The following document presents key statistics on external finance to Landlocked Developing Countries (LLDCs) as a contribution from the OECD/DAC to the report of the U.N. Secretary-General for the 72nd Session of the General Assembly on the Implementation of the Vienna Programme of Action for the LLDCs.

As the international community aims to fully achieve the SDGs, sustained support to LLDCs, especially to meet their considerable needs for economic infrastructure, will require increased attention. Concessional financing to LLDCs remains critical and development partners will need to maintain strong support. Knowing more about the scope and nature of the broader set of financial flows that could directly or indirectly impact development (by incentivising investments) through metrics such as TOSSD (Total Official Support to Sustainable Development) is increasingly important. Therefore, as an approximation of this new measure, this factsheet outlines resource flows going to LLDCs including ODA and non-concessional flows, including resources mobilised from the private sector through official development finance interventions.

Key facts

- **LLDCs rely on concessional finance more heavily than other countries**: in 2015 they received **USD 27 billion** in concessional finance from bilateral and multilateral partners, representing **54% of their total external flows** (compared to 26% for other developing countries).
- **ODA to LLDCs has grown at an average rate of 6% per year since 2000** (compared to 4% for other developing countries). ODA to LLDCs currently represents 15.5% of global ODA.
- In LLDCs, providers focus on **infrastructure slightly less than in other developing countries**. In 2015 the infrastructure sector (water, transport, storage, energy and communications) represented 22% of all ODA flows (compared to 25% for other developing countries).
- The focus on **gender equality is greater in LLDCs than in other developing countries**: **45% of total bilateral sector allocable aid commitments in 2014-15** (compared to 36% for other developing countries).
- **Non-concessional flows represent 12% of external financing**, of which **28% targeted infrastructure**.
- **Preliminary findings of the 2016 OECD DAC Survey on amounts mobilised from the private sector by official development finance interventions point to an estimated additional USD 6.5 billion of private resources to LLDCs mobilised in 2012-15**, mainly in mining and construction (41%).
Concessional finance remains the largest external flow to LLDCs

Total external flows\(^1\) to LLDCs have been estimated to reach about USD 50.4 billion in 2015. (Figure 1.1) Compared to other developing countries, LLDCs have a more limited capacity to mobilise external flows beyond concessional finance. Remittances represent a small proportion of external resource flows compared to other developing countries. Thus, concessional official flows remain critical, representing 54% of total external flows received in 2015, or USD 27 billion (while the same figure constitutes 26% for other developing countries, Figure 1.2).

Figure 1.1 Composition of external flows to LLDCs in 2015

![Figure 1.1 Composition of external flows to LLDCs in 2015]

Figure 1.2 Composition of external flows to other developing countries in 2015

![Figure 1.2 Composition of external flows to other developing countries in 2015]

ODA to LLDCs continues to grow and represents 15.5% of global concessional finance to developing countries

ODA to LLDCs has been on a rising trend, growing at an average annual rate of 6% (compared to 4% of ODA to other developing countries). Non-concessional flows have been more volatile, but overall recorded faster growth, with an average annual rate of 9% (compared to 2% for other developing countries). Figures 2.1 and 2.2 show these trends over time, for all external flows, respectively to LLDCs and to other developing countries.

Figure 2.1 Trends on external flows to LLDCs

![Figure 2.1 Trends on external flows to LLDCs]

Figure 2.2 Trends on external flows to other developing countries

![Figure 2.2 Trends on external flows to other developing countries]

\(^1\) These flows include financing from DAC members and multilateral organisations only.
Concessional finance to LLDCs is mainly provided as grants

In 2015, more than 80% of concessional flows from bilateral and multilateral actors reached LLDCs in the form of grants (USD 21.6 billion), while the remainder was provided as concessional loans (USD 5.6 billion). See Figure 3.

Figure 3. Bilateral and multilateral ODA loans & grants to LLDCs (2000-15)

<table>
<thead>
<tr>
<th>Country</th>
<th>USD billion</th>
<th>% of total ODA received</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>5.4</td>
<td>20%</td>
</tr>
<tr>
<td>International Development Association</td>
<td>3.7</td>
<td>14%</td>
</tr>
<tr>
<td>EU Institutions</td>
<td>2.5</td>
<td>9%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.2</td>
<td>8%</td>
</tr>
<tr>
<td>Japan</td>
<td>1.3</td>
<td>5%</td>
</tr>
<tr>
<td>Germany</td>
<td>1.1</td>
<td>4%</td>
</tr>
<tr>
<td>Global Fund</td>
<td>1.1</td>
<td>4%</td>
</tr>
<tr>
<td>AsDB Special Funds</td>
<td>0.9</td>
<td>3%</td>
</tr>
<tr>
<td>African Development Fund</td>
<td>0.7</td>
<td>3%</td>
</tr>
<tr>
<td>France</td>
<td>0.6</td>
<td>2%</td>
</tr>
</tbody>
</table>

The US, the World Bank IDA and the EU were the largest providers

In 2015 the top ten providers of concessional finance to LLDCs accounted for 72% of the total envelope provided to LLDCs (Figure 4), with the US, the World Bank IDA and the EU representing 43% of the total. The LLDCs receiving the bulk of the funding are Afghanistan, Ethiopia and South Sudan, with 17%, 13% and 7% of total ODA respectively.

Investing in infrastructure remains a major priority in LLDCs, nevertheless social sectors still lead the sectoral allocation of both concessional and non-concessional flows

Social sectors (health, education, government and civil society and other social) received the largest share of concessional finance directed to LLDCs (USD 11.2 billion, or 55% of total sector allocable aid in 2015), followed by infrastructure with USD 4.4 billion, or 22% (water, transport and storage, energy and communications) (Figure 6.1). Prioritisation of the infrastructure sector in LLDCs is slightly less than in other developing countries (where infrastructure represents 25% of concessional flows).

Figure 6.1. Sector allocation of concessional flows to LLDCs in 2015

Non-concessional resources provided an additional USD 1.4 billion for infrastructure in 2015. Figure 6.2 shows the sectoral breakdown of non-concessional official flows. While the social sectors received a smaller share of non-concessional flows than for ODA figures (30%), they remain the largest recipient sector of non-concessional flows in 2015 (Figure 6.2), followed by infrastructure (28%) and by productive sectors (22%, industry, mining and agriculture). These figures compare with 41% of non-concessional flows for all other developing countries that targeted the infrastructure sector, 19% social sectors and in third place figured Banking and business (15%).
Private finance mobilised by official interventions

Figure 7.1 Private finance mobilised by official development finance interventions to LLDCs by instrument, USD million, 2012-15

Figure 7.2 Private finance mobilised by official development finance interventions to LLDCs by sector, USD million, 2012-15

Preliminary findings of the 2016 OECD DAC Survey on amounts mobilised from the private sector by official development finance interventions point to an estimated additional USD 6.5 billion of private resources to LLDCs in 2012-15 (USD 1.6 billion on average per year). The Survey also suggests that the main leveraging instruments in this sector were guarantees (USD 2.9 billion), followed by syndicated loans (USD 2.3 billion) – Figure 7.1- and the major sectors receiving these flows were Mining and construction (41%) followed by banking and business (27%) and Industry (12%) – Figure 7.2-. The infrastructure sector arrived in 4th place with USD 720 million or 11% of the total.

Almost half of bilateral sector allocable aid commitments to LLDCs in 2014-15 focused on gender equality

DAC members’ ODA efforts that target gender equality and women’s empowerment are tracked on DAC statistics through a policy marker3. In 2014-15, on average USD 8 billion per year targeted gender equality – or 45% of total sector allocable aid committed by DAC members had a gender focus – showing a continuous progress from 2010-11, when USD 5.5 billion per year and 38% of ODA flows were gender-focused. Figure 5.

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3 For more results on this survey, see http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/Preliminary-results-MOBILISATION.pdf.

3 The DAC gender equality policy marker is used to track aid activities that target gender equality as a policy objective. Aid activities can be classified as targeting gender equality as a “principal” or “significant” objective, or as “not targeted”. Principal means that gender equality is a primary objective of the activity. Significant means that gender equality is an important but secondary objective. Not targeted means that the activity has been screened using the policy marker but was found not to be targeting gender equality.