Contents

3 Special feature
Unlocking the Potential of Landlocked Developing Countries

Interviews

5 Interview with Austrian Foreign Minister H.E. Sebastian Kurz
Ricardo Z. Dunn interviews Austrian Foreign Minister Sebastian Kurz.

9 Advocating New Initiatives for the Vienna Programme of Action
In an interview with THE COMMITMENT’s Nosh Nalavala, the Permanent Representative of Kazakhstan to the UN, Ambassador Kairat Abdrakhmanov outlines new initiatives towards LLDC success.

18 Private Sector Key to Accelerated Development
Ricardo Z. Dunn interviews Dr. Christoph Leitl, President of the Austrian Federal Economic Chamber.

Also in this issue

7 Opening Up Trade Corridors for Landlocked Southern African Countries

11 Using the Coca-Cola Model to Build Value Chains for Medicine

13 Bordered By Borders Photo Call

19 Geography Accelerates the Effects of Climate Change on Landlocked Developing Countries

22 Fact Sheet: International Trade and Trade Facilitation

23 Regional Reviews

27 Zambia – A Case Study

30 The Second UN Conference on LLDCs: Two Years in the Planning

33 Book Review: The Vulnerability of Landlocked Developing Countries to External Shocks

34 The Development Economics of Landlockedness

35 Nurturing Business Growth in Niger

37 Website for Second United Nations Conference on Landlocked Developing Countries

38 Fact Sheet: Landlocked Developing Countries

39 Fact Sheet: Development Assistance and Financial Flows to LLDCs

40 A Song from the Central African Republic

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A farmer harvests maize in Mali.

Cover Photo
Fatima Villasboa Maidana
Unlocking the Potential of Landlocked Developing Countries

By Gyan Chandra Acharya, Secretary-General of the Second United Nations Conference on the Landlocked Developing Countries

Over the past decade the world has certainly witnessed a series of dramatic shifts in the landscape often as a result of the new found economic strength of developing nations. Significantly greater prosperity has in some cases translated into poverty reduction, job creation, increased access to better health and education services and more meaningful prospects for vulnerable populations, especially women and the youth. But while these cross-sectoral gains should be applauded, we should have a deeper level of analysis. While some developing nations continue to reap the rewards of globalization, a significant number of countries continue to lag behind. Among this group are the world’s 32 landlocked developing countries (LLDCs), who find themselves structurally disadvantaged mainly due to geography and its attendant drawbacks.

Ten years ago the international community gathered in Almaty, Kazakhstan to endorse an inaugural plan which recognized that without concerted and collective action LLDCs would find it increasingly difficult to reap the benefits of international trade and hence limit the resource base for investing in human development. At the heart of the action-plan was an awareness that the LLDCs faced special challenges.

The international community finds itself once again with an invaluable opportunity in Vienna to take stock of the progress achieved since 2003 and the outstanding challenges that remain to be addressed.

Since the adoption of the Almaty Programme of Action (APoA), LLDCs have recorded increased growth of gross domestic product and foreign direct investment. Several LLDCs have improved their ability to participate in international trade and exports have increased in the last ten years though it is distributed unevenly.

There has been progress in implementing all the priority areas of the APoA: fundamental transit policy issues, infrastructure development, international trade and international support measures. Agreements on regional highway and railway networks have enhanced prospects for smooth transport facilities. There have also been some in-roads made in harmonizing transit and transport policies, streamlining of border procedures with supportive mechanisms between landlocked and transit developing countries and progressive efforts have been made to develop and upgrade road and railway infrastructure and foster and maintain such infrastructure. Dry ports are being established in all regions.

Yet LLDCs still face high trading costs and continue to have challenges in improving their competitiveness. They continue to contend with the structural constraints such as the lack of productive capacities high commodity dependence together with the impact of the economic and financial crisis.

Geography certainly puts these countries at a distinct disadvantage.

The consequence of the lack of access to the sea means that it is far more expensive to import essential items and export goods. It is estimated that the basic import and export costs of the landlocked developing countries are nearly twice those of their transit neighbours. On average, it costs $3,040 to export a standardized container of cargo from a landlocked developing country, whereas their coastal neighbours spend around $1,268, according to data provided by the World Bank. Likewise, it costs a country like Burundi $3,643 to import a similar container of merchandise compared to its coastal neighbours in east Africa who pay only $1,567. While the APoA has been successful in galvanizing global support for LLDCs in the areas of financial and technical assistance as well as macroeconomic policy development a disaggregated analysis reveals a different picture: progress is uneven, and the sustainability of the gains is not apparent. The Human Development Report 2014 paints a stark picture. Notwithstanding the

continued on page 4
sharp drop in number of children dying from preventable diseases and an uptick in the number of young girls now in school, nine of the fifteen countries with the lowest Human Development Index scores are landlocked. Life expectancy continues to lag behind compared to their maritime neighbours. It is clear that there is need for a holistic and result-oriented outcome document to emerge from the Vienna conference – one that has a new generation of improved and innovative support measures and mechanisms to assist the LLDCs.

First, there is a need to expand and strengthen multi-stakeholder partnerships capable of addressing the core development challenges of LLDCs. Second, there is a growing convergence that the new Programme of Action must be holistic. In this context, the focus should be on economic transformation and diversification, as well as the strengthening of the productive capacities of LLDCs in the agriculture, manufacturing and the services sectors. Indeed, data analysis shows a steady decline in agriculture and manufacturing value addition of LLDCs. It has thus, become urgent to reverse this declining trend, and at the same time promote LLDCs’ participation in regional and global value chains. Third, the private sector in general, Small and Medium Enterprises (SMEs) in particular, have an important and transformative role to play in job creation and poverty alleviation. A competitive private sector generates efficiency, higher productivity, foreign exchange earnings and incomes. Regrettably, in a majority of LLDCs, SMEs remain weak, have poor access to markets, and manifest a lack of adequate financial and other factors of production - including technology, skilled labour force, and critical infrastructure and utilities. Fourth, regional cooperation plays an important role to enlarge the scope of collaboration, connectivity and development of regional value chains. Since landlocked developing countries typically suffer from a general lack of resources and under-funded social sectors due to their inherent structural barriers, official development assistance strategies would do well to recognize low-income landlocked countries’ large infrastructure needs and the requirement for increases in direct assistance to support large-scale investments in roads and railways. Such investments need to include not only the up-front improvements of the transport infrastructure, but also operations and maintenance. Modalities of private-public-partnerships for financing, constructing and operating large infrastructure projects should be further explored as well. A significant part of the Vienna conference will be dedicated to this. The conference should be a guide post to help geographically disadvantaged and vulnerable countries to move into a self-sustained growth trajectory with beneficial integration into the global economy and inclusive and sustainable development. We have genuine expectations for the Conference to deliver a Programme of Action that can address the LLDCs’ development needs and challenges with strong support from the international community. National leadership, regional collaboration and global partnerships should help to create a win-win situation for all. Finally, the Vienna conference is taking place at a time when the international community is crafting the post 2015 development agenda. The outcome of the conference will therefore contribute to the elaboration of an inclusive and transformative post-2015 development agenda.

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– Gyan Chandra Acharya
Secretary-General of the Second United Nations Conference on the Landlocked Developing Countries
Interview with Austrian Foreign Minister H.E. Sebastian Kurz

Ricardo Z. Dunn interviews Austrian Foreign Minister Sebastian Kurz.

**Ricardo Z. Dunn** It has been 10 years since the first international meeting on Landlocked Developing Countries (LLDCs) was held in Almaty, Kazakhstan in 2003. What is your assessment of the progress achieved by the LLDCs over the past decade?

**Sebastian Kurz** Since the adoption of the Almaty Programme of Action (APoA) tangible progress has been achieved by almost all landlocked developing countries. While positive developments can be seen in many important areas, in some other areas we still see stagnation or certain problems that need to be addressed.

An area where landlocked developing countries have made remarkable progress is mobile telephony and internet usage. We also see an increase in physical infrastructure. In Africa, the Trans-African Highway, and in Asia, the Asian Highway and the Trans-Asian Railway networks have seen major upgrades. Through initiatives of regional integration and cooperation, important measures have been undertaken aimed at the reduction of transaction costs, the minimization of delays at border-crossing points, or the harmonization of customs procedures, rules and regulations.

In the area of human development, we can see that many LLDCs have achieved impressive progress with respect to the Millennium Development goals. For instance, the group-wide mortality rate for children under the age of 5 has significantly declined, youth literacy shows an upwards trend and women’s empowerment has increased.

Despite the progress mentioned, landlocked developing countries still lag behind other developing countries. Populations are growing and aspirations are growing as well. We thus need to intensify our efforts to tackle the often complex challenges that landlocked countries face in a holistic manner.

Taking into account the discussions of my colleagues in LLDCs and in transit countries, I believe that many of the actions set forth in the Almaty Programme of Action remain valid, and it is in this context that the Vienna Conference will present an excellent opportunity to renew our commitment and work towards concrete solutions.

**RZD** The conference comes at a time with increasing political insecurity across the globe, why should the international community pay closer attention to the challenges faced by the LLDCs?

**SK** One may look at this matter from the angle of international security. Starting from a global perspective, political insecurity can and should be addressed by preventive measures aimed at solving structural problems. The root causes of conflict can often be found in the socio-economic dimension. Fear and hate often have their breeding grounds in hopelessness, lack of perspectives and opportunities. If we look at it from a comprehensive concept of security, advances in LLDCs are at everyone’s interest, because there is no stronger power for good than the hope for a better life for all.

However, I feel personally much more comfortable looking at the issue with a more positive attitude: Together, the territories of the 32 LLDCs have a total population of more than 428 million people, many of them under the age of 25 years. Naturally, these young women and men, these girls and boys have aspirations for a better life. They have talents and are willing to work hard to achieve their dreams and hopes. I see these people more as a potential, a source of creativity and capabilities, who will make important contributions to the growth of their countries.

**RZD** From the perspective of Austria, what are the expectations for the Second UN Conference on Landlocked Development Countries, and what are the key elements that you would like to see included in the outcome document?

**SK** For Austria it is important to discuss and find concrete ways to intensify our development efforts, improve infrastructure, reduce bureaucratic obstacles and enhance regional cooperation. Additionally, I expect that the discussions lead to concrete results that will be translated into concrete actions.

The outcome documents, the Vienna Declaration and the Vienna Plan of Action, should certainly include a renewed commitment of solidarity with LLDCs. In particular in the context of the on-going debate on sustainable development goals, I believe the special needs of LLDCs must be stressed. We also need to take stock of the achievements since the Almaty conference, identify lessons learned, share positive experiences and best-practices in order to achieve better results.

Another key element for me is the human dimension. The focus on trade promotion and trade facilitation as well as on infrastructure is important. However, I would like to see aspects of human capacity building being considered as well. The transfer of knowledge cannot only be enhanced via trade and better roads and railway connections, but also through the facilitation of the exchange of ideas and people-to-people contacts. In this respect, student exchange programmes, scientific cooperation across borders,
improvement of access to internet are of great importance.

**RZD** The role of the private sector has become increasingly important within the global debate on development. Could you share with us your view on how the private sector can partner with governments in the LLDCs to accelerate development?

**SK** The fact that we organize a private sector business and investment forum during the conference is a clear testimony to the important role the private sector has to play in the development of LLDCs.

For instance, to close the financing gap with respect to infrastructure, it will be instrumental to explore innovative financing mechanisms, including the use of private-public partnerships, infrastructure bonds and diaspora bonds. Moreover, multi-sector infrastructure-sharing initiatives (e.g. in terms of roads, power and communications) should also be considered. Finally, I am convinced that development policies need to facilitate efforts to attract FDIs for sectors that produce goods and services which are less sensitive to transport costs.

Private sector engagement of course has to be fully transparent, non-exclusive and live up to corporate social responsibility commitments. Nevertheless, it remains paramount for governments to enable an investor friendly environment and to enforce the rule of law.

**RZD** What do you expect from the international community at this point of the LLDC’s development trajectory?

**SK** Continuing solidarity is very important in this regard. Only through international and regional cooperation, sustainable development can be achieved.

The role of the private sector in the development of LLDCs will certainly increase in this regard, while Official Development Assistance (ODA) will remain important as well.

As far as the on-going discussions of the post-Millennium Goals are concerned, I believe this conference will serve as an important political signal conveying the message that the needs of the most vulnerable economies deserve special attention.

**RZD** As a landlocked developed country, Austria is an ideal situation to share with the LLDCs lessons learned. What, in your opinion, would be the key lessons for LLDCs to take on board?

**SK** There are, to begin with, huge differences among landlocked countries in terms of climate, geography, access to water ways, natural resources. Hence we need a differentiated approach as there is no “one-size-fits-all” solution to development.

In the case of Austria I can point out three elements that have been decisive factors for our development:

- Infrastructure Development: Austria has a highly developed transport infrastructure, linking us with all neighbouring countries by road, rail and air. Austrian companies are therefore among global technology leaders when it comes, for instance, to tunnelling technology, railway technology and road construction.
- Regional integration and cooperation: For Austria, the integration into the common market of the European Union has had a tremendously beneficial impact on our economy. Creating a single market has drastically reduced export and import costs. Without regional integration and cooperation, the wealth that Austria enjoys today would have been impossible.
- Human capital: Austria’s economy had always access to a large pool of highly skilled labour. In the past decades, we have continued to develop vocational training schemes through private and public partnerships. We are convinced that the continuous investment in education will be the best guarantee for Austria’s future competitiveness in the world markets. At the same time, we actively provide those training schemes for LLDCs such as in the case of Moldova where we cooperate with Austrian businesses.

**RZD** What is your key message to the international community about the conference?

**SK** The challenges of LLDCs has to be seen in economic terms, such as trade routes and transport, but also in terms of circulation and exchange of ideas with the rest of the world. When considering all those factors, it all boils down to the fact that cooperation is of key importance.

Let us work on a programme with concrete actions and clearly defined priorities, targets as well as a concrete timeframe that unlocks economic growth by promoting at the same time sustainable development. Most importantly, such a programme should be a source of hope for the younger generations.
The deep-sea Port of Walvis Bay is Namibia’s largest sea port, receiving approximately 3,000 sea vessels per year and handling around 5 million tons of cargo. Since its establishment the port has provided direct access to principal shipping routes, offering shippers a time saving of up to five days between the Southern African Development Community (SADC) region, Europe and the Americas for the importing and exporting of goods such as vehicles, mining equipment, electronics, frozen meat and chicken, copper and machinery.

In 2000, as the Port of Walvis Bay completed a deepening programme to 12.8 metres, a group of transport and logistics stakeholders came together to establish The Walvis Bay Corridor Group (WBCG). As a Public Private Partnership, WBCG operate an integrated system of well-maintained tarred roads and rail networks, accommodating all modes of transport, from the Port of Walvis Bay via the Trans-Kalahari, Trans-Caprivi, Trans-Cunene and Trans-Oranje Corridors - providing landlocked countries from the Southern African Development Community with access to trans-Atlantic markets.

“Our efforts over the years now provide a safe and secure alternative trade route to the southern African landlocked countries,” said Clive Smith, Project Manager at the Logistics Hub of the WBCG. “The partnership allows for the pooling of resources, expertise and authorities from both the regulators and the operators, who together form an integrated transport and logistics service for potential customers.”

“Namibia is party to the Southern African Customs Union Agreement and through this body our Customs Department works closely with regional customs and revenue authorities to streamline the border processes and customs control,” he added. “We have various bodies through which we engage with our customs and border posts. Our Ministry of Finance, department of customs, are also a member of the Walvis Bay Corridor Group. There are then also two bi-lateral agreements that we host and have a role in. Through these forums we address issues like border operating hours, efficiencies and technical expertise of border officials, One Stop Border posts, etc.”

continued on page 8
The Group services the Trans-Kalahari Corridor, which links the Port of Walvis Bay to Gaborone and Gauteng province in South Africa. From there, this corridor links with the Maputo Corridor on the east coast of southern Africa. The Trans-Caprivi Corridor is also accessible, opening up the landlocked countries of Zambia and Zimbabwe and also the Democratic Republic of Congo. The Trans-Cunene Corridor extends through northern Namibia into southern Angola, and the Trans-Oranje Corridor links the Port of Lüderitz with the Northern Cape Province of South Africa.

“The WBCG is one of the few success stories of Public Private Partnership entities that are functioning effectively in Namibia and SADC. The WBCG’s unique compilation of Private and Public stakeholders provides it with distinct advantages. There is though, still a gap between the public and private sector that calls for more dialogue and closer collaboration, not only in Namibia but also across Africa. We continue to advocate for more private sector involvement in various development projects whilst at the same time soliciting support from the private sector,” explained Smith.

Into the future the WBCG has a clear vision for Namibia to become a regional leader in logistics and distribution in Southern Africa. Smith stresses that the WBCG strongly believes in and supports the further developments of the Namibia Logistics Hub concept as an initiative that could not only bring sustainable economic growth for Namibia but indeed greatly contribute towards development in Southern Africa. “We will continue to advocate for collaborative approach to the various elements under this project ensuring wide stakeholder engagement and participation. For this the WBCG will also transform its current Corridor Management role to a more dedicated focus on business development through our regional footprint,” Smith said.
Advocating New Initiatives for the Vienna Programme of Action

In an interview with THE COMMITMENT’s Nosh Nalavala, the Permanent Representative of Kazakhstan to the UN, Ambassador Kairat Abdrakhmanov outlines new initiatives towards LLDC success.

Nosh Nalavala  Ambassador, at one of the very first meetings of LLDCs in Almaty, it was said that “LLDCs must move from being land-locked to being land-linked.” In your view have the LLDCs come closer to that goal?

Kairat Abdrakhmanov  The LLDCs constitute a vast range of countries with different political orientations, economic growth and development rates, national targets and progress achieved. It is difficult to speak in general about all LLDCs in one broad statement. I would however qualify saying that all LLDCs are making serious efforts but that accomplishments vary from country to country. However, global solidarity and partnerships have helped to transform the LLDCs from being landlocked to becoming land-linked.

NN  What is the most important objective for LLDCs?

KA  For the 32 LLDCs, the promotion of efficient transport systems is an important objective, but these efforts must not stop at their countries’ borders. Many investments in transport and trade facilitation infrastructure need to be cross-border in nature and hence close cooperation between LLDCs and their transit countries is a sine qua non for the improved cross-border transport connectivity of LLDCs.

NN  The Almaty Programme of Action was initiated in 2003. How would you characterize its passage through these years as we head for the Conference in Vienna next month?

KA  The Almaty Programme of Action (APoA), first developed in 2003, has helped create new linkages and strengthened existing partnerships between landlocked developing countries, transit developing countries and development partners, including multilateral institutions. Though there is noteworthy progress, we must also recognize that the majority of our economies remain vulnerable to external shocks and other emerging challenges. We are also aware that we have not been able to reach most of the Millennium Development Goals, and our countries continue to be marginalized from the international trading system. The structural impediments associated to landlockedness remains a challenge.

NN  Can you tell us more about the impediments faced by LLDCs?

KA  The reality is that our economies show relatively high trade openness - but their absolute level of trade has yet to get close to its full potential. Infrastructure, trade barriers and insufficient technological capacities continue to hamper us. At the same time, reliance on a narrow range of exports - often a limited number of commodities presents a significant weakness. Economic diversification must, therefore, be an urgent priority to both resource-rich and resource-scarce LLDCs.

NN  In 2012, USG Acharya noted that the implementation of the Almaty Programme of Action, has contributed to LLDCs increasing their exports from about 0.5 percent of total world exports to just over 1 percent. Would you consider that a satisfactory progression?

KA  Yes, I certainly agree with USG Acharya that indicators demonstrate considerable results. LLDCs as a group have recorded impressive trade performance in the recent past, with total exports increasing almost fivefold between 2000 and 2010, the share of the group in global trade is still modest and amounted to only 1.04 per cent in 2010. LLDCs have been marginalized in the global trading system.

Moreover, the LLDCs’ exports are concentrated in a few countries and in a few products. Six countries — Azerbaijan, Botswana, Kazakhstan, Paraguay, Turkmenistan, and Uzbekistan accounted for 70 per cent of LLDC merchandise export.

In terms of products, the external trade of LLDCs continues to be highly concentrated in a few primary commodities — crude oil and natural gas, minerals and metals.

The vast majority of LLDCs suffer from high transport costs and low competitiveness and so it is not as easy to transact business as other developing countries do. The LLDCs are unable to utilize their trade-induced growth for socio-economic development.

continued on page 10
What gains do you see as a consequence of the APoA?

The implementation of the APoA has resulted in LLDCs making some gains with regard to expanding transit transport infrastructure facilities, reducing delays and inefficiencies in the border formalities. Consequently, there has been harmonizing of norms and standards in the transit transport sector and increasing trade, including its facilitation. What has been most remarkable it that since 2003, the LLDCs have also reached some impressive targets in human and social development.

Given that the APoA was so very comprehensive, where do you see changes/improvements in its framework both in negotiations and its outcome at the Conference?

The APoA has been a landmark milestone and has brought sharp focus to the needs of LLDCs and the record of accomplishment in all regions has been remarkable. At the same time some countries face greater impediments, which have got more aggravated with changed circumstances, the global political and economic climate. In Vienna, the international community should develop a new comprehensive, common action-oriented framework of LLDCs for the next decade, while taking into account the unfinished agenda of Almaty Programme of Action as well as the new emerging development challenges that LLDCs face today that are almost unprecedented in nature and magnitude.

Kazakhstan is the largest landlocked country in the world. How has the APoA benefited in making the country more land-linked, considering the fact that the country does not have any access to the sea?

Being the country where the APoA took shape, we have considered it our special responsibility to advocate for the APoA and ensure its effective implementation not only at the international level, but also the regional and national. Being a landlocked country, we are resolved to prove how obstacles can be overcome and so developed the Strategy Kazakhstan 2050 with the aim to become, by that year, one of the 30 most developed countries of the world.

How would you rate Kazakhstan’s progress as a landlocked country?

In the two decades since gaining independence, Kazakhstan has emerged as one of the most attractive destinations for foreign direct investment and joint venture expansion in Central Asia. Located in the heart of the Eurasian continent in the ancient Silk Road of Antiquity, Kazakhstan is an emerging market with significant natural resources, a stable political regime and an improving investment climate.

The country has made significant strides with regard to transport infrastructure. We have established and developed five international transit corridors: the Northern, Southern, and Central corridors of the Trans-Asian railway line, the North-South corridor that combines rail and water transport linkages, and the Europe Caucasus Asia Transport Corridor (TRACECA). In addition, we also have four international aviation corridors. The ambitious project “Western China – Western Europe” is going to connect them along a 1,700-miles highway through Kazakhstan.

With 16 countries, Sub-Saharan Africa has the highest concentration of landlocked countries. Do you see the APoA framework going through a radical change at the Vienna conference in favor of the African LLDCs?

We are heartened by the noteworthy strides taken by the African continent, notwithstanding the severe decades of political setbacks, conflict and civil strife. African countries have had to face unprecedented natural disasters that plunge them into greater depths of poverty. Yes, African countries are at a particular disadvantage and need special consideration.
Using the Coca-Cola Model to Build Value Chains for Medicine

by Louise Stoddard

Coca-Cola appears in the shops and kiosks of remote rural communities around the world, yet the same cannot be said for essential medicines. In many of the developing countries that see effective Coca-Cola distribution networks in operation, 1 in 9 children die before their 5th birthday from simple preventable causes such as dehydration from diarrhoea. The UK-based charity, ColaLife was set up in 2008 by Simon and Jane Berry, with a mission to utilise the same models that Coca-Cola and other commodity producers employ, to open up private sector supply chains for essential products such as oral rehydration salts and zinc supplements.

“We wanted to use the same principles and networks as Coca-Cola and other commodity producers to provide parents with lifesaving diarrhoea treatment” Simon told The Commitment. “At first we were focusing on whether we could piggyback onto the Coca-Cola distribution networks and use the empty space in the crates for medicine. But after further investigation we realised the importance of creating value for the product and using a similar model to Coca-Cola – where money is made at each point, whether that’s in the production of the diarrhoea kit, the storage, distribution or the actual point of sale,” he explained.

With advice and support from a number of organisations and companies including The Johnson & Johnson Corporate Citizenship Trust and the UK’s Department for International Development, Simon and the team set up a one year pilot project in Zambia. Working with a local NGO, the trial aimed to ensure that Kit Yamoyo, a diarrhoea treatment pack that contains oral rehydration salts, zinc, soap, and an information leaflet, was accessible in the same kind of rural village stores and kiosks where Coca-Cola is so often sold. For a year the pilot tested how value could be created in the basic diarrhoea kit.

At a retail price to the customer of 6.3 Kwacha (approximately $1 USD), the pilot ensured that profit was made throughout the production process – with wholesalers buying the kit for 3.1 Kwacha and retailers then buying for 3.7 Kwacha.

continued on page 12
Local production of the kits in Zambia, including zinc tables, is key to the ColaLife strategy. “Many people asked us why we were not getting big pharmaceuticals involved that could produce cheap medicine in countries such as India,” says Simon. “But importing is expensive in Zambia, we went for a local manufacturing approach which in the long run was no more expensive and meant that the chain wasn’t subject to changeable exchange rates and customers could access medicine with a decent shelf life on it, which might have otherwise been a year into its use-by-date by the time it arrived in Zambia,” he said.

After 12 months the ColaLife team carried out a baseline survey and found that they were having a big impact. Twenty six thousand kits had been sold in the two remote rural trial areas. Up to 45 per cent of children in these areas received oral rehydration sachets or zinc, up from a baseline of 1 percent. Importantly, accessibility to the medicine improved dramatically with the average distance that a customer would have to travel to locate the treatment reducing from 7.3 km to 2.4 km.

“Running a successful trial is one thing, scaling up is quite another,” said Simon. “For the Zambian trial, we put a lot of effort, right from the outset, into recruiting and supporting a willing manufacturer – not just for the trial, but potentially for the longer term. We were looking for a partner, not just a supplier. After liaising with potential manufacturers both big and small, we finally found a willing partner in Pharmanova – one of Zambia’s few, small pharmaceutical manufacturers. The partnership has been – and continues to be – a two-way learning exchange. But as a relatively small business, they can only invest a little in market development for scale up. We are willing; they are willing. But we still need to work on finding investment to enable us to establish the product in the market,” he explained.

“The market for diarrhoea treatment in Zambia is estimated at between 7m and 10m treatments per year – let’s say it’s 8.5m. Up to 3m treatments are distributed by the existing public sector. That leaves 5.5m per year. Within 3 years we think we can reach 40 per cent of this market or 2.2m. But the education piece that still needs doing is beyond the resources of Pharmanova. For a low-value product like Kit Yamoyo, the return on investment would be too slow, and too low. Yet the social returns for a funder or social investor are huge. Once the product is established it will be saving children’s lives forever year on year,” he said.
Far from the sea, the landlocked developing countries of the world face many challenges but also offer rich cultural heritages and incredible natural landscapes. This year, as the international community meets in Vienna, UN-OHRLLS will shine a spotlight on the diverse group of 32 landlocked developing countries and showcase their uniqueness through photography.

A photo call for the best pictures from landlocked developing countries was advertised in September and UN-OHRLLS staff have been inundated with photographs from Afghanistan to Zimbabwe. Participants at the Second International Conference on Landlocked Developing States will have an opportunity to see a selection of the best photographs from each country in an exhibition when they attend the conference in Vienna. Photographs will also be available online, highlighting the best from each country and the various categories of the photo call: Expect the Unexpected, Overcoming Obstacles, Culture and Arts and Work and Play.

Over five hundred photos were submitted to the photo call. Thank you to everyone who contributed.

URL http://unohrrlls.org/borderedbyborders/
TOP PHOTO: Nepal. Working woman in Kathmandu. Photo by Eric Ganz

MIDDLE LEFT PHOTO: Moldova. Harvest. Photo by Luke Addison

MIDDLE RIGHT PHOTO: Armenia. An unusual ripening storage spot for squash in Armenia. Photo by Anik See

BOTTOM PHOTO: Central African Republic. A football match at Koudoukou School. Photo by Sandra Black, IOM
TOP PHOTO:
Malawi. Working in the tea fields.
Photo by Lucy O’Neill

MIDDLE LEFT PHOTO:
Uzbekistan. Locals take a dip in the lake near Tashkent City. Photo by Tair Chelebiyev

MIDDLE RIGHT PHOTO:
Kyrgyzstan. The Winners. Traditional game played at Song Kul lake. Photo by Mario Villamiel

BOTTOM PHOTO:
Afghanistan. A boy sells bread on a cold day in Kabul.
Photo by Valeria Bove
TOP LEFT PHOTO:
Uganda. A young woman collects water on her bike in Uganda. Trisa Taro

TOP RIGHT PHOTO:
Landlocked Navigators. Photo by Fatima Villasboa Maidana

MIDDLE RIGHT PHOTO:
South Sudan. Trader. Photo by James Sprankle

BOTTOM LEFT PHOTO:
Moldova. Going to work at 5.30 am on International Women’s Day. Photo by Frans Sellies

BOTTOM RIGHT PHOTO:
Lesotho. A woman at a garment factory. Photo by Franco Esposito ALFA
TOP LEFT PHOTO: Kyrgyzstan. Two girls, just graduated from college run through a fountain of water in Bishkek. Photo by Heming Yip

TOP RIGHT PHOTO: Kazakhstan. Tian Shan mountains, a natural barrier for communication across countries and a unique ecosystem. Photo by Stanislav E. Shmelev

MIDDLE PHOTO: Chad. Passing caravans drink and rest at Guelta d'Archei. Photo by Isabelle Boutriau

BOTTOM LEFT PHOTO: Bolivia. An Aymara shaman, flashes a toothy grin after performing a ritual blessing. Photo by Alexandra Melean

BOTTOM RIGHT PHOTO: Ethiopia. Trading at the highland market of Dorze. Photo by Shifaan Thowfeeq
INTERVIEW
Private Sector Key to Accelerated Development

Ricardo Z. Dunn interviews Dr. Christoph Leitl, President of the Austrian Federal Economic Chamber.

Ricardo Z. Dunn  There is a growing consensus that the private sector can significantly contribute to sustainable and inclusive development. Yet, evidence of which partnership models with the private sector for development are effective is still scarce. What is the Austrian experience and what key lessons do you draw from it?

Dr. Christoph Leitl  The Austrian system of co-operation between the major economic interest groups as well as between them and the government, the so-called ‘Social Partnership’ is an asset in the face of global challenges and could be an inspiring model for structured dialogue in other countries.

In addition, the Austrian system of integrated dual education can serve as a building block for inclusive development. Dual education programmes are based on a mix of on the job training in a company as well as courses at school, i.e. companies and schools involved act in partnership. We see this as a good example of how companies can contribute to sustainable and inclusive development.

In support of business relations with landlocked developing countries (LLDCs) we cooperate with the International Trade Center (ITC) to provide SMEs in developing countries free access to trade and company data in order to initiate new partnerships.

Finally, the Austrian Federal Economic Chamber very actively engages in assisting other business support organizations in their modernization efforts, for example, we recall successfully implemented projects in Kyrgyzstan and Turkmenistan.

RZD  Earlier this year the European Commission released its Communication on the role of the private sector in development. What is your assessment of it, and what do you see are the key priorities and main challenges?

CL  With its commitment to further SMEs the European Commission makes an important contribution to sustainable and inclusive development as they are the essential pillars for innovation, job creation and growth. Financing, however, remains a crucial bottleneck for business and development. Finding innovative financing solutions and blending different sources of finance is therefore needed.

RZD  What role do you see for Austrian companies investing in landlocked developing countries?

CL  Austrian investors are appreciated as reliable partners as well as for their commitment in long-term sustainable development. Austrian companies could offer expertise in industrial plant construction, renewable energy, environmental technology and mechanical engineering. Austrian experts are able to provide knowledge and solutions for low-carbon and energy resource efficient solutions as well as for water treatment and irrigation. Environmental engineering and infrastructure projects could include hospital facilities, sewage systems, road and rail networks and power plants. Aware of the potential of our companies, we encourage them to go abroad and promote business partnerships, trade and investment with LLDCs.

RZD  How can Austria and the EU best promote and productively channel sustainable and inclusive investments?

CL  In the past years we have been trying to create an awareness among our member companies in regard to “business and development” by co-organizing business and investment forums focussed on developing countries in general.

Furthermore, our companies have been encouraged to participate in so-called business partnerships in developing countries, with part of the investment supported by official Austrian development aid.

Our cooperation with NGOs focussed on development aid aims to identify development projects of NGOs which could eventually evolve into commercially reliable investments. The promotion of procurement projects of international finance institutions (IFIs) among our companies should also help to result in increased sustainable investments.

RZD  Can Austria promote its “enlightened interest” towards win-win public private partnerships that benefit both Austrian companies and developing countries, without compromising development objectives?

LC  Development cooperation is part of economic policy. In addition to focussing on development goals in LLDCs, it should be remembered that Austrian companies have to generate a return-on-investment. The partnership between the business sector and development cooperation has to be clearly specified. A functioning international and local legal framework, adequate access to financial resources, vocational training as well as the creation and maintenance of the infrastructure should be our priorities to achieve the goal of successful cooperation, either with business-to-business or public private partnerships.
Although the world’s 32 landlocked developing countries (LLDCs) are among the countries that contribute the least to greenhouse gases, they continue to experience the deleterious impact of climate change.

Research has revealed that climate change has affected the agricultural practices in LLDCs, the backbone of most of these economies. Small-holder farmers, who often rely on subsistence-level-rain-fed agriculture, bear the brunt of the challenge.

Erratic rainfall patterns, floods, droughts, and prolonged dry spells have given rise to shorter growing seasons and poor crop yields. Higher temperatures have led to more insect-borne diseases and a paucity of water. With no arable land, less food production and with little or no access to food, the local populations are pushed into poverty with many LLDCs now facing food and nutrition insecurity crisis.

Women are often the hardest hit, as they are often the ones left to tend families and small farms, and have fewer alternative livelihoods when crops are lost, while children suffer from malnutrition.

In an effort to overcome threats to food security in the face of climate change, alliances between small-scale indigenous farmers, agricultural scientists and aid organizations function as a critical element in offsetting the effects. Adaptive methods such as conservation agriculture, one of the modes of climate-smart agriculture, along with agroforestry and water harvesting are proving to be effective.

With the highest rate of malnutrition in the world, Malawi is on the path to adapting to climate change as a result of the various transformative
international partnerships. By supplying good quality seeds for high nutrition crops such as groundnut and beans, sustainable farming practices have been introduced to great success. The programmes have helped farmers enrich their soils, their diet and have helped them earn money for their families.

Bhutan has entered into a partnership with Peru to share potato crop varieties. The Climate News Network reports that the countries are to exchange both indigenous crops and directives on how to best harvest them in different climes, with the objective of helping all involved maintain effective, independent food systems.

Migration of affected population

Livestock production is another livelihood that is highly sensitive to climate change. Severe drought tends to result in decreased livestock production, less meat, dairy and egg production due to little or no availability of fodder.

A report by the United Nations University (UNU) and the Norwegian Refugee Council (NRC) details the risk for Ethiopians where a massive displacement to neighboring countries for lack of work due to climate crisis is imminent.

A major drought in the Horn of Africa has developed into famine, impeding small-scale farmers’ livelihoods and forcing them to seek work outside of their borders. The extreme weather events affecting the pastoralists, with little education and climate-sensitive occupations, are exacerbated by poverty, violence, and ethnic and political discrimination.

According to a United Nations report, the already widespread population displacement caused by climate change will lead to increased conflict and insecurity unless governments take urgent action.

The high cost of natural disasters

Extreme climate events such as floods, droughts, cyclones, etc. can cause massive destruction to property, infrastructure such as roads, bridges, rails, telecommunications etc. in a way that can overshadow the commendable progress so far achieved in LLDCs.

In August this year, Nepal witnessed a devastating landslide that killed more than two hundred people and destroyed dozens of houses. Nepal, which is characterized by steep slopes and active seismic zones, has most of its population dependent on agriculture. Considered one of the worst landslides in more than a decade, the tragedy was then followed by torrential rainfall which caused flooding and even more landslides.

Official data emphasizes the sheer magnitude of natural disasters in Nepal. In the past 30 years, 4,511 people have died as a result of landslides, in addition to destroying 18,414 houses, affecting 555,000 people.

Climate change and extreme weather events have already cost Nepal an estimated 1.5 to 2 percent of the country’s GDP, reports the Climate Development & Knowledge Network.

In order to understand how climate change will affect the country’s future, the government of Nepal commissioned a study that found the costs of climate change to the country will rise to 2 to 3 percent of its current GDP by 2050. By the 2070s, net agricultural losses in Nepal are estimated to cost approximately 0.8 percent of the country’s GDP, or $140 million a year.

For Latin American LLDCs, such as Bolivia and Paraguay, the biggest risks are concentrated in agriculture, water availability, forest conservation and loss of biodiversity.

Bolivia, with the highest percentage of indigenous people who live in extreme poverty, is home to over 20 per cent of world’s tropical glaciers and boasts the most bio-diverse ecosystems in the world. Located in a climatically volatile region, retreating glaciers decrease water availability while high levels of deforestation in the surrounding amazon increase the vulnerability to flooding. Mosquito-borne diseases and forest fires are also on the increase.

The politics of water security

Fed by huge glaciers and extensive snow cover, Kyrgyzstan hosts the headwaters of many of Central Asia’s major Trans-boundary rivers, making it a critical source of fresh water for a number of neighboring countries.

With the highest rate of malnutrition in the world, Malawi is on the path to adapting to climate change as a result of the various transformative international partnerships. By supplying good quality seeds for high nutrition crops such as groundnut and beans, sustainable farming practices have been introduced to great success.
Danger to these glaciers and snow cover could severely impact water, food and energy security across a large swath of Central Asia. Shrinking of glaciers and mountain snow surfaces is resulting in water shortages and will potentially lead to problems with agriculture, water sharing and energy in the region, says a UNDP report. As precipitation patterns change, landslides pose a greater threat.

A survey conducted by Chatham House says that proper management of water and addressing transboundary water relations will help deal with extreme weather events and determine their ability to contend with the consequences of climate change.

As most of LLDCs are located in dry land areas, water scarcity imposes a severe constraint. With 52.5 per cent of dry lands located in LLDCs and 60 per cent of the population located in dry lands compared to only 32.2 per cent in transit developing countries, these countries face dire threat to climate change, desertification and land degradation.

Although climate change and desertification issues are incorporated into development priorities at the national and regional levels, more resources are needed from the international community to address the issues. More sustainable approaches to production, such as renewable energy sources are being looked into for further development. As most LLDCs are located in barren dry desert lands where solar energy (due to high temperatures) and wind occur in abundance, exploiting these natural resources to maximum advantage are imperative.

A farmer harvests maize in Mali.

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Landlocked Developing Countries (LLDCs) face special challenges that are associated with their lack of direct territorial access to the sea and remoteness and isolation from world markets. Their seaborne trade unavoidably depends on transit through other countries. Additional border crossings and the long distance from major markets, coupled with cumbersome transit procedures and inadequate infrastructure, substantially increase the total expenses for the transport services and other transaction costs that erode the competitive edge of LLDCs. As a result the LLDCs are disadvantaged from fully utilizing trade for their development. Greater integration of LLDCs in world trade and into global value chains, as well as enhanced trade facilitation is vital for increasing their competitiveness and ensuring their economic development.

Integrating LLDCs in Global and Regional Trade Markets

LLDCs’ merchandise exports have increased fivefold in value since the Almaty Programme of Action was adopted. In 2003, the value of merchandise exports from LLDCs accounted for a negligible 0.58 per cent of the global volume. As of 2013, the share of global merchandise export from such countries had more than doubled to 1.2 per cent. This however still remains negligible, highlighting the continued marginalization of LLDCs from world markets. In addition, the export structure of LLDCs continues to be increasingly characterized by reliance on a limited number of export products, in particular agricultural and mineral resources. More efforts are needed to diversify the production and export structure of LLDCs, and enhance their productivity in order to take advantage of the multilateral trading system.

With the growing inter-linkages in world trade, investment and production, global value chains account for a rising share of international trade, offering new opportunities for many developing countries. Yet, LLDCs have not been able to fully participate in regional and global value chains. Linking into global value chains presents an opportunity for LLDC to become important links in the production and distribution chain.

Regional integration arrangements (RIA) have over the years contributed to the expansion of trade for LLDCs, broadening LLDCs’ markets and boosting their supply-side capacity. Increasingly, RIAs are embarking on infrastructure development projects at the regional level – extensive road networks, advanced telecommunications technology, energy grids, etc., which, aside from helping address LLDCs’ key supply-side constraints, also facilitates trade among and beyond the RIA members, while also boosting productivity.

The Doha Round of WTO trade negotiations must be concluded as soon as possible, paying attention to the development concerns of LLDCs. Emphasis should remain on the commitment to make operationally effective the principle of special and differential treatment for developing countries; to the parallel elimination of all forms of export subsidies; and to substantial reductions in tradendistorting domestic support, in accordance with the mandate of the Doha Round.

Enhancing Trade Facilitation for LLDCs

Non-physical barriers, delays and inefficiencies associated with border crossings and ports, including customs procedures and documentation requirements, uncertainty in logistics services, weak institutions and widespread lack of human and productive capacities continue to make transport costs high. According to World Bank Doing Business data, the cost to export a container for LLDCs has increased from $2212 in 2005 to $3204 in 2014, compared with $1015 in 2005 to $1268 in 2014 for transit developing countries. Similarly, the cost to import for LLDCs has increased comparatively more than for transit developing countries. Similarly, the cost to import for LLDCs has increased comparatively more than for transit developing countries. Documentation requirements, additional delays and other excessive and cumbersome bureaucracy persist in many LLDCs. In 2013, LLDCs were spending 87 per cent more time to export compared with their transit neighbours.

With a view to reducing economic distance, save time and increase the reliability of logistics and supply chains, trade facilitation has become an important trade policy instrument for many LLDCs to overcome their geographical disadvantage and better integrate in the world economy. Many LLDCs have made efforts to implement trade facilitation measures that reduce transaction costs and delays at border-crossing.
As part of the preparatory process for the comprehensive Ten-Year Review Conference of the Almaty Program of Action (APoA) to be held in November 2014, the African Regional Review meeting in Ethiopia and the Euro-Asian Regional review in Laos, in the year 2013, addressed the special needs of Landlocked Developing Countries (LLDCs) within a new global framework for transit transport cooperation for Landlocked and Transit Developing Countries.

A study undertaken by OHRLLS noted that the trade of LLDCs in 2010 amounted to only 61 per cent of the trade volume of coastal countries, and that transport costs for LLDCs were 45 per cent higher than those of coastal economies which had increased over time. The level of development of LLDCs was also found to be on average 20 per cent lower than it would have been, had they not been landlocked.

The objective of the meeting was to review and take stock of the implementation of the Almaty Program of Action at a regional level in Africa, Asia and Europe including identification of the major achievements, constraints experienced, emerging challenges and the opportunities presented. The meeting also identified policy measures and action oriented recommendations that need to be implemented to enable the African and Euro-Asian LLDCs to fully participate in the global trade and realize their full potential for sustainable and inclusive development.

Recommendations from the African Regional Review

The necessity for more investment in hard infrastructure is recommended to upgrade the infrastructure for transport, energy, and ICT, particularly broadband (to improve the connectivity of LLDCs and the reliability of communications networks and electricity supply). To improve inland water transport, more financial and technical need and support from development partners is being taken up for consideration.

Some of the other priorities of LLDCs that need addressing include a reduction in high trade transaction costs, enhanced productive capacities, value addition and diversification.

continued on page 24
reduced dependency on commodities, infrastructure improvement, support for regional integration and corridor management, increased financial resources, official development assistance (ODA), foreign direct investment (FDI) and remittances, and mainstreaming their particular challenges in the global post-2015 development agenda.

Improved market access is deemed important for LLDCs and the international community is asked to consider establishing a preferential market access scheme for LLDC exports to mitigate the high trade transaction costs stemming from their geographical disadvantage.

The Review called for a balanced distribution of aid from ODA and Aid for Trade to African LLDCs. While six of the African LLDCs rely on ODA for at least 20% of their central government expenditure, the majority of funds from Aid for Trade go to economic infrastructure and building productive capacity. Hence, the review stressed the need to enhance the quantity, quality and impact of both ODA and Aid for Trade for LLDCs.

Heavy emphasis was placed on the inclusion of private sector in the development processes. It is expected that public-private partnerships, could play a major role in infrastructure rehabilitation and maintenance if they are provided with an opportunity to participate and contribute to the formulation of regional and global policies and legal instruments.

When APoA was drafted 10 years ago, it had not identified the support measures specifically targeted at LLDCs. The review focused on the importance for specific measures such as special and differential treatment, and those measures that applied to least developed countries under WTO, to be extended to LLDCs.

**Recommendations from the Euro-Asian Regional Review**

The Outcome Document ‘Vientiane Consensus’, adopted at the meeting, reflects LLDCs renewed commitment in addressing development gaps and integrating their countries more closely with the region’s growth momentum.

The meeting agreed that LLDCs need to make full use of the potential of regional economic integration arising out of increasing intra-regional trade and intra-regional foreign direct investment and improving connectivity through transport, energy and ICT networks. Euro-Asian LLDCs, which are in the process of accession to the World Trade Organization (WTO), were also urged to expedite their efforts.

The creation of comprehensive transit policies was advocated so that the landlocked and transit developing countries can establish efficient transit transport systems. These include, for example, transport strategies and programs, development of transit transport corridors, improvement of major transit transport infrastructure, development of regulatory frameworks and greater participation of the private sector.

To improve transport infrastructure, bridging infrastructure gaps, and ensuring coherent infrastructure development and planning, the LLDCs are asked to engage actively in regional cooperation initiatives such as the United Nations Special Program for the Economies of Central Asia and institutional frameworks which support the adoption of the intergovernmental agreement on dry ports. More specifically, Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan and Turkmenistan were requested to take measures towards ratification, acceptance, approval of or accession to the Intergovernmental Agreement on the Trans-Asian Railway network, and Turkmenistan with regard to the Asian Highway Network.

The meeting suggested enhancing efforts at border crossings for improving infrastructure facilities, inter-agency coordination and cooperation, and implementing...
integrated border crossing management, single stop inspection and single window clearances, the use of new non-intrusive inspection technologies, and the application of risk management.

As Tourism is increasingly becoming part of a global trade, emphasis to promote sustainable tourism was called for to bring in increased investment (foreign exchange flows) and positive intersectoral linkages in this sector. It was also recommended to adopt a more systemic approach in improving the skills of migrant workers, reducing the transaction costs faced by migrants and strengthening linkages with their migration communities abroad in order to attract their skills and investment at home. Provide a safe working environment for migrant workers at the receiving countries could facilitate the efficient transfer of remittances.

To promote trade capacity and enhancing trade facilitation, the meeting recommended the LLDCs to gain access to WTO; take into account and ensure that trade facilitation measures are consistent with existing international and regional agreements, mechanisms and undertakings, and build on existing international standards and convention; work together on trade related reforms based on analysis of non-tariff barriers; further develop public-private partnership (PPP) opportunities by increasing the readiness for PPP schemes and developing a conducive environment in terms of policy formulation, regulatory reform and administrative arrangements.

To further efforts at the multilateral level, the need to undertake measures to deepen regional cooperation and integration, including through free trade agreements, which might spur investment flows in terms of efficiency-seeking regional reconstruction was emphasized.

“The meeting suggested enhancing efforts at border crossings for improving infrastructure facilities, inter-agency coordination and cooperation, and implementing integrated border crossing management, single stop inspection and single window clearances, the use of new non-intrusive inspection technologies, and the application of risk management.

Outcome of Latin American Regional Review

Bolivia and Paraguay, the two LLDCs in Latin America, have made significant strides in various areas of development in the ten years since the implementation of the APoA. Despite these efforts, the Latin America Regional Review process for the APoA, reported that progress in Bolivia and Paraguay has not been without setbacks and that the two countries continue to be adversely affected by geography.

Bolivia is currently working on the final phase of a new general transport law, and there are planned projects for developing airport infrastructure, building a national Matacucito-Mutún-Puerto Busch rail network for mineral exportation, and improving transport logistics infrastructure. There are also plans to pave all primary and secondary networks and set up signaling systems on waterways and ports.

Bolivia still faces transport challenges due to the unreliability and inadequacy of its transport infrastructure and the corresponding impact on the competitiveness of its
export products. Excessive bureaucracy at border crossing points and a lack of harmonization with neighboring countries' customs procedures also hampers transit.

Bolivia and Paraguay's transit neighbors shared the view that planning was a vital long-term policy tool, recognizing a need to develop integrated and complementary infrastructure, transport and logistics policies. There were calls to intensify existing cooperation in the region, acknowledge the significance of Integration of Regional Infrastructure in South America (IIRSA), which is a technical forum of the South American Infrastructure and Planning Council (COSIPLAN), and integrate systems for border checks and customs cooperation. Participants also discussed how to minimize their vulnerability to external factors, such as volatile food and fuel prices, financial and economic crisis and climate change.

Recommendations from the regional review include the need for greater production diversification, recognition of the service sector as one of the possible ways to diversify the economy, and the need to enhance the special and differential treatment for LLDCs in different spheres of negotiation. Participants also recognized the importance of a deepened regional integration process and the need to work towards common logistics and mobility policies, including updating bilateral and regional legal instruments, addressing infrastructure shortfalls, and the possibility of using public-private financing.

The recommendations of the Latin American Regional Review emphasized the importance of integrating the main points of entry (such as airports and seaports) with neighboring countries. They stressed the importance of improving transit traffic regulations and bureaucratic practices at border crossing points, increasing awareness of logistical costs and their impact on development and the sharing of best practices. [Tc]
Without direct access to the sea, landlocked developing countries (LLDCs) find that having to do business is a lot more costly than their maritime neighbours. Due to their dependence on transit countries, these landlocked nations experience a plethora of border crossings, cumbersome transit procedures, inefficient logistics systems and poor infrastructure. Maintaining an amicable relationship with the neighboring countries does not necessarily remove the high cost factor involved in transit.

“Trade competitiveness remains the biggest issue the LLDCs are facing,” Dr. Mwabe P. Kasese-Bota, Permanent Representative of Zambia to the United Nations told The Commitment. Zambia is the current chair of the Group of LLDCs. “As transport costs are high, LLDCs get to pay up to three times the cost of transportation for both imports and exports. This translates to a higher cost of living in the LLDCs compared to their neighboring transit countries,” she added.

Economist and interregional consultant Lindani Ndhlovu, in an event organized by the UN Conference on Trade and Development (UNCTAD), has called on Zambia to work with its neighbours to develop infrastructure and reduce the cost of transport and electricity. Addressing the issue regional linkages, Kasese-Bota noted, “One cannot address poverty reduction to the exclusion of infrastructure development and industrialization.”

The participation of LLDCs in the regional and global community value chain would help save the lives of people from the poverty cycle. “Our major preoccupation should be to find lasting solutions to the challenges we face through diversification of our economies, value-addition to the commodities we produce, and enhancing our competitiveness which
will enable us to join regional and global value chains,” said Yamfwa Mukanga, Zambia’s Minister for Transport, Works, Supply and Communications at the special event organized by UNCTAD. “This will inevitably call for greater cooperation in fundamental transit policies, laws and regulations with our transit neighbors,” he added.

“Regional integration and cooperation should be strengthened under the new concept of developmental regionalism to develop regional infrastructure networks which would in turn enhance competitiveness and increase productive capacities,” Mukanga said. “Unlocking the trade potential of LLDCs will also require the prioritization of energy supply.”

Zambia’s economy is dependent on copper mining while 70% of the population relies on agriculture. If Zambia is to improve its infrastructure to the level of middle-income countries in the region, its growth pattern must grow by as much as 2.6 percent per capita. Evidence from enterprise surveys suggest that infrastructure constraints are responsible for about 50 percent of the productivity handicap faced by Zambian firms, with the remainder attributed to red tape and financing constraints. The most taxing constraint on Zambian firms appears to be power, followed by information and communications technology and transport.

Zambia strategic location makes it an important country for goods traveling to and from Central Africa and the Port of Durban in South Africa. Efforts are being taken by the government to address transit traffic delays along the border and also to increase transit speed along the corridor. Major progress in main trunk road networks provides regional and national connectivity linking the provincial capitals to Lusaka, and to the main international border crossings. Eighty percent of roads are in good condition. Experts suggest that providing rural road access to 80% highest value

Driven mainly by Zambian women entrepreneurs, over 1 million tonnes of fish from small-scale inland and coastal fisheries trade between countries in southern Africa.
agricultural land and urban access within 500 meters of the water supply and sanitation sector would help meet the Millennium Development Goals.

The economy of Zambia, based primarily on its mineral wealth, heavily depends on the rail sector. Rail transport continues to be the most competitive for large bulk, time-insensitive commodities, such as Zambia’s copper production. The Railway Systems of Zambia serve the north-south corridor and connects with the Zimbabwean rail operator for onward service to the Port of Durban while the Tanzania and Zambia Railway Authority operates an eastward route from the copper belt into Tanzania and onto Dar es Salaam.

Endowed with a relatively large amount of cost-effective hydropower, Zambia remains fairly adequate with electric supply. Due to the demands of its large-scale mining sector, Zambia has a relatively large generation capacity and power consumption per capita, several times higher than that of other resource-rich countries in Africa. While power is relatively abundant in Zambia, much of that power goes to the mining sector, leaving less than 20% access for domestic consumption with a large gap in rural electrification.

Strides have been made in the information and communications technology sector where the architecture of the network is currently clustered around the main economic arteries with minimal reach to other areas. However due to its geographic handicap of being landlocked, Zambia faces even higher costs for internet and international telecommunications than other countries. With the planned submarine cables along the east coast of Africa, and the extension of backbone connectivity inland, there is the prospect of a 50 percent reduction in these charges.

The growth of ICTs has contributed to nearly 0.6 percentage points to the annual per capita growth of Zambia’s GDP over the past decade while poor performance of the power sector reduced the per capita growth rate by 0.1 percentage point.

Ambassador Kasene-Bota anticipates that the outcome document of the second International Conference on LLDCs in Vienna would complement the Post 2015 agenda and speak on the structural transformation of LLDCs. “We also expect to continue in the spirit of multilateralism, where the UN Member States participate and enrich us. We also consider the participation of private sector as a critical factor to complement government efforts.”

The economy of Zambia, based primarily on its mineral wealth, heavily depends on the rail sector. Rail transport continues to be the most competitive for large bulk, time-insensitive commodities, such as copper production.
The Second UN Conference on LLDCs: Two Years in the Planning

by Aleksi Tzatzev

A lot has changed since the 2003 Almaty Programme of Action (APoA). The average income per capita of Landlocked Developing Countries has grown 3.8 per year – well above the global average of 1.5 percent. Since 2000, the value of merchandise exports of LLDCs has also increased almost seven-fold. Nevertheless these states remain highly vulnerable to external economic shocks and climate change, two weaknesses that the Second UN Conference on Landlocked Developing Countries seeks to remedy.

From the 17 thematic meetings to the three regional reviews and the two ambassadorial retreats, it has taken more than two years and countless man-hours to organize the Conference held in Vienna. The Office of the High Representative for LDCs, LLDCs, and SIDs has been designated as the system wide focal point for the event and worked alongside the hosts Austria, donor countries, international agencies and others in order to ensure a successful review of the 2003 APoA and a step towards the next 10 years of development for LLDCs.

■ September 2012
Almaty, Kazakhstan hosted the Fourth Meeting of Trade Ministers of LLDCs, where the attendees adopted a Ministerial Declaration, which emphasized several issues, including: developing the productive capacities of LLDCs and promoting investment. A High-Level Thematic Meeting also provided recommendations on trade facilitation and aid for trade.

■ December 2012
December saw the General Assembly adopt Resolution 67/222, which addressed the specific needs and problems of LLDCs.

■ February 2013
This month saw the Road and Rail Financing Conference as well as Second Ministerial Conference on Euro-Asian Transport Links, held in Geneva, Switzerland.

■ March 2013
March was a busy month with the Euro-Asian Regional Review was held in Vientiane, Lao PDR. The regional review was one of three to come in 2013 with the objective of reviewing regional progress towards the APoA over the past decade. Also in March,
OHRLLS-organized a Brainstorming Meeting on the Priorities for a New Agenda for LLDCs.

■ May 2013
Beijing hosted the Global Services Forum, where figures from governments, the business world and academia came together to promote growth in the trade of services and encourage sustainable development.

■ June 2013
The OHRLLS and World Bank partnered to organize the Transport Development and Trade Facilitation event in Washington, D.C. The meeting included the progress review in transit transport infrastructure and services within LLDCs.

■ July 2013
July saw the second regional review meeting. The Africa Regional Review Meeting took place in Addis Ababa, Ethiopia, and sought to review the implementation of the APoA in Africa.

In Geneva, Switzerland, the OHRLLS organized an ECOSOC side event called, Renewing Global Partnerships for Connecting LLDCs to the World Markets.

■ September 2013
Two high-profile meetings occurred in September. The first one dealt with the impacts of climate change, desertification, land degradation and drought, and was hosted in Windhoek, Namibia. The second was a High-Level Conference on Road Transport in Dushanbe, Tajikistan.

■ October 2013
October was another busy month with two meetings in Kenya regarding technology and one in Geneva on transport logistics. Nairobi hosted the launch of the South-South Technology Transfer Facility for LLDCs as well as an event on enhancing ICT Development and Connectivity for LLDCs. The launch of the South-South Facility was co-hosted by UNOSSC and OHRLLS, while UNCTAD organized the Expert Group Meeting on Transport and Logistics Innovation in Geneva.

■ November 2013
The Latin America Regional Review took place in November in Asuncion, Paraguay. The last of the three regional meetings focused on the South American continent and the implementation – successes, failures and future challenges – of the APoA there. The meeting brought together stakeholders in Latin American LLDCs, transit countries, development partners, private sector and academia.

■ February 2014
In February of this year, the OHRLLS organized the Fourth Inter-Agency Consultative Group meeting in Geneva. Three others were held prior to this in 2013. Attended by USG Acharya as well as ambassadors from

continued on page 32
The Second UN Conference on LLDCs...

**continued from page 31**

Lao DPR and Paraguay, among others, the meeting addressed the need for building the productive capacities of LLDCs. In particular, participants spoke about the importance of regional value chains and the need for product and trade diversification.

**April 2014**

In April the UN General Assembly, with Resolution 68/270, accepted Austria’s bid to host the Second LLDC Conference, setting the time as 3-5 November and venue in Vienna.

**May 2014**

New York hosted the first of two ambassadorial retreats on 9-10 May. The meeting was attended by 55 participants that included ambassadors and permanent representatives from LLDCs, transit developing countries, donor states and experts from the UN system. Participants came to the conclusion that the APoA did not do enough to address growth factors such as economic diversification, industrialization and job creation.

Effective monitoring and review emerged as an important point of any future LLDC conference. Ultimately the representatives pointed the Post 2015 Development Agenda toward a more holistic plan of action with accountability being a major factor in effectiveness. This month OHRLLS also organized a half day thematic discussion on the vulnerability of LLDCs to external shocks.

**July 2014**

The second ambassadorial retreat took place in Almaty, Kazakhstan, a familiar place for LLDC discussions. The draft of the Outcome Document had its roots in this conference of ambassadors and delegates. Among the attendees were Kazakh Foreign Minister Erlan Idrissov, High Representative Gyan Chandra Acharya and representatives of international agencies such as UNCTAD and WTO. A topic of discussion was the review of the APoA. “It is gratifying that this document made it into the history of the UN and today we are actively preparing for the second United Nations conference for a comprehensive ten-year review of the implementation of the APA in accordance with General Assembly resolution 66/214. Kazakhstan, as the initiator of the process, is interested in the success of the meeting. That’s why we organized this retreat,” Idrissov said.

**September, October 2014**

The last two months have included the final preparations for the LLDC Conference in Vienna, including the invitation of participants, both from the private and public sectors. OHRLLS, the Austrian Government and support agencies worked together to ensure smooth operations in Vienna and a high-level meeting on investment in LLDCs organized by OHRLLS and UNCTAD in Geneva. Among the outreach programs, the OHRLLS organized a photo call for amateur and professional photographers to submit their shots from LLDCs to be exhibited in Vienna and published on the LLDC website. Some of these photos are also found in this magazine.

The beginning of October also included the Second Preparatory Committee Meeting for the 2nd UN Conference on Landlocked Developing Countries. This was one of the last steps leading up to the conference in Vienna. USG Acharya addressed logistics as well as his hopes for the conference in shaping the Post 2015 agenda of LLDCs.

Since 2000, in current terms, the value of merchandise exports of LLDCs has also increased almost six-fold. Nevertheless these states remain highly vulnerable to external economic shocks and climate change, two weaknesses that the Second UN Conference on Landlocked Developing Countries seeks to remedy.
A new report published by UN-OHRLLS underscores how the landlocked developing countries (LLDCs) are impacted by a number of external shocks, including economic, socio-political, and climate change and natural disasters.

The 84-page publication argues that measures should be undertaken to strengthen resilience at the national and household levels, build bulwarks to manage post-shock impact, and finally, establish and strengthen the functioning of core institutions.

It also highlights a number of the recommendations for LLDCs and their development partners to undertake. The group of LLDCs are encouraged to diversify production and export markets across multiple frontiers. Diversification, the report says, represents a pragmatic means of spreading risk. In particular, LLDCs must undertake investment and policy re-orientation that would create other productive sectors capable of supporting economic growth in tandem with the existing few commodities or minerals.

Closely related to but different from diversification, LLDCs would do well to pursue economic transformation, which implies a substantive reorganization of the economy, its actors and how they interact. Economic transformation may include deliberate efforts to promote industrial development and value addition, transitioning from the low-productive informal sector to more efficient production arrangements that have strong back and front linkages, and that can support rapid and inclusive growth, as well as job creation, the report underscores.

There is also a need to develop safety nets both at the national and household levels that could be utilized when external shocks hit. For LLDC governments, this may include pursuing sound fiscal and monetary policies that would create budget surpluses and robust international reserve holdings. There is also a need to have targeted and strategic social protection mechanisms. At the household level, this may include holding additional liquid assets and food stocks in case of sharp increases in prices, or extreme weather.

Often times, external shocks can be mitigated by local solutions. LLDCs must accelerate efforts to develop and strengthen their economies to support a growing domestic demand, the report says.

The publication calls on development partners to coordinate their responses. The 2007 financial and economic crisis provided fresh impetus for the need to promote close intergovernmental efforts for joint-response to external shocks. While such efforts at the international level are crucial, it is equally important that coordination is achieved at the regional and sub-regional level. Further, the international community can support LLDCs through the creation of a special insurance scheme that covers external shocks.

The report concludes that all the LLDCs are vulnerable to external shocks of one kind or another. In view of this reality, it is necessary that the Post 2015 development agenda and the 10-year review of the Almaty Programme of Action fully reflect this problem. The report concurs with views that the future development programme for the LLDCs must go beyond the narrow and thematic focus on transport and transit challenges. It needs to be comprehensive and holistic in nature, taking into account emerging issues that include the developmental challenges that stem from external shocks.
A report produced by UN-OHRLLS titled “The Development Economics of Landlockedness: Understanding the development costs of being landlocked” analyses the impact of landlockedness on the development prospects of landlocked developing countries (LLDCs) and based on the findings, proposes recommendations that can provide a more holistic strategy to the development of LLDCs.

The LLDCs face special challenges that are associated with their lack of direct territorial access to the sea, remoteness and isolation from world markets. Their seaborne trade unavoidably depends on transit through other countries thereby making them dependent on the political stability, infrastructure and institutional quality of coastal transit countries. Additional border crossings and the long distance from major markets, coupled with cumbersome transit procedures and inadequate infrastructure, substantially increase the total expenses for the transport services and other transaction costs that erode the competitive edge of landlocked developing countries. As a result the LLDCs are disadvantaged from fully utilizing trade for their development.

The report first uses descriptive analysis to identify a few simple stylized facts to help understand the sort of challenges that LLDCs currently face when compared to the other groups of countries for key economic, institutional, and social indicators. The study findings show that LLDCs lag significantly behind coastal developing countries and transit developing countries in many of the development indicators. They have the lowest GDP per capita when compared to all the other groups - transit developing, all developing, developed, and the world.

With regard to infrastructure development, the percentage of paved roads for LLDCs is lower than that of transit developing countries and less than half of the developed countries. The logistics performance in LLDCs is generally worse than in other groups of countries.

Although progress has been achieved in addressing the non-physical barriers – soft infrastructure, the LLDCs still take almost double the number of days that transit developing countries take to import and export. LLDCs also continue to incur high transport and trade transaction costs. According to the study, on average LLDCs have transport costs that are up to 45% higher than a representative coastal economy. International trade is more difficult and expensive in LLDCs than in any other group. Delays to export are also significantly longer in LLDCs than in other groups.

Although, the total trade comprising both exports and imports from LLDCs increased since 2003. The export structure of LLDCs is generally less diversified and they tend to rely on the export of primary commodities more heavily than any other group. To some extent, this lack of export diversification is associated with a relatively small share of manufacturing in GDP.

On the social development front, LLDCs have experienced a positive trend in the Human Development Index between 2003 and 2011 – nevertheless half of the LLDCs are still in the lowest HDI ranking. The LLDCs tend to have worse health outcomes and higher poverty headcount than the other groups. Overall human development is still lower in landlocked developing countries than in the average developing country.

Assessment of costs of being landlocked

The report then used econometric methods to estimate the total development cost (including economic and social dimensions) of being landlocked. The empirical evidence indicates that being landlocked is a fundamental obstacle to development. The analysis quantifies the development cost of landlockedness as the percentage decrease in development due to landlockedness. This percentage averages around 20%-25%, meaning that because of landlockedness the level of development in the LLDCs is on average 20% lower than what it would have been if the countries were not landlocked. Individual country estimates show that the range of development costs for landlocked developing countries goes from 10% to 30%.

Therefore, the attention that is being given to the special development needs of LLDCs is fully justified.

Recommendations

The report suggests a set of specific recommendations for the various actors and stakeholders to support the development of LLDCs. Some of the actions recommended for LLDCs include: increasing value addition to their exports, fostering industrialization, strengthening of
some of the actions recommended for transit developing countries include: to establish and effectively implement transit agreements with LLDCs, to undertake reforms to improve trade facilitation in particular to agree to share harmonized paperwork and procedures and to make use of information technology to exchange shipping documentation.

The report recommends that donors should increase their support towards aid-for-trade and official development assistance so that LLDCs could improve their transit corridors, productive capacities and competitiveness. Donors were also encouraged to increase funding for students’ exchange programmes, scientific collaboration with institutions in LLDCs, and general human capital formation and transfer of technology.

The report stresses that the private sector should work with the governments to promote infrastructure development particularly through PPPs. The report also underscores that the UN System, international and regional organizations should play a major role to support the LLDCs particularly in the areas of their strength and act as facilitators in bringing the different parties together. They should provide technical assistance, policy advice, mobilize support from the international community and support regional integration efforts. 

Nurturing Business Growth in Niger

Brigitte Dumont, Chief Officer of Corporate Social Responsibility at France Telecom-Orange talks to The Commitment.

In May this year Orange Telecommunications launched, what is known in Niger as an incubator project, a large public private alliance to support entrepreneurship, startups and Small Medium Enterprises (SMEs).

From their office in Niamey, Niger a management team provides business help and support to resident SMEs in ICT, Green Energy and the Environment. This incubator, named CIPMEN, also aims to support the emergence of new economic models and new business segments, as well as widening markets for local companies, and as such, plays a key role in driving and energising these local sectors.

The Commitment How do small and medium sized businesses benefit from CIPMEN?

Brigitte Dumont The incubator offered an opportunity for SMEs to integrate in the community and to benefit from all the training and business development services offered by the project, including office space. Another advantage of benefitting from an incubator is to create collaboration between startups.

TC Nearly 85% of all small businesses fail in sub-Saharan Africa. How will your new initiatives help them get through the inception period?

BD The incubation period lasts for 3 to 4 years and our target, based on past experience, is to achieve more than 90% resilience for the SMEs that we are supporting during this timeframe. However, as the selection process is quite demanding, which means that we generally work with the best projects and which keeps the failure rates lower.

TC Will this initiative help generate jobs and reduce unemployment?

BD Though the job creation will not be massive — around 500 to 1000 in 10 years for the Niger incubator alone, they are important as the jobs are skilled positions. Furthermore the incubator creates a strong dynamic around entrepreneurship and pushes many young people to create their own businesses. It inspires hope for the unemployed

continued on page 36
Nurturing Business Growth in Niger...

continued from page 35

and supports a qualified young generation to enter the labour market.

TC You have indicated that your initiative will assist with the growth of ICTs. Could you explain how and to what extent it will boost their economy?

BD Today, there are very few ICT companies operating in the Nigerian market. With the incubator, we aim to grow this number by two or more in ten years’ time and that is a great contribution to the local ICT market.

TC Is Orange taking the lead in areas of environment and climate change in developing countries?

BD At Orange we believe that ICT and data management can be a strong support to the emergence of projects and new models addressing these key environmental issues. We hope that the incubation process will further demonstrate this. Moreover, within our operations we develop awareness programmes to facilitate collection of WEEE (Waste Electronic and Electrical Equipment), such as mobile handsets, and we also promote proper recycling channels. We send tons of WEEE and batteries to France for treatment processing. Orange has also chosen to develop solar power stations (vs fuel) to bring communications in rural areas, especially in African countries where Orange operates.

TC Do you have specific initiatives in landlocked developed countries? Are you working on similar projects in other countries in Africa?

BD Even if they are not specific to landlocked developed countries, these initiatives are illustrations of a structured programme called Orange for Development which focuses on development of infrastructures and connectivity, accessibility to ICTs for a greater number of people, particularly in rural or isolated zones. We also support the launch of value-added services to meet a range of needs in areas as diverse as health, education, agriculture, financial services and administration and support innovation in local ecosystems.

TC That goes towards the narrowing of the digital divide?

BD Yes, in our fight against the geographic digital divide, we are continually investing to extend the coverage of our fixed and mobile networks, developing innovative technical and commercial solutions so that our services can reach the most isolated population. This involves active participation in large construction projects for submarine cables, the deployment of 3G networks— but also implementing innovative solutions such as solar radio stations or community phones to provide collective Internet and mobile telephony access to the most isolated rural zones.

TC One of the goals of CIPMEN is to generate renewable energy. How do you plan to go about assisting in cutting carbon emissions and transitioning to renewable energy in countries that have traditionally used coal?

BD The CIPMEN is an SME incubator and therefore it will not contribute to the carbon emission reduction issues itself; however, the incubated SMEs working on renewable energy projects will definitely contribute to this objective. The first issue for us is how to help them succeed in their business. Renewable Energy projects are capital intensive and therefore we need to work out the access to financial mechanisms and the proper means of accessing financial ecosystems. It is very important to work with global actors who will bring to local SMEs state-of-the-art know-how and proper business models.

The new CIPMEN centre in Niger is opened.
In preparation for the Second International Conference on Landlocked Developing Countries (LLDCs) the UN Office of the High Representative for LDCs, LLDCs and SIDS (UN-OHRLLS) launched a website dedicated to the international gathering. The website has proven to be an important tool in our outreach and advocacy efforts to provide all stakeholders with comprehensive up-to-date information in the lead-up to and during the global meeting.

You are invited to browse the site at http://www.lldc2conference.org for the latest information on conference proceedings.

**Summary of features:**

A news stream on the home page providing visitors with timely, easy-to-read information affecting landlocked developing countries.

- Several pages explaining the intergovernmental process in a clear and concise manner

Lack of territorial access to the sea, remoteness from markets, cumbersome transit procedures, and poor infrastructure have a direct negative impact on economic growth and hamper sustainable development efforts.

Of the 32 countries classified as landlocked developing, 16 are located in Africa, 10 in Asia, 4 in Europe and 2 in Latin America. The LLDC Conference will provide Member States, private sector, civil society and experts an invaluable opportunity to formulate an ambitious action-plan tailored to the specific needs of this group of countries that are disadvantaged by geography.

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LLDCs
- 32 Landlocked Developing Countries dispersed across four continents.
- Africa (16); Europe (4); Asia (10), and Latin America (2).

Population
- Combined population of 453.5 million.
- 72% live in rural areas.
- 3.8% live in urban areas.

Social Development
- Average primary school enrollment increased from 64% in 2000 to 83% in 2011.
- Share of women in parliament increased from 12.1% in 2000 to 20.2% in 2012.
- Average adult HIV prevalence rate in LLDCs (ages 15-49) decreased from 4% in 2001 to 2.8% in 2011.
- Under-5 mortality rate for LLDCs declined from 109.5 per 1,000 live births in 2000 to 80.9 in 2011.
- The female-male ratio in labour force for LLDCs was 0.79 in 2011.

Geography
- Average distance to the nearest seaport for LLDCs is 1,370 km – which is substantially vast when compared to industrialized economies, such as those in Europe which face 170 km to the nearest port.
- Kazakhstan (3,750 km) and Kyrgyzstan (3,600 km) have the longest distances from the sea, while Moldova (170 km) and Swaziland (193 km) have the shortest.

Transit and Distance Difficulties
- Days that LLDCs take to import has decreased from 57 in 2006 to 47 in 2014 and export days have reduced from 49 to 42 over the same period.
- LLDCs still require almost twice the number of days to import and export when compared to transit countries.

International Trade Performance
- In 2012, trade was 78% of GDP – much higher than the global average of 61%
- Total exports of goods and services are in excess of $280 billion.
- Share of global trade hovers around 1.2%.

WTO Accession
- 24 LLDCs have acceded to the World Trade Organization and participate in multilateral trade negotiations as full-fledged members.

ICT Infrastructure
- Mobile telephony has increased from 2.3 mobile phones per 100 people in 2000, to 60.7 in 2012.
- Internet use has increased from less than 1 person to about 13 per 100 individuals.
- Transit developing countries have more than twice the number of landlines for 100 people.

Road, Railway and Air Transport
- Only 9 countries have greater than 50% of their roads paved.
- Transit developing countries have increased their share of paved roads at an annual rate of around 8% per year, compared to LLDCs’ 2.9%.
- Seven LLDCs do not have a railroad, and missing links are a major problem.

Sustainable Energy
- Less than 44% of people in LLDCs have access to electricity.
- While about 74% of people in the LLDCs’ urban areas have access to electricity, the number is much lower for rural populations, which stood at 33%.

Official Development Assistance
- LLDCs net official development assistance receipts stood at US$ 27.5 billion in 2012 – a substantial increase from US$ 16.6 billion in 2003.
- ODA remains an important contributor to gross capital formation in six countries where it accounts for more than 50%.

Foreign Direct Investment
- From US$ 8.9 billion in 2003, FDI inflows reached US$ 34.6 billion in 2012. Since 2009, just 3 countries have received nearly 60% of all FDI disbursed to the group.
Lack of adequate financial resources and productive capacities are some of the biggest constraints facing Landlocked Developing Countries (LLDCs) in their efforts to achieve sustained growth and sustainable development. The support of development partners, emerging countries, private actors, as well as UN and other international organizations is crucial to complement LLDCs’ own efforts towards the establishment and maintenance of effective transit transport systems, integration into the world economy and structural transformation of their economies.

**Official Development Assistance (ODA)**

The effects of the global economic crisis have caused stagnation in official development assistance (ODA) from OECD countries. Following real increases in ODA flows to LLDCs since 2003, ODA fell slightly in 2010, largely levelled off in 2011 and increased only marginally in 2012.

More than half of LLDCs (18 out of 32) experienced a real fall in their ODA receipts in 2012. This decrease in aid could threaten development expenditures in many aid-dependent LLDCs.

Allocation of ODA varies greatly amongst LLDCs. For instance, six countries received 55% of the total ODA flows to LLDCs in 2012. A more equitable distribution of ODA based on country-specific priorities.

**Aid for Trade**

Aid for Trade plays an essential role in capacity building in LLDCs in the areas of development and maintaining of trade-related infrastructure, implementation of trade facilitation measures and formulation of trade policies, with a view to increasing value-addition and market competitiveness of their export products. Aid for Trade, in combination with complementary policies, has contributed to improved infrastructure, lowering of trade costs, better border institutions and regulatory procedures and enhanced capacities. The regional nature of Aid for Trade programme also promotes international trade integration.

LLDC receipts of Aid for Trade have almost doubled in real terms between 2002 and 2005. However, Aid for Trade contracted from $6.5 billion in 2011 to $6.3 billion in 2012. The Aid for Trade inflows in 2012 were mainly concentrated in three sectors: Transport and Storage (33%), Agriculture (28%) and Energy (18%), which added up to 79% of the total amount.

**Foreign Direct Investment (FDI)**

FDI is the major proportion of private capital flows that is considered as the more stable foreign investment. FDI has the potential to enhance economic development in LLDCs through job creation, improving management system, transfer of skills, technology and business processes. FDI is also essential to local infrastructure and capacity building. Enabling policy environment, at the international and national level, is crucial in promoting attraction of more sustainable and diversified foreign direct investment.

FDI inflows to LLDCs amounted to $34.6 billion in 2012, more than four times the amount in 2003. LLDCs also managed to avoid a fall in their FDI inflows immediately following the global crisis. However, compared to transit countries, LLDCs only received one tenth of the amount in this inflow in 2012. The majority of LLDCs do not attract sufficient FDI to accelerate their economic development. Only about 18% of FDI inflows to LLDCs went to the least developed landlocked countries.

**South-South and Triangular Assistance and Cooperation**

Support from South-South and triangular partners, in the form of financial and technical assistance, as well as diversified trading opportunities, technology transfer and sharing of best practices, has become increasingly important for LLDCs. For example, global South-South cooperation, especially assistance from India and China accounted for 41% of FDI to LLDCs in 2011.

Moreover, LLDCs’ trade with the global South has deepened as 17 out of 32 LLDCs exported more than 50% of their products to Global South countries. Strengthened South-South and triangular cooperation in particular in the area of transit transport cooperation, development of productive capacity and greater integration of LLDCs into the world economy, has an important complementary role to play in supporting sustainable growth and development in LLDCs.
A Song from the Central African Republic

by Louise Stoddard

As the international community meets in Vienna this November for the LLDC2 Conference, 100,000 film goers will flock to the Austrian capital for a two week programme viewing festival. Since 1960 the Vienna International Film Festival (Viennale) has featured films from all over the world and this year, in partnership with the United Nations, is screening a film from the Central African Republic – A Song from the Forest. The film will be shown on the Tuesday 4 November followed by Q & A discussion.

“We wanted to showcase the best of landlocked developing countries whilst we are in Vienna and couldn’t pass up the opportunity to join forces with the Viennale to highlight the arts and culture that come from countries such as Central African Republic,” said Louise Stoddard, Public Information Officer at OHRLLS. “This film is about a journey. It examines the questions and uncertainties that we all face when we consider the future, but it also celebrates the unique cultural details that are woven into the generations of a landlocked community for a time, but which shift and alter as the world around them changes,” she added.

Link to the film trailer: http://songfromtheforest.com/
Link to the Viennale: http://www.viennale.at/en

About the film:
As a young man, American Louis Sarno heard a song on the radio that gripped his imagination. He followed the sound all the way to the Central African rainforest, where he found the music’s origin with a tribe of hunters and gatherers, the Bayaka pygmies – and he never came back. Now, 25 years later, Louis lives as one of them, speaks the Bayaka’s language and is raising his pygmy son, Samedi. Over the years he has collected over 1,000 hours of unique recordings of Bayaka music, which he recently donated to the Pitt Rivers Museum in Oxford, England. Many years ago, when newborn Samedi became gravely ill, Louis promised to show him where he came from. Now the time has come to fulfill this promise, and Louis takes 13-year-old Samedi on a journey to the world he left behind in the United States.