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The Utilisation of International Classification of Developing Countries in the European Union's Foreign Policy

Bachelor's Thesis

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Abstrakt

Tato práce se zabývá využitím mezinárodně uznávaných klasifikací rozvojových zemí v rámci zahraniční politiky Evropské unie (EU). Cílem práce je pomocí deskriptivní analýzy zjistit, které klasifikace se v zahraniční politice EU využívají a jaké výhody klasifikovaná země získává. V první kapitole bakalářská práce popisuje historické pozadí vybraných klasifikací a jejich proliferaci v 90. letech 20. století. Dále shrnuje výhody a nevýhody využívání taxonomie. V druhé kapitole práce analyzuje využití a kritiku každé zkoumané kategorie. V závěrečné kapitole jsou rozebrány iniciativy, ve kterých se klasifikace rozvojových zemí používají. Práce se zabývá tím, jak široce se klasifikace v rámci zahraniční politiky EU využívají a především jak ovlivňují alokaci oficiální rozvojové pomoci, odpouštění dluhů, obchodní politiku a politiky v oblasti změny klimatu. Nicméně se ukázalo, že vlastní geografické či tématické zájmy EU mají větší váhu než klasifikace sami o sobě.

Klíčová slova:

Evropská unie, rozvojové země, klasifikace, rozvojová spolupráce, obchod, klimatická změna, oddlužení

Abstract

This thesis focuses on the use of the international classification of developing countries in the European Union's Foreign Policy. The work aims to use descriptive analysis to find out which classifications are used in the EU Foreign Policy and what kind of benefits the classified countries receive. In the first chapter, the thesis outlines the historical background of selected country classifications and their proliferation in the 1990s. It summarises the benefits and obstacles of the used taxonomy. The second chapter explains the theoretical framework and describes the use and critique of each category. The emphasis is placed on initiatives whose classification of developing countries is utilised. The third chapter explains what benefits the classified countries gain from it. The work has analysed how wide are the classifications of developing countries used in the EU Foreign Policy. They affect the allocation of official development assistance, debt relief initiatives, trade and climate change policies. However, it was identified that the EU own regional and thematic interests carry more weight than the international classification of developing countries.

Key words:

European Union, developing countries, classifications, foreign aid, trade, climate change, debt relief

I declare in lieu of oath that I wrote this thesis myself. All information derived from the work of others has been acknowledged in the text and a list of references is given.

Olomouc, 2020 ....

Signature

I take this opportunity to express gratitude to Miroslav Syrovátka, my supervisor. I am extremely thankful to him for sharing expertise, and sincere and valuable guidance.

I would also like to thank my family for infinite encouragement and support during my studies, the profound belief in my abilities. Besides, I thank my fellow aspiring scholars of Blahutovice and Jergym "Judges" for all the smiles they put on my face.

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Zásady pro vypracování:

The aim of this bachelor's thesis is to analyse which classifications of developing countries are used within external policies of the European Union. The study reacts on the proliferation of the developing country classification since the early 1990s. Firstly, the target of this research is to examine which taxonomies of countries are applied in decision making and on the other hand which taxonomies are „politically worthless". Secondly, the paper evaluates (dis) advantages of used classification for developing countries.

Seznam doporučené literatury:

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List of Abbreviations

ACP	African, Caribbean and Pacific group of states
AfT	Aid for Trade
AOSIS	Alliance of Small Island States
APoA	Almaty Programme of Action
CAP	Common Agricultural Policy
CDM	Clean Development Mechanism
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
DRR	Disaster Risk Reduction
EC	European Commission
ECCP	European Climate Change Programme
EIF	Enhanced Integrated Framework
EU	European Union
EU ETS	European Union Emissions Trading System
EVI	Economic Vulnerability Index
FS	Fragile states
GATT	General Agreement on Tariffs and Trade
GCCA	Global Climate Change Alliance
GCCA+	Global Climate Change Alliance plus
GDP	Gross domestic product
GMBM	Global Market-based Measures
GNI	Gross national income
GSP	Generalised Scheme of Preferences
GSP+	Generalised Scheme of Preferences Plus
HDI	Human Development Index
HICs	High-income countries

HIPC	Heavily Indebted Poor Countries
ICAO	International Civil Aviation Organization
IDA	International Development Association
IMF	International Monetary Fund
IOs	International organizations
LDCs	Least Developed Countries
LICs	Low-income countries
LICUS	Low-Income Countries Under Stress
LLDCs	Landlocked Developing Countries
LMICs	Lower-middle income countries
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SIEs	Small Island Economies
SVEs	Small, Vulnerable Economies
SWVSE	Structurally Weak, Vulnerable and Small Economies
TDC	Transit Developing Countries
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

UPMICs	Upper-middle income countries
VPoA	Vienna Programme of Action
WTO	World Trade Organization

Introduction

Slicing the world to smaller pieces to easier understand the relations between different parts of the world is ordinary. Many titles have been given to such parts of the world – Global North and Global South; West and East; First, Second and Third World. Then, there is the generally known dichotomy of the developed and developing world. However, with time, it emerged that the simplified label of the developing world is not enough. The countries within the developing world are not homogenous, they do not share the same conditions, obstacles, needs. Hence, international organisations started to slice the world to even smaller pieces and have come up with the developing country classifications to better capture the "reality" of developing countries.

In 1957, the first international developing country classification was introduced by the United Nations (UN), Landlocked Developing Countries, to facilitate international trade. In the following few years, other international organisations, namely the World Bank and World Trade Organization caught up, and recently, the number of existing international developing country classifications, not counting subcategories, has risen to seventeen.

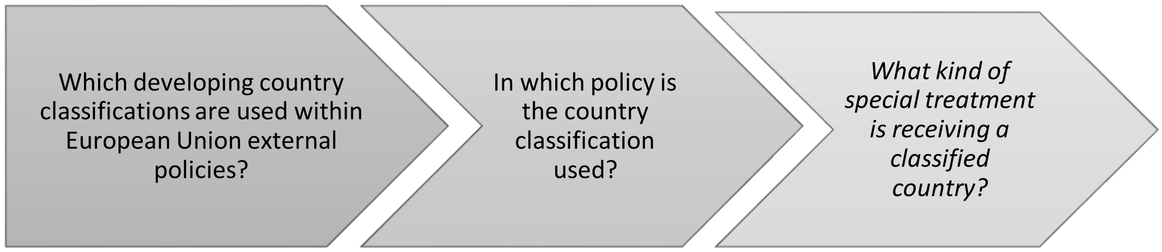
Country classification is a useful tool to describe the present situation in a country to analyse its conditions. On the other hand, classification can be dangerous when it is used for policy decisions and consequent interventions against the country. Even though the country classification is a powerful instrument which is highly sensitive to political influence, the proliferation of developing country classification did receive attention only from a couple of academics, for example, Alonso, Cortez, and Klasen (2014), Fialho and Van Bergeijk (2016), Tezanos Vázquez and Sumner (2015). Even though the EU is the biggest provider of foreign aid in the world and has the most open market with developing countries, there are not works written to illustrate which classifications of developing countries are utilised in the EU External policy.

The thesis provides the historical background of the country classification and its proliferation in the 1990s. Followingly, it sums up the advantages and raised concerns of developing country taxonomy. After the theoretical frame of classifications is explained and each category and its utilisation and critique are described, the thesis moves to the investigation of the utilisation of country classification in the EU external policy. It describes what initiatives is the classification used in and what the impact to be labelled in such a way for these countries is.

Methodology

The bachelor's thesis aims to analyse what classification of developing countries is applied in the External Policies of the EU what classifications are utilised to provide specific treatments to countries and what classifications are not used. It intends to specify the policies which the classification is used in and explain what kind of advantages or obstacles can a classified country have (Figure 1).

Figure 1: The research questions



Source: Author

Despite the proliferation of developing country classification in recent years, the reason for proliferation and the role of country classifications in decision making remains understudied. Hence, the thesis is based on a descriptive analysis using secondary data to gather the existing knowledge of developing country classification and the interpretation of their meaning in the case of EU External Policies. The examined country classifications are selected based on the article "The Proliferation of Developing Country Classifications" (Fialho & van Bergeijk, 2016). The research systematically describes the characteristics, trends and interconnection between the country classification and the EU.

Besides, to better understand the country taxonomy used by the EU, two illustrations in the form of a Venn diagram are provided. The first one (Figure 3) shows the international developing country classification used by the EU and their overlap. The second illustration (Figure 6) demonstrates which EU policies/special treatments apply to the classified countries.

The data for the analysis were collected mainly from the official website of the European Commission (EC) and the European law database EUR-Lex. The academic literature and the EU news-oriented webpages were used to consider the critique of the researched issue. However, the author is aware of the study's limitations. Even though several sources were used, some utilisations of some categories leading to a special treatment might have been overlooked and consequently not portrayed in the analysis.

1. Classifications of developing countries

1.1 Historical background of country classifications

The history of country classifications can be traced back to post Second World War as an attempt to rehabilitate and expand trade links that were disrupted during the war. According to Eichengreen (2007) the rehabilitation of the links and further integration of economies would eventually contribute to post-war reconstructions and development at the global level. At that time, two policies were agreed upon as the key to achieving developmental goals: expansion of trade and functioning of global payment systems (Bretton Wood). In 1947, General Agreement on Tariffs and Trade (GATT) was initiated. GATT minimized the barriers to international trade via systematically reducing tariff and quotas and subsidies (WTO, 1987). The reductions were not an only form of adequate remedy to boost trade for landlocked countries, as the major trade routes passed through oceans and open seas. Thus, there was a necessity to find a way to integrate those countries who did not have access to open seas to trade. In this historical context, in 1957 the UN established its first developing country category - Landlocked Developing Countries (LLDCs). Via resolution 1028 (XI), the UN-recognized *"the need of landlocked countries for adequate transit facilities in promoting international trade*".

When the LLDCs category was established in 1957, there were six countries in Latin America and Asia falling into this classification (UN, 1957). Today, the number of these countries is 31, half of them are in Africa (UNCTAD, 2019a). The increased number of countries in the category referred to several changes on the political world map. For instance, the decolonization in Africa in 1960s and 1970s or the collapse of the Soviet Union followed by the breakup of Yugoslavia caused many countries in Europe and Central Asia to become landlocked. However, not every landlocked country is immediately considered an LLDCs. The country needs to be labelled as an "*economically and socially underdeveloped*" (Chowdhury & Erdenebileg, 2006).

It took the UN 14 years to create another category, Least Developed Countries (LDCs). The establishment of the LDCs category relates to decolonization. Most of decolonized countries suffered from economic, political and social vulnerabilities due to structural, historical and geographical reasons. To shape adequate policy mechanisms and to deal with embedded structural problems of these countries. In 1971, the UN-recognized them as a special category. LDCs were specified as highly disadvantaged in their development "process" (UNCTAD, 2019b). The category was established with a purpose to help countries to "catch up". Therefore, decreasing the number of LDCs should be the goal. However, in 1971, twenty-five countries belonged to this group. Today, the number of LDCs is 47. Only five countries already graduated from the category[1]. In this regard, Fialho (2011) asks: "*Why have not 94% of LDCs escaped poverty during the last four decades?".* She claims the category arises in a world where powers dictate behavior. The low number of graduated countries is caused by the political foundation of the category and efforts to keep the connected bureaucracy alive.

Two more developing country categories were established in the 1980s. The World Bank came up with a new category based on operational lending categories. Low-income countries (LICs) were defined by the World Bank via judgment-based criteria during the first few years. World Bank moved to gross national income per capita (GNI) after considering it is as the best way to consider the economic capacity of countries and other development achievements (infant mortality, poverty, literacy) which seemed highly correlated to GNI per capita. Nowadays, this category is for its simplicity one of the most utilized categories (Alonso, Cortez & Klasen, 2014).

To highlight the problems of small islands, in 1985 the World Bank introduced 'Small island exception' list which framed the category of Small Island Economies (SIEs). This list approved an exception to the International Development Association (IDA) eligibility criteria for allocation of resources. The exception was given for the SIEs specific characteristics such as size, remoteness, high vulnerability to external shocks (climate and natural disasters), trade dependence on a limited number of export commodities, et cetera. In 1985, six countries were on this list. Ten more countries have been added until now. The same exception received also five land-locked countries[2]. However, they were not put on the list as the category was called the Small Islands Economies (World Bank, 2018a).

1.2 Proliferation in the 1990s

Only above-mentioned four classifications of developing countries were used until 1990. Since the 1990s, there have been several multilateral efforts to create new classifications. Nowadays, the number of categories exceed 12 (without counting subcategories) (Figure 2). The formations of new categorization were started by the recognition of inherently divergent needs and qualities of developing countries. Until the 1990s, the categories were set up mainly to deal with economic problems of developing countries. For instance, the categorization of World Bank clustered countries only according to the GNI without considering other determinant factors.

[1] Next country, Vanuatu will graduate on December 2020 (ESCAP, 2019).
[2] Bhutan, Botswana, Lesotho, San Marino, and Eswatini.

Figure 2: Overview of country classification

Establishment	Category	Creator	Official list
1957	Landlocked Developing Countries (LLDCs)	UN	Yes
1971	Least Developed Countries (LDCS)	UN	Yes
1980	Income level categories: Low-income countries (LICs) Lower-middle income countries (LMICs) Upper-middle income countries (UPMICs) High-income countries (HICs)	World Bank	Yes
1985	Small island exception list (SIEs)	World Bank	Yes
1990	Human Development Index (HDI)	UN	Yes
1994	Small Island Developing States (SIDS)	UN	No
1996	Heavily Indebted Poor Countries (HIPC)	World Bank, IMF	Yes
2001	Small, Vulnerable Economies (SVEs)	WTO	Yes
2001	Low-Income Countries Under Stress (LICUS)	World Bank	Yes
2002	Fragile states (FS)	World Bank	No
2003	Transit Developing Countries (TDC)	UN	Yes
2007	Structurally Weak, Vulnerable and Small Economies (SWVSE)	UN	Yes

Source: Fialho & van Bergeijk (2016), adjusted by the author

In the same regard, according to the World Bank, SIEs include an island with "*high risk and vulnerability to economic shocks and natural disasters, small domestic markets, limited domestic resource mobilization, fragile debt sustainability, higher costs of building resilience to climate change, limited creditworthiness, and difficulties they face in attracting public and private financing*" (World Bank, 2019a). The UN's LLDCs and LDCs categorizations also work on the same principle. LLDCs puts emphasis on the "*lack of coastline to the sea, remoteness and isolation from major international markets and high transport costs*" (UNCTAD, 2011). LDCs are described as *"low-income countries confronting severe structural impediments to sustainable development… highly vulnerable to economic and environmental shocks and have low levels of human assets"* (UN, 2019).

When the United Nations Development Programme (UNDP) published the first Human Development Report in the 1990s, it appeared that the focus from economic growth will be reoriented toward human development. The foreword of the report already gave two clear messages: *"People must be at the center of all development" and "People cannot be reduced to a single dimension as for economic creatures"* (UNDP, 1990). None of the other international organizations (IOs) reacted to the call of the UN. The modernization theory was maintained, and development has continued in promotion of international trade as fuel for industrialization. On the contrary, the World Bank together with the International Monetary Fund (IMF) created a group of Heavily Indebted Poor Countries (HIPC) focusing on the economic aspects again. HIPC was established to ensure that the countries do not have to face an unmanageable, unsustainable debt burden (World Bank, 2018b). The World Trade Organization (WTO) followed suit by creating category of Small Vulnerable Economies (SVEs). According to the WTO, this group of countries are vulnerable to economic uncertainties and environmental shocks (WTO, 2020).

In 1991, an Alliance of Small Island States (AOSIS) was initiated to lobby and negotiate within the United Nations. Consequently, in 1992, Small Island Developing States were recognized as a distinctive group at the UN Conference on Environment and Development as they were considered to be the most vulnerable countries to the climate change. Although 30 years have passed since the initiation of SIDS, there is still no official list of them. Nowadays, four different lists of SIDS are circulating within the UN. United Nations Conference on Trade and Development (UNCTAD) uses its own list for analytical purposes. In the same regard, UN Department of Economic and Social Affairs (UNDESA) uses their list to achieve Sustainable Development Goals (SDGs). The United Nations Office of the High Representative for the Least Developed Countries (UN-OHRLLS) created Landlocked Developing Countries and Small Island Developing States category to allocate Official Development Assistance (ODA). Furthermore, the United Nations Educational, Scientific and Cultural Organization (UNESCO) adopted another list to bring focus on the cultural heritage and conservation of the environment of the islands (Harttgen & Klasen, 2012).

Two new trends in a country clustering can be observed since the 2000s. First, the emphasis has begun to be put on a good government, strong institutions and political stability. In this regard, Low-Income Countries Under Stress (LICUS) category created by the World Bank is used to serve the same purpose.

According to the World Bank (2005), the “good performers” are more inclined to be effective in transforming aid to economic growth. Nowadays, the category of LICUS is not used anymore. It was replaced in 2002 by a commonly known category of Fragile states (FS). The purpose of replacement was to synchronize the terminology of the World Bank with partner countries and other development banks, as most of them were using Fragile states category. The Fragile states category suffers from the same problem as SIDS – a lack of consistency. There is no universal consensus on how to define and measure the fragility of a state. Consequently, divergent definitions of FS by various international organization produce inconsistent lists of Fragile states (Piffaretti et al., 2018).

The second trend of the country classification in the 2000s is clustering of categories that had already been set up. Two cases can be described. The category of Transit Developing Countries (TDC) was established in 2003 by UN-OHRLLS to focus more precisely on transit transport issues of LLDCs. (UN, 2003) In the same regard, the UN produced a category of Structurally Weak, Vulnerable and Small Economies (SWVSE) to address the common problem of structural weakness and vulnerability of LDCs, LLDCs and SIDS. The recent clustered categorizations can be considered an emergence of a new trend - to cluster countries together to avoid additional balkanization of categories. In the next subchapter, the problem will be described.

1.3 Pros and cons of the country classifications

The necessity of classification is noticeable. Classifications are useful to interpreting the complexity and multidimensionality of the world. Categorization of countries is not crucial only for analytical purposes, for finding and describing common patterns among countries but also for defining a common international goals/problem of a country which needs to be achieved/solved. According to Fialho and van Bergeijk (2016), categories are a valuable communication tool and a desirable way to catch attention of the Public Sector, Non-governmental or commercial organizations. On the other hand, the authors claim that the way countries are clustered can be considered controversial. The allocation of differential treatment has become extremely vulnerable to political influence as the choice of what is going to be perceived as development, which problem deserves awareness by the international community implies political decisions. Thus, the country classification often has no universal acceptance.

Tezanos Vázquez and Sumner (2015) argue that the world is constantly changing and is incredibly heterogenous, the decided criteria for each category would be less useful if they did not change overtime as they would not describe the current reality. The creation of a new category reflects the current needs of countries, a new call for a different allocation of resources. However, the creation of new categories produces several overlaps. A single country belongs to various groups, depending on the classification criteria. The balkanization of country groupings caused confusion which lead to the current lack of coherence and complexity. The international coordination and governance of the development cooperation system produce disorder, opacity in rules and approaches and, as a result, unfair treatment of the countries.

At the same time, the overlaps should not be viewed only from the negative side. Each classification is defining a specific problem. Clearly, each country does not have a single problem. When the country is "restored" from one problem, it should not be naturally eliminated from "another specific treatment" when the additional problems persist.

Moreover, as Fialho and van Bergeijk, (2016) claim that without a clear definition, the number of countries in each category will stay uncertain. For instance, the category of Small Island Developing States is defined by objective geographical criteria. However, if the country is small or not, can be viewed subjectively. Hence, as in the case of SIDS, many lists are generated. In general, according to Tezanos Vázquez and Sumner (2015), taxonomy needs to choose between "*defining many categories in order to protect certain similarity among countries within the groups or defining only a few categories and accepting high levels of heterogeneity among the countries within the groups".* As they claim, in case of large number of groups, the taxonomy is hard to use. On the other hand, if there are only few groups, the use of category is impractical as the heterogeneity within the groups would be enormous.

The main supplier of categories are International organizations. Without IOs, every country would treat the developing world individually. IOS produce the policies collectively and thus a cohesion and efficiency in a country treatment are accomplished. Collective action diminishes the transaction cost, creates a hub of ideas, information and experts. It reduces the individual risk of countries of investing/donating money and thus providing stability to the created system of classification.

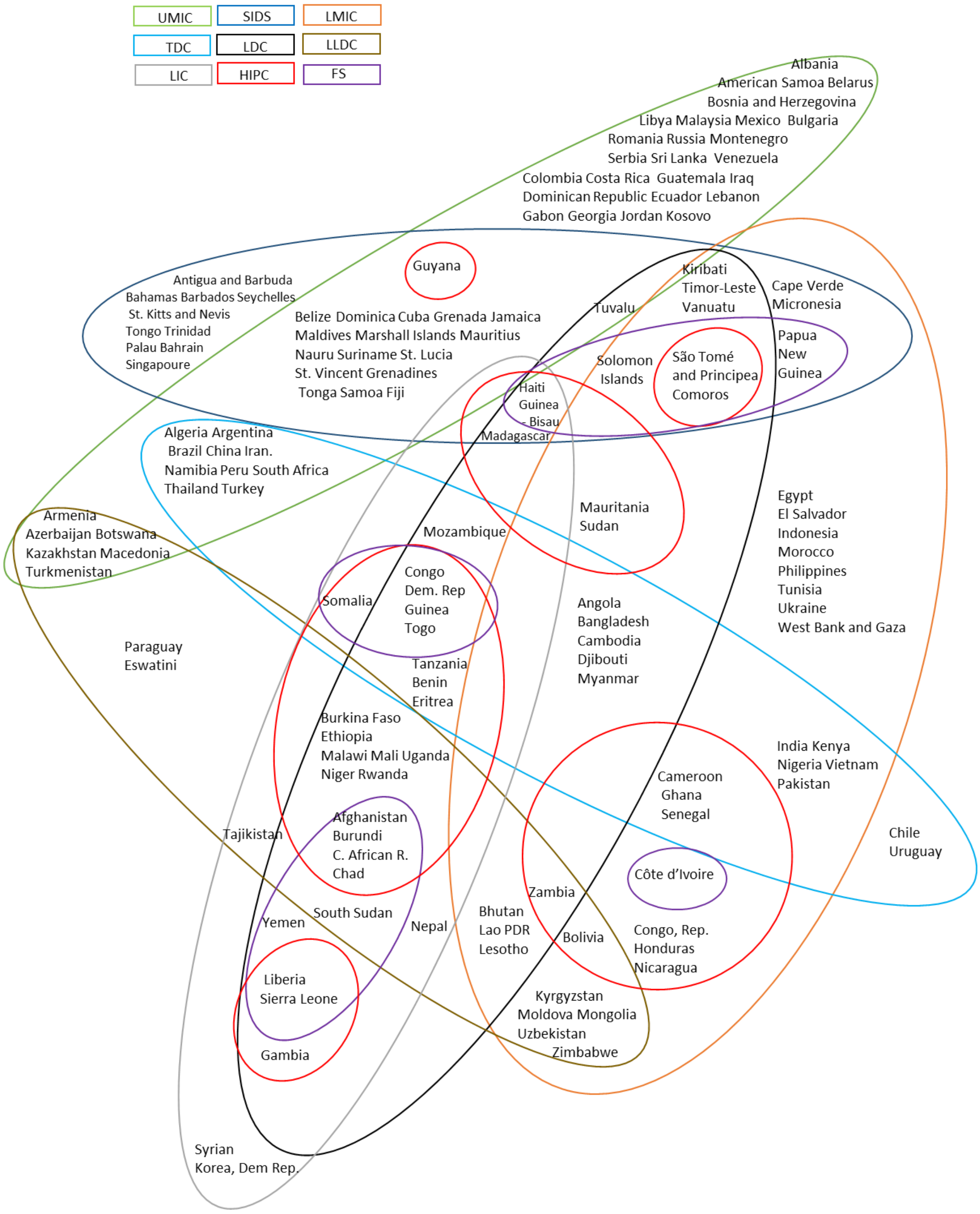
Barnett and Finnemore (1999) claim the international organizations have a significant power. The role of IOs is not only about rulemaking and adjusting criteria and definitions for categories. IOs also classify and organize information and knowledge, reshape the interests of political institutions and create an area for negotiation for benefits and special treatments. Moreover, as Abbott and Snidal (2016) argue, beneficiaries of foreign aid will rather accept it from an independent institution than from another (formal colonial) state in fear of the possible political influence of those more powerful states. IOs policies are established based on technical analyses and therefore are not recognized as a value judgment. In these cases, IOs work as a neutral actor. Even information is considered more reliable and credible from IOs than information provided by specific countries.

To conclude, international organizations were not established on their own. IOs are an extension of the most significant members. States act through IOs. Despite the fact that most of the organization has a mechanism to protect and give a voice to a weaker state, only a couple of developed countries have a significant influence on the further behaviour and actions of the organization (Barnett & Finnemore, 1999). However, developing countries are nevermore a powerless colony, after gaining independence their voices started to be heard. Developing countries are capable of influencing the proliferation of categories as well. They may propose a new category if they do not fit in the current ones or are put in a disadvantaged position. To create a group with a similar specificity can be practical for sharing concerns and interest. Furthermore, there is a greater chance they will be heard as a group when claiming the differential treatments (Fialho & van Bergeijk, 2016).

2. The utilization of country classifications in the EU policy

This chapter summarises the utilization of developing country classification within the EU External policies. It provides summary of the categories utilised in the EU External policies (LLDCs, LDCs, World Bank income category, SIDS, HIPC, FS, TDS). Then, politically "worthless" categories are summed up (SIEs, HDI, SVEs, SVEs). Besides, it describe two classification established by EU for its own purposes due to its historical past or a geography allocation to get the full picture on the EU differential country treatment. All countries involved in the EU taxonomy are illustrated in the Figure 3 and Annex 1.

Figure 3: Classification used by the EU



Sources: Author based on Annex 1

2.1 The Developing Country Classification Used in the EU External Policies

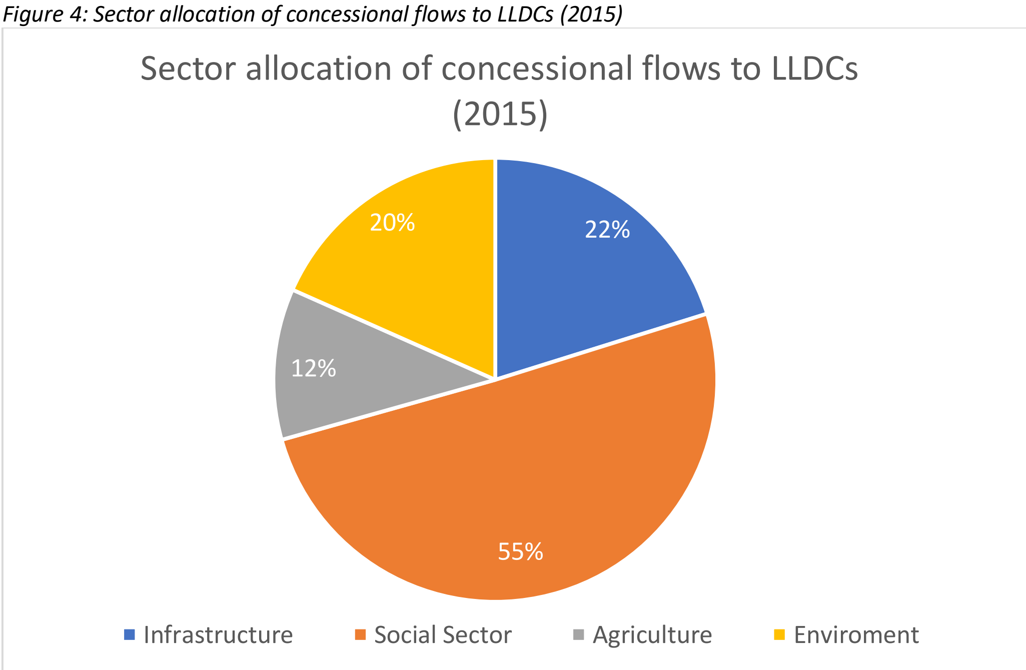
Landlocked Developing Countries

This category of LLDCs was created by the UN in 1957 to support countries that do not have access to the sea, one of the major routes for trade. The initial idea was to boost the landlocked countries by adequate transit facilities to diminish the transport costs so that these countries can consequently compete on the global market.

The EU committed to support LLDCs thought the Vienna Programme of Action (VPoA) for Landlocked Developing Countries and the Almaty Programme of Action (APoA). Hence LLDCs are part of the Aid for Trade Initiative. It considers them as a group of countries for which “trade facilitation and trade infrastructure are key development drivers”. Accordingly, LLDCs must be integrated into the multilateral trading system and supported in the promotion and creation of a network of sustainable and renewable energy (EU, 2019).

In general, even though the category was created mainly to facilitate trade via transit facilities, the Social sectors are receiving priority in the finance directed into LLDCs. As an example, according to OECD (2016), the majority (55%) of financial aid in 2015 flew to the social sector focused on health, education, government, and civil society. Only 22% of the aid was allocated to the infrastructure sector (Figure 4).

Figure 4: Sector allocation of concessional flows to LLDCs (2015)



Source: (OECD, 2016)

Least Developed Countries

The category of LDCs set up in 1971 by the UN is a great illustration of how the classification can catch the donor's (EU) eye. Even the label "Least Developed" signalises that something must be fixed (developed), though what is considered development is a challenging question. However, the classification answers this by stating the indicators characterising the category. In the case of LDCs, we see that the understanding of development was changing as time passed. The category used to be based on Gross domestic product (GDP), the share of manufacturing in total GDP and the adult literacy rate (Solarz & Wojtaszczyk, 2016). Currently, the LDCs are subsumed based on the gross national income (GNI) per capita, the Human Assets Index (HAI) and the Economic Vulnerability Index (EVI). Moreover, the population cannot exceed 75 million (UN, 2018a).

Comparing LDCs to other developing country groups, the LDCs have a privileged position. EU considers the group as the most in need, the most vulnerable one. Thanks to the initiative of Everything But Arms (EBA), LDCs do not have any limit on how much they can export. Moreover, they do not have to pay tariffs or quotas at EU customs, except for arms and munition. The trade is enhanced via Aid for Trade to assure they can export with minimal costs and gain the most from the trade. Moreover, the EU intensifies climate change adaptation and disaster risk management via Global Climate Change Alliance plus (GCCA+). Besides, LDCs have a special place in the European Union Emissions Trading System (EU ETS).

In the future, the EU has to consider how to deal with the graduation of countries from LDCs. Until now, only 5 countries graduated. The sixth will graduated at the end of this year. Nevertheless, it is expected that about 20-24 LDCs, half of the current total, will have met the graduation criteria by 2030. (UN, 2018) Naturally, this transformation is going to change the current relationship and position of LDCs in the world system.

World Bank's Income Level Categories

The World Bank's country classification set up in 1985 divides countries into four groups – low, lower-middle, upper-middle and high income, corresponding to their country's GNI per capita. The category is used commonly in decision making as the income criterion is simple to understand, present and use.

The EU is not an exemption and applies this category in its external policies frequently. Within the foreign aid, it made LICs, LMICs and UMICs eligible for ODA and within the trade policies, it provides LICs and LMICs with a special treatment through the General Scheme of Preferences (GSP), Generalised Scheme of Preferences Plus (GSP+).

Alonso (2014) agrees; the income criterion is a great assistance in the decision-making process, but he argues that the decisions-made should be backed by detailed information about the country. In other words, the country indicators are useful from an analytical standpoint but for development cooperation, is comprehensive analysis for each country necessary. Simple taxonomy is unable to identify the diversity of country situations and the priorities that should be established in each of them.

The EC had similar discussion about the limitations of income level categories. In 2014, the EC discussed additional criteria (HDI, EVI, aid dependence, the country's economic growth or capacity to attract foreign investment) that should be considered in deciding about the priorities in the resource allocation process (European Commission, 2014a). Nevertheless, the additional criteria still have not been put into practice.

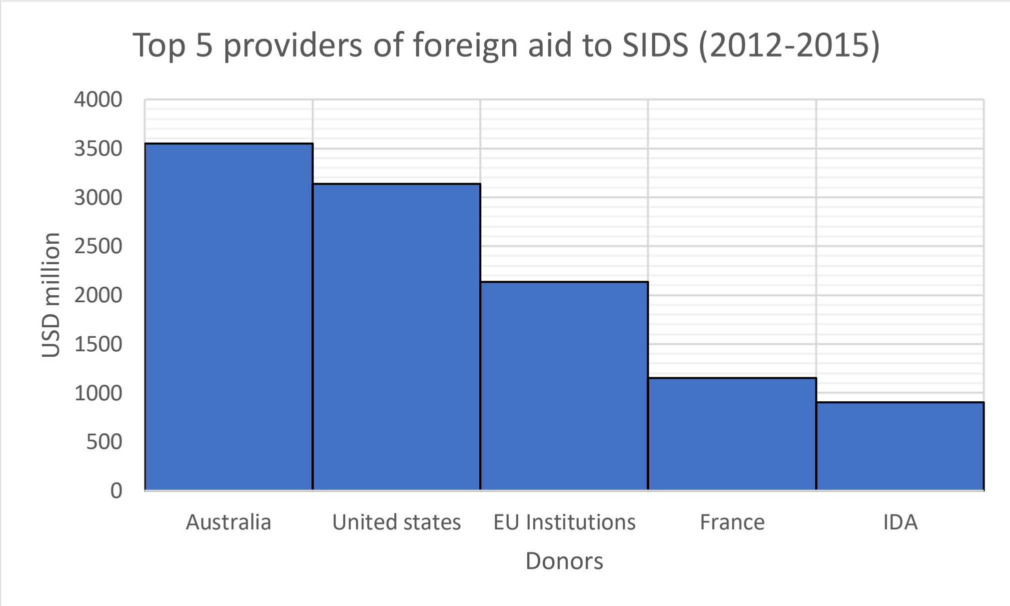
Small Island Developing States

The category of Small Island Developing States was established by UN in 1992 to point out the specifics of island states, such as remoteness, exposure to global environmental challenges like the impact of climate change and more frequent natural disasters (UN, 2020). The SIDS is an extremely diverse group. On the one hand, it contains Haiti, one of the poorest countries. On the other hand, it contains extremely rich countries, such as Singapore. Ordinarily, if the countries in the group are so diverse, accomplishing collective goals is difficult. SIDS are an exception. Through building a coalition, encouraging collaborations between scientists and non-governmental organisations, playing on the line of moral climate victims, the SIDS become visible and influential in the world system (De Águeda Corneloup & Mol, 2013).

The SIDS gain a prominent place within the EU's external policies. The EU has supported the group since 1994 by implementing the Barbados Plan of Action set up by the UN. The EU cooperates with SIDS within the Global Climate Change Alliance Plus and Aid for Trade initiative. The EU is the important trade partner and donor for SIDS (Figure 5).

As written above, there are several lists of SIDS and none of them are official. The EU is using the lists of UNDESA for its purposes. Nevertheless, it is important to note that the name of the category "Small Island Developing States" is misleading and its definition is not clear. Firstly, it is not exactly said what is considered to be small. Nauru clearly is but what about Papua New Guinea? Secondly, not all of the countries are islands (Belize, Surinam, Guyana) or developing states (Singapore, British Virgin Islands, New Caledonia).

Figure 5: Top 5 providers of foreign aid to SIDS (2012-2015)



Source: Author based on data OECD (2018)

Heavily Indebted Poor Countries

The category set up in 1996 by the World Bank and IMF is a textbook example of a category that reflects the current needs of countries calling for a specific treatment. The category was not set up to analyse or describe a situation in a developing world. It was set up as the cornerstone of debt relief initiatives. Currently, this category contains 39 countries, 36 of which are eligible for the debt relief initiative. The other three did not reach their decision point yet (World Bank, 2019b). However, it is presumed that Somalia will have reached it by the end of March 2020 (IMF, 2020a). It is worth noting that the EU supports Somalia on its way to the decision point. In 2018, the EU provided Somalia with EUR 100 million for state- and resilience-building to help speed up national reforms and processes towards concessional loans and debt relief. *"Budget support shows the EU's trust in Somali institutions…,"* said Even Mimica, the current Commissioner for development (European Commission, 2018a). Besides, it could be added this form of support shows the EU focus on the promotion of good governance, human rights, and peace.

The European Commission (2005) expressed concern about the debt relief initiative, even though they consider it as *"the most innovative approach in terms of aid transfer and transaction costs".* Firstly, the EC is afraid of not securing fully the funding of the HIPC initiative as numerous creditors still did not deliver their part of debt relief. Secondly, it pinpoints that many countries in need are not eligible for the HIPC initiative due to their post-conflict situation. There is no coherent agreement among the member states as to how to deal with it. Lastly, it is not solved how to prevent a debt-relieved country from coming back to the debt stress situation. Member states agreed to provide additional relief to these countries. However, the views of the delivery arrangements diverge.

Fragile states

In 2002, the category of Fragile states replaced the category of LICUS to synchronize the terminology of fragility among the World Bank, its partner countries and other development banks. Nevertheless, there is no universal agreement on how to define, measure or deal with fragility. A large body of literature tried to conceptualise the term and create a suitable framework for its definition. Still, several institutions have different definitions and thus, various lists of FS. The FS is an excellent example of how the country classification can become extremely sensitive to political influence. Grimm, Lemay-Hébert and Nay (2004) argue that the definition does not exist due to the desire of different players to use the FS concept in such way that describes the reality according to their Foreign Policy priorities and strategic purposes, thus, it legitimises aid spending and interventionist strategies. Besides, Hout (2010) who observed the introduction of FS concept was one of the triggers of securitization of foreign aid because the failure of underdeveloped states started to be associated with threats, such as organised crime and terrorism which need to be defeated.

The Category of Fragile states has its fixed role in the EU external policies, concretely in the EU foreign aid. As described in the previous chapter, the EU has many instruments to deal with Fragile states. However, the consensus on policies towards them is missing.

After introducing FS by World bank, it took the EU almost four years to create their definition of the "fragility". The EU defines FS followingly:

> *"Fragility refers to weak or failing structures and to situations where the social contract is broken due to the state's incapacity or unwillingness to deal with its basic functions, meets its obligations and responsibilities regarding service delivery, management of resources, rule of law, equitable access to power, security and safety of the populace and protection and promotion of citizens' rights and freedoms".* (FSDR/DEVINVEST, 2016)

Countries that considered FS are listed on The Commission Crisis Declaration list. This list is not public, it is used only for internal purposes. Nevertheless, in 2011, at the High-Level Forum on Aid Effectiveness, the EU committed to a 'New Deal for Engagement in Fragile States'. As part of the deal, the association of the g7+ group of Fragile states was set up to advocate for better policies and treatments not only within the EU policy but on the global level as well.

Among others, Hout (2010) criticises the EU's focus on governance because of its technocratic character focused on a public sector reform and public finance without looking at the political-economic dimensions of governance reforms in a specific local social, political and economic environment.

According to Harttgen and Klasen (2012), the Fragile states category is inappropriate for aid allocation or any uniform policy approach. They claim that categorising countries by conflict, state collapse and governance is unclear, the cause of the problems is overlapping, and the severity of the problems differ. Clustering countries into heterogeneous groups is too difficult as every defined problem needs a specific analytical and policy approach.

Transit Developing countries

The category of TDC was established in 2003 within the Almaty Programme of Action. The category was created to support LLDCs as the group contains countries that the trade goods of LLDCs must pass through to reach the sea because TDC are often LDCs countries that are not able to secure the needed technical and administrative standards.

Thus, the EU supports these countries through the same programs as it supports LLDCs – VPoA and APoA. However, it does not have any special initiatives or official documents targeting this group of countries.

2.2 The "politically worthless" categories in the EU External Policy

Small Island Economies

The category was set up in 1985, *purely* for the purposes of the World Bank's International Development Association IDA, and therefore, it is not used within the EU external policies. SIEs are eligible for IDA's support of countries despite the fact they are above the operational cut-off or are not creditworthy for loans from the International Bank for Reconstruction and Development.

Small, Vulnerable Economies

The group of SVEs was set up by WTO in 2001, to strengthen the position of its members who account for only a small part of the world trade due to their smallness, remoteness and low ability to cope with economic shocks and climate change**.** Simply said, the category was created for negotiation purposes – to give small states a voice in the Doha round of negotiations.

The group of Small Vulnerable Economies is, thus, not specifically used within the EU external policies. However, in 2005, the EU supported SVEs to gain eligibility for special treatment in the global market but SVEs did not reach their requirements. Linsday (2019) argues that SVE failure was caused by the lack of consensus among them and inconsistencies of their ideas about how the special treatment should look like. She further argues that the failure was caused by insufficient capacities and the absence of experts promoting their values. The negotiations were not successful because the desired treatment was not universal enough to be accepted by all WTO members. Besides, it was not understood what “small states” mean, and how their challenges differ from large developing states. The SVE group proved the necessity to precisely define the category with a clear goal, otherwise, the classification is not taken seriously, and it is not able to achieve the desired awareness from the international community.

Cali and Dirk (2009) argue that the Aid for Trade initiative should set up a specific treatment to SVEs as well. As described in the previous chapter, the AfT aims to overcome the “behind the borders” constrains so that countries can gain from trade. Authors argue that SVEs, due to their small population, have limited domestic market, opportunities without adequate human capital and the lack of investment in research and technologies that overall produce high production costs. Adding the high transportation costs caused by their remoteness and the dependency on a few export products, these countries are incredibly vulnerable to fluctuation in the world prices and climate change. Cali and Dirk proved that AfT has a positive cost-reducing effect of handling exports on SVEs. Nevertheless, the analysis showed that AfT does not have an effect on food/food processing and manufacturing exports, even though for the non-SVEs countries it does. The authors claim that if the AfT program targeted constraints, e.g. remoteness, smallness, and isolation, better, the productive capacity of SVEs would increase significantly.

Human Development Index

The HDI created by the UN in 1990 tried to shift the spotlight from the economic perception of countries to the human aspects. However, the category is used only for descriptive and analytical purposes. As the UNDP (2018) states, *"the HDI became a comparative tool of excellence, and as a reliable platform for vigorous public debates on national priorities".* However, considering the way the index is measured, what indicators it is based on and the outdated and/or low-quality data, the index is not suitable for political decisions. The EU does not apply any preferential treatment to the countries based only on the HDI either. It uses the indicator just for a description of the current reality of the country in its documents.

Structurally Weak, Vulnerable and Small Economies

The category of SWVSEs set up in 2007 was created *purely* for the objectives of the UNCTAD to cluster countries with the common problem of structural weakness and vulnerability of LDCs, LLDCs, and SIDS. UNCTAD provides SWVSEs with services, such as the advisory service in Doha negotiations, assistance with trade policy formulation and supporting multimodal transport chains and customs modernization (UNCTAD, 2007). However, in the case of the EU external policies, this group of countries is not used.

2.3 The EU country classifications

African, Caribbean and Pacific Group of States

The African, Caribbean and Pacific Group of States (ACP) counts seventy-nine members, forty-eight in Africa, sixteen in the Caribbean and fifteen in the Pacific. The EU-ACP partnership tries to fully integrate the ACP countries into the global economy. Besides, it focuses on the eradication of poverty and sustainable development. The partnership has three platforms, development co-operation, trade and political dialogue (European Commission, 2018b).

At the beginning of the 1960s during the decolonisation era, the partnership between the EU and the ACP Group started. Eighteen countries under the Yaoundé convention (1963-1972) got the preferential access to the common market. However, the colonies were obliged to provide the preferential access for EU exports to their markets as well. In 1973, when the United Kingdom (UK) joined the European Economic Community, there was a need to solve how to treat the UK colonies. The group of ACP was set up, and the new Lomé convention came into force. The preferential treatment for import was granted *only* to ACP countries, not to the European countries anymore. Thus, the ACP countries became a privileged group within the developing world (Arts & Dickson, 2004).

Now, the relation between the EU and ACP is based on the Cotonou agreement, approved in 2000. The civil society, private sector, trade unions and local authorities were newly involved in consultations and planning. Moreover, the previous trade preference was replaced by the Economic Partnership Agreements. The obligation of the preferential access for EU exports to developing countries came back. The Cotonou agreement expires in 2020 and is going to be replaced by the new post-Cotonou agreement focusing on good governance, human rights, security and climate change mitigation (European Council, 2020).

Despite the long EU-ACP relationship, the ACP is not the priority for the EU anymore. The EU's relations with the ACP countries begin to look much more like its relations with other regions. As Ravenhill (2002) analysed, by the mid-1990s, ACP was no longer the privileged aid recipient. According to the

Bossuyt, Kostanyan et al. (2017), the emphasis came on the EU neighbourhood due to the growing sense of responsibility by the EU for the economic and security stability in the periphery.

European Neighbourhood countries

Another group of countries receiving special attention of the EU is the European Neighbourhood countries. These countries that lie to the east and south of the mainland EU territory are treated under the European Neighbourhood Policy (ENP). The policy includes Eastern and EU-Mediterranean partnerships. Both partnerships intend to stabilise the region through economic development, transport, energy connectivity, migration, good governance, democracy and human rights (European Commission, 2015).

The ENP was launched in 2004, after the fifth enlargement of the European Union. The shift in the borders caused that many economically and politically unstable countries became neighbours of the EU. In order to guarantee stability along the borders, the EU set up a unified policy towards these countries to create a peaceful and cooperative “ring of friends” around itself (Wesselink & Boschma, 2016).

The ENP offers its neighbours a privilege position in political cooperation and economic integration and the access to the unified market in exchange for several economic regulations and the progress in protection of borders from illegal migration, improved human rights and efforts towards democracy (European Commission, 2015).

Since 2011, the ENP has been reviewed several times. According to Wesselink and Boschma (2016), due to events such as the Arab Spring, conflict in Ukraine, the civil war in Syria, political pressures from Russia, the policy focuses mainly on the democratisation, to assure free elections, judicial independence, freedom of expression. The security, migration and political stabilisation have become the top priority.

Even though the ENP “offers” a framework for partnerships with its neighbours, it is often criticised for not implementing the idea of partnership. Among others, Theuns (2016) argue that EU is subordinating the policy to the own interest and values without considering the views of the countries. Moreover, the market integration is undermining the democracy promotion.

3. The European external policies towards developing countries

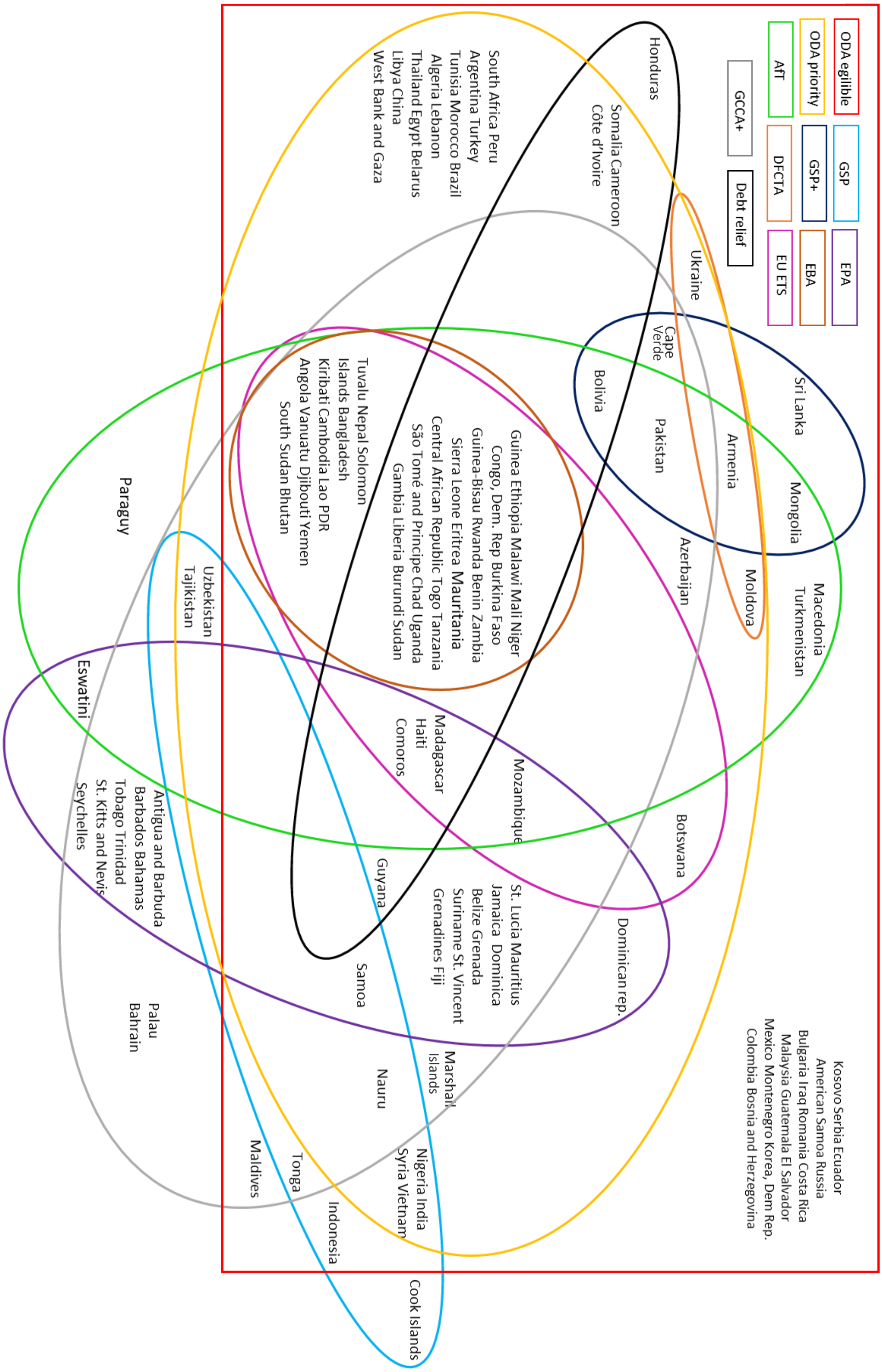
The European Union (EU) and developing countries are primarily associated with foreign aid. Not surprisingly, counting the aid provided by European institutions and its member states, the EU is the main provider of ODA[3]. However, the development field is changing, and is no longer associated exclusively with the official development assistance. The EU goes far beyond the aid and interacts with developing countries in other domains such as trade, environmental protection, fisheries, climate change, migration, security or technologies. Nevertheless, the policies are not always coherent. They crush one another and undermine one another’s efforts.

One of the most obvious examples of the coherence challenges between the EU and the “developing world” is the European Common Agricultural Policy (CAP). The CAP is based on subsidies to EU farmers to assure a minimum level of production and a fair standard living for the European farmers. However, subsidies cause overproduction on the European market and thus are sold to the developing countries for low prices. It undercuts the efforts of local farmers who are not able to compete. The CAP is criticized as it goes against the Doha Round’s negotiation under which the EU was promoting the world trade system where developing countries are able to catch up with the global market and become competitive partners (Gechev, 2017). To assure the development policy is not undermined by other EU's external and internal policies, the policy coherence for development was introduced in 1992 at the Treaty of Maastricht and followingly strengthened by the Treaty of Lisbon in 2009 (European Council, 2019).

The second section focuses on the European policies in which the country classifications are used. After the literature review, occur the classification are utilised in foreign aid, Trade Policy, Climate Change Policy and in the Policy of Debt Relief Initiative. Policies implemented on the countries based on the international developing country classification are visualized in the Figure 6 and Annex 2.

[3] In absolute numbers, in 2017 the ODA disbursement of the EU institutions counted 16 054 million USD. It makes 10% of total ODA. It is the third biggest amount after the United States and Germany (OECD, 2019).

Figure 6: EU policies towards developing countries



Sources: Author based on data from Annex 2

3.1 Foreign aid

As the world is continually changing, the needs of countries and the policies towards them are changing, too. During the last years, the EU published several documents which transform the form of development assistance. Developing country classification plays a significant role in the allocation of resources. This chapter describes the changes in allocation between the year 2005 (when The European Consensus on Development was published for the first time) until the announcement of the New European consensus on development 'our World, our Dignity, our Future' in 2017.

2005–2011: Least Developed Countries in advantage

In 2005, the EU together with the member states approved "The European Consensus". After 50 years of cooperation, for the first time, member states of EU agreed on common principles and visions of their development policies. EU committed to meet eight Millennium Development Goals and set poverty reduction, promotion of good governance and human rights as its key objectives. The allocation of resources is described in *The European Consensus* (European Commission, 2006) followingly:

> *"In order to meet the MDGs, priority will continue to be given to least developed and other LICs…The EU also remains committed to supporting the pro-poor development of middle-income countries (MICs), especially the lower MIC…"*

Henökl and Keijzer (2016) claim The Consensus was an important document that significantly influenced a setting of the development cooperation up to 2009. Since then, its power diminished and was not used as a reference for any new policy. In 2011, EC published "Green paper" where they pointed out the need for a Consensus revision. However, the proposal was postponed as the global financial and economic crises hit most of EU member states**.**

Only in 2017, as a response to the implementation of numerous important treaties[4], The European consensus on development 'our World, our Dignity, our Future' was published and pointed out the change in the allocation of resources. *The European consensus on development 'our World, our Dignity, our Future'* (European Commission, 2017a) states:

[4] The Lisbon Treaty (2009), Addis Ababa Action Agenda (2015), 2030 Agenda for Sustainable Development (2015), Paris Climate Agreement (2015) and Global Strategy (2016).

"… the development cooperation of the EU and its Member States will be targeted where the need is greatest and where it can have most impact, especially in Least Developed Countries and in situations of fragility and conflict …"

Comparing the two Consensus on Development (even the two extracts above), the change regarding country classification is noticeable. The focus of the EU stayed on LDCs (and others LICs), but instead of promoting aid to MICs the light is put on the Fragile states.

2011 – to this day: "**Fragility first"**

Annan Kofi said, "There can be no development without peace and security and no peace and security without development". By supporting the 'New Deal for Engagement in Fragile States' in 2011, the EU gave a clear signal that follows the same line. The emphasis has been placed on the security-development nexus.

The EU has created a wide range of financial and non-financial instruments which allowed to intervene in fragile and conflict-affected countries (ADE, 2011). However, the study made by Directorate-General for External Policies of the Union (2013) noticed a lack of consensus in the design of policies regarding the Fragile states. According to the Directorate, the policy is fragmented across many institutions[5] and their role and relations between them are not clear. Already in the first Communication on Conflict Prevention, the European Commission (2001) wrote: "*The list of EU instruments directly or indirectly relevant to the prevention of conflict is long*". The Practitioners' Network for European development cooperation (2017) argues that the need to improve coordination was many times "strongly highlighted in the High-Level Forums on aid effectiveness in Rome (2003), Paris (2005), Accra (2008) and Busan (2011)". However, the comprehensive studies about donor coordination at the field level are missing and thus the level of donor coordination in FS remains low.

Are the MICs out of the spotlight?

In 2012, EC proposed a policy of differentiation. Upper-middle-income countries or countries with more than one percent of global GDP were excluded from the bilateral Development Cooperation Instrument aid. This resulted in the withdrawal of 19 countries from the bilateral development co-cooperation in 2014. However, UPMICs are still eligible for funds from thematic and regional programs. (Herbert, 2012) The EU argued that the purpose of differentiation is to strategically focus on poverty

[5] European Union External Action, Directorate General for International Cooperation and Development, Foreign Policy Instruments

reduction and shift the cooperation with MICs to global challenges and mutual interests. As stated in *The new Consensus on development* (European Commission, 2017b):

> *"The EU and its Member States will engage in development cooperation, policy dialogue and partnerships with Middle Income Countries (MICs) on sustainable development, poverty eradication, protracted refugee crises and other shared interests."*

This differentiated partnership is funded through the Partnership instrument or through thematic envelops in Development Cooperation Instrument to focus EU aid in fewer sectors such as democracy, human rights, good governance and creating inclusive and sustainable growth (Koch, 2015). Not surprisingly, this decision raised a controversial debate among policymakers and scholars. One group advocates that poverty reduction must be the overarching objective and the aid must be allocated in the poorest countries. Others advocate the development must go beyond poverty reduction and look at development more globally. Through the proposal, the EU was reacting to the criticism that it is overfunding MICs instead of focusing on poverty in the poorest countries. Therefore, the EU decided to reconceptualize "their development" cooperation with MICs and allocate funds where they have the highest impact.

However, where it has the highest impact remains unclear. In a poor country, with low per-capita income or in countries with a high number of poor people? The majority of poor people live in middle-income countries. However, many donors assume that the country's government should deal with the eradication of poverty on their own as the country already has enough resources. Nevertheless, the difference between MICs are significant, some of them can fight poverty, some cannot. In other words, the poverty focus is affected by the way it is measured. The EC new policy is focusing on country's low income per capita and does not address the people's poverty debate.

Several scholars argue that the decision should go beyond the income status and consider broader development principles. For example, Bond for development (2013) claims it is necessary to weigh the inequality since poverty is tightly connected with it. Moreover, people discriminated because of their gender, ethnicity, social class, tend to be the most vulnerable groups in society and consequently the poorest ones. Therefore, Bond argue that the most effective way to tackle poverty is to focus aid on these groups. In other words, Income status is just a mask hiding the number of poor people and does not indicate their exclusion in society. Koch (2015) argues in the same line. Income stopped being a reliable criterion for capturing poverty problems and other development challenges. Therefore, the EU should avoid reliance on this classification and find a better technical solution to classify countries which move towards 'poor countries or poor people' discussion. He maintains the new classification system needs to combine a number of categories to better capture the heterogeneity within the developing world because global challenges beyond poverty reduction (climate change, food insecurity, financial instability, migration, conflict etc.) have grown in importance.

Do classifications matter?

In the EU Foreign Policy, the classifications mainly have the role to indicate which countries are eligible for ODA. Figure 6 shows ten recipients who received the highest average amount of ODA between the years 2017 and 2018. According to the official documents of the EU, the special attention should go to the countries that belong to the following groups – LDCs, LICs, LMICs, UMICs and FS.

Reacting to the discussion above about "poor countries" versus "poor people", we see that the EU is more on the side of "poor people". Only two countries are LICs, the remaining ones are MICs. Moreover, only one country belongs to the LDCs group. Besides, only one country (Afghanistan) among these countries is part of the G7+ club. Taking into account the list of OECD (the EU do not have a public list of FS), only four countries out of ten are FS.

The list of the ten biggest recipients shows that the geography matters. Six countries are linked with the ENP and two other countries are candidates for the EU membership. Without India and Afghanistan, all the countries are closely linked with the border with the EU. The EU fights the fragility of the countries, but the fragility which is the closest. The ODA is used to diminish the consequences of the war in Syria, Afghanistan and Ukraine and to prevent migration from the main migration corridors in Morocco, Turkey, Tunisia, and Ukraine.

Figure 7: Top 10 recipients of ODA from the EU institutions (average for years 2017-2018)

Ranking	Recipient country	US dollar, millions	Assigned classifications
1	Turkey	2253	UMIC, TDC
2	Serbia	594	UMIC
3	Morocco	546	UMIC
4	Syrian Arab Republic	462	LIC, FS
5	Tunisia	455	LMIC
6	Afghanistan	438	LDCs, LLDCs, LIC, HIPC, g7+, FS
7	India	435	LMIC
8	Ukraine	371	LMIC
9	Egypt	322	LMIC, FS
10	West Bank and Gaza Strip	296	LMIC, FS

Source: Author based on data from OECD (2020)

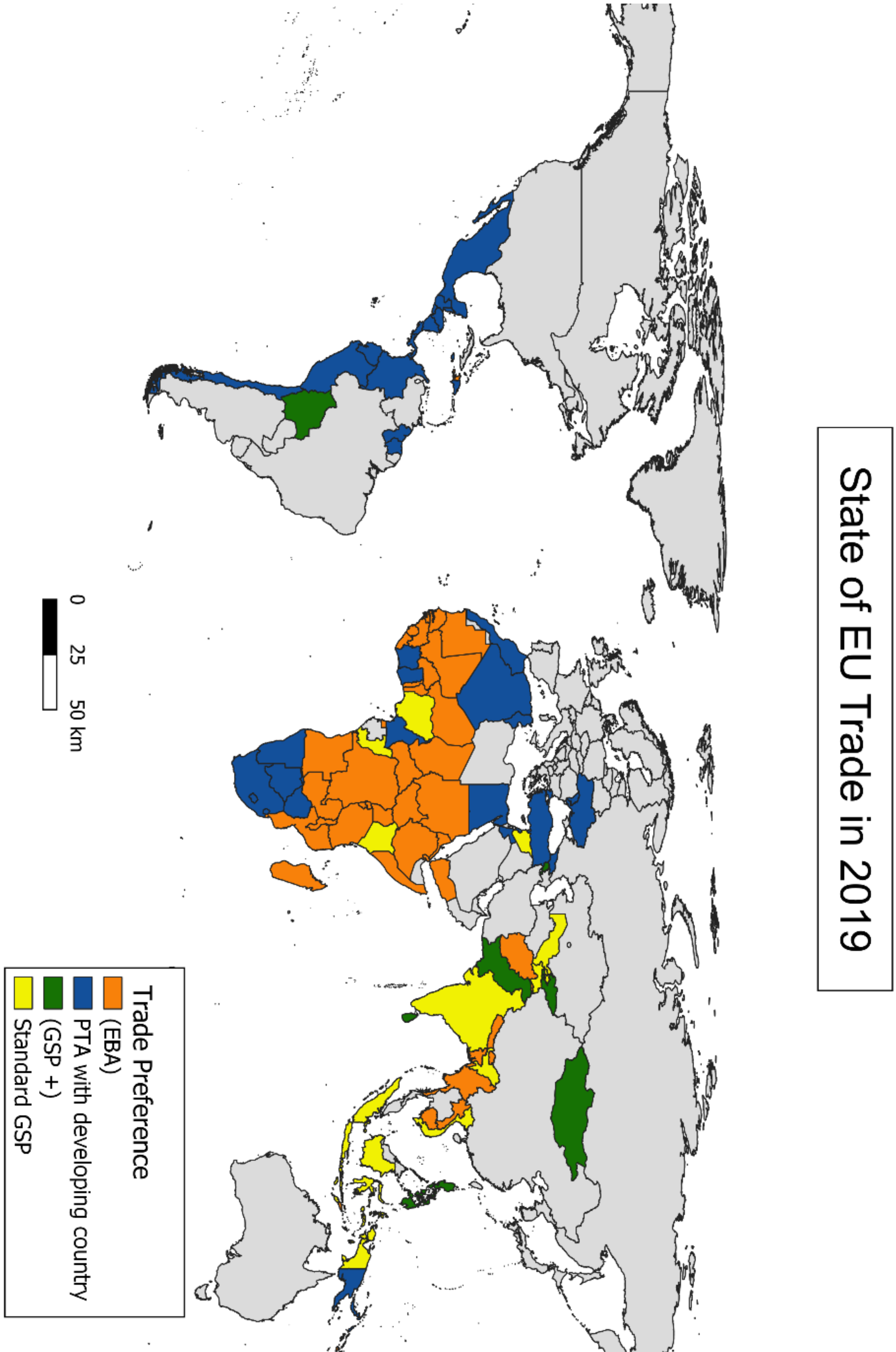
3.2 Trade Policy

Ursula van Den Leyen (2019) in her Mission letter to current Trade Commissioner wrote:

> *"Trade is more than simply the exchange of goods and services. It is also a strategic asset for Europe. It allows us to build partnerships, protect our market from unfair practices and ensure our values and our standards are respected."*

In other words, the EU is one of the prime players in the global market and has the power to position itself as a value advocate. Via its trade agreements it is promoting and ensuring sustainable development, labour rights, and environmental protection. The EU is aware that trade is a unique possibility for economic growth. It creates jobs, opportunities, investments. Naturally, the EU's success is dependent on the trading partners. Not only from the developed countries, but also from the developing ones. *The Communication on trade and development assisting developing countries to benefit from trade* (European Commission, 2002a) committed to addressing trade as a central part of development strategies. Consequently, the EU has the world's largest open market for developing countries. Throughout time, the EU established several Preferential Trade Agreements and Economic Partnerships with developing countries (Free Trade Agreements, Economic Partnerships, Deep and Comprehensive Free Trade Areas), unilateral initiatives such as the General scheme System of preferences or initiative Aid for Trade (Figure 7).

Figure 8*:* EU trade preferences to developing countries



Source: Author based on data from European Commission (2018d), European Commission (2019a)

Generalised scheme of preferences

The General scheme of preferences is a flagship initiative covering standard GSP, GSP+, and Everything but Arms. The country can benefit from this initiative until (i) it becomes an “upper-middle-income country”, (ii) does not benefit from any other Free Trade Agreement or any agreement granting the country preferential access to the EU market.

To guarantee safety to the European industry, three safety measures are taken. Firstly, upper-middle-income countries are automatically removed from the beneficiaries list. Secondly, the country loses preferences towards the EU market if it becomes competitive enough[6]. Lastly, preferences are suspended if imports from GSP beneficiary cause serious economic hardships to EU[7]. Furthermore, countries can lose their preferences in case of a systematic violation of human rights (European Commission, 2012). Recently, in February 2020, EC decided to withdraw tariff preferences to Cambodia on several products due to violation of human rights (See C(2020) 673 final).

Standard Generalised Scheme of Preferences

The GSP was created already in 1971 according to the UNCTAD recommendations. Standard GSP is targeting low and lower-middle-income countries who do not benefit from another arrangement grants or preferential access to the EU market. Besides, they must respect 15 given conventions on human rights and labour rights. It reduces EU import duties by two-thirds of all product tariff lines (European Commission, 2014b).

Generalised Scheme of Preferences Plus

The GSP+ scheme was set up in 2006 to cut tariffs on 0%. It is valid for low and lower-middle-income countries who committed to 27 international conventions on human rights, labour rights, environmental protection, and good governance. Recently, 8 countries benefit from the initiative (European Commission, 2014b).

Everything But Arms

EBA was initiated in 2001 to fully open the EU market (without any tariff or quota) for all products except arms and ammunition to all LDCs. However, this initiative was ironically renamed by Kevin Watsin as “Everything but farms” due to three exceptions for European “sensitive” agricultural

[6] Last year, EC implemented new regulation (2019/24) which is suspending certain tariff preferences for Kenya, India and Indonesia for the period of 2020-2022 (European Commission, 2019c).

[7] As an example, in 2019 the duties on rice import were reactived by EC from Cambodia and Myanmar. In both cases, their import of rice reached over 89% in five rice-growing seasons. These low costs imports cause the market share of EU rice producers dropped significantly from 61% to 29% (European Commission, 2019d).

products as bananas, sugar, and rice (International Monetary Fund, 2002). The transitional arrangement remained until 2006 for bananas, and until 2009 for sugar and rice (Orbie, 2007).

Countries do not have to apply to benefit from EBA. They are beneficiating automatically if they are listed as an LDC by the UN Committee for Development Policy (European Commission, 2020a). After graduation from the LDC, the country has three more years when it can gain from the benefits of the EBA. However, exceptions are given. As an example, the transition period for Cape Verde was for the next two years prolonged (European Commission, 2010).

Economic Partnership Agreements

Economic Partnership Agreements (EPAs) were defined in the Cotonou Agreement. EPAs determine the relationship between the EU and the ACP group and deal with trade, development and regional economic partnerships. Thus, the EU encourages ACP countries to enter EPAs as a group (European Commission, 2018c).

In many cases the EPA crushes with the previous special differential treatments of EBA because out of 79 ACP countries, 36 are LDCs. EBA contrary to EPA, allocate the benefits automatically. Consequently, many ACP countries do not have the motivation to step into EPA and choose to stay with EBA. EPA does have more flexible rules in origin, address issues of labour rights, environment, inefficient custom and border controls. Still, the countries often rather stay with EBA because as Langan (2019) claims, they are afraid to impose their industry to EU producer's competition, mainly in agricultural and manufacturing products. By signing the EPA, countries need to open 80% of their markets to EU imports (European Commission, 2018d).

Deep and Comprehensive Free Trade Area

The Deep and Comprehensive Free Trade Areas (DCFTA) allow countries to access the EU market in selected sectors. The DCFTA is made for specifics of ENP countries. In general, the DCFTA allows to the assigned countries a free movements of goods and services. It removes customs duties, restriction on services and public procurements. Besides, safeguards intellectual property rights, workers protection, environmental standards and anti-competitive behaviour. It provides a visa-free regime for short stay travel. Until now, the DCFTA have been ratified in four countries – Georgia, Moldova, Ukraine and Armenia (EIB, 2020). Hoekman (2017) comments that as unsatisfying number. He agrees that the one size does not fit all, but still maintains the necessity of all ENP countries be involved in DFCTA to assure successful reforms in the whole region.

Aid for trade

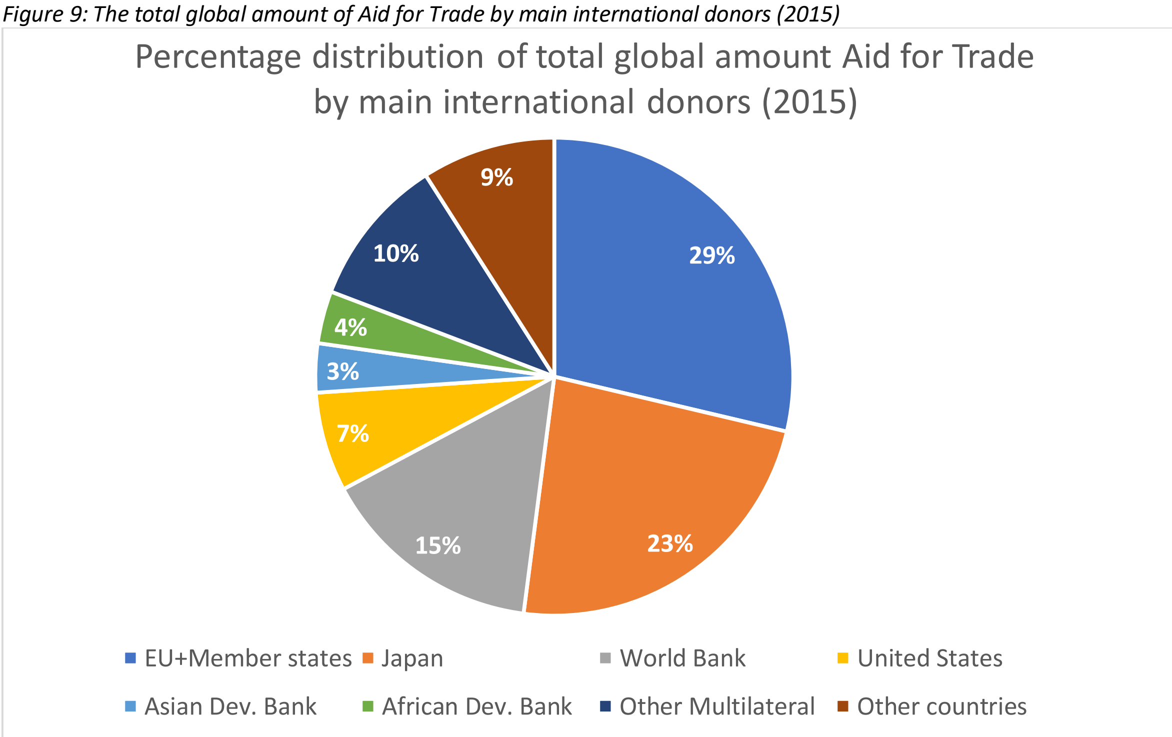
In 2007, in response to the WTO initiative, EU implemented the strategy Aid for Trade. AfT intends to support mainly LDCs and maintains economic growth as the way to poverty reduction. However, EU is targeting the initiative to SIDS and LLDCs as well.

The strategy emphasizes countries that are not capable of pursuing their development strategies until they are able to utilise the market access and embrace new trade opportunities.The initiative helps with the promotion of good governance; the fight with corruption, fraud, inefficient taxes; strengthening of infrastructure or investments in agriculture, fisheries, and services. To sum up, AfT is trying to overcome these "behind the border" constraints, so that countries gain from trade sufficiently (European Commission, 2019e).

The outcome of the 2030 Agenda for Sustainable Development in 2017 was the adaptation of an updated strategy. At the core of the new strategy was an increased attention to the improvement of synergies between different financing tools and to the engagement of the private sector, civil society and local authorities (Euractiv, 2017).

European Commission (2017b) in the Communication updating the 2007 Joint EU Strategy on Aid for Trade presented the AfT initiative as a grand success and proudly promoted itself as "*the world's largest provider of aid for trade, supplying a third of its total global amount*" (Figure 8).

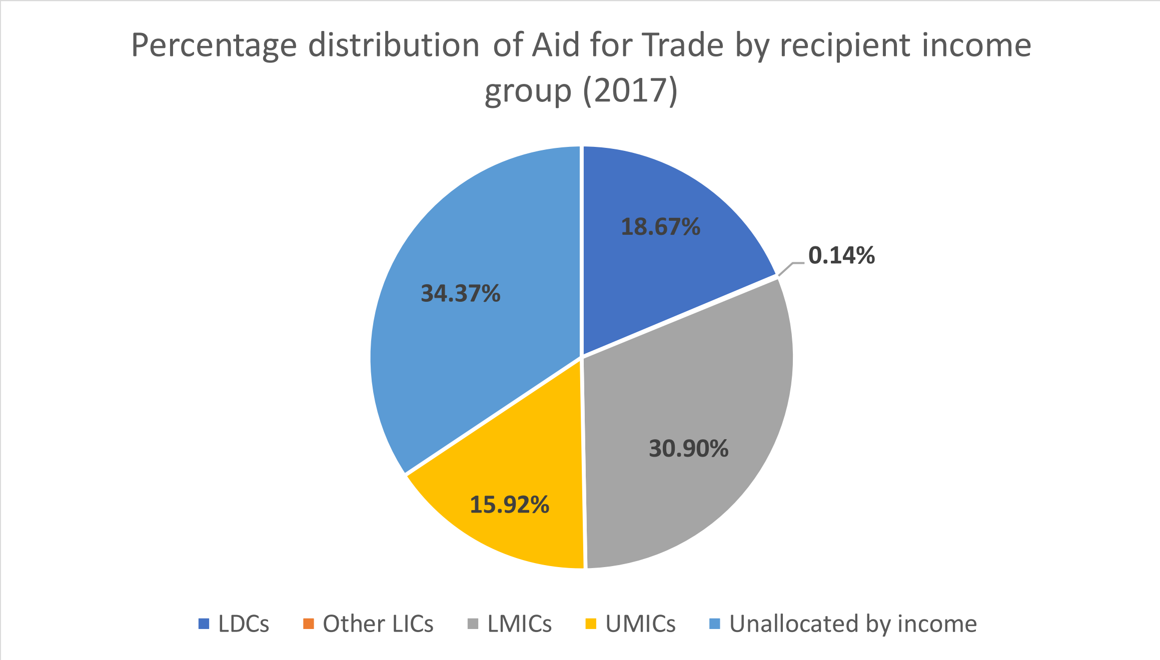
Figure 9: The total global amount of Aid for Trade by main international donors (2015)



Source: (European Commission, 2019e)

However, the communication further states: "*aid for trade had only limited success in promoting and diversifying trade for the poorest countries and in fragile situations*". Despite the fact that the initiative should focus mainly on the Least Developed Countries, in 2017 only 19% of total EU aid for trade was focused on them (Figure 10). The highest share of AfT (31%) was received by LMICs.

Figure 10: Percentage distribution of Aid for Trade by recipient income group (2017)



Source: (European Commission, 2019e)

Aft is further criticized for a wide gap between the statement "no one left behind" and the actual implementation of the program. For instance, Turner and Rovaana (2013) criticizes AfT for the initiative's focus on institutional strengthening. They argue that it reduces poverty indirectly and in the long term and thus not include the poor and the most excluded groups.

3.3 Climate Change Policy

The EU is a long-time loud promoter and supporter of the climate change fight. In 2000, the EU launched the European Climate Change Programme (ECCP) to avoid the impact of climate change. The goal of the ECCP is to implement all the elements necessary to comply with the Kyoto Protocol. One of the noteworthy contributions to the ECCP is the European Union Emissions Trading System (EU ETS). Nevertheless, the action of the EU reaches far beyond the continent. "*Thousands of miles may separate us, but our vision of a low-carbon, climate-resilient future unites us,*" said the European Commissioner for Development Piebalgs at the Third International Conference on Small Island Developing States as a confirmation of the long-term partnership between the EU and SIDS through Global Climate Change

Alliance (GCCA) (European Commission, 2014c). Both the EU ETS and GCCA are described further in this chapter due to the importance of the usage of country classification.

Global Climate Change Alliance

Despite the fact the SIDS group is incredibly heterogeneous, the problems they face are the same. They are challenged by climate change, sea level rising and damages to the local ecosystem. Their natural resources and biodiversity are under threat. Most of SIDS are strongly economically dependent on their natural wealth since tourism is one of the biggest sources of their income [8]. Overall, SIDS together with LDCs have only limited resources to prepare and adapt to climate change (European Commission, 2007).

Therefore, in 2007, the European Commission proposed to establish the Global Climate Change Alliance (GCCA) between the EU and the countries most vulnerable to climate change (SIDS and LDCs). The purpose of the alliance was to provide a platform where, through the dialogue and sharing of practicalities, climate change and poverty will be fought. The EC believes that the forum will assist countries to implement the United Nations Framework Convention on Climate Change and the Kyoto Protocol. The alliance aimed to build the capacity for climate change adaptation and to support countries technically and financially in a global climate change mitigation. However, LDCs have not been required to fulfil the global commitment under the post-2012 agreement as they accumulate a small share of greenhouse gases and hence, are not responsible for climate change (European Commission, 2007).

GCCA had five priorities. Firstly, it interlinked climate change with poverty reduction and development strategies. Secondly, the program aimed at the National Adaptation Programmes of Action which were primarily centred on LDCs. They focused, for example, on water efficiency, malaria prevention, sustainable energy production and research on drought-resistant varieties. Thirdly, the Disaster Risk Reduction was maintained. This was meant to help countries to prepare for climate-related natural disasters, mitigate risks and limit their impact based on the Hyogo Framework for Action 2005-2015. The fourth priority was the Reduction of Emissions from Deforestation and forest Degradation. Followingly, it intended to preserve livelihoods and ecosystems which are dependent on forests. The last part of GCCA contained the enhancement of participation in the Clean Development Mechanism (CDM) through building capacities in the partner countries so they can access the global carbon market.

[8] According to United Nation World Tourism Organization (2019), tourism accounts for over one quarter of the GDP.

CDM is significant as it provides vast long-term investments, mainly in the field of energy (European Commission, 2011a).

In 2014, in the same vein of the Multiannual Financial Framework 2014-2020, the GCCA flagship initiative was updated to Global Climate Change Alliance Plus (GCCA+). The program was revised after the 2015 Paris Agreement and 2030 Agenda for Sustainable Development.

The added plus is the symbol of new characteristics and strategic orientation. Comparing to the GCCA, the GCCA+ initiative shift its focus to only on three priority areas to enhance synergies, not overlaps. The three areas are (i) mainstreaming climate change to poverty reduction efforts, (ii) increasing resilience to stresses and shocks caused by climate change and (iii) supporting formulation and implementation of adaptation and mitigation strategies in domestic policies. The CDM is no longer part of the initiative. In comparison, the EU committed to EUR 317.5 million for the GCCA in the first phase (2007-2014) and in the second phase (2014-2020), it increased the sum to EUR 420 million (European Commission, 2020b).

The European Union Emissions Trading System

In 2005, the European Union Emissions Trading System was the first greenhouse gas emission trading system launched. The EU ETS become one of the main drivers of clean energy investments, mainly in developing countries. Followingly, in 2008, the EU decided to include CO_2 emissions from aviation in the EU ETC**.** The participants of the system could use international credits until 2020 as fulfilling part of their obligations under the Kyoto Protocol. The credits can be used from (i) The Clean Development Mechanism that allows investing in projects that reduce GHG emissions in developing countries as an alternative to more expensive GHG emission reduction in the home country. Besides, credits can be used from (ii) Joint Implementation that allows countries to meet part of their required cuts in greenhouse gas emissions by paying for projects that reduce emissions in other “industrialised” countries. However, the utilisation of new credits after 2012 is prohibited unless the project is registered in one of the LDCs (European Commission, 2020c).

In 2016, contrary to the EU ETS, the International Civil Aviation Organization (ICAO) adopted a resolution for the establishment of a global market-based measure (GMBM). The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is going to be active from 2021. EU ETS sets an upper limit for the total amount of emissions. In contrast, in GMBM, the emissions can grow but must be compensated by the offset (European Parliament, 2019). There are three implementation phases. In the pilot phase (2021-2023), states can decide the basis for their operators' offsetting requirements with the possibility to opt-in or out from the system. The first phase (2024-2026) is voluntary with a single method to determine operators' offsetting requirements, and there is the possibility to opt-in or out from the system. In the second phase (2027-2035) all countries have to participate with the exception of LDCs, LLDCs, SIDS and the states with less than 0.5% of total revenue tonne-kilometres in 2018 as they represent a very small share of global emissions. They can, however, volunteer to participate in this phase (European Commission, 2016).

An ICAO resolution clarified that CORSIA should be the only global market-based measure applied to international flights as they were afraid of double counting of emissions. That would mean the end of EU ETS. However, the Commission insisted that the ICAO resolution applies only to global instruments, not regional systems like the EU ETS. The UN accepted the EU argumentation and after all the EU became a strong supporter of the adoption of the ICAO global scheme. In 2018, the Council formally approved the EU Emissions Trading System reform for the period after 2020 (Euroactiv, 2019). LDCs remained in the resolution. It was decided that the auction revenues should be used for financing climate actions, including adaptation through the Green Climate Fund, just in the LDCs (European Parliament, 2019).

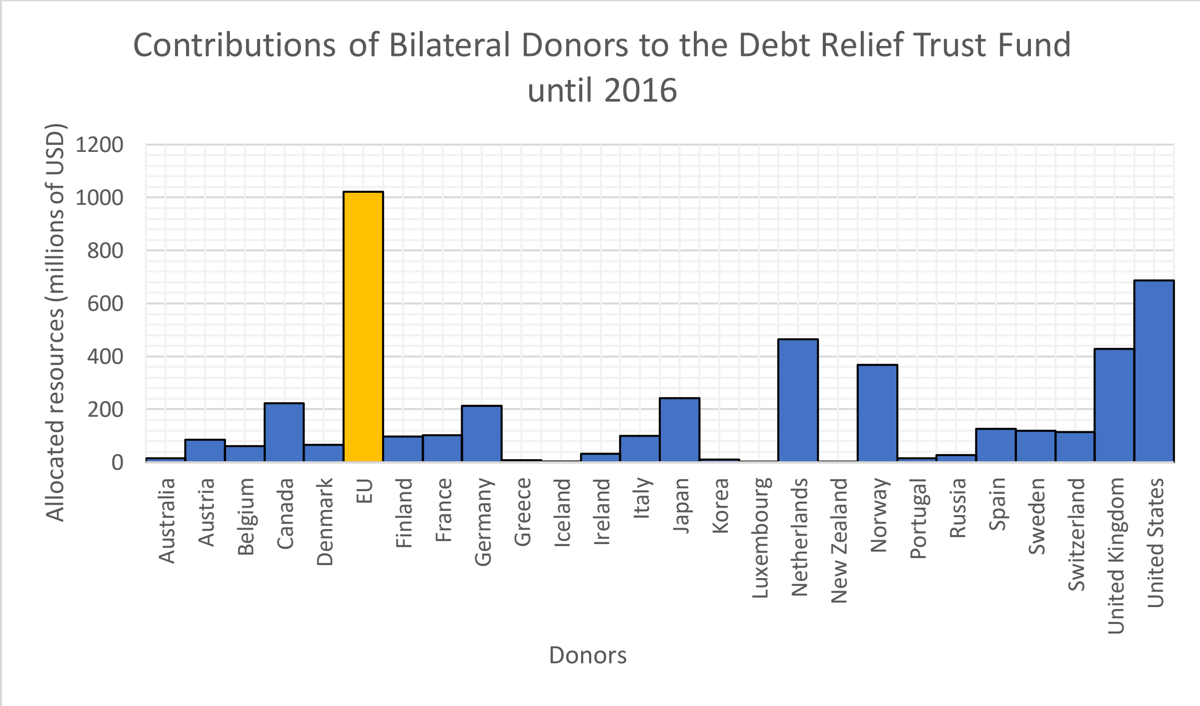
3.4 The Policy of Debt Relief Initiative

The HIPC initiative was launched by IMF and World Bank in 1996 to secure that no poor country is risking unsustainable debt after the implementation of all other debt relief actions. Three years later, the European Commission confirmed its support and functions both as a donor and creditor. EU allows additional structural adjustment support on an individual basis and is considering support for debt buy-back operations of commercial debt. Besides, it enhances the support for debt management (European Commission, 1999a).

The EU ensured several innovations in the initiative. The EU Council assured the speed-up of debt reduction. The level of cancellation of commercial debt increased from 80% to 90% (in particular cases to an even higher level). Moreover, the EU Council was proposing different indicators of measuring sustainability debt (European Commission, 1999b).

Moreover, The EU is the biggest bilateral donor of the initiative. According to the last statistical update made by World Bank (2017), out of total 4,628 millions of U.S. dollars provided by bilateral donors, the EU institutions contributed 1,022 millions to the Debt Relief Trust Fund (Figure 11).

Figure 11: Contributions of Bilateral Donors to the Debt Relief Trust Fund until 2016



Source: (World Bank, 2017)

In the beginning, the EU provided debt relief only to countries belonging to the African, Caribbean and Pacific group of states (ACP). However, because the LDCs formed (and still form) the majority of HIPC countries, in 2002, EU made several commitments to support LDCs as well. The EU released another EUR 60 million for highly indebted ACP LDCs to help them reach the decision point[9] so they are considered for HIPC Initiative assistance (European Commission, 2002b). From 2011, the initiative pays more attention to LICs and MICs which are not LDCs as EC became aware that these countries can also face an unsustainable debt situation (European Commission, 2011b).

[9] To reach the decision point, a country needs to fulfil four conditions. It needs to be eligible to borrow from IDA and IMF's Poverty Reduction and Growth Trust (1), it has to face an unsustainable debt burden (2), it needs to establish a track record of reform and sound policies through the IMF and World Bank programs (3) and lastly, it has to develop a Poverty Reduction Strategy Paper (4) (IMF, 2020b).

Conclusion

The world is far too complex and full of disparities to use the dichotomies for describing the ever-changing reality of countries. Thus, the IOs create several international country classifications to cluster the countries to understand them better. Some of the classifications are used only to describe and analyse the countries, others are used further for political implementation. The thesis intended to examine which classifications are used in the EU Foreign Policy and how they are used.

It was found that eight from the eleven examined international developing country classification are utilised. Nevertheless, the EU does not use all the existing classification, the reality of possible fragmentation of special and differential treatment remains. The several overlaps in the country groups still exist which does not contribute to the coherency of polices towards developing countries.

The case of the EU Foreign Policy shows that classification does matter. They influence the ODA allocation, debt relief initiatives and extensively determine the trade and climate change policy. However, the usage of international developing country classification have specific features and being "classified" is not the only factor playing a role in the special or differential treatment.

For example, all countries that are not classified as high-income countries are eligible for ODA. Some of them (LDCs, SIDS, LLDCs) are proclaimed by the European Consensus for Development as the most in need. However, the biggest amount of foreign aid is not given to these countries. Not only is the ODA allocation influenced by the international classification, but it is also influenced by their regional country clustering. Previously, the most supported countries were ACP countries, the former colonies of the EU. Now, the EU preferentially support countries that are located at the EU borders to ensure the peace and stability of this region. A similar issue is reflected in trade policy. The ACP and neighbouring countries have a better chance of becoming part of the EU market than other developing countries. Moreover, receiving a differential treatment is not enough to fit into a certain classification simply. In some cases (GSP, GSP+, debt relief), the country must fulfil additional conditions (being a signatory of human rights conventions, implementing poverty reduction strategies etc.)

While researching the role of country classification in the EU external policies, it was found that it is not clear which countries the EU considers SIDS and FS, even though these two classifications were created almost twenty years ago. Despite their terms are widely used in the EU official documents, there is no official list of countries belonging in these categories. This would not be a problem if these countries were not the priority countries of the Agenda for Change or if the EU did not face a critique because of the lack of coherence in their policies towards developing countries.

Despite the missing official list of SIDS and FS, the thesis clearly illustrates all the countries belonging to at least one of the international developing country classifications used by the EU and shows what special and differential treatments each classified country is receiving. However, this has also raised the question to which extend they should be conditional and subordinate it to their country clustering.

The country classification is a useful and powerful tool. However, it needs to be remembered, the power and the way how the power is used remains dependent on the user's needs and interests. The EU is no exception.

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Annexes

Annex 1: Classification of developing countries

Country list	**LDC**	**SIDS**	**LIC**	**LMIC**	**UMIC**	**HIPC**	**FS**	**LLDC**	**TDC**	**ACP**	**ENP**
Afghanistan	X		X			X	X	X			
Albania					X						
Algeria					X				X		X
American Samoa					X						
Angola	X			X					X	X	
Antigua and Barbuda		X								X	
Argentina					X				X		
Armenia					X			X			X
Azerbaijan					X			X			X
Bangladesh	X			X					X	X	
Bahamas		X									
Bahrain		X									
Barbados		X								X	
Belarus					X						X
Belize		X			X					X	
Benin	X		X			X			X	X	
Bhutan	X			X				X			
Bolivia				X		X		X			
Bosnia and Herzegovina					X						
Botswana					X			X		X	
Brazil					X				X		
Bulgaria					X						
Burkina Faso	X		X			X		X		X	
Burundi	X		X			X	X	X		X	
Cambodia	X			X					X		
Cameroon				X		X			X	X	
Cape Verde		X		X						X	
Central African Republic	X		X			X	X	X		X	
Chad	X		X			X	X	X		X	
Chile									X		
China					X				X		
Colombia					X						
Comoros	X	X		X		X	X			X	
Congo, Dem. Rep	X		X			X	X		X	X	
Cook Islands										X	
Congo, Rep.				X		X				X	
Costa Rica					X						
Côte d’Ivoire				X		X	X			X	

Country list	LDC	SIDS	LIC	LMIC	UMIC	HIPC	FS	LLDC	TDC	ACP	ENP
Cuba		X			X						
Djibouti	X			X					X	X	
Dominica		X			X					X	
Dominican Republic					X					X	
Ecuador					X						
Egypt, Arab Rep.				X							X
El Salvador				X							
Eritrea	X		X			X			X	X	
Ethiopia	X		X			X		X		X	
Fiji		X			X					X	
Gabon					X					X	
Gambia	X		X			X				X	
Georgia					X						X
Ghana				X		X			X	X	
Grenada		X			X					X	
Guatemala					X						
Guinea	X		X			X	X		X	X	
Guinea-Bisau	X	X	X			X	X			X	
Guyana		X			X	X				X	
Haiti	X	X	X			X	X			X	
Honduras				X		X					
India				X					X		
Indonesia				X							
Iran, Islamic Rep.					X				X		
Iraq					X						
Israel											X
Jamaica		X			X					X	
Jordan					X						X
Kazakhstan					X			X			
Kenya				X					X	X	
Kiribati	X	X		X						X	
Korea, Dem Rep.			X								
Kosovo					X						
Kyrgyz Republic				X				X			
Lao PDR	X			X				X			
Lebanon					X						X
Lesotho	X			X				X		X	
Liberia	X		X			X	X			X	
Libya					X						X
Macedonia, FYR					X			X			
Madagascar	X	X	X			X				X	
Malawi	X		X			X		X		X	
Malaysia					X						
Maldives		X			X						

Country list	LDC	SIDS	LIC	LMIC	UMIC	HIPC	FS	LLDC	TDC	ACP	ENP
Mali	X		X			X		X		X	
Marshall Islands		X			X					X	
Mauritania	X			X		X				X	
Mauritius		X			X					X	
Mexico					X						
Micronesia, Fed. Sts.		X		X						X	
Moldova				X				X			X
Mongolia				X				X			
Montenegro					X						
Morocco				X							X
Mozambique	X		X						X	X	
Myanmar	X			X					X		
Namibia					X				X	X	
Nauru		X			X					X	
Nepal	X		X					X			
Nicaragua				X		X					
Niger	X		X			X		X		X	
Niue										X	
Nigeria				X					X	X	
Palau		X								X	
Pakistan				X					X		
Papua New Guinea		X		X			X			X	
Paraguay								X			
Peru					X				X		
Philippines				X							
Romania					X						
Russian Federation					X						
Rwanda	X		X			X		X		X	
Samoa		X			X					X	
São Tomé and Principe	X	X		X		X	X			X	
Senegal				X		X			X	X	
Serbia					X						
Seychelles		X								X	
Sierra Leone	X		X			X	X			X	
Singapore		X								X	
Solomon Islands	X	X		X			X			X	
Somalia			X			X	X		X	X	
South Africa					X				X	X	
South Sudan	X		X				X	X			
Sri Lanka					X						
St. Kitts and Nevis		X								X	
St. Lucia		X			X					X	
St. Vincent and the Grenadines		X			X					X	
Sudan	X			X		X				X	

Country list	LDC	SIDS	LIC	LMIC	UMIC	HIPC	FS	LLDC	TDC	ACP	ENP
Suriname		X			X					X	
Eswatini								X		X	
Syrian Arab Republic			X								X
Tajikistan			X					X			
Tanzania	X		X			X			X	X	
Thailand					X				X		
Timor-Leste	X	X		X							
Togo	X		X			X	X		X	X	
Tonga		X			X						
Tobago Trinidad		X								X	
Tunisia				X							X
Turkey					X				X		
Turkmenistan					X			X			
Tuvalu	X	X			X					X	
Uganda	X		X			X		X		X	
Ukraine				X							X
Uruguay									X		
Uzbekistan				X				X			
Vanuatu	X	X		X						X	
Venezuela					X						
Vietnam				X					X		
West Bank and Gaza				X							X
Yemen, Rep.	X		X				X				
Zambia	X			X		X		X		X	
Zimbabwe				X				X		X	

Source: Compilation of data from ACP (2011), European Commission (2016), EU (2016), UN (2018), UN (2020), WB (2018), WB (2019)

Annex 2: EU policies in the developing countries

Country list	EU ETS	GCCA+	ODA Egibility	ODA priority	GSP	GSP+	EBA	EPA	DFCTA	AfT	Debt relief
Afghanistan	X	X	X	X			X			X	X
Albania			X								
Algeria			X	X							
American Samoa			X								
Angola	X	X	X	X			X			X	
Antigua and Barbuda		X						X			
Argentina			X	X							
Armenia			X	X		X			X	X	
Azerbaijan			X	X						X	
Bahamas		X						X			
Bahrain		X									
Bangladesh	X	X	X	X			X			X	
Barbados		X						X			
Belarus			X	X							
Belize		X	X	X				X			
Benin	X	X	X	X			X			X	X
Bhutan	X	X	X	X			X			X	
Bolivia			X			X				X	X
Bosnia and Herzegovina			X								
Botswana			X	X				X		X	
Brazil			X	X							
Bulgaria			X								
Burkina Faso	X	X	X	X			X			X	X
Burundi	X	X	X	X			X			X	X
Cambodia	X	X	X	X			X			X	
Cameroon			X	X							X
Cape Verde		X	X	X		X					
Central African Republic	X	X	X	X			X			X	X
Chad	X	X	X	X			X			X	X
Chile				X							
China			X	X							
Colombia			X								
Comoros	X	X	X	X				X		X	X
Congo, Dem. Rep	X	X	X	X			X			X	X
Congo, Rep.			X	X	X						X
Cook Islands					X						
Costa Rica			X								

Country list	EU ETS	GCCA+	ODA Egibility	ODA priority	GSP	GSP+	EBA	EPA	DFCTA	AfT	Debt relief
Côte d’Ivoire			X	X							X
Cuba		X	X								
Djibouti	X	X	X	X			X			X	
Dominica		X	X	X				X			
Dominican Republic			X	X				X			
Ecuador			X								
Egypt, Arab Rep.			X	X							
El Salvador			X								
Eritrea	X	X	X	X			X			X	X
Ethiopia	X	X	X	X			X			X	X
Fiji		X	X	X				X			
Gabon			X	X							
Gambia	X	X	X	X			X			X	X
Georgia			X	X					X		
Ghana			X	X							X
Grenada		X	X	X				X			
Guatemala			X								
Guinea	X	X	X	X			X			X	X
Guinea-Bisau	X	X	X	X			X			X	X
Guyana		X	X	X				X			X
Haiti	X	X	X	X				X		X	X
Honduras			X								X
India			X	X	X						
Indonesia			X		X						
Iran, Islamic Rep.			X	X							
Iraq			X								
Israel											
Jamaica		X	X	X				X			
Jordan			X	X							
Kazakhstan			X							X	
Kenya			X	X	X						
Kiribati	X	X	X	X			X			X	
Korea, Dem Rep.			X								
Kosovo			X								
Kyrgyz Republic			X			X				X	
Lao PDR	X	X	X	X			X			X	
Lebanon			X	X							
Lesotho	X	X	X	X				X		X	
Liberia	X	X	X	X			X			X	X
Libya			X	X							
Macedonia, FYR			X							X	

Country list	EU ETS	GCCA+	ODA Egibility	ODA priority	GSP	GSP+	EBA	EPA	DFCTA	AfT	Debt relief
Madagascar	X	X	X	X				X		X	X
Malawi	X	X	X	X			X			X	X
Malaysia			X								
Maldives		X	X								
Mali	X	X	X	X			X			X	X
Marshall Islands		X	X	X							
Mauritania	X	X	X	X			X			X	X
Mauritius		X	X	X				X			
MeXico			X								
Micronesia, Fed. Sts.		X	X	X	X						
Moldova			X	X					X	X	
Mongolia			X			X				X	
Montenegro			X								
Morocco			X	X							
Mozambique	X	X	X	X				X		X	
Myanmar	X	X	X	X			X			X	
Namibia			X	X				X			
Nauru		X	X	X	X						
Nepal	X	X	X	X			X			X	
Nicaragua			X								X
Niger	X	X	X	X			X			X	X
Nigeria			X	X	X						
Niue					X						
Pakistan			X	X		X					
Palau		X									
Papua New Guinea		X	X	X				X			
Paraguay										X	
Peru			X	X							
Philippines			X			X					
Romania			X								
Russian Federation			X								
Rwanda	X	X	X	X			X			X	X
Samoa		X	X	X	X			X			
São Tomé and Principe	X	X	X	X			X			X	X
Senegal			X	X							X
Serbia			X								
Seychelles		X						X			
Sierra Leone	X	X	X	X			X			X	X
Singapore		X									
Solomon Islands	X	X	X	X			X			X	
Somalia			X	X							X

Country list	EU ETS	GCCA+	ODA Egibility	ODA priority	GSP	GSP+	EBA	EPA	DFCTA	AfT	Debt relief
South Africa			X	X							
South Sudan	X	X	X	X			X			X	
Sri Lanka			X			X					
St. Kitts and Nevis		X						X			
St. Lucia		X	X	X				X			
St. Vincent and the Grenadines		X	X	X				X			
Sudan	X	X	X	X			X			X	X
Suriname		X	X	X				X			
Eswatini								X		X	
Syrian Arab Republic			X	X	X						
Tajikistan			X		X					X	
Tanzania	X	X	X	X			X			X	X
Thailand			X	X							
Timor-Leste	X	X	X	X			X			X	
Tobago Trinidad		X						X			
Togo	X	X	X	X			X			X	X
Tonga		X	X		X						
Tunisia			X	X							
Turkey			X	X							
Turkmenistan			X							X	
Tuvalu	X	X	X	X			X			X	
Uganda	X	X	X	X			X			X	X
Ukraine			X	X					X		
Uruguay				X							
Uzbekistan			X		X					X	
Vanuatu	X	X	X	X			X			X	
Venezuela			X								
Vietnam			X	X	X						
West Bank and Gaza			X	X							
Yemen, Rep.	X	X	X	X			X			X	
Zambia	X	X	X	X			X			X	X
Zimbabwe			X	X				X		X	

Source: Author based on data from Annex 1