Classification of the Members of the Advisory Centre

I. Introduction

1. The classification of members of the Advisory Centre ("Members") is a critical aspect of the Statute, as it establishes the priority to be given to the different categories of Members in accessing the services of the Centre (article 2 and 7) and determines their respective contributions and fees (article 8). The Statue of the Advisory Centre foresees that States or regional economic integration organizations (REIOs) may become Members of the Advisory Centre and that they will be categorized into three groups to be listed under Annexes I to III.

2. The classification of Members envisaged under article 4(3) is also relevant for the governance structure of the Advisory Centre, in particular in relation to the Executive Committee (article 5), the entry into force of the Statute (article 13), the amendment procedure (article 15) and the scale of minimum contribution contained in Annex IV. These factors are likely to influence the decision-making of States and REIOs when deciding to become a Member of the Advisory Centre.

3. During the first AC-OP meeting, discussions took place on the classification of Members of the Advisory Centre. The following provides the key takeaways from that meeting.

4. There was general support that priority in accessing the Centre's services need not be necessarily linked with the contributions to the Centre's budget (A/CN.9/WG.III/WP.251, para. 24). It was said that the classification could determine the priority to be given and the fees to be charged for services, while the budget of the Centre could be allocated among the Members in a different way (see AC/OP/BD.11).

5. It was generally felt that the Annexes I to III should list States and REIOs as they ratify or accede to the Statute (in other words, when they become Members) instead of containing a pre-determined list of potential Members. (A/CN.9/WG.III/WP.251, para. 26).

6. On how the Annexes I to III will be populated, it was widely felt that Annex I should reflect the official list of least developed countries as it would align with article 2(2) of the Statute (A/CN.9/WG.III/WP.251, para. 30). For Annexes II and III, reference was made to existing classifications developed by other organizations (A/CN.9/WG.III/WP.251, para. 28). At the same time, doubts were expressed about the feasibility of developing objective criteria to classify Members (A/CN.9/WG.III/WP.251, para. 27). There was genera support for relying on the historical classification of the United Nations or the classification used by United Nations Trade and Development (UNCTAD) (A/CN.9/WG.III/WP.251, para. 29).

II. Examples of indicative lists

7. This chapter provides an indicative list of States, which can be used to classify States when they ratify or accede to the Statute.

A. Classification by the United Nations

1. Historical classification

8. The following replicates the list in document A/CN.9/1184, which was presented to the Commission in 2024, when the Statute was adopted in principle (for background, see also A/CN.9/WG.III/WP.238, para. 33; and A/CN.9/WG.III/WP.237, paras. 53-57). The list categorizes the 193 United Nations Member States into three categories based on the historical classification.

9. Annex I lists least developed countries (LDCs) based on official UN classification. The list of LDCs is reviewed every three years by the Committee for Development Policy, a group of independent experts that reports to the Economic and Social Council (ECOSOC) of the United Nations. This list is also updated according to the decisions by the United Nations General Assembly.¹

10. There is no established convention for the designation of developed or developing countries in the United Nations system. Annexes II and III are based on the historical classification, which was introduced solely for statistical purposes in 1996 till December 2021 (see Hoffmeister, 2020^2 and the M49 website).³

Annex I⁴

Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, United Republic of Tanzania, Yemen and Zambia.

Annex II

Algeria, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Barbados, Belize, Bhutan, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Cabo Verde, Cameroon, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eswatini, Fiji, Gabon, Georgia, Ghana, Grenada, Guatemala, Guyana, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Libya, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Morocco, Namibia, Nauru, Nicaragua, Nigeria, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Saudi Arabia, Seychelles, Singapore, South Africa, Sri Lanka, Suriname, Syrian Arab Republic, Tajikistan, Thailand, Tonga, Trinidad and Tobago, Tunisia, Türkiye, Turkmenistan, United Arab Emirates, Uruguay, Uzbekistan, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam and Zimbabwe.

Annex III

Albania, Andorra, Australia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia,

¹ Available at https://unctad.org/topic/least-developed-countries/list.

² See Hoffmeister, O. (2025). Development Statistics and Information Branch, Division on Globalization and Development Strategies, UNCTAD.

³ The historical classification of developed and developing countries as of December 2021 and updated as of May 2022 can be found at https://unstats.un.org/unsd/methodology/m49/historical-classification-of-developedand-developing-regions.xlsx.

⁴ The LDC list (which contains 44 States) has been updated due to the graduation of São Tomé and Príncipe in December 2024 (available at https://www.un.org/ldcportal/content/s%C3%A3o-tom%C3%A9-and-pr%C3%ADncipe-graduation-status).

Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands (Kingdom of the), New Zealand, North Macedonia, Norway, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America [as well as any REIOs].

2. Other United Nations classification

11. These classifications are maintained by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS).

LLDCs (Landlocked developing countries)⁵

Afghanistan, Armenia, Azerbaijan, Bhutan, Bolivia (Plurinational State of), Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Eswatini, Ethiopia, Kazakhstan, Kyrgyzstan, Lao People's Democratic. Republic, Lesotho, Malawi, Mali, Mongolia, Nepal, Niger, North Macedonia, Paraguay, Republic of Moldova, Rwanda, South Sudan, Tajikistan, Turkmenistan, Uganda, Uzbekistan, Zambia and Zimbabwe.⁶

SIDS (Small Island Developing States)⁷

Antigua and Barbuda, Bahamas, Barbados, Belize, Cabo Verde, Comoros, Cook Islands, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Guinea-Bissau, Guyana, Haiti, Jamaica, Kiribati, Maldives, Marshall Islands, Mauritius, Micronesia (Federated States of), Nauru, Niue, Palau, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Seychelles, Singapore, Solomon Islands, Suriname, Timor-Leste, Tonga, Trinidad and Tobago, Tuvalu and Vanuatu.⁸

B. UNCTAD classification

1. UNCTAD Data Hub Classification

12. UNCTAD categorizes countries based on various criteria for statistical analysis and research (see UNCTAD Data Hub Classification). In this regard, it should be noted that UNCTAD categorizes "economies" ⁹ and not solely States and therefore the lists contain territories and non-UN Member States. According to UNCTAD, the classifications do not imply the expression of any opinion whatsoever on the part of the secretariat of the United Nations concerning the legal status of any country, territory, city or area, or its authorities, or concerning the delimitation of its frontiers or boundaries.¹⁰

13. UNCTAD classifies all economies by geographical region. The composition of those regions follows the M49 standard of United Nations Statistics Division (UNSD), according to which the world is divided up into five main regions, Africa, Americas, Asia, Europe and Oceania, and their subregions.

⁵ Available at https://www.un.org/ohrlls/content/list-lldcs.

⁶ Among the listed countries, 16 are classified as LDCs: Afghanistan, Burkina Faso, Burundi,

Central African Republic, Chad, Ethiopia, Lao People's Democratic Republic, Lesotho, Malawi, Mali, Niger, Nepal, Rwanda, South Sudan, Uganda and Zambia.

⁷ Available at https://www.un.org/ohrlls/content/list-sids.

⁸ Among the listed countries, 7 are classified as LDCs: Comoros, Guinea-Bissau, Haiti, Kiribati, Solomon Islands, Timor-Leste and Tuvalu.

⁹ In the UNCTADstat Data Center, the term "economy" refers to a country or any other type of territorial unit.

¹⁰ See UNCTAD Data Hub. Retrieved from UNCTAD.

14. All economies are also categorized into developing or developed economies. This categorization is based on a distinction between developing and developed regions that was commonly used in the past and was maintained by UNSD with the understanding that being part of either developed or developing region is through sovereign decision of a State (see para. 10 above).

15. The developing economies broadly comprise Africa, Latin America and the Caribbean, Asia without Israel, Japan, and the Republic of Korea, and Oceania without Australia and New Zealand. The developed economies broadly comprise Northern America and Europe, Israel, Japan, the Republic of Korea, Australia, and New Zealand.

16. Regarding the list of LDCs, UNCTAD follows the official UN classification. Other groups based on development status used by UNCATD for statistical purposes include LLDCs and SIDS (see para. 11 above).

17. The classification is updated annually, and some States appear in more than one category (or group) because they meet different criteria for each classification.

18. The following reflects the lists in the UNCTAD Data Hub Classification, excluding territories and non-UN Member States.

LDCs¹¹

Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, United Republic of Tanzania, Yemen and Zambia.

Developing economies¹²

Algeria, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Barbados, Belize, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Cabo Verde, Cameroon, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eswatini, Fiji, Gabon, Georgia, Ghana, Grenada, Guatemala, Guyana, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Libya, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Morocco, Namibia, Nauru, Nicaragua, Nigeria, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Saudi Arabia, Seychelles, Singapore, South Africa, Sri Lanka, Suriname, Syrian Arab Republic, Tajikistan, Thailand, Tonga, Trinidad and Tobago, Tunisia, Türkiye, Turkmenistan, United Arab Emirates, Uruguay, Uzbekistan, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam and Zimbabwe.

Developed economies¹³

Albania, Andorra, Australia, Austria, Belarus, Belgium, *Bermuda*, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia,

¹¹ The list is identical to Annex I in section A.

¹² The list matches Annex II in section A. Please note that the full list includes territories as well as non-UN Member States and could be found at

 $unctadstat.unctad.org/EN/Classifications/DimCountries_All_Hierarchy.pdf.$

¹³ The list matches Annex III in section A.

Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands (Kingdom of the), New Zealand, North Macedonia, Norway, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom and United States..

LLDCs (Landlocked developing countries)

Afghanistan, Armenia, Azerbaijan, Bhutan, Bolivia (Plurinational State of), Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Eswatini, Ethiopia, Kazakhstan, Kyrgyzstan, Lao People's Democratic. Republic, Lesotho, Malawi, Mali, Mongolia, Nepal, Niger, North Macedonia, Paraguay, Republic of Moldova, Rwanda, South Sudan, Tajikistan, Turkmenistan, Uganda, Uzbekistan, Zambia and Zimbabwe.

SIDS (Small Island Developing States)

Antigua and Barbuda, Bahamas, Barbados, Belize, Cabo Verde, Comoros, Cook Islands, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Guinea-Bissau, Guyana, Haiti, Jamaica, Kiribati, Maldives, Marshall Islands, Mauritius, Micronesia (Federated States of), Nauru, Niue, Palau, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Seychelles, Singapore, Solomon Islands, Suriname, Timor-Leste, Tonga, Trinidad and Tobago, Tuvalu and Vanuatu.

2. UNCTAD World Investment Report

19. The UNCTAD World Investment Report 2024 provides information about FDI inflows and outflows as well as inward and outward stock in its annexes.¹⁴ The following reflects the classification in those annexes, excluding territories and non-UN Member States.

Developing economies by region¹⁵

Africa

- North Africa: Algeria, Egypt, Libya, Morocco, South Sudan, Sudan and Tunisia.
- Central Africa: Burundi, Cameroon, Central African Republic, Chad, Congo, Congo, Democratic Republic of, Equatorial Guinea, Gabon, Rwanda and São Tomé and Principe.
- East Africa: Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia, Uganda and United Republic of Tanzania.
- Southern Africa: Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.
- West Africa: Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

Asia:

- East Asia: China, Democratic People's Republic of Korea and Mongolia.

¹⁴ See https://unctad.org/topic/investment/world-investment-report.

¹⁵ Compared with the UNCTAD Data Hub Classification list of developing economies, Nauru and Cuba are missing from this list.

- South-East Asia: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Viet Nam.
- South Asia: Afghanistan, Bangladesh, Bhutan, India, Iran, Islamic Republic of, Maldives, Nepal, Pakistan and Sri Lanka.
- West Asia: Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Türkiye, United Arab Emirates and Yemen.
- Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Latin America and the Caribbean:

- South America: Argentina, Bolivia, Plurinational State of, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela (Bolivarian Republic of).
- Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama.
- Caribbean: Antigua and Barbuda, Barbados, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and Bahamas.

Oceania

Fiji, Kiribati, Marshall Islands (the), Micronesia, Federated States of, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Developed economies¹⁶

- Europe: European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. Other Europe: Albania, Belarus, Bosnia and Herzegovina, Iceland, Montenegro, North Macedonia, Norway, Republic of Moldova, Russian Federation, Serbia, Switzerland, Ukraine and United Kingdom.
- North America: Canada and United States.
- Other Developed Economies: Australia, Israel, Japan, New Zealand and Republic of Korea.
- 3. Comparison between the former UNCTAD Data Hub Classification of developing economies and World Bank classification of economies

Former UNCTAD Data Hub Classification of developing economies

20. As of March 2025, UNCTAD revised its classification system for developing economies and the previous categories of (i) high-income developing economies; (ii) middle-income developing economies; and (iii) low-income developing economies based on gross national income (GNI) per capita are no longer in use.¹⁷

¹⁶ Compared with the UNCTAD Data Hub Classification list of developed economies, Andorra, Monaco, Lichtenstein and San Marino are missing from this list.

¹⁷ UNCTAD/STAT/CLASSIF/2025/1, Classification Update, available at:

https://unctadstat.unctad.org/EN/Classifications/ClassificationsNewsletter_March2025_US_EN.pdf.

Low-income developing economies¹⁸

Afghanistan, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Democratic People's Republic of Korea, Democratic Republic of the Congo, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Kyrgyzstan, Lesotho, Liberia, Madagascar, Malawi, Mali, Mozambique, Myanmar, Nepal, Niger, Pakistan, Rwanda, Sierra Leone, Somalia, Sudan, Syrian Arab Republic, Tajikistan, Togo, Uganda, United Republic of Tanzania, Yemen and Zambia.

Middle-income developing economies¹⁹

Algeria, Angola, Armenia, Azerbaijan, Bangladesh, Belize, Bhutan, Bolivia (Plurinational State of), Cabo Verde, Cambodia, Cameroon, Comoros, Congo, Côte d'Ivoire, Djibouti, Egypt, El Salvador, Eswatini, Fiji, Georgia, Ghana, Guatemala, Haiti, Honduras, India, Indonesia, Iraq, Jamaica, Jordan, Kenya, Kiribati, Lao People's Democratic Republic, Marshall Islands, Mauritania, Micronesia (Federated States of), Mongolia, Morocco, Namibia, Nicaragua, Nigeria, Papua New Guinea, Paraguay, Philippines, Samoa, São Tomé and Príncipe, Senegal, Solomon Islands, South Africa, South Sudan, Sri Lanka, Timor-Leste, Tonga, Tunisia, Tuvalu, Uzbekistan, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam and Zimbabwe.

High-income developing economies

Antigua and Barbuda, Argentina, Bahamas, Bahrain, Barbados, Botswana, Brazil, Brunei Darussalam, Chile, China, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, Equatorial Guinea, Gabon, Grenada, Guyana, Iran (Islamic Republic of), Kazakhstan, Kuwait, Lebanon, Libya, Malaysia, Maldives, Mauritius, Mexico, Nauru, New Caledonia, Oman, Palau, Panama, Peru, Qatar, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Seychelles, Singapore, Suriname, Thailand, Trinidad and Tobago, Türkiye, Turkmenistan, United Arab Emirates and Uruguay.

World Banck classification of economies

21. As provided in AC/OP/BD.3, the World Bank maintains a similar classification using the Atlas method. The World Bank assigns economies to four income groups: (i) low; (ii) lower-middle; (iii) upper-middle; and (iv) high income.²⁰ These classifications are updated annually and could serve as a point of reference to determine the priority to be given.

Low-income economies²¹

Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Congo (Democratic Republic), Eritrea, Ethiopia, Gambia, Guinea-Bissau, Korea (Democratic People's Republic), Liberia, Madagascar, Malawi, Mali, Mozambique,

¹⁸ Among the listed countries, 30 are classified as LDCs, except Democratic People's Republic of Korea, Kyrgyzstan, Pakistan, Syrian Arab Republic and Tajikistan.

¹⁹ From the listed countries, 14 are classified as LDCs (Angola, Bangladesh, Cambodia, Comoros, Djibouti, Haiti, Kiribati, Lao People's Democratic Republic, Mauritania, Senegal, Solomon Islands, South Sudan, Timor-Leste and Tuvalu).

²⁰ For the fiscal year 2024-2025, low-income economies are defined as those with a GNI per capita of \$1,145 or less; lower-middle-income are defined as those with a GNI per capita between \$1,146 and \$4,515; upper-middle-income are those with GNI per capita between \$4,516 and \$14,005 and high-income with GNI per capita of \$14,005 or more (available at https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.).

²¹ Among the listed countries, 24 are classified as LDCs except Democratic People's Republic of Korea and Syrian Arab Republic. For the full list of economies see

https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.

Niger, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Syrian Arab Republic, Togo, Uganda and Yemen.²²

Lower-middle income economies²³

Angola, Bangladesh, Benin, Bhutan, Bolivia, Cabo Verde, Cambodia, Cameroon, Comoros, Republic of the Congo, Côte d'Ivoire, Djibouti, Egypt (Arab Republic), Eswatini, Ghana, Guinea, Haiti, Honduras, India, Jordan, Kenya, Kiribati, Kyrgyz Republic, Lao People's Democratic Republic, Lebanon, Lesotho, Mauritania, Micronesia (Federated States of), Morocco, Myanmar, Nepal, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Philippines, Samoa, São Tomé and Príncipe, Senegal, Solomon Islands, Sri Lanka, Tajikistan, Tanzania, Timor-Leste, Tunisia, Uzbekistan, Vanuatu, Vietnam, Zambia and Zimbabwe.

Upper middle-income economies

Albania, Algeria, Argentina, Armenia, Azerbaijan, Belarus, Belize, Bosnia and Herzegovina, Botswana, Brazil, China, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, Fiji, Gabon, Georgia, Grenada, Guatemala, Indonesia, Iran (Islamic Republic), Iraq, Jamaica, Kazakhstan, Libya, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Namibia, North Macedonia, Paraguay, Peru, Serbia, South Africa, St. Lucia, St. Vincent and the Grenadines, Suriname, Thailand, Tonga, Türkiye, Turkmenistan, Tuvalu and Ukraine.

High-income economies

Andorra, Antigua and Barbuda, Australia, Austria, Bahamas, Bahrain, Barbados, Belgium, Brunei Darussalam, Bulgaria, Canada, Chile, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Guyana, Hungary, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Nauru, Netherlands, New Zealand, Norway, Oman, Palau, Panama, Poland, Portugal, Qatar, Romania, Russian Federation, San Marino, Saudi Arabia, Seychelles, Singapore, Slovak Republic, Slovenia, Spain, St. Kitts and Nevis, Sweden, Switzerland, Trinidad and Tobago, United Arab Emirates, United Kingdom, United States and Uruguay.

III. Self-assessment and classification of REIOs

A. Self-assessment by Members

22. Article 15(4) of the Statute anticipates limited self-assessment by Members, mainly to waive their priority and to make a higher amount of contributions to the budget. Leaving aside the issue of higher amount of contributions, whether a State can waive its priority and at the same time agree to pay a higher level of fees should be considered.

B. Classification of REIOs

²² The UNCTAD list of low-income developing economies and the World Bank list of low-income economies do not necessarily match. Countries appearing only in the UNCTAD low-income developing economies are Benin, Guinea, Kyrgyzstan, Lesotho, Myanmar, Nepal, Pakistan, Tajikistan, United Republic of Tanzania and Zambia. Countries appearing only in the World Bank low-income economies: South Sudan.

²³ Among the listed countries, 21 are classified as LDCs, including Angola, Bangladesh, Benin, Bhutan, Cambodia, Comoros, Djibouti, Guinea, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Mauritania, Myanmar, Nepal, Senegal, Solomon Islands, Timor-Leste, United Republic of Tanzania and Zambia.

23. REIOs are classified within different international organizations based on their legal personality and the competences transferred to them by their member States. Regarding their classification, REIOs are not categorized in the same manner as States. Accordingly, no example exists where the income levels or development status of Member States of an REIO serve as a criterion for categorizing the REIOs within international organizations. Instead, the focus is on the legal and functional aspects of REIOs, and their roles and competences.

24. For the purposes of the discussion, a question to be answered is whether REIOs should be given the same level of priority as least developed countries and developing countries (article 2(2)). If this is not the case, it could be placed along with other Members that do not receive any priority.

25. Another option to consider is that REIOs would be classified in the category with the least priority, unless determined otherwise by the Governing Committee. A key reason for this is that REIOs often include a diverse mix of economies and placing REIOs in the category that benefits from priority and lower fees would introduce unnecessary complexities. However, Member States of the REIOs that fall within LDCs and developing countries, shall be able to benefit by becoming a Member of the Advisory Centre on their own. By allowing the Governing Committee to take a different decision where necessary, sufficient flexibility is provided to account for exceptional circumstances.

IV. Implications on the Statute

26. If a State is to be classified (i) based on an indicative list and (ii) when it becomes a Member, the process of classification envisaged under the Statute may need to be adjusted. This is because the indicative list need not be part of the Statute and Annexes I to III would need to be amended each time a State becomes a Member of the Centre.

27. It may therefore be necessary to consider an approach where the indicative list and the list of Members (as classified) are managed by either the Governing Committee or the Executive Director. This should be distinguished from the States Parties to the Statute (Protocol), which would be managed by the depositary.

28. For example, at its first meeting, the Governing Committee may adopt an indicative list of States, which will be used to categorize them as they become Members. When a State deposits its instrument of ratification or accession, the depositary would include that State in the list of Members. The Executive Director would then classify that State as falling under category A, B, C [D and E] based on the indicative list. This could ensure that the classification remains accurate and reflective of the current status of the Members. The list would determine the priority in accessing the services and the fees to be paid by that Member for the services.

29. The following lists the relevant articles of the Statute, which may need to be revisited if the above-mentioned approach is taken.

Article 2 Objectives

2. The Advisory Centre aims to enhance the capacity of States and regional economic integration organizations in preventing and handling international investment disputes, in particular least developed countries and developing countries.

 \rightarrow No change necessary.

Article 4 Membership

1. <u>A State or a regional economic integration organization</u> may become a Member of the Advisory Centre in accordance with article 12.

2. Each Member is entitled to the services of the Advisory Centre, and has the obligations, as set out in this Protocol and the regulations adopted by the Governing Committee.

3. For the purposes of this Protocol, <u>each Member shall be categorized into</u> [Annex I, Annex II or Annex III]. This categorization is without prejudice to classifications in other instruments or other organizations.

→ Paragraph 3 may be revised to read:

3. For the purposes of this Protocol, <u>each Member shall be categorized into</u> <u>[number to be determined, for example, 3 or 5]</u> groups based on an indicative list adopted by the Governing Committee. The Executive Director shall manage the list of each group of Members. This categorization is without prejudice to classifications in other instruments or other organizations.

An alternative would be to include the indicative list as an Annex to the Statute. However, this may limit the possibility of reflecting any changes to the list.

 \rightarrow Article 5(3) may include an additional subparagraph to read:

3. The Governing Committee shall:

(*) Adopt an indicative list of States and regional economic integration organizations to determine which groups they would belong to;

 \rightarrow Article 5(10) may include an additional subparagraph to read:

3. The Executive Director shall:

(*) Manage the list of Members categorized based on the indicative list adopted by the Governing Committee (category A, B, C ...);

Article 5 Structure

Executive Committee

5. The Executive Committee shall consist of [six] members. The Executive Director shall also serve ex officio on the Executive Committee. Each group of Members listed in [Annexes I, II and III] shall nominate [two] members of the Executive Committee for appointment by the Governing Committee. The members of the Executive Committee shall serve in their personal capacity and shall be selected on the basis of their professional qualifications, including in particular in international investment dispute resolution.

→ Paragraph 5 may be revised to read:

5. The Executive Committee shall consist of [six to ten] members. The Executive Director shall also serve ex officio on the Executive Committee. Each group of <u>Members shall nominate [two] members</u> of the Executive Committee for appointment by the Governing Committee. ...

Article 7 Legal advice and support with regard to international investment dispute proceedings

3. In providing the services in paragraph 1, the Advisory Centre shall, in principle, give <u>priority to Members listed in [Annex I] followed by Members listed in [Annex II]</u> in accordance with the regulations adopted by the Governing Committee. In the event that requests are received from Members listed in the same <u>Annex</u>, priority shall generally be given to the Member that requested the services first.

→ Paragraph 3 may be revised to read:

3. In providing the services in paragraph 1, the Advisory Centre shall, in principle, give priority to Members listed in [category A] [least developed countries] followed by Members listed in [category B ...] in accordance with the regulations adopted by the Governing Committee. In the event that requests are received from Members listed in the same category, priority shall generally be given to the Member that requested the services first.

Article 8 Financing

2. <u>Each Member shall make financial contributions in accordance with [Annex</u> <u>IV]</u>. If a Member is in default of its contributions,

3. The Advisory Centre shall charge fees for its services in accordance with the regulations adopted by the Governing Committee:

(a) ..

(b) The fees to be charged by the Advisory Centre for services in article 7, paragraph 1, shall not exceed the amount necessary to recover its costs. The fees to be charged to Members listed in [Annex I] shall be lower than those charged to Members listed in [Annex II], which shall be lower than those charged to Members listed in [Annex II]. ...

→ Paragraph 3 may be revised to read:

(b) The fees to be charged by the Advisory Centre for services in article 7, paragraph 1, shall not exceed the amount necessary to recover its costs. The fees to be charged to Members listed in [category A] shall be lower than those charged to Members listed in [category B], which shall be lower than those charged to Members listed in [category C].

Article 13 Entry into force

1. This Protocol shall enter into force six months following the date upon which the following conditions are met:

(a) [Number to be determined, including <u>the possibility to require a certain</u> <u>number from each group of Members</u>] instruments of ratification, acceptance, approval or accession have been deposited; and

(b) The total amount of contributions that States or regional economic integration organizations that are Parties to the Protocol are obliged to make in accordance with [Annex IV] exceeds [an amount to be determined].

 \rightarrow Considering that the budget would be allocated among the Members, the possibility to require a certain number from each Group in paragraph 1(a) may no longer be relevant (see AC/OP/BD.11).

Article 15 Amendments to the Protocol and Annexes

Amendments to the Annexes

3. Any Member, the Executive Committee or the Executive Director may submit a proposal to amend [Annexes I, II, III or IV] to the Governing Committee. The proposal shall be promptly communicated to all Members.

4. The Governing Committee shall adopt amendments to [Annexes I, II and III] in accordance with article 5, paragraphs 7 and 8, only:

(a) <u>To reflect in [Annexes I and II], any changes to the list of least developed</u> <u>countries adopted by the United Nations General Assembly;</u>

(b) <u>To include in [Annex II or III]</u>, a State listed in [Annex I] which requests to be thus included;

(c) <u>To include in [Annex III]</u>, a State listed in [Annex II] which requests to be <u>thus included</u>; or

(d) [To refer to the <u>possible use of objective criteria to be developed</u> for classifying Members into [Annexes II and III] in making adjustments thereto].

5. The Governing Committee shall endeavour to adopt amendments to [Annex IV] by consensus. If a decision cannot be made by consensus, the amendment shall be submitted to a vote to each group of Members listed in [Annexes I, II and III]. The amendment shall be adopted when each group of Members adopts the amendment in accordance with article 5, paragraphs 7 and 8.

→ Considering that the list of Members will no longer be part of the Statute, paragraph 4 may not be necessary. It may however be necessary to envisage a process whereby a State could waive its priority when becoming a Member (for example, a State in category B requesting that it falls under category C). This may be left to the Governing Committee to determine as it is the body managing the indicative list of potential States. Similarly, if the budget is allocated among the Members without each group of Member paying the same fixed amount (see AC/OP/BD.11), paragraph 5 could be revised.

Paragraphs 4 and 5 may be revised as follows:

4. The Governing Committee may allow a Member to be listed in a group different from that in the indicative list as long as the Member does not benefit from the priority to be given in accordance with article 7, paragraph 3 and the fees to be charged in accordance with article 8, paragraph 3.

5. The Governing Committee shall endeavour to adopt amendments to [Annex IV] by consensus. If a decision cannot be made by consensus, the amendment shall be submitted to a vote.

Annexes

Annex I

[This Annex would reflect <u>the list of least developed countries</u> adopted by the United Nations General Assembly when the statute is finalized.]

[Annexes II and III]

[The other Annexes would list the member States of the United Nations not listed in Annex I. Those States would be categorized in accordance with the objective criteria to be developed for that purpose. The lists would also include regional economic integration organizations.]

 \rightarrow Annexes I to III would be deleted and transformed into an indicative list of States to be adopted by the Governing Committee.

V. Way forward

30. In light of the above, the AC-OP meeting may wish to consider whether the following recommendations should be made to the Commission:

- Members of the Centre should be categorised only for the purposes of determining the priority to be given in accessing the services and the fees to be charged for services;
- The classification of the Members would not determine the contribution to be made by the respective Members;
- Members shall be categorized into [3 or more] groups based on an indicative list adopted by the Governing Committee;
- An initial indicative list would be prepared during the operationalization phase, with the assumption that it would be adopted by the Governing Committee at its first meeting;
- One category shall reflect the official list of least developed countries;
- Two or more categories shall be based on the UN/UNCTAD/World Bank classification;
- Members will be categorized at the time they ratify or accede to the Statute according to the above-mentioned indicative list;
- The Executive Director shall manage the list of Members classified into the different categories, which shall be updated regularly; and
- Corresponding adjustments are made to the Statute.