from Governments as multilateral aid to the UN system, while non-core contributions are classified as bilateral aid. Also, UN figures on contributions to operational activities for development are more comprehensive than the ones provided by OECD/DAC, as they include funding from all non-OECD/DAC countries, whereas OECD/DAC reporting is limited to those countries that officially submit such reports to DAC. Furthermore, the UN reporting also includes contributions from non-governmental organizations and private organizations, while OECD/DAC records them under the category of private flows, and those extended to the UN cannot be separately identified.

For more details see A/68/97 E/2013/87, Annex III, Differences between UN and OECD/DAC reporting on contributions for UN operational activities for development http://repository.un.org/bitstream/handle/11176/272971/A_68_97%3bE_2013_87-EN.pdf?sequence=3&isAllowed=y

The lack of data consistency makes an analysis at the level of the UNDS challenging.

Figure 2

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



Source: http://www.un.org/en/ecosoc/newfunct/qcpr_funding.shtml

exception of UNDP and UNICEF.)¹⁶ Instead, most organizations make “general recommendations” which are not specific in terms of budget allocation nor about LDCs as target beneficiaries. For example, FAO’s Governing Bodies make “general recommendations” to prioritize country presence and programme support in Low Income Food Deficit Countries.¹⁷ WFP allocates 90 per cent of its multilateral development funding to “concentration countries” including countries that have a rate of above 25 per cent for children under five years old. ITC pledged to devote at least 70 per cent of interventions on priority countries, which do not only include LDCs but also LLDCs, SIDS, Sub-Saharan Africa, post-conflict states and small and vulnerable economies. IFAD reports that LDCs “usually” receive financing from IFAD on softer terms, since IFAD’s financing terms are inter alia determined by per capita income. Some organizations, (e.g. IAEA), do not take LDC status into consideration in determining budget allocation, and give “due consideration” to the needs of the under-developed areas of the world.

LDC status is one of DESA’s guiding principles as stated in its capacity development strategy and formulation of capacity development assistance. However, there is no formal rule for budget allocation to LDCs. Various other organizations surveyed try to ensure a representational cross-section of countries, including the LDCs, through their project development approval process.¹⁸

With the exception of the above mentioned UNCTAD, UNCDF and the UNDP-UNEP NAP-GSP programme, UNDS organizations do not report LDC-specific funding mechanisms for LDCs. Some UNDS entities have “related” Trust Funds. For exam-

ple, UNIDO has a dedicated fund for Africa (“Special Resources for Africa”). Other organizations report that some assistance is offered by funds devoted to technical assistance to countries some of which belong to the LDC category.¹⁹

Further, many organizations state that they have no specific resources earmarked for LDCs as the support they provide is demand driven (ESCWA, ITU). Thus their interventions are based on explicit and evolving needs of LDCs.

Other UN organizations point out that some guidelines are donor driven. For instance, UNISDR reports that their organization follows the guidelines of certain funding streams/donors through which they receive support for the work delivered in LDCs.

No clear LDC priority due to “blending” with other country groupings and thematic areas

Most UNDS organizations use other country groupings along with LDCs to assign similar priority status and special priority treatment. Country groupings that are frequently mentioned as priority with the LDCs are the LLDCs and SIDS.²⁰ Depending on the work programme of the organizations, other thematic groups are also mentioned as priority alongside, or instead of, the LDCs, for example Low Income and Food Deficit Countries (FAO); conflict countries (ESCWA); fragile and conflict affected countries (IFAD); Low Income Countries (IMF and World Bank). ITC assigns priority to LDCs, alongside LLDCs, SIDS, Sub-Saharan Africa, post-conflict states and small and vulnerable economies.

¹⁶ It should be noted that these rules cover only core resources, whereas figure 2 includes all operational expenditures for the year 2013. This explains why the share of LDCs in UNDP in figure 2 is 50 per cent, despite a target of 60 per cent.

¹⁷ FAO reports that 60% of all FAO programmatic delivery at country level (both regular programme and voluntary contributions) was in LDCs countries over the 2012-2015 period. 73% of country programmatic delivery was in countries classified as Low Income and Food Deficit Countries.

¹⁸ UNRISD for example. ESCWA reports that LDCs are given priority when required, but there are no internal guidelines to support these decisions.

¹⁹ For example, UNESCO’s Capacity Development for Education for All (83\$ to date mobilized), while not being LDC specific, uses some of the LDC criteria to determine the countries that are eligible for funding and eventually end up benefitting LDC countries as well.

²⁰ For example, mentioned by UNDP, UNIDO, WFP, UN-WTO, UNOPS.

Scholarships

Overall, very few of the UN organizations provide scholarships and grants giving priority to LDCs. UNESCO gives priority and provides financial support to the LDCs through its Participation Programme along with other country grouping and offers a limited number of scholarships to some LDC candidates for education and training at some UNESCO centres (e.g. UNESCO-IHE Institute for Water Education). Other organizations, such as UNIDO with its Institute for Capacity Development, as well as UNICRI, report offering scholarships to LDCs, however they are also accessible to participants coming from other countries.

5 Limited measures in support of smooth transition from LDC category

With the exception of UNCTAD's plans to strengthen its work on LDCs after graduation, (in accordance with the Maafikiano declaration),²¹ UNDS organizations do not have specific programmes or measures in support of a smooth transition of graduating LDCs. Overall, the continuous UN organizations' engagement is mainly determined on the basis of mutually agreed Country Programme Frameworks (where available) and in the context of the UNDAF. Where resources are available, some UN organizations report being committed to undertake field missions to help countries prepare for graduation and continue to work with the Enhanced Integrated Framework²² and in building productive capacity of LDCs for a smooth transition (e.g. ITC).

Most organizations continue to support LDCs after graduation, however it is often based on the requests received (demand driven). Some organizations

slightly adjust the focus of their support to address graduation challenges.

A few organizations change their LDC specific support after graduation. For instance, ITU states that graduated LDCs are no longer eligible for its fellowships (for workshops, seminars) awarded through the ITU regular budget and UNISDR states that support may be reduced in terms of support to attend global meetings.

6 Consequences for non-recognition and non-application of LDC status

The LDC category has been useful to gather political support within intergovernmental negotiations as witnessed by the references to their special situation in numerous development agendas and outcomes, including the 2030 Agenda. However, the LDC category and international political support has not always resulted in attracting concrete assistance for LDCs, including from the UNDS entities. The latter make contributions in various degrees with their activities to the development efforts in many LDCs. However, while the UNDS entities recognize the LDC category, such recognition does not translate into a consistent application of priorities and budget allocation and there are large variations in the type and level of LDC specific assistance. While the mandate of some specialized agencies may not closely relate to LDCs, this is a concern for UN agencies whose primary objective and mission is to promote sustainable development.

The absence of specific budget allocation targets by numerous organizations can be detrimental, as witnessed by the declining share of UNDS expenditures for operational activities for development in LDCs. With the need for enhanced support to overcome the structural challenges that these countries face in implementing the 2030 Agenda for Sustainable Development, an increase in the targeting of budget allocations would help enhance the flow and predictability of resources and development prospects of these

21 Maafikiano declaration: http://unctad.org/meetings/en/SessionalDocuments/td519add2_en.pdf

22 https://www.wto.org/english/tratop_e/devel_e/teccop_e/if_e.htm

countries. Some organizations, despite not having a percentage target in their commitments, already achieve relatively high percentages of budget disbursements in favor of LDCs (similar to or above UNDP and UNICEF, see figure 2). However, the formal recognition in the form of a specific budget target in favor of the LDC category would constitute a clear commitment whereby UNDS organizations not only recognize the LDCs as a priority, but also set themselves a benchmark.

UNDS entities should report their budget expenditures in favor of LDCs in a comprehensive and consistent manner. Data on operational activities for development should be improved and based on consistent standards. In addition, the data related to budget disbursements aggregated at the global and regional levels should still be attributable to LDCs. Incomplete and inconsistent monitoring and reporting of expenditures in favor of LDCs reduces the accountability of the UNDS organizations, and ultimately the implementation of the important international priority allocated by Member States to LDCs. Related to the reporting and monitoring of data is the need for granting priority status to LDCs as a category in itself so as to avoid that priorities are allocated along with other country groupings, such as LLDCs and SIDS.

Overall, it is essential that UNDS organizations go beyond the mere recognition of the LDC category and provide access to LDC-specific support measures. Additional efforts are also needed to reduce existing differences and improve the overall coherence and application of such measures. The establishment and use by UNDS entities of LDC-specific funding mechanisms such as the LDC Fund of the Global Environment Facility and the Enhanced Integrated Framework (EIF) for LDC-specific trade-related capacity development are an example and should be encouraged.

Too often, assistance is based on the organizations' own criteria which may not necessarily be related to the LDC status. Hence it would be desirable that UNDS organizations clearly reflect the LDC category in their policies. In this context, UNDS organizations should also consider the use of LDC indicators (Gross National Income (GNI) per capita, Human Asset In-

dex (HAI) and Economic Vulnerability Index (EVI)) as part of their criteria for allocating assistance.

Most UNDS organizations do not have specific graduation support programmes or mechanisms for LDCs. Assistance to graduating and graduated countries is based on organizations' own policies. Graduation often falls in the middle of UN organizations' multi-year programmes or project cycles and does not invoke immediate changes. Assistance is also often reviewed on a case-by-case basis, but there is no established institutional approach for phasing out of LDC specific benefits. As a result, these organizations may not always be able to support a smooth transition of graduating and graduated countries. It is essential that UNDS organizations consider the extension and gradual phasing out of least developed country-specific support to graduated countries in a predictable manner and according to the specific development situation of each graduating country.²³ In this regard, it would be desirable that UNDS organizations set up institutional mechanisms to identify and facilitate action for implementing a smooth strategy from the LDC category. At the country level, UNDAF and other programmes should be flexible to allow adjustments as LDC graduation occurs.

The non-recognition of the LDC category by the World Bank and IMF does not necessarily translate into an absence of activities or funds disbursed to LDCs. According to OECD-DAC, the World Bank Group allocates 56 per cent of its ODA expenditure to LDCs.²⁴ On the other hand, given the lack of formal LDC-specific support, some LDC countries may be consistently left out as beneficiaries. Furthermore, the prominent place of LDCs in the 2030 Agenda and the international political support for this special group of countries should prompt these organizations to also recognize and use the LDC category in the delivery of their work programme.

²³ Paragraph 14 GA resolution 67/221 http://www.un.org/en/development/desa/policy/cdp/ARES67221_en.pdf

²⁴ <http://stats.oecd.org/qwids/>

Annex 1

Acronyms

CDP	Committee for Development Policy
DESA	Department of Economic and Social Affairs
ECA	Economic Commission for Africa
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EVI	Economic Vulnerability Index
FAO	Food and Agriculture Organization
GNI	Gross National Income
HAI	Human Assets Index
IAEA	International Atomic Energy Agency
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
ISMs	International Support Measures
ITC	International Trade Centre
ITU	International Telecommunication Union
LDCs	Least Developed Countries
LLDCs	Land Locked Developing Countries
MIC	Middle Income Country
OCHA	Office for the Coordination of Humanitarian Affairs
QCPR	Quadrennial Comprehensive Policy Review
ODA	Official Development Assistance
SIDS	Small Island Developing States

UNAIDS	Joint United Nations Programme on HIV and AIDS
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDS	United Nations Development System
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIDO	United Nations Industrial Development Organization
UNISDR	United Nations Office for Disaster Risk Reduction
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRISD	United Nations Research Institute for Social Development
UNWTO	United Nations World Tourism Organization
UNU	United Nations World Tourism Organization
UNV	United Nations Volunteers
WFP	World Food Programme
WTO	World Trade Organization

Annex 2

Survey of United Nations Development System Organizations Concerning the Reasons and Consequences of the Non-Application of the Least Developed Country Category

Contact

Please provide the contact information of the person responsible for the overall coordination of the Survey in your Organization.

Organization:
Contact person:
Email:
Telephone:

Introduction

This Survey is mandated by the Political Declaration on the “Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action of the Least Developed Countries for the Decade 2011-2020”, A/RES/70/294. Paragraph 118 states:

“118. We reiterate that treating the least developed countries as a group on the basis of their low per capita income, human asset development and economic vulnerability remains the fundamental premise for special measures in their favour, and that wider recognition of the least developed country status could stimulate and facilitate better integration of the Istanbul Programme of Action into development policies. 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.”

The objective of this Survey is to obtain information on how United Nations development system organi-

zations apply the LDC status²⁵ in order to increase the information base for the Committee for Development Policy (CDP)²⁶ findings. By “applying LDC status” it is understood that:

- The Organization officially recognizes the LDC category, composed of the list of countries as reflected in Annex 1;
- The Organization has certain modalities in place that ensure LDCs are treated differently than other countries because of their belonging to the LDC category. These modalities could include, inter alia:
 - ◊ Priority given to LDCs in the selection and approval of development projects and other operational activities;
 - ◊ Budget allocation rules favouring LDCs, for example by including LDC status in allocation formulae, or by using LDC criteria for allocating resources;
 - ◊ LDC-specific Trust Funds;
 - ◊ Other special LDC-specific international support measures in favour of LDCs.²⁷

²⁵ For more information on LDCs please see: http://www.un.org/en/development/desa/policy/cdp/ldc_info.shtml

²⁶ The Committee for Development Policy (CDP) is a subsidiary body of the United Nations Economic and Social Council (ECOSOC). The CDP provides inputs and independent advice to the Council on emerging cross-sectoral development issues and on international cooperation for development, focusing on medium- and long-term aspects. The Committee is also responsible for reviewing the status of least developed countries (LDCs) and for monitoring their progress after graduation from the category.

²⁷ For a complete catalogue of LDC-specific international support measures, see www.un.org/ldcportal.

The Survey seeks to obtain information regarding some of the advantages that LDCs have actually derived from the various LDC-specific international support measures due to their LDC status, and identify the reasons why some UN development system Organizations may not use the LDC category in their allocation of development assistance and special support measures for these countries.

Some background information is provided along with the questions to facilitate the completion of the Survey.

Survey results will be included in a background document as an input to the 2017 plenary of the CDP in March 2017. The findings of the CDP will then be incorporated into the Committee's report to ECOSOC as a contribution to the Council's 2017 substantive session.

The targeted Organizations of this Survey include the UN development system Organizations. The CDP Secretariat notes that there is no official definition of what constitutes the "United Nations development system". For the purpose of this Survey, the list of United Nations development system Organizations is taken from the Independent Experts' Paper on "The UN Development System and Its Operational Activities for Development: Updating the Definitions,"²⁸ prepared for the 2016 Quadrennial Comprehensive Policy Review²⁹.

The Survey can be downloaded at http://dev.un.org/en/development/desa/policy/cdp/ldc_survey_2016.shtml

Please save your Survey in your computer as MS word file and return it to lenzi@un.org by **30 November 2016**.

For any questions regarding the Survey, please email Teresa Lenzi lenzi@un.org or call +917 367-7037.

²⁸ https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/documents/2016/qcpr_sgr_terminology_paper.pdf

The survey also covers specialized agencies that cooperate extensively with the UNDS and do take findings and recommendations of the QCPR into account.

²⁹ <https://www.un.org/ecosoc/en/oas-qcpr>

Survey

Application of LDC category

[Least Developed Countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. There are currently 48 countries designated by the United Nations as LDCs. By “applying LDC status” it is meant that:

- *The Organization officially recognizes the LDC category, composed of the list of countries as reflected in Annex 1;*
- *The Organization has certain modalities in place that ensure LDCs are treated differently than other countries because of their belonging to the LDC category. These modalities could include, inter alia:*
 - ◊ *Priority given to LDCs in the selection and approval of development projects and other operational activities;*
 - ◊ *Budget allocation rules favouring LDCs, for example by including LDC status in allocation formulae, or by using LDC criteria for allocating resources;*
 - ◊ *LDC-specific Trust Funds;*
 - ◊ *Other special LDC-specific international support measures in favour of LDCs.³⁰*

[Priority to LDCs could also be given by utilizing LDC criteria. For example para 23 of the General Assembly resolution 67/221 on Smooth transition for countries graduating from the list of least developed countries “Invites development partners to consider least developed country indicators, gross national income per capita, the human assets index and the economic vulnerability index as part of their criteria for allocating official development assistance”]

³⁰ For a complete catalogue of LDC-specific international support measures, see www.un.org/ldcportal.

1. Does your organization recognize the LDC category?

If yes (the LDC category is applied), go to question 2.

If no, please answer the sub-question below and then skip to question 13.

- If your Organization does not recognize the LDC category, what are the reasons? Please explain.

2. How does your organization consider LDCs in its development assistance priorities? In your response please elaborate and consider addressing the following points:

- Explain if you have any mechanisms in place or internal guidelines that assign priority to LDCs.
- List any other country groups that receive a similar priority status.

3. Do you consider the LDC indicators as part of the criteria to make decisions about your Organization's assistance to LDCs?

- *If yes*, please elaborate.
- *If not*, please elaborate.

Budget allocation to LDCs

[As stated in the Political Declaration on the Mid Term Review of the IPoA, A/RES/70/294 para 117 “[...] We invite the governing bodies of the organisations of the United Nations development system and other multilateral organizations to prioritize allocations to the least developed countries.” In this context, several international organizations have rules or targets to earmark their resources (including those for operational activities for development) to geographical or functional groups of developing countries, including the LDCs. For example, UNDP uses rules to earmark the allocation of the programme budget or extra-budgetary resources to LDCs and has a budget target of at least 60% of the regular resources to LDCs, based on a system approved by their Executive Board.]

4. Is LDC status taken into consideration by your organization in determining your organization’s allocation of the budget?

- *If yes*, please elaborate and describe any LDC specific budget provisions included in your budget (e.g. is a certain percentage of your budget earmarked for LDCs, using LDC status in allocation formulae)?
- *If not*, please explain the reasons why not.

5. Does your organization report on the actual allocation of the budget in its reports on operational activities?

- *If yes*, please provide a reference number or link to the report.

LDC contributions to the budget of your Organization

[International organizations may cap the financial contributions of LDCs to their budgets, thus providing those countries an implicit support for their participation in their organizations. For example, the contribution of LDCs to the regular budget of the United Nations is capped at 0.01 per cent of the budget of the organization (i.e., at no more than \$271,356 per country in the case of the regular budget for 2015), regardless of national income or other factors determining a Member State’s assessment rate. Furthermore, LDCs are entitled to a 90 per cent discount in their contributions to peacekeeping operations (for example, if an LDC contributes 0.005 per cent of the regular budget, it is required to make 0.0005 per cent of peacekeeping operations’ budget).]

For United Nations (UN) system entities that are not part of the UN Secretariat. For UN Secretariat entities please skip to next question.

6. Does your Organization have special rules with regard to LDC contributions to the regular and other budgets of your entity?

- *If yes*, please describe the budget rules for LDC contributions and how they are different from those for other developing countries.
- *If not*, please explain the reasons why not.

Technical Assistance Trust Funds

[A number of LDC-specific trust funds from international organizations have been created to provide technical assistance specifically for LDCs. For example, the Global Environmental Facility-Least Developed Countries Fund (GEF-LDCF)³¹ aims to address the special needs of the LDCs, which are especially vulnerable to the adverse impacts of climate change. The Enhanced Integrated Framework³², which supports the LDCs to use trade as a vehicle for economic growth and poverty reduction, is another Trust Fund example of LDC-specific technical assistance.]

³¹ <https://www.thegef.org/topics/least-developed-countries-fund-ldcf>

³² <http://www.enhancedif.org/>

7. Please provide information on the LDC-specific technical assistance Trust Fund(s) that your Organization has established (please exclude travel related funds, as it is covered by questions that follow). In case these trust funds also cover other priority groups, please list them.

- If you do not have any dedicated technical assistance Trust Funds established for LDCs, please explain why.

Trust Fund Name	Contributing Donor(s)	Amount (for last three years for which data is available)		
		Year	Year	Year

Travel

[A number of trust funds from international organizations have been created for travel-related assistance specifically for LDCs to fund the participation of LDCs in their processes. For example, the UN provides financial support for the participation (but not subsistence expenses) of representatives of LDCs to the annual sessions of the General Assembly, as follows: (a) up to five representatives (per LDC) attending a regular session of the General Assembly; (b) one representative (per LDC) attending a special or emergency session of the General Assembly; and (c)

8. Does your Organization have an established financial mechanism to fund the participation of LDCs in your intergovernmental processes?

- *If yes*, please list which ones and provide relevant information.
- *If not*, please explain why not.

one member of a permanent mission in New York designated as a representative or alternate to a session of the General Assembly.]

9. Please provide information on LDC specific travel-related Trust Funds that have been established or administered by your Organization to facilitate the participation of LDCs in your own processes/international meetings that your Organization has organized.

Trust Fund Name	Contributing Donor(s)	Amount (for last three years for which data is available) Also add number of LDCs that received travel support		
		Year	Year	Year
		No.s of LDCs	No.s of LDCs	No.s of LDCs

- If you do not have any dedicated travel-related Trust Funds established, please explain why.

10. Do you offer scholarships, research-related travel grants and research-related financial support for LDCs?

- *If yes*, please list which ones and provide relevant information.
- *If not*, please explain why not.

◆ Supporting Smooth Transition of LDCs ◆

[LDC graduation normally takes place three years after the General Assembly takes note of the graduation recommendation. During this three-year period, a graduating country prepares itself for the transition from the list of LDCs, including by developing a

11. Does your Organization offer specific measures to graduating LDCs in order to support a smooth transition?

smooth transition strategy. After the three-year period, UN system entities and trading partners as well as organizations of the United Nations system are invited to consider the extension and gradual phasing out of the benefits available to LDCs, in line with General Assembly resolutions 59/209 and 67/221.]

- *If yes*, please explain which ones and provide relevant information.
- *If not*, please explain why not.

12. Does the support that your Organization extends to LDCs change after LDC graduation?

- *If yes*, please explain how the support changes.
- *If not*, please explain how the support continues.

◆ **Reporting on LDC issues** ◆

[The General Assembly and the ECOSOC in several resolutions (most recently E/RES/2016/15) have requested the Secretary-General to include issues of concern to the least developed countries in all relevant reports in the economic, social, environmental and related fields, in order to support the implementation of the goals set out in the Istanbul Programme of Action. For example UNCTAD includes a section on LDCs in the annual World Investment Report, providing LDC specific data and analysis.]

13. Does your Organization include LDC specific issues through disaggregated data and information in your substantive (flagship) reports?

- *If yes*, please elaborate how you include LDC issues in your reports and provide a reference number or link.
- *If not*, please explain the reason

◆ **Additional information** ◆

14. Does your organization plan any change in terms of LDC support in the future? Please explain.

15. Does your organisation provide any other special LDC-specific support measures in favour of LDCs, not mentioned above? Please explain.

16. Please provide additional comments, if any.

List of Current Least Developed Countries (as of May 2016)*, **

Afghanistan (1971)	Madagascar (1991)
Angola ¹ (1994)	Malawi (1971)
Bangladesh (1975)	Mali (1971)
Benin (1971)	Mauritania (1986)
Bhutan (1971)	Mozambique (1988)
Burkina Faso (1971)	Myanmar (1987)
Burundi (1971)	Nepal (1971)
Cambodia (1991)	Niger (1971)
Central African Republic (1975)	Rwanda (1971)
Chad (1971)	Sao Tome and Principe (1982)
Comoros (1977)	Senegal (2000)
Dem. Rep Of The Congo (1991)	Sierra Leone (1982)
Djibouti (1982)	Solomon Islands (1991)
Equatorial Guinea ² (1982)	Somalia (1971)
Eritrea (1994)	South Sudan (2012)
Ethiopia (1971)	Sudan (1971)
Gambia (1975)	Timor-Leste (2003)
Guinea (1971)	Togo (1982)
Guinea-Bissau (1981)	Tuvalu (1986)
Haiti (1971)	Uganda (1971)
Kiribati (1986)	United Rep. of Tanzania (1971)
Lao People's Dem. Republic (1971)	Vanuatu ³ (1985)
Lesotho (1971)	Yemen (1971)
Liberia (1990)	Zambia (1991)

* The list will be updated when new decisions become available.

** Year of inclusion on the list in brackets.

- 1 General Assembly resolution A/RES/70/253 adopted on 12 February 2016, decided that Angola will graduate five years after the adoption of the resolution, i.e. on 12 February 2021.
- 2 General Assembly resolution A/RES/68/18 adopted on 4 December 2013, decided that Equatorial Guinea will graduate three and a half years after the adoption of the resolution, i.e. on 4 June 2017.
- 3 General Assembly resolution A/RES/68/18 adopted on 4 December 2013, decided that Vanuatu will graduate four years after the adoption of the resolution on 4 December 2017. General Assembly resolution A/RES/70/78 adopted on 9 December 2015, decided to extend the preparatory period before graduation for Vanuatu by three years, until 4 December 2020, due to the unique disruption caused to the economic and social progress of Vanuatu by Cyclone Pam.

Annex 3

List of Organizations that responded to the Survey on which the data for this paper was based

1.	DESA	Department of Economic and Social Affairs
2.	ECA	Economic Commission for Africa
3.	ESCAP	Economic and Social Commission for Asia and the Pacific
4.	ESCWA	Economic and Social Commission for Western Asia
5.	FAO	Food and Agriculture Organization
6.	IAEA	International Atomic Energy Agency
7.	IFAD	International Fund for Agricultural Development
8.	IMF	International Monetary Fund
9.	ITC	International Trade Centre
10.	ITU	International Telecommunication Union
11.	OCHA	Office for the Coordination of Humanitarian Affairs
12.	UNAIDS	Joint United Nations Programme on HIV and AIDS
13.	UNCDF	United Nations Capital Development Fund
14.	UNCTAD	United Nations Conference on Trade and Development
15.	UNDP	United Nations Development Programme

16.	UNEP	United Nations Environment Programme
17.	UNESCO	United Nations Educational, Scientific and Cultural Organization
18.	UNICEF	United Nations Children's Fund
19.	UNICRI	United Nations Interregional Crime and Justice Research Institute
20.	UNIDO	United Nations Industrial Development Organization
21.	UNISDR	United Nations Office for Disaster Risk Reduction
22.	UNODC	United Nations Office on Drugs and Crime
23.	UNOPS	United Nations Office for Project Services
24.	UNRISD	United Nations Research Institute for Social Development
25.	UNWTO	United Nations World Tourism Organization
26.	UNU	United Nations University
27.	UNV	United Nations Volunteers
28.	WFP	World Food Programme
29.		World Bank