

**Unclassified****English - Or. English****3 December 2019****Development Co-operation Directorate  
Development Assistance Committee****DAC Working Party on Development Finance Statistics****REGIONAL GROUPINGS IN THE DAC STATISTICAL SYSTEM**

This document presents a proposal to introduce further granularity into DAC regional groupings from the United Nations' M49 classification. At the informal WP-STAT meeting in February 2019, members were invited to discuss a proposal to align DAC regional groupings to the M49 standard. The revised proposal that follows takes into account the comments from the meeting and in writing afterwards.

Members were invited to APPROVE, via the written procedure on a non-objection basis by COB 16 September 2019, the proposal set out in paragraph 11 to introduce additional granularity based on M49 sub- and intermediate regions into the existing continental DAC regions of Africa, America and Oceania.

Members approved the proposal via the written procedure with deadline COB 16 September 2019. This document is now considered final.

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## *Regional groupings in the DAC statistical system*

### I. Introduction

1. At the informal WP-STAT meeting on 13-15 February 2019, members discussed a proposal to create more granularity in the regional groupings used in DAC statistics by aligning them with the United Nations' M49 standard. The proposal highlighted the main differences with the current DAC groupings.<sup>1</sup> Members were invited to send written comments to the Secretariat by 1 March 2019.

2. The proposal for additional granularity was generally welcomed, but some concerns were expressed. Members could not agree to a full implementation of M49 regions for ODA countries and territories. In particular, there was opposition to moving Turkey from Europe to Asia, as well as moving Sudan from South of Sahara to North of Sahara; members asked that these two countries remain in their current regional DAC groupings. A couple members also requested keeping the DAC's existing Middle East region.

3. When the suggestion to review the regional groupings used in DAC statistics had been first put forth by a member at the June 2018 WP-STAT meeting, the motive had been a desire to better estimate the amount of aid in regional programmes that benefits LDCs; it had been suggested that more granularity could perhaps allow better estimations. A couple members therefore requested at the informal meeting in February that the proposal on regional groupings also include a proposal to allocate regional aid to LDCs; however, at the 1-2 July 2019 meeting, WP-STAT asked that such a proposal be considered separately.<sup>2</sup>

4. In light of the discussions in February and written comments submitted after the meeting, the revised proposal that follows introduces additional granularity based on the M49 sub- or intermediate regions into the existing DAC continental regions of Africa, America, and Oceania and explains the rationale for maintaining the existing DAC regions for Europe and Asia.

**5. Members are invited to approve the proposal for regional groupings set out in paragraph 11 below via the written procedure on a non-objection basis by COB 16 September 2019.**

### II. Proposal for regional groupings<sup>3</sup>

6. The M49 is a standard developed and maintained by the United Nations Statistics Division and used by the United Nations for statistical purposes. Its geographic regions, based on continental regions, are subdivided into sub-regions and intermediary regions drawn so as to obtain greater homogeneity in sizes of population, demographic circumstances and accuracy of demographic statistics.<sup>4</sup> This well-known system is similar in structure to the one used in DAC statistics, but its sub-regions in Europe and Oceania and intermediate regions in Sub-Saharan Africa and Latin America and the Caribbean provide more granularity than those currently in use in DAC statistics.

7. The continental regions of Africa, the Americas and Oceania comprise the same countries and territories in both the M49 and DAC groupings. Introducing the additional granularity from the M49 sub-

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<sup>1</sup> DCD/DAC/STAT(2019)8

<sup>2</sup> The WP-STAT tasked the Secretariat to prepare a separate paper on the question of estimating regional aid to LDCs. Members were invited to provide the Secretariat with data on the country distribution of their regional programmes.

<sup>3</sup> The proposal focusses only on countries and territories that are currently on the DAC List of ODA Recipients.

<sup>4</sup> See <https://unstats.un.org/unsd/methodology/m49/>

regions and intermediate regions for these three continents is therefore quite straightforward, with the exception of Sudan, classified in Northern Africa in M49. Members requested that Sudan remain in the South of Sahara grouping; it could be included as part of Eastern Africa with the introduction of the M49 intermediate regions in DAC statistics.

8. There are a few other notable differences between M49 and the DAC classification as far as the countries and territories that constitute certain regions and sub-regions. The continental regions of Asia and Europe differ in that Turkey is classified in Asia in M49, and members wish to maintain Turkey in Europe.<sup>5</sup> At the sub-regional level, countries from the three DAC sub-regions in Asia are split into different groupings across five M49 Asian sub-regions. In particular, countries from the DAC's South and Central Asia are split across four different M49 sub-regions<sup>6</sup> and combined with countries from the DAC's Middle East in two of these sub-regions. Reconciling these differences in the Asian sub-regions would require the creation of several new sub-regional codes and render the existing DAC sub-regional codes no longer applicable.

9. Members had explicitly requested and/or expressed their support for additional granularity in Africa, Latin America and the Caribbean, and Oceania. However, as regards Asia and Europe, comments were about the wish to maintain the DAC's Middle East region and keep Turkey in Europe, as well as asking if the Caucasus countries could be moved to Europe; no comments were made about any significant improvements that would result from moving to the M49 classification of these two continents. Therefore, in the Secretariat's view, the existing DAC breakdown of Europe and Asia should be maintained, with no attempt at this time to introduce further granularity. Limiting the changes to the continental regions of Africa, America, and Oceania will not entail any breaks in series of existing regional unallocated codes, but new regional codes will be added.

10. Annexes A and B hereafter present ODA countries and territories with both their current DAC classification and the M49 classification. The differences mentioned above are visible in the Annexes. Countries on the United Nations' list of LDCs are indicated in the last column.

**11. In light of the above, members are invited to approve, for 2020 reporting on 2019 data, the introduction of additional granularity from the M49 sub- or intermediate regions into the existing DAC continental regions of:**

- **Africa, except for Sudan which will remain in South of Sahara and be included in the intermediate region *Eastern Africa***
- **America**
- **Oceania**

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<sup>5</sup> With respect to historical data and former ODA recipients, it should be noted that Cyprus\* \*\* is classified under Asia in M49.

\*Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

\*\*Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

<sup>6</sup> These principal differences were highlighted in the Annex of the previous proposal [DCD/DAC/STAT(2019)8] that presented the M49 breakdown of ODA countries and territories.

## ANNEX A

### ODA countries and territories in Africa, America and Oceania listed with current DAC classification and M49 classification

*Notes:*

- M49 sub- and intermediate regions will be implemented in Africa, America and Oceania, with the exception of Sudan which will be included in Eastern Africa. The existing DAC regions in Europe and Asia will remain unchanged.
- M49 sub-regions not relevant to DAC statistics (as they contain no ODA countries) are crossed-out (e.g. ~~Northern America~~).
- The last column indicates countries on the United Nations' list of Least Developed Countries (LDCs).

<b>M49 Region</b>	<b>Current DAC classification</b>	<b>M49 Sub-region</b>	<b>M49 Intermediate Region</b>	<b>Country or territory</b>	<b>LDC</b>	
<b>Africa (54)</b>	North of Sahara	<b>Northern Africa</b>		Algeria		
				Egypt		
					Libya	
					Morocco	
					Tunisia	
					<b>Sudan</b>	x
		South of Sahara	<b>Sub-Saharan Africa</b>	<b>Eastern Africa</b>	Burundi	x
	Comoros				x	
	Djibouti				x	
	Eritrea				x	
	Ethiopia				x	
	Kenya					
	Madagascar				x	
	Malawi				x	
	Mauritius					
	Mozambique				x	
	Rwanda				x	
	Somalia				x	
	South Sudan				x	
	Tanzania				x	
	Uganda				x	
	Zambia			x		
	Zimbabwe					
				<b>Middle Africa</b>	Angola	x
					Cameroon	
					Central African Republic	x
					Chad	x
	Congo					
	Democratic Republic of the Congo				x	
	<b>Southern Africa</b>			Equatorial Guinea		
				Gabon		
		Sao Tome and Principe	x			
		Botswana				
		Eswatini				
	<b>Western Africa</b>	Lesotho	x			
		Namibia				
		South Africa				
		Benin	x			
		Burkina Faso	x			
		Cabo Verde				
		Côte d'Ivoire				
		Gambia	x			
		Ghana				
		Guinea	x			
		Guinea-Bissau	x			
		Liberia	x			
		Mali	x			
		Mauritania	x			
	Niger	x				
	Nigeria					
	Saint Helena					
	Senegal	x				
	Sierra Leone	x				
	Togo	x				

<b>M49 Region</b>	<b>Current DAC classification</b>	<b>M49 Sub-region</b>	<b>M49 Intermediate Region</b>	<b>Country or territory</b>	<b>LDC</b>
<b>Americas</b>	North & Central America	<b>Latin America and the Caribbean</b>	<b>Caribbean</b>	Antigua and Barbuda	x
				Cuba	
	Dominica				
	Dominican Republic				
Grenada					
Haiti					
Jamaica					
Montserrat					
Saint Lucia					
Saint Vincent and the Grenadines					
South America			<b>Central America</b>	Belize	
				Costa Rica	
				El Salvador	
				Guatemala	
				Honduras	
				Mexico	
				Nicaragua	
				Panama	
			<b>South America</b>	Argentina	
				Bolivia	
				Brazil	
				Colombia	
				Ecuador	
				Guyana	
				Paraguay	
				Peru	
			Suriname		
			Venezuela		
		<b>Northern America</b>			

<b>M49 Region</b>	<b>Current DAC classification</b>	<b>M49 Sub-region</b>	<b>M49 Intermediate Region</b>	<b>Country or territory</b>	<b>LDC</b>
<b>Oceania</b>	Oceania	<b>Australia and New Zealand</b>			
		<b>Melanesia</b>		Fiji	
				Papua New Guinea	x
				Solomon Islands	x
<b>Micronesia</b>		Kiribati	x		
		Marshall Islands			
		Micronesia			
		Nauru			
		Palau			
<b>Polynesia</b>			Cook Islands		
			Niue		
			Samoa		
			Tokelau		
			Tonga		
			Tuvalu	x	
		Wallis and Futuna			

**ANNEX B****ODA countries and territories in Asia and Europe listed with current DAC classification and M49 classification***Notes:*

- M49 sub- and intermediate regions will be implemented in Africa, America and Oceania, with the exception of Sudan which will be included in Eastern Africa. The existing DAC regions in Europe and Asia will remain unchanged.
- M49 sub-regions not relevant to DAC statistics (as they contain no ODA countries) are crossed-out (e.g. ~~Northern Europe~~).
- The last column indicates countries on the United Nations' list of Least Developed Countries (LDCs).

M49 Region	Current DAC classification	M49 Sub-region	M49 Intermediate Region	Country or territory	LDC	
Asia	South & Central Asia	Central Asia		Kazakhstan Kyrgyzstan Tajikistan Turkmenistan Uzbekistan		
		South-eastern Asia		Myanmar	x	
		Southern Asia		Afghanistan Bangladesh Bhutan India Maldives Nepal Pakistan Sri Lanka	x x x x	
			Western Asia		Armenia Azerbaijan Georgia	
			Eastern Asia		China (People's Republic of) Democratic People's Republic of Korea Mongolia	
			South-eastern Asia		Cambodia Indonesia Lao People's Democratic Republic Malaysia Philippines Thailand Timor-Leste Viet Nam	x x x
	Middle East	Western Asia			Iraq Jordan Lebanon Syrian Arab Republic West Bank and Gaza Strip Yemen	x
		Southern Asia			Iran	
	Europe	Western Asia		Turkey		

M49 Region	Current DAC classification	M49 Sub-region	M49 Intermediate Region	Country or territory	LDC
Europe	Europe	Eastern Europe		Belarus Moldova Ukraine	
		Southern Europe		Albania Bosnia and Herzegovina Former Yugoslav Republic of Macedonia Kosovo Montenegro Serbia	
			Western Asia		Turkey
		Northern Europe			
		Western Europe			