



WORLD BANK GROUP

The World Bank's Engagement in South Caucasus: Perspectives and Priorities

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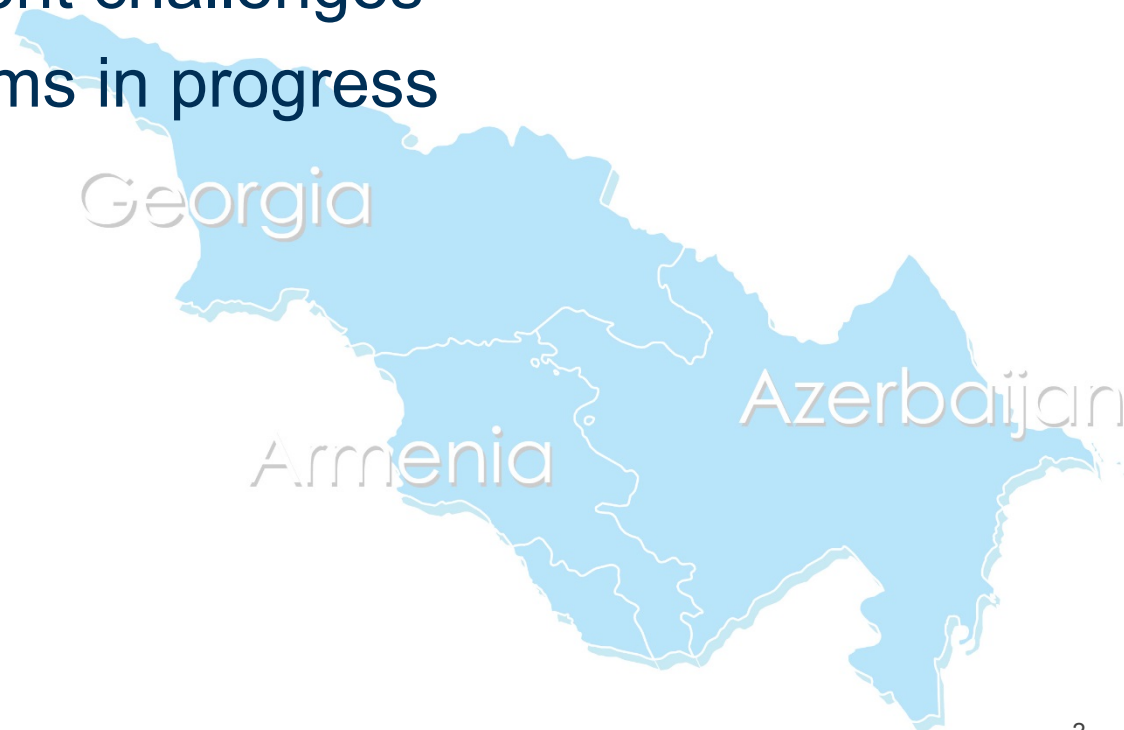
Regional Director for the South Caucasus

Senior Officials Workshop

Vienna, April 26, 2016

South Caucasus

- Vibrant region
- Three developing nations
- Different economic patterns
- Similar development challenges
- Governance reforms in progress



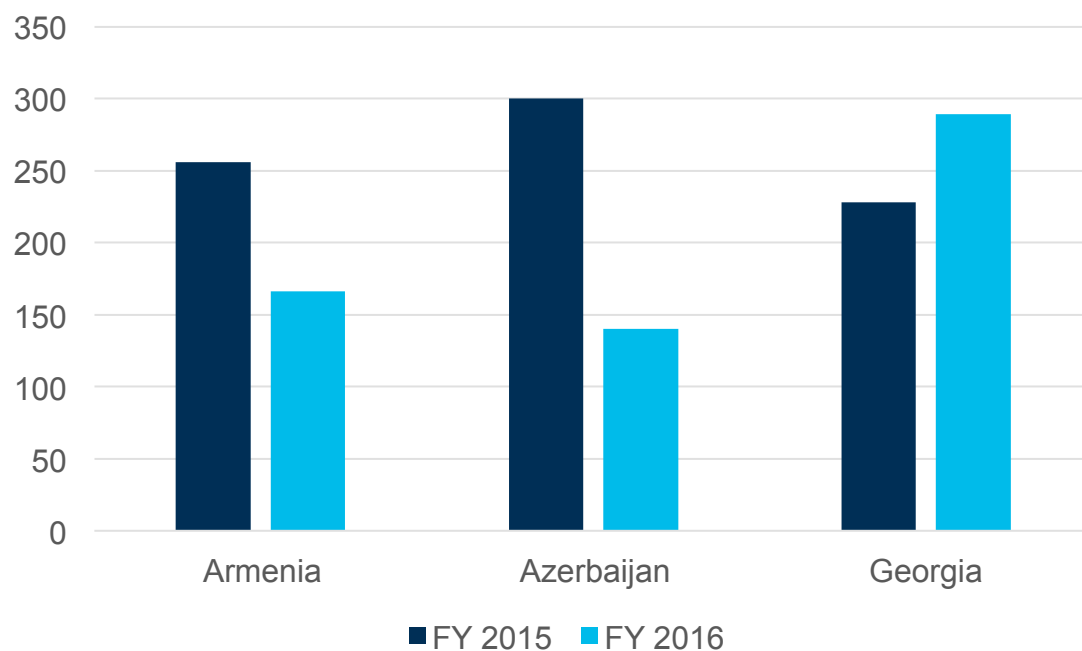
WBG Developmental Priorities in the Region

- ✓ strengthen public resource management
- ✓ strengthen public service delivery to promote inclusion and equity
- ✓ improve governance and anti-corruption measures
- ✓ promote job creation and competitiveness to enable private sector-led growth
- ✓ reduce regulatory burden on the private sector
- ✓ support economic activities in rural areas

WBG Support to the Region

- ✓ Investment Lending
- ✓ Technical Advisory
- ✓ IFC Investment into private sector

Lending dynamics:
IBRD and IDA
commitments by fiscal
year (in millions of US\$)





Armenia

Country Snapshot

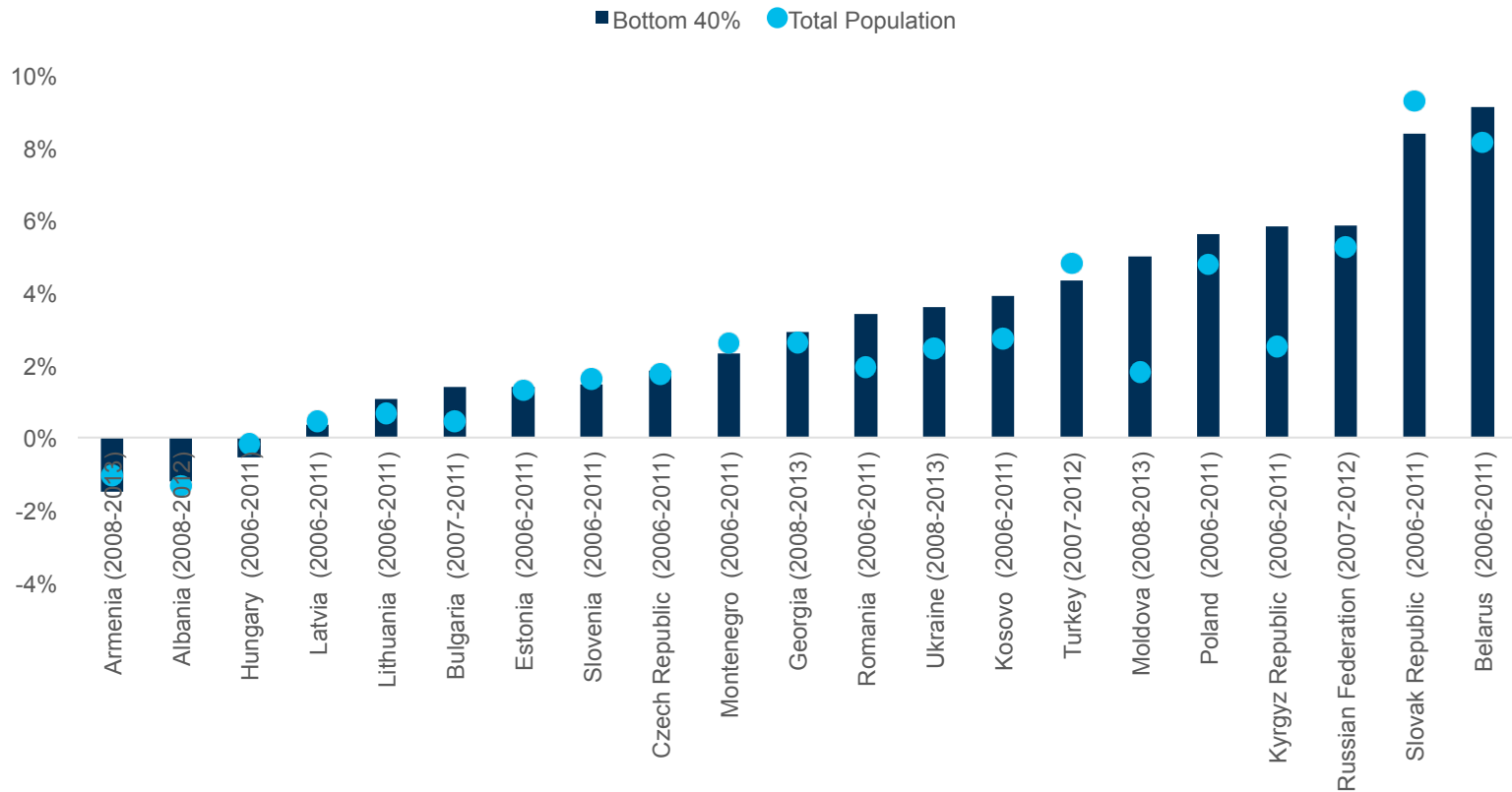
Key economic indicators

- **Population:** 3.2m
- **GDP per capita:** \$3,766
- **Unemployment:** 17%
- **2016 Doing Business:** #35
- **Major exports:** copper, molybdenum
- **Top 5 export markets (80% of exports):**
Russia, EU

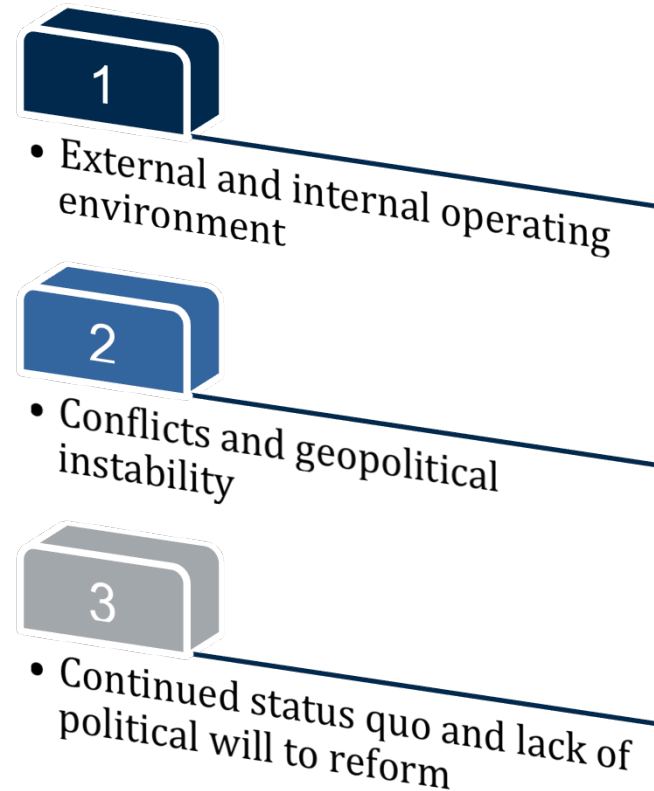


Poverty and social indicators remain below the pre-2008 levels

Armenia experienced the lowest consumption growth among ECA countries for the bottom 40 % of population



Opportunities and Challenges



GEORGIA



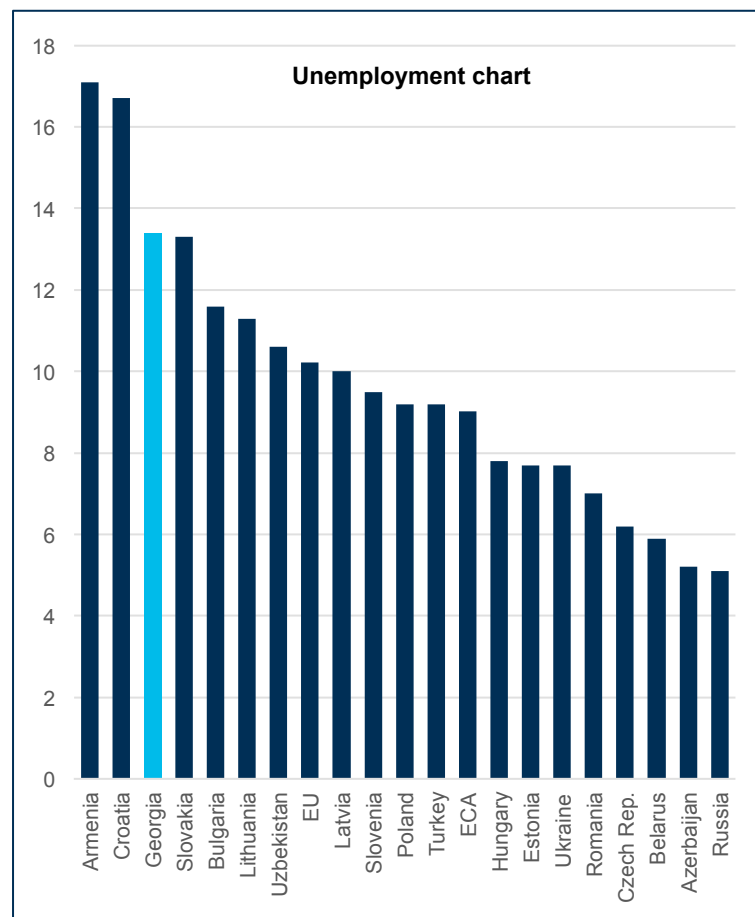
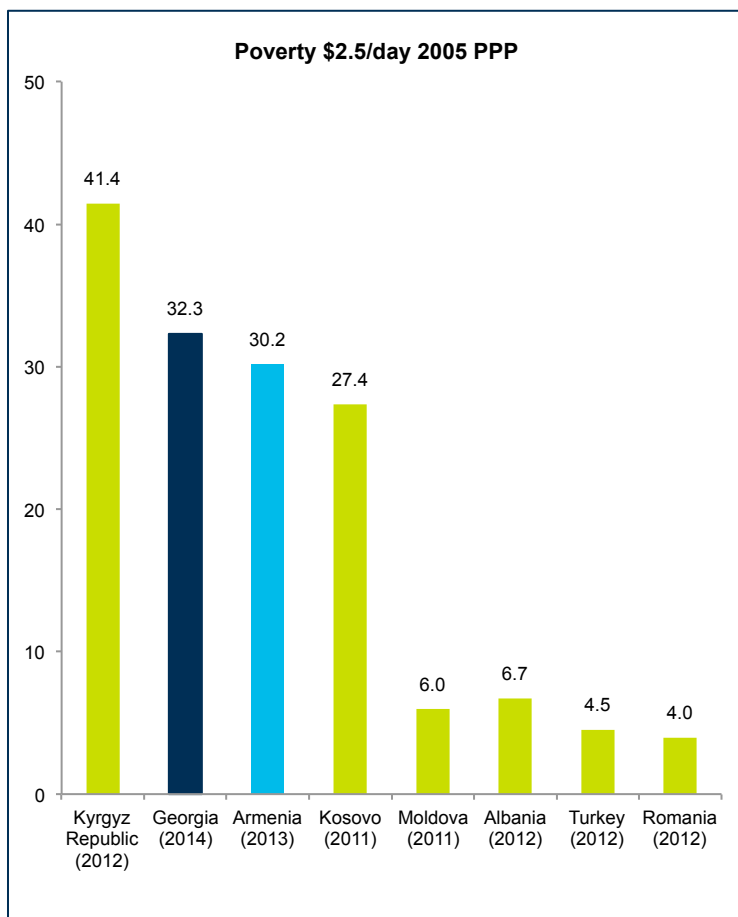
Country Snapshot

Key economic indicators

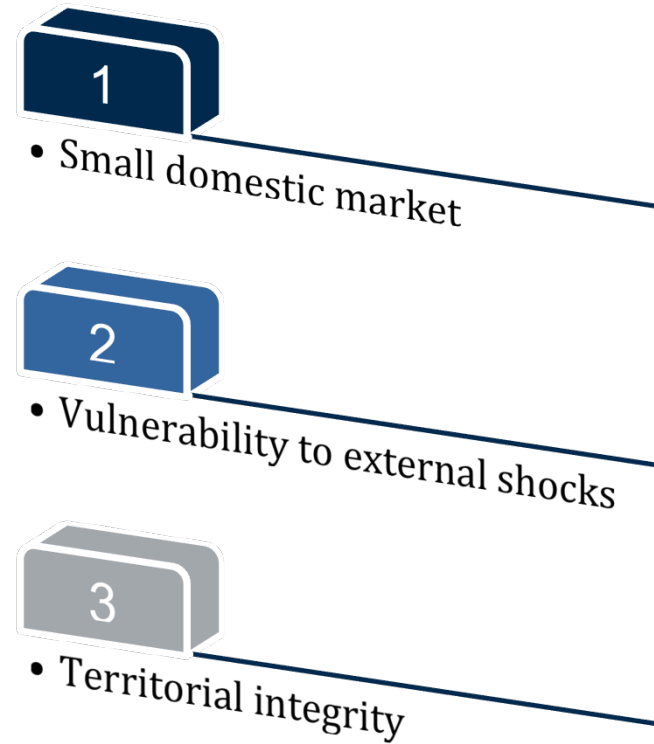
- **Population:** 4.5m
- **GDP per capita:** \$3,607
- **Unemployment:** 14%
- **2016 Doing Business:** #24
- **Top 5 export markets (40% of exports):**
Azerbaijan, Armenia, Turkey
- **Top FDI sectors:** Energy, Financial sector



Poverty and unemployment are high in Georgia



Opportunities and Challenges



AZERBAIJAN



Country Snapshot

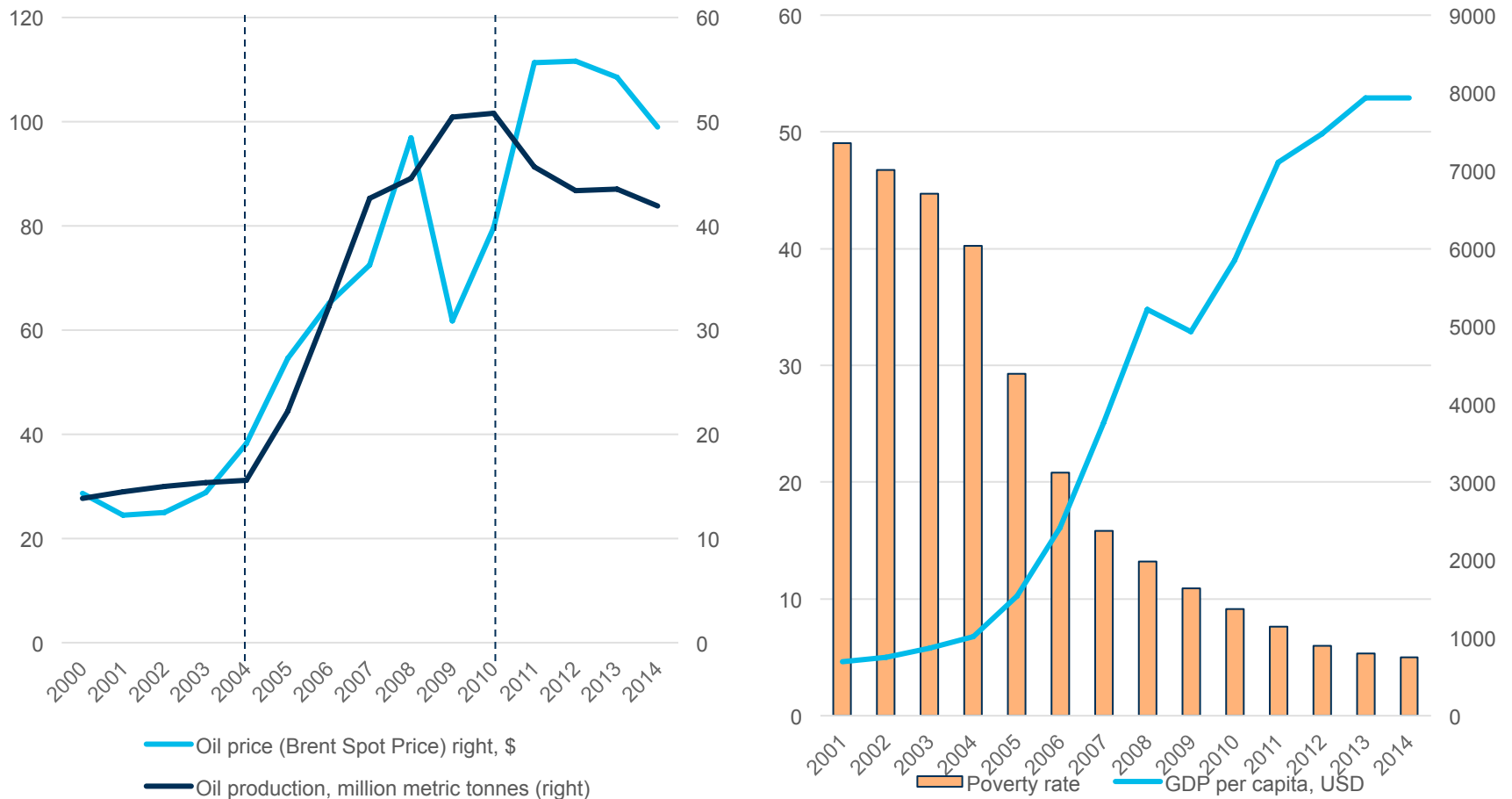
Key economic indicators

- **Population:** 9.8m
- **GDP per capita:** \$8,823
- **Unemployment:** 5%
- **2016 Doing Business:** #63
- **Major exports:** Oil and gas
- **Top 5 export markets (40% of exports):**
Italy, France, India
- **Top FDI sectors:** Oil and gas

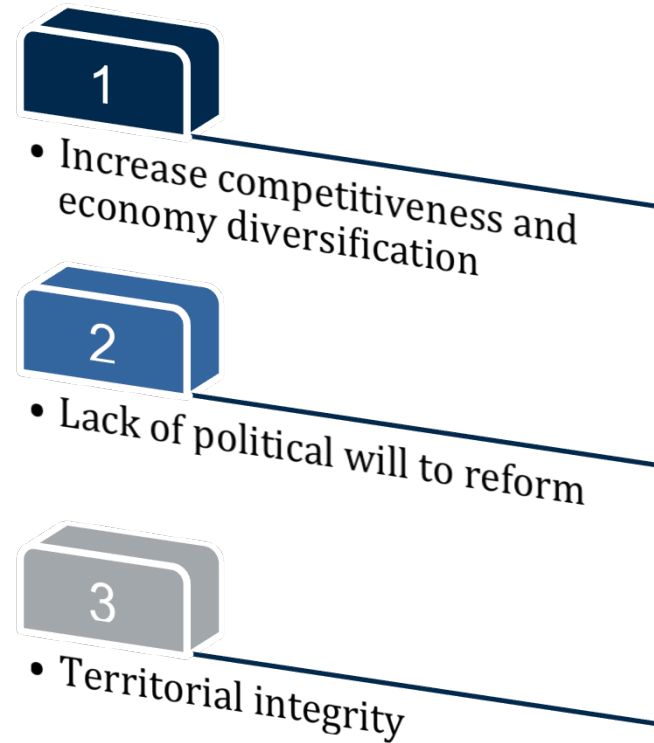


Azerbaijan

“Golden Decade” of growth and poverty reduction



Opportunities and Challenges



Governance Challenges



Governance issues are similar in the region

- Slow evolvement of legal and institutional frameworks
- Generally low compliance with legally set requirements
- Lack of credible and trustworthy financial information restricts access to finance
- Low transparency of private and public companies, including financial information and ownership
- Generally low institutional capacity of regulators
- Insufficient supply of qualified accounting and audit professionals

WBG is committed to support the countries' governance issues through

- Our regional program on Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP)
- Dedicated technical advisory support
- Regular advice and experience exchange with peer countries

Thank you!

