



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

As requested by the Council in its resolution 2017/29 on the report of the Committee for Development Policy on its nineteenth session, the Committee looked into how the United Nations development system is applying the least developed country category. The results of the survey undertaken by the Committee and its findings are contained in chapter VI of the present document.

Given the limited changes in the application of the least developed country category by the United Nations development system since the first review in 2017, the

Committee underlines that it is important that the entities of the United Nations development system give priority attention to and follow up on paragraphs 8 to 11 of Economic and Social Council resolution 2017/29. It emphasizes that it is urgent that the United Nations development system entities develop common guidelines for applying the category to ensure that priority is given to least developed countries in all programming and budgeting, in recognition of the diversity of challenges that least developed countries face, and that support is provided for smooth transitions.

As requested by the Economic and Social Council in its resolution 2017/29, the Committee looked into how the United Nations development system is applying the least developed country category. A survey was sent in 2019 to 47 United Nations development system organizations, as a follow up to the 2017 survey.

The Committee reviewed the results of the survey, which showed that all United Nations development system organizations recognize the least developed country category and make contributions to the development efforts in many least developed countries to varying degrees through their activities.¹ The Committee noted, however, that, as was found in the survey of 2017, United Nations development system organizations do

not consistently apply the least developed country category. The recognition of the category does not translate into a consistent application of priorities and budget allocation, and there are large variations in the type and level of assistance to least developed countries. Since 2017, there seem to have been no major policy changes in United Nations organizations with regard to the application of the category. Assistance is often based on the organizations' own policies, priorities and criteria, which may not necessarily be related to least developed country status.

The Committee noted that although the least developed country category often receives priority in the strategic frameworks or programme priorities of United Nations

¹The World Bank and the International Monetary Fund do not recognize the least developed country category for their operational activities, but contribute to the development efforts of many least developed countries.

* Excerpt from Committee for Development Policy, Report on the twenty-first session, See Official Records of the Economic and Social Council, 2019, Supplement No. 13 (E/2019/33)

development system organizations, the trend seems to be that priority is allocated to the least developed country category along with other country groupings, such as landlocked developing countries and small island developing States, or thematic groups closely related to the mandates of the organizations, rather than being granted solely in consideration of the special challenges of the least developed countries. Furthermore, few United Nations development system organizations have percentage budget targets for their core budget allocated to least developed countries or earmarked allocations for them. Some organizations have internal guidelines on how to translate the stated priority into their regular budget allocations or to give priority to least developed countries in their capacity development projects. In this regard, the Committee noted with appreciation the existence and use of the few specific funding mechanisms and programmes for least developed countries. It also recognized that, although organizations may not have specific funding mechanisms for least developed countries, that does not necessarily mean that organizations do not assist them. The

Committee urged the United Nations development system organizations to use the least developed country category more in all programming and budgeting and reiterated its proposal that common guidelines be developed in this regard.

The Committee noted that organizations often have their own policies for providing assistance to graduating and graduated countries and that assistance is often reviewed on a case-by-case basis, rather than on the basis of an established institutional approach for phasing out least developed country benefits and providing support to graduating countries. The Committee considered this a cause for concern because numerous countries were coming up for graduation from the category. The Committee also emphasized that United Nations development system organizations should use the least developed country criteria (gross national income per capita, the human assets index and the economic vulnerability index) and their indicators as part of the criteria for allocating official development assistance.