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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 22 (b) of Second Committee of the
Sixty-eighth Session of the General Assembly**

**21 October 2013
New York**

Mr. Chairman,

I have now the pleasure of introducing to you the Report of the Secretary-General on agenda item 22 (b) on progress in the implementation of the Almaty Programme of Action contained in document A/68/157. The Report provides an assessment of the social and economic performance of the landlocked developing countries, the progress made in the implementation of the priority areas of the Almaty Programme of Action and in the preparatory process for the comprehensive ten-year review conference.

The Secretary-General emphasizes that the weak economic performance of landlocked developing countries reflects the direct and indirect impact of geographical factors on key macro-economic variables. Additional border crossings and long distance to major markets, coupled with cumbersome procedures and inadequate infrastructure, substantially increase the total costs for trade of LLDCs. This result in reduced trade flows that negatively impact on economic growth and availability of domestic resources for investing in social and environmental development.

The report states that because of landlockedness, the level of development in the LLDCs is on average, 20% lower than what it would be if the countries were not landlocked. The World Bank's estimates for 2013 show that LLDCs spend on average, \$3,040 to export a standardized container of cargo, against \$1,268 for the transit countries; and \$3,643 to import a similar container of merchandise compared to \$1,567 incurred by their coastal neighbours. That means it is 2.5 times costly to import and export for LLDCs. This is the reason why LLDCs need a very strong partnership with transit developing countries and a global partnership, together with special measures and support that could assist them to end their

marginalization in the international trading system and ensure rapid inclusive and sustainable development.

The Secretary General in the report notes that the rate of growth for 2012 was projected to be 4.9% and nearly two-thirds of the LLDCs have a GDP per capita that is below \$1,000. Total value addition from agriculture, manufacturing and exports of goods and services continue to diminish. 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 also negatively affected by climate change, deforestation, land degradation and desertification.

It is important therefore to ensure that the needs of the LLDCs are firmly embedded in the international development processes including the ten year review conference of the Almaty Programme of Action, the post-2015 development agenda, the sustainable development goals, financing for development, High-Level Political Forum on Sustainable Development, and the Economic and Social Council.

Mr. Chairman

Let me move on to the priorities of the Almaty Programme. Under priority one **Fundamental transit policy issues**; landlocked and transit developing countries continued to implement measures that considerably reduce transaction costs and delays at border-crossing points through the harmonisation of customs procedures, rules and documentation. Some of the measures implemented include increased use of modern electronic

applications to the TIR System, ASYCUDA, one stop border posts, third party motor insurance schemes and introduction of single windows.

While more than 50 supportive international legal instruments are available, there is a limited number of accession and implementation challenges. At the regional level, in May 2013, the intergovernmental agreement on dry ports was adopted by the ESCAP Commission at its sixty-ninth session, as resolution 69/7. African countries are also making progress in elaborating the intergovernmental agreement to underpin the Trans African Highway.

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 particular for road transport which carries more than 85% of all the trade in LLDCs. However despite the progress, the LLDCs as a group still have the lowest percentage of paved roads averaging at only 35% in 2011. Although the average percentage of paved roads in transit developing countries as a group at 48% is higher than that of the LLDCs, it is still low indicating the urgent need to improve transit routes for LLDCs to access the sea ports. Mobilization of the required resources to invest in infrastructure development remains a major challenge.

On the priority area **international trade and trade facilitation**, merchandise exports of LLDCs grew by 31 and 36% in 2010 and 2011, but experienced a slow down in 2012. Disaggregated analysis reveals that over half of the group's exports originated in just two countries and the LLDCs continue to be highly dependent on export of primary commodities.

Trade Facilitation measures in the context of the Doha Development Round have the potential to address many of the fundamental transit policy issues that affect the cross-border trade of LLDCs if their concerns are taken into account, by way of easing cumbersome border and customs procedures, lowering transit and transaction costs, increasing predictability and expediting movement, release and clearance of goods as well as technical and financial cooperation. We hope that the 9th WTO ministerial meeting would deliver positive results for LLDCs as well.

In 2013, we have witnessed Lao PDR and Tajikistan successfully complete their accession to the WTO. Kazakhstan, Afghanistan and Ethiopia are in the advanced stages of the accession process, while Azerbaijan, Bhutan and Uzbekistan are at various levels of the process. Support to the acceding LLDCs with a reasonable level of commitments as per their capability would be crucial.

On the priority area on **International support measures**, net ODA received by LLDCs fell by 3.3 percent to US\$ 25.7 billion in 2011. Aid for Trade disbursements to LLDCs more than doubled from \$2.8 billion in 2003 to \$6.4 billion in 2011. Aid for trade has helped to improve trade facilitation, trade related infrastructure and build productive capacity. This should be continued beyond 2015 as well.

Foreign Direct Investment net inflows to LLDCs increased slightly by 0.6% from 2011 to \$34.6 billion 2012, but again concentrated on a few countries. LLDCs still face major challenges in attracting FDI. Remittance flows to LLDCs increased from \$20.5 billion in 2011 to \$22.2 billion in 2012.

The UN system, international and regional organisations continue to provide assistance to LLDCs mainly on advocacy and resource mobilization, capacity building in the areas of trade negotiations, customs reforms and border crossing management, technical assistance in the areas of needs assessments for Aid-for-Trade, trade and trade facilitation, and infrastructure development as detailed in the report.

Mr Chairman,

I will now 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 in its three main tracks including: the intergovernmental track; the UN Inter-Agency track; and the Private Sector track.

Under the inter-governmental track, we held two regional review meetings. The Euro-Asia Regional review meeting was convened in March this year in Vientiane, Laos and the Africa regional review meeting was held in Addis Ababa, Ethiopia in July this year. The meetings adopted outcome documents that present an assessment of the implementation of the Almaty Programme in the regions and provide proposals for the next development decade. We are organising the Regional Review Meeting for Latin America in collaboration with ECLAC to be held on 18 and 19 November in Asunción, Paraguay.

I also wish to stress that national reports on the implementation of the Almaty Programme are an important part of the substantive preparations for the conference as they form important input into the global review. We hope to receive national reports from all.

The UN Inter Agency track and substantive preparations are led by the OHRLLS through the UN Inter Agency Consultative Group. It is in full swing in terms of organising thematic events and preparing for the conference.

We have successfully held a number of the pre-conference events, including: the thematic meeting on International Trade, Trade Facilitation and Aid for Trade held in September 2012 in Almaty; the Brainstorming Meeting on the priorities for a new development agenda for LLDCs held in March this year; the Transport Development and Trade Facilitation pre-conference event organized in collaboration with the World Bank and held in June this year; and the meeting on Building the Resilience of Landlocked Developing Countries to withstand the Impacts of Climate Change, Desertification, Land Degradation and Drought organized in collaboration with UNCCD and UNFCCC in September this year. These pre-conference events have been instrumental in deeply analysing the development challenges in different thematic areas and identifying priorities for the next programme of action. The outcomes and substantive documents of these events would create a very useful basis for preparing the outcome of the conference.

The Private Sector Track was launched, in close collaboration with the relevant partners. The private sector steering committee is now preparing their position paper to contribute to the outcome of the conference.

Mr. Chairman

The ten year review conference of the Almaty Programme of Action is a crucial milestone for the international community to develop a partnership framework that could support the landlocked developing countries. I therefore wish to call for the active engagement of all stakeholders in the preparatory process and to participate in the conference itself at the highest level possible. I also wish to stress that adequate financial resources are necessary to ensure its success and in this regard wish to thank the Governments of Kazakhstan and India for their contributions and encourage other countries and partners to contribute to the Trust Fund.

The ten year review conference needs to focus on ambitious yet practical outcomes aimed at reducing the costs of trade through the establishment of efficient transit transport systems, stimulating industrialization, strengthening productive capacity, diversifying exports and strengthening resilience to external and internal shocks and promoting regional and sub-regional cooperation.

In closing, I would like to draw the Committee's particular attention to the conclusion and recommendations contained in section V of the report.

I thank you for your attention.