



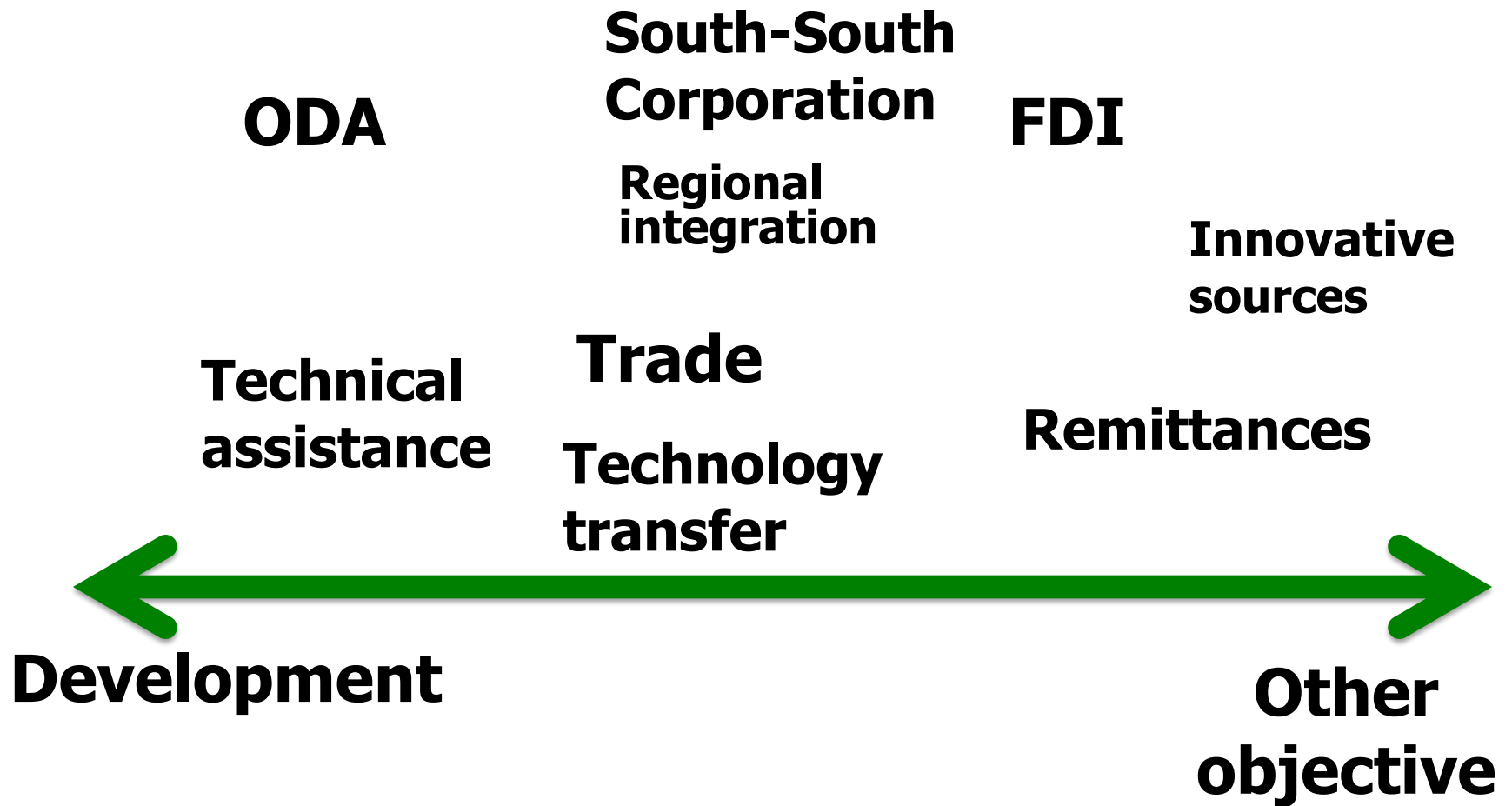
Enhancing International Support Measures to LLDCs

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Special needs of LLDCs

- Hard infrastructure to close the infrastructure gap
- Soft infrastructure
- Structural transformation, productive capacities
- Enhancing trade - value addition, diversification, global value chains,
- Enhance Human and institutional capacity building
- Enhance regional integration
- Mitigation and resilience building - climate change, desertification, and economic shocks.

International Support Measures to LLDCs



A three-pronged approach to support a new prog. of action



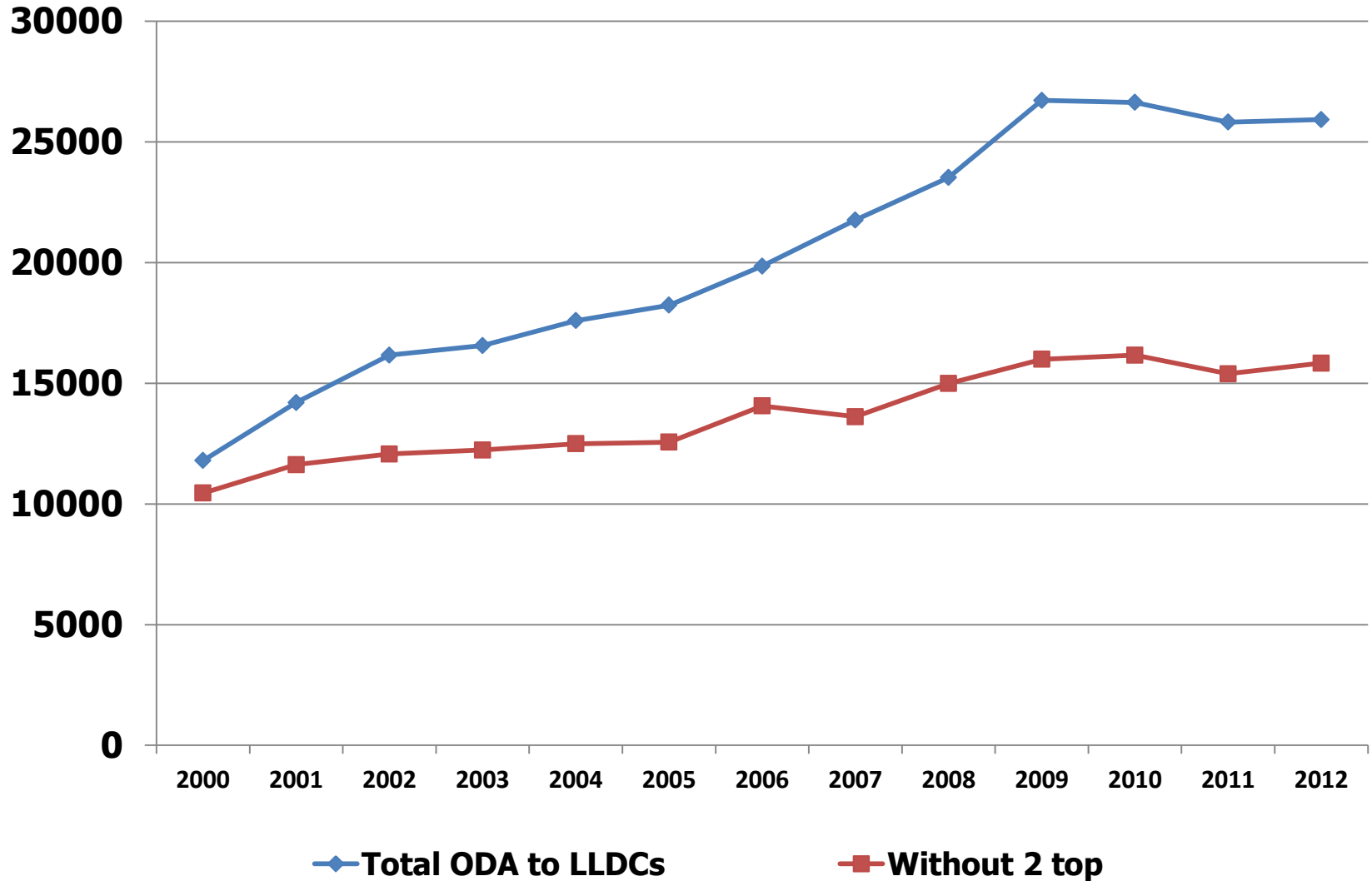
Increase the impact of resources

Mobilize additional resources

Equitable distribution

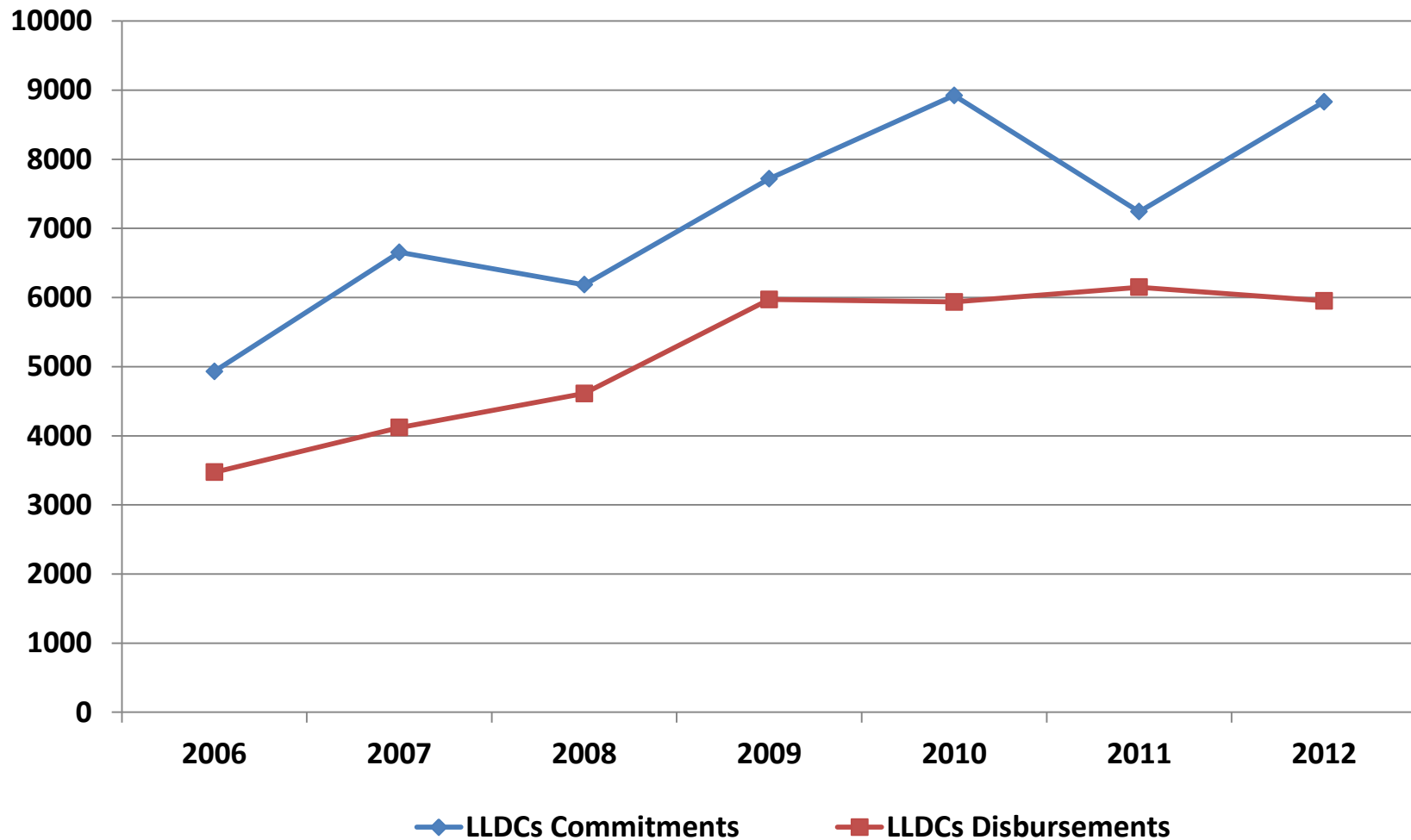
ODA to LLDCs

2011 constant \$ million



Aid for Trade to LLDCs

USD million (2012 constant)



Enhancing the quantity, quality and impact of ODA for LLDCs

- **More ODA to LLDCs**
- **Integrate and align ODA with the national plans and priorities of LLDCs - including to economic sectors (infrastructure and productive)**
- **Use ODA to achieve the measures identified in the Programme of Action.**
- **More equitable distribution based on country-specific priorities and needs of the recipient countries**

Foreign Direct Investment to LLDCs

- **US\$ 34.6 b in 2012, up from 8.9 b in 2003.**
- **Poor destination – only 2.6% of global flows (2012)**
- **Concentrated in few LLDCs (4 LLDCs almost 70% of group's total)**
- **Majority of FDI to LLDCs is in extractive industries**

- **LLDCs to create enabling environment for investing.**
- **Encourage FDI to support local processing; value addition; infrastructure development; trade facilitation; and technology transfer.**
- **Encourage PPPs, particularly for infrastructure investments**
- **Strengthen capacity of negotiate with multinationals**
- **Responsible and sustainable investments (for instance, extractive industries)**

South-South Cooperation

- **South-South trade has expanded - TRADE between LLDCs and South economies: 39.2% (2003) to 50.4% (2011)**
- **Increased ODA from South: Top 5 South donors to LLDCs provided \$10 billion (2011)**
- **Increased FDI from South: In 2012 developing countries were largest investors in LLDCs**

Foster South-South cooperation through sharing of best practices and experiences and knowledge, increased investment, transferring of appropriate technologies etc

Enhancing regional cooperation

- Promote the development, adoption and effective implementation of Regional Agreements.
- Provide support to regional integration processes – capacity building, investment into physical transport and connectivity infrastructure networks and soft infrastructure.

International Cooperation

- Better representation in international organisations:
- Official recognition of LLDCs as a special category in all international organisations

Technical assistance/advisory services

Donors, UN, regional commissions, multilateral institutions, regional development banks, and sub-regional organizations - support:

Advocacy, Resource mobilization, Technical assistance, Infrastructure development, Commission specific studies

Trade negotiation, WTO accession, industrialization, trade facilitation, infrastructure development, development and implementation of legal instruments etc.

Mobilising Domestic Resources

1.Improve Taxation Capacity

2.Harness Sustainable Streams of Natural Resource Revenue: eg Extractive Industries Transparency Initiative (EITI)

3.Improve Expenditure Efficiency

4.Leverage the private sector

Innovative Sources of Development Finance

- **Regional infrastructure funds**
 - **Infrastructure PPPs**
 - **Diaspora bonds**
 - **Currency transaction tax**
- **Remittances** have experienced a ten-fold jump from \$2.3 billion (2001) to \$22.9 billion (2012) and estimated to be \$25.5 (2013) – average annual growth 23%
- Channel remittances into productive use – eg. SMES, Entrepreneurship, Infrastructure and co-development schemes

Conclusion

- **Leverage additional financial and technical support to LLDCs from both domestic and foreign sources.**
- **Maximize the impact of ODA and other forms of support**
- **Support and encourage FDI flows to LLDCs nature a paradigm shift.**
- **Consider establishing a preferential market access scheme for LLDCs exports.**
- **Statistical capacity building**