OECD

Organisation for Economic Co-operation and Development

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 are 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.

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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. [1] 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. [2]

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 [3]

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. [4] 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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[1] DCD/DAC/STAT(2019)8

[2] 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.

[3] The proposal focusses only on countries and territories that are currently on the DAC List of ODA Recipients.

[4] 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. [5] 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 [6] 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, <u>except for Sudan</u> which will remain in South of Sahara and be included in the intermediate region *Eastern Africa***

−   **America**

−   **Oceania**

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[5] 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.

[6] 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).

M49 Region	Current DAC classification	M49 Sub-region	M49 Intermediate Region	Country or territory	LDC
Africa (54)	North of Sahara	**Northern Africa**		Algeria	
				Egypt	
				Libya	
				Morocco	
				Tunisia	
	South of Sahara	**Sub-Saharan Africa**		**Sudan**	x
			Eastern Africa	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	
			Middle Africa	Angola	x
				Cameroon	
				Central African Republic	x
				Chad	x
				Congo	
				Democratic Republic of the Congo	x
				Equatorial Guinea	
				Gabon	
				Sao Tome and Principe	x
			Southern Africa	Botswana	
				Eswatini	
				Lesotho	x
				Namibia	
				South Africa	
			Western 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

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

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

REGIONAL GROUPINGS IN THE DAC STATISTICAL SYSTEM

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	x
				Bangladesh	x
				Bhutan	x
				India	
				Maldives	
				Nepal	x
				Pakistan	
				Sri Lanka	
		Western Asia		Armenia	
				Azerbaijan	
				Georgia	
	Far East Asia	Eastern Asia		China (People's Republic of)	
				Democratic People's Republic of Korea	
				Mongolia	
		South-eastern Asia		Cambodia	x
				Indonesia	
				Lao People's Democratic Republic	x
				Malaysia	
				Philippines	
				Thailand	
				Timor-Leste	x
				Viet Nam	
	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~~			