Statement

by

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to introduce the Report of the Secretary General on
Implementation of the Almaty Programme of Action:
Addressing the Special Needs of Landlocked Developing
Countries within a New Global Framework for Transit
Transport Cooperation for Landlocked and Transit
Developing Countries

Agenda Item 23 (b) of Second Committee of the
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Mr. Chairman,

I have now the pleasure of introducing to you the Report of the Secretary-General on agenda item 23 (b) on progress in the implementation of the Almaty Programme of Action contained in document A/67/210. The Report provides an assessment of the social and economic performance of the landlocked developing countries (LLDCs), the progress and constraints in the implementation of the priority areas of the Almaty Programme of Action and the progress made in the preparatory process for the comprehensive ten-year review conference.

The global economy remains fragile as recovery from the financial and economic crisis of 2008-2009 is still sluggish. Although global trade flows rebounded strongly in 2010 following their collapse in 2009, they fell to 7 per cent in 2011. The World Trade Organisation projects that trade growth will decelerate in 2012 to 3.7 per cent. This atmosphere of the global economy has implications for the trade potential of the LLDCs.

The Secretary General in the report notes that the LLDCs as a group experienced an increase in economic growth from 3.1 per cent in 2009 to 6.6 percent in 2010. The increase in economic growth was largely spurred by rising commodity prices and export demand. After the sharp decline experienced in 2009, LLDCs were able to boost their merchandise exports by 29 percent to a total value of $158 billion in 2010. This upturn enabled the LLDCs to increase their share of world merchandise trade to a level for the first time above 1 percent. LLDCs’ GDP growth is however estimated to have decelerated to 5.5 percent in 2011, due to weak external demand and declining commodity prices.

On the social development front, the LLDCs have made some advances in net primary enrolment, gender parity in primary education, representation of women in decision-making, and in stemming the spread of HIV/AIDS. Progress is nevertheless slow on reducing hunger, reducing poverty, child and maternal mortality and improving access to sanitation.

The LLDCs are negatively affected by climate change, deforestation, land degradation and desertification. Their proportion of the population living on degraded land is high – as high as 70% in some countries. According to UNDP data, 40 percent of the LLDCs are among the 41 countries in the world that experienced deforestation rate of 10 percent or higher in 2008.

Strengthened international support to LLDCs is critical for enabling stepped-up efforts to achieve the internationally agreed development goals. I am very pleased that in the outcome document “The future we want” of the United Nations Conference on Sustainable Development, the international community has made a commitment to assisting and supporting LLDCs.

The report stresses that remoteness from major international markets, inadequate transport infrastructure, cumbersome customs and border crossing procedures and trade transaction costs continue to put LLDCs at the margin of the global economy and
at a disadvantage on their development path. UN-OHRLLS made an attempt to demonstrate the extent to which the LLDCs are disadvantaged by the high trade transaction costs. The estimates show that LLDCs as a group have a lower trade volume when compared to a representative coastal economy. They only exported 61% of the trade volume of the representative coastal economy in 2010. The establishment of a secure and efficient transit transport system remains critical to reduce transport costs and enhance the competitiveness of their exports.

Mr Chairman,
Now moving on to the progress made in implementing the priority areas of the Almaty Programme of Action. Regarding the priority area that calls for landlocked and transit developing countries to fundamentally review transit issues, continued progress is being made in streamlining administrative procedures and simplifying border control procedures.

At the regional and sub-regional levels, substantial progress has been made in developing agreements where LLDCs and their neighbouring countries are pursuing harmonisation of transport and transit policies, laws, procedures and practices with transit countries. Policy initiatives to facilitate trade have been implemented including: one-stop border posts; introduction of single window processing; harmonized road transit charges and road customs transit declaration document; third party motor insurance schemes; the establishment of e-tracking systems; and increased use of electronic systems for customs clearance. But the cooperation has to go deeper and wider to save costs and time of transaction to LLDCs.

As you know the Asian region has already developed and adopted the intergovernmental Agreements to underpin the Asian Highway Network and the Trans-Asian Railway Network. Progress is being made towards developing similar intergovernmental agreement for the Trans-African Highway Road Network. My Office in collaboration with the Economic Commission for Africa, the African Union Commission, the World Bank and the African Development Bank continue to provide support to the African countries on this project.

Mr Chairman,

With regard to the priority area on infrastructure development and maintenance, in all the regions continued progress has been made in upgrading and expanding the transport infrastructure. In Asia, notable progress has been made in the development and upgrading of both the Asian Highway and the Trans-Asian Railway networks. In Africa, the Heads of State and Government adopted the Programme for Infrastructure Development in Africa (PIDA) and the continent has embarked on its implementation. In South America, continued progress has been achieved in the implementation of the Initiative for the Integration of Regional Infrastructure in South America. There has also been progress in the establishment of dry ports in all regions.

Mobilization of the required resources to invest in infrastructure development remains a major challenge. It is important to harness all sources of resources
including: national budgets, regional and international development assistance, private sector, public-private partnerships and other forms of new and innovative sources of financing such as infrastructure bonds.

With regard to trade, although the LLDCs have experienced an increase in their merchandise exports since 2003, they are still heavily reliant on primary commodities and therefore remain vulnerable to external price shocks. There is a need to reduce commodity dependence through diversifying the export base, improving productive capacities and enhancing processing or value addition to export commodities. LLDCs also need to specialize more in trade of services that are not easily subjected to current obstacles in transit.

The successful conclusion of the Doha Development Round is of utmost importance to the LLDCs, in particular in the area of trade facilitation. Eight LLDCs are currently in their accession procedure to the WTO. According to WTO, Kazakhstan, Lao People’s Democratic Republic and Tajikistan are in the forerunners for ‘early accession’.

Mr Chairman,
In the priority area of international support measures, flows of ODA from traditional donors have continued to increase from US$24.8 billion in 2009 to US$25.3 billion in 2010. ODA remains the main source of external finance, accounting for 10 percent or more of GNI in 2010 in 13 LLDCs. LLDCs as a group experienced a 12 percent decrease in FDI inflows in 2010. There has been a continued increase in Aid for Trade disbursements to LLDCs, which rose from US$4.7 billion in 2008 to US$6 billion in 2010. This is an important trend to maintain as Aid for Trade flows form crucial resources to building productive capacity, infrastructure development and maintenance and capacity building.

This report also showcases the efforts being made by the United Nations system and other international organizations in implementing the Almaty Programme of Action.

Mr Chairman,
Allow me at this point to update you on the status of preparations for the ten year review conference of the Almaty Programme of Action. Preparations for the ten year review conference are well underway. The preparatory process for the Conference is being undertaken in three main tracks including: the intergovernmental track; the UN Inter-Agency track; and the Private Sector track.

The inter-governmental track has already started at the General Assembly level, with last year’s resolution 66/214 providing basic guidance. Negotiations in this year’s Second Committee session will come up with a resolution focusing on the modalities for the Conference. LLDCs have been requested to submit national reports on the implementation of the Almaty Programme that will directly feed into sub-regional and regional level reviews. In this regard I urge the LLDCs to prepare and submit national reports on the implementation of the Almaty Programme. The regional reviews will be held next year in Africa, Latin America, Europe and Asia in close collaboration with ECA, ECLAC, ECE and ESCAP. In this context, we thank the Government of Laos for offering to host the Asian regional review meeting in early March next.
The UN Inter Agency track comprising of key UN system, international and regional organizations met at the beginning of this year. The meeting held broad consultations on conceptual, substantive and organizational aspects of the Conference. The group agreed on organising thematic pre-conference events that will enrich the inter-governmental debates, in areas such as infrastructure development, climate change, desertification and land degradation, commodity dependence, enhancing productive capacities and south-south cooperation. The group will meet again this year in December to hold further consultations and foster collaboration.

The first thematic pre-conference event on International Trade, Trade Facilitation and Aid for Trade involving LLDCs, their transit neighbours and development partners was held on 13 and 14 September 2012 in Almaty. The high-level thematic meeting adopted a forward looking final outcome document with recommendations in the area of international trade, trade facilitation and aid for trade.

We intend to launch a Private Sector Track next year in close collaboration with relevant partners.

The ten year review conference of the Almaty Programme is a major undertaking of the entire United Nations system and the international community. I wish to call for the active engagement of all stakeholders in the preparatory process for the conference. Given its importance, adequate financial resources are necessary to ensure its success. I wish to encourage countries and partners to contribute to the Trust Fund established by the Secretary General to support the activities related to the follow-up to the implementation of the outcome of the Almaty International Ministerial Conference.

The Secretary General made a number of recommendations in his report including the call for the international community to provide financial, technological and capacity-building assistance to landlocked and transit developing countries to establish efficient transit transport systems; assistance to support the development of the productive capacities of LLDCs; and provision of greater market access to their products. Increased international support will help LLDCs in their efforts to integrate more effectively into the global trading system and move closer to achieving the internationally agreed development goals. As many of the LLDCs have a low level of human development and high level of poverty, facilitating this meaningful integration into the world economy through investment in infrastructure, simplification of transit procedures and greater market access with productive capacity building will help bring about rapid change in the lives of the people in these countries.

I thank you for your attention.