

Session 6: Means of Implementation

- Expert Group Meeting on the Midterm Review of
- Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024
 - Almaty, Kazakhstan
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VPoA Priority 6 – Means of Implementation

The Vienna Programme of Action Priority 6:

- LLDCs and transit countries need to mobilize adequate domestic resources
- Important to urgently fulfill ODA commitments
- Role of Aid for Trade emphasized
- South-South Cooperation plays a key role
- Technical assistance and capacity-building from international organizations required
- Private sector, including FDI has critical role to play
- Development partners should encourage private sector investment in LLDCs.



Domestic resource mobilization

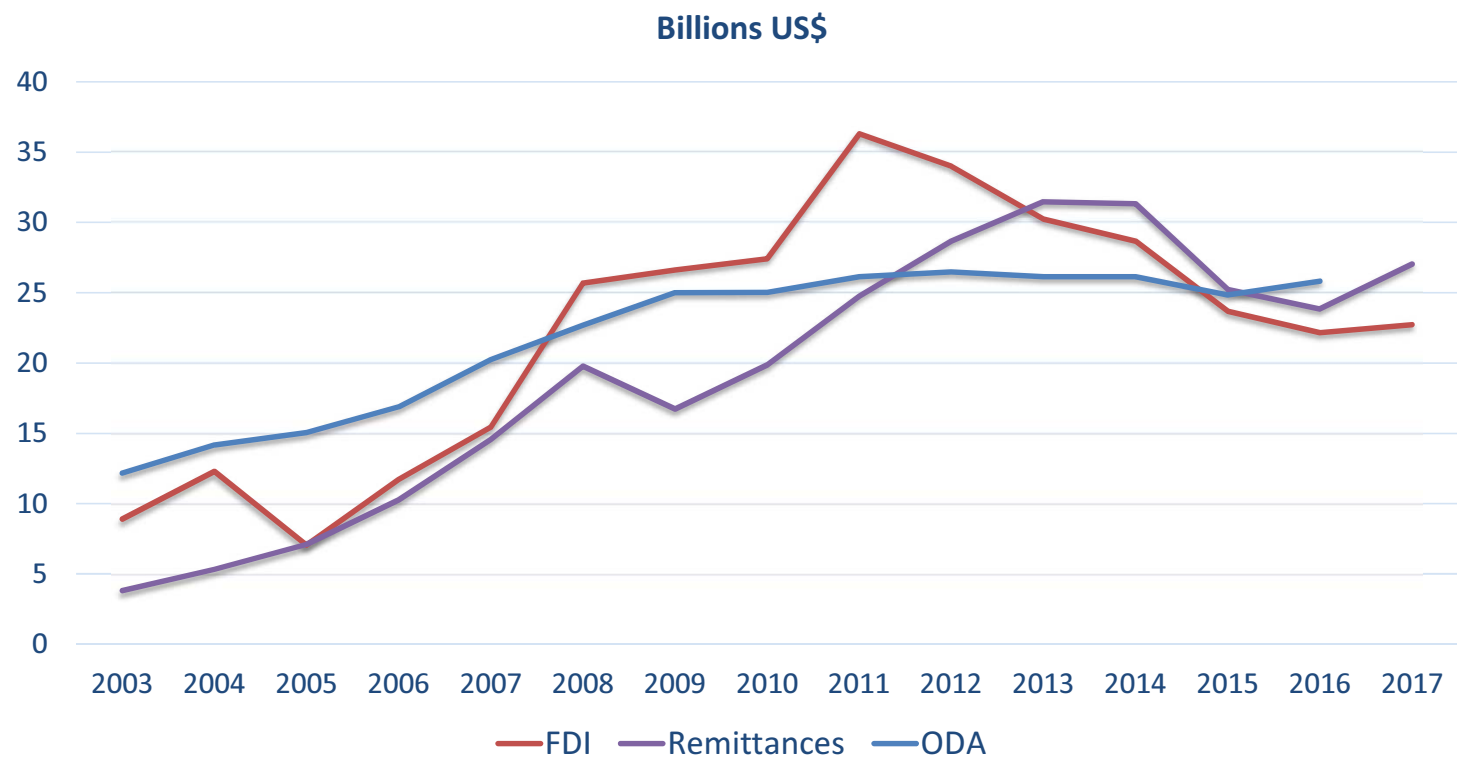
- VPoA: “Development and progress of any country is the primary responsibility of that country itself”
- Domestic resources = first priority
- AAAA states that significant additional domestic public resources will be critical to achieve the SDGs

Tax revenue (% of GDP) (2014-2016 average)	
Afghanistan	7.2
Armenia	21.3
Azerbaijan	14.9
Bhutan	13.4
Kazakhstan	11.3
Kyrgyz Republic	17.1
Lao PDR	13.4
Macedonia, FYR	16.6
Moldova	19.5
Mongolia	12.0
Nepal	17.1
Tajikistan	..
Turkmenistan	..
Uzbekistan	17.3

Source: World Development Indicators



International Finance to LLDCs

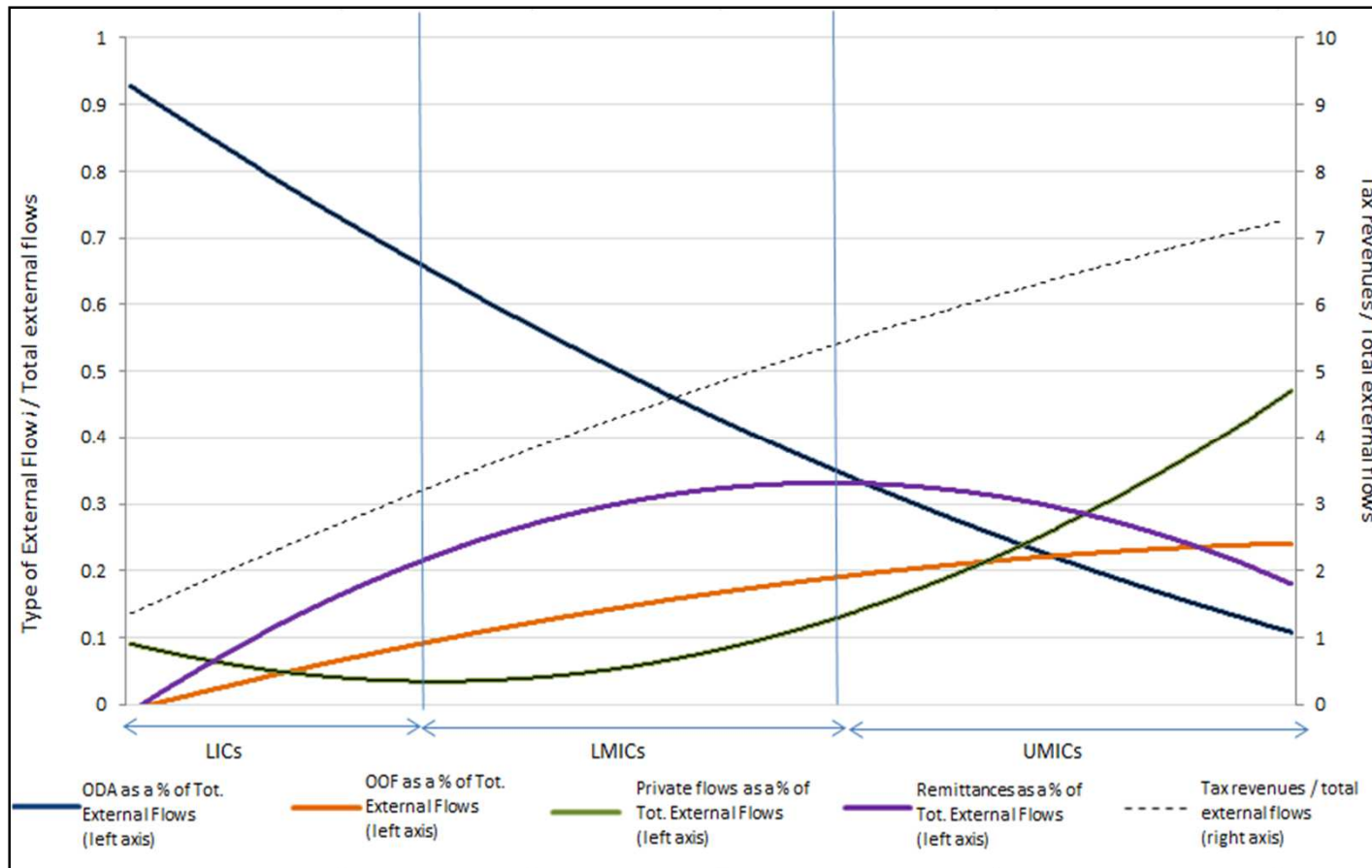


Source: World Development Indicators, World Bank remittances database, UNCTADstat



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Importance of ODA

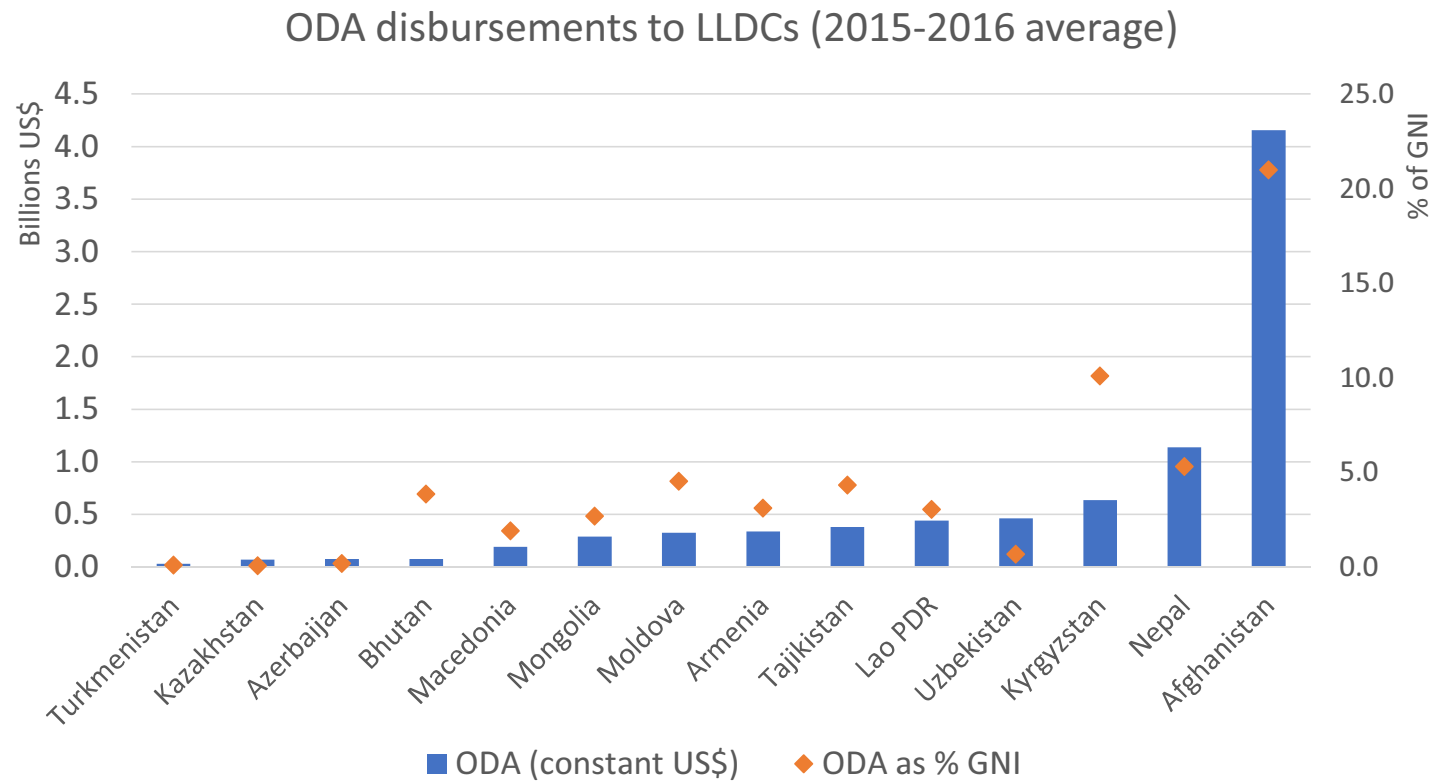


Source: OECD



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Official Development Assistance

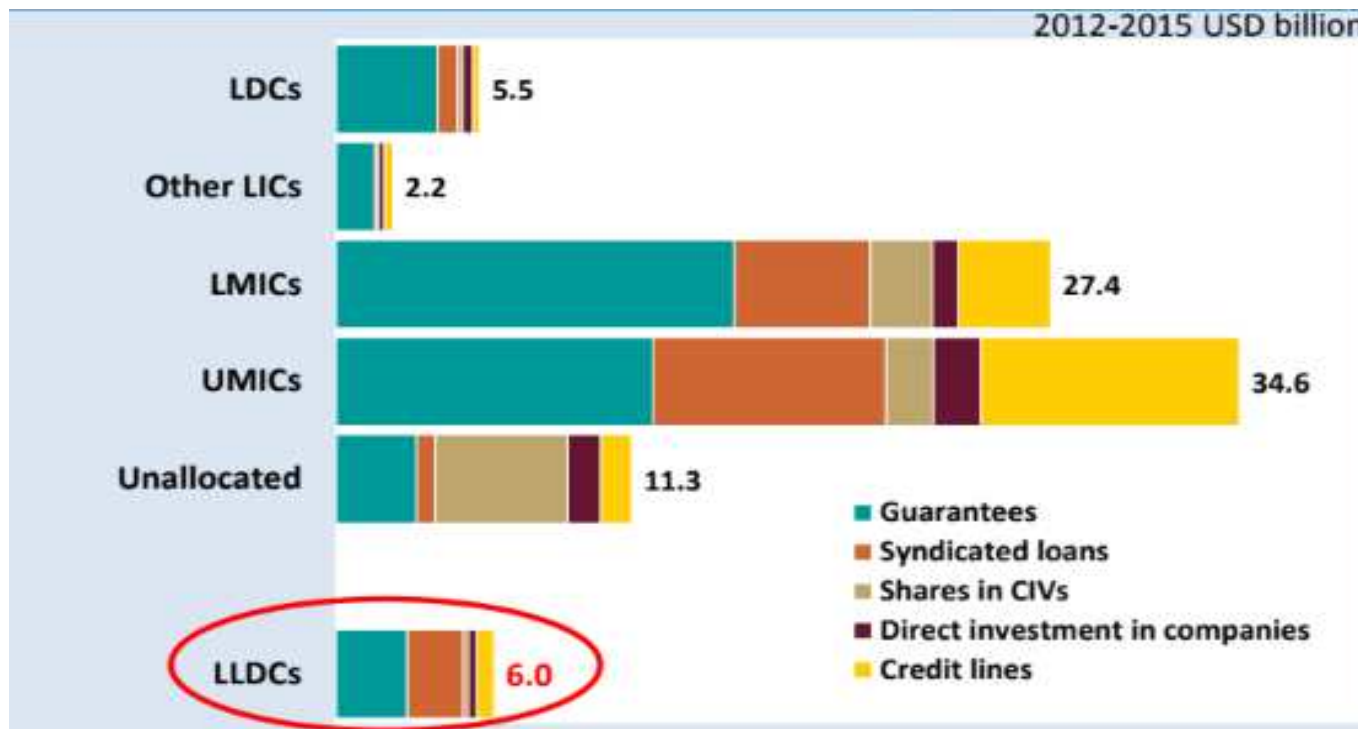


Source: OECD DAC database



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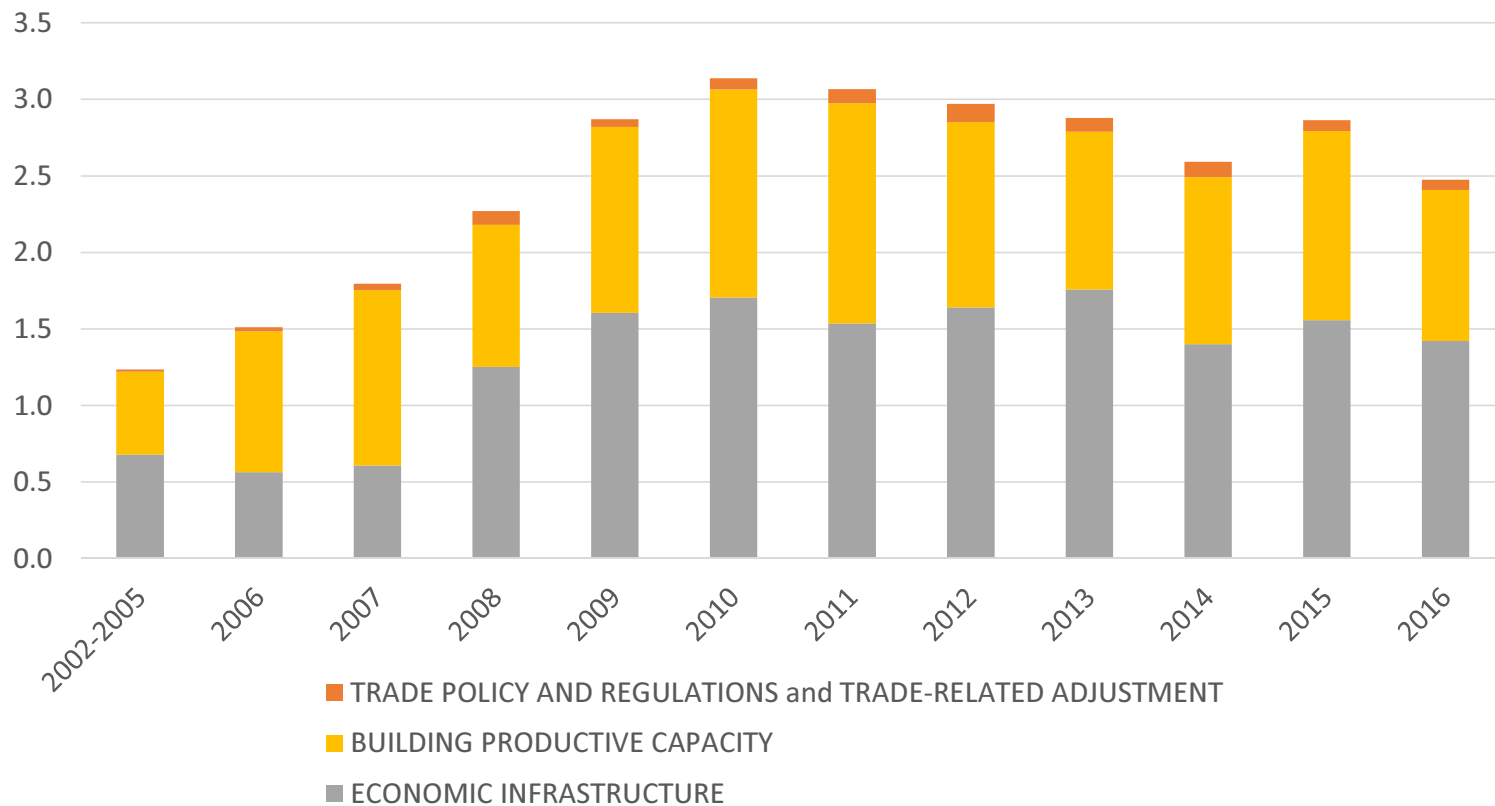
Private finance mobilized by official interventions



Source: OECD

Aid for Trade

Aid for Trade disbursements to Euro-Asian LLDCs (billions US\$)



Source: OECD DAC database



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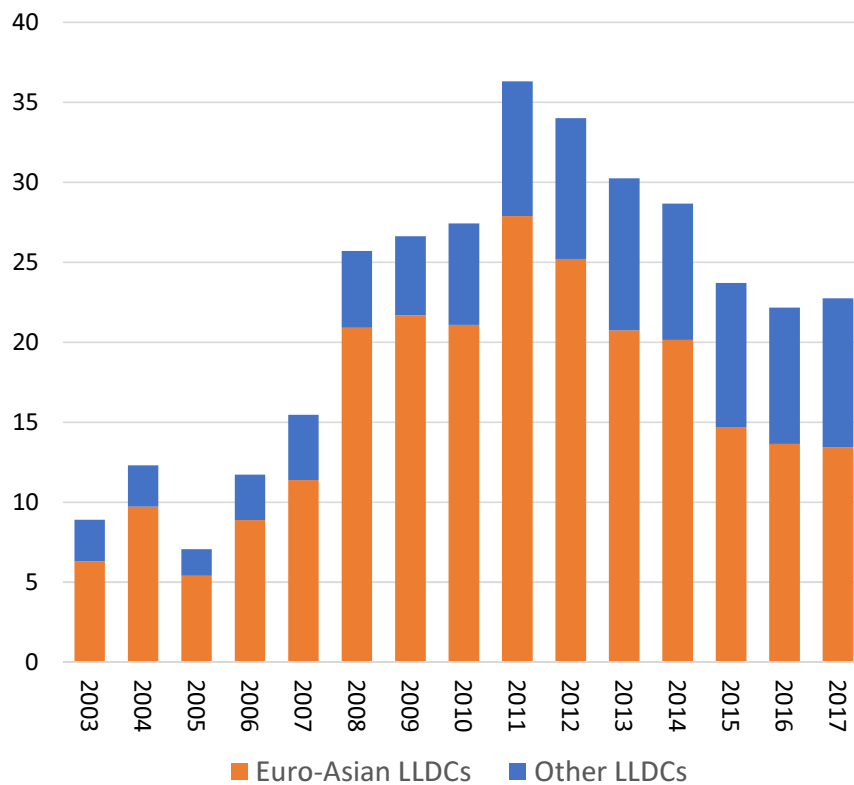
Private sector

- International and domestic private sector is key for implementation of the VPoA
- Major driver of productivity, inclusive economic growth and job creation
- Important to create an enabling environment to encourage entrepreneurship, a vibrant domestic business and attract FDI
- Euro-Asian LLDCs making improvements in the enabling regulatory environment for the local private sector
 - World Bank Doing Business 2016/2017:
 - 9 Euro-Asian LLDCs in top half
 - Macedonia ranked 11th, Kazakhstan (36th), Moldova (44th), Armenia (47th)
 - Uzbekistan amongst top ten improvers



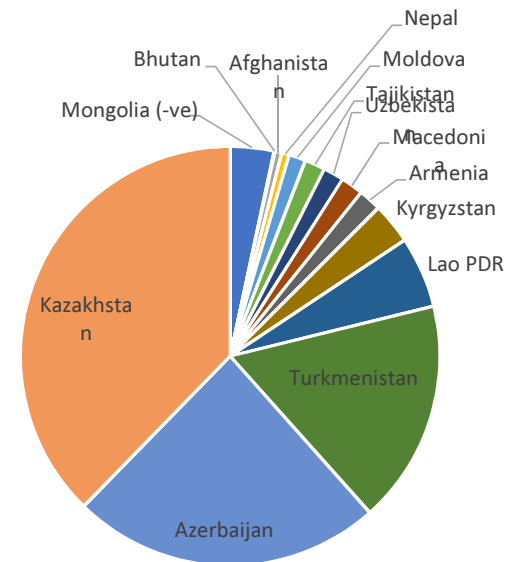
Foreign Direct Investment

FDI inflows to LLDCs (billions US\$)



Source: UNCTADstat

FDI inflows (2014-2017)



South-South Cooperation

- SSC contribution: sharing of best practices, human and productive capacity-building, financial and technical assistance, technology transfer
- 90% of non-DAC ODA since 2003 going to Euro-Asian LLDCs, mainly from Turkey, Russia, UAE (doesn't include China, India, etc.)
- China, Russia, South Africa, Thailand amongst major FDI investors in LLDCs
- Belt and Road Initiative (most Euro-Asian LLDCs participating)

=> Importance of regional collaboration

- Some LLDCs also starting to offer development cooperation (e.g. Azerbaijan, Kazakhstan)



International organizations

- VPoA called for technical assistance and capacity-building support to LLDCs from UN system, international, regional and subregional organizations
- Many organizations provide assistance as they mainstream and implement VPoA
- But more support needed:
 - establish dedicated infrastructure funding for the LLDCs
 - create special windows for allocation of resources for infrastructure
 - undertake analytical work
 - provide support towards better project preparation



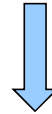
Conclusions

- Need strong partnerships and efforts by all to implement the VPoA
- Domestic resource mobilization is first step
- Development partners encouraged to increase ODA, including Aid for Trade to LLDCs
- Explore and strengthen South-South Cooperation and triangular cooperation
- LLDCs should adopt policies and measures to attract more FDI and more diversified FDI and create incentives for the domestic private sector
- UN system, international organizations and multilateral and regional development banks have a role to play



Going forward

EGM discussions
and conclusions



Euro-Asian Regional Review
Meeting



Comprehensive High-Level Midterm Review
on the implementation of the VPoA



Thank You

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