

As Delivered



Statement

by

H.E. Mr. Gyan Chandra Acharya

**Under-Secretary-General
and High Representative
for the Least Developed Countries, Landlocked Developing Countries
and Small Island Developing States**

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

**Agenda Item 22 (b) of Second Committee of the
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Conference room 2**

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Mr. Chairman,

I now have the honour of presenting to you the Secretary General's report on the Ten-year review of the implementation of the Almaty Programme of Action. It is only 10 days before we convene the Second United Nations Conference on the LLDCs in Vienna and the findings of this report form important input to the conference. The report provides an appraisal of the implementation of the Almaty Programme of Action based on national and regional review reports, inputs from the UN system and other relevant international organizations, outcome documents of thematic pre-conference, analysis of relevant data as well as specialised reports.

The report highlights that landlockedness continues to hinder the full participation of landlocked developing countries in international trade and their ability to achieve sustainable development.

The report notes that since the adoption of the Almaty Programme of Action, the landlocked developing countries have registered faster economic growth and increased trade. However, progress has been volatile and is also not shared by all equally. Landlocked developing countries remain fragile because of their vulnerability to external shocks, given their limited export diversification, limited productive capacities, lack of export competitiveness and high transport and transit costs. Furthermore, during the review period, those countries' value addition from manufacturing and agriculture has declined and their export concentration ratios have increased dramatically.

There have also been some improvements in some social indicators including net primary enrolment, gender parity in primary education, representation of women in decision-making, and stemming the spread of

HIV/AIDS. But, challenges still remain; particularly as regards the level of extreme poverty and low levels of decent jobs. Half of the LLDCs are still in the lowest Human Development Index ranking.

Mr. Chairman

Some progress was made on some of the priority areas of the Almaty Programme of Action.

As regards the on fundamental transit policy issues, the Secretary-General's report notes that there has been progress on establishment, adoption and implementation of regional and sub-regional transit facilitation agreements where LLDCs and their neighbouring countries are pursuing harmonisation of transport and transit policies, laws, procedures and practices with transit countries in order to reduce trade transaction costs and delays at border crossing points. Initiatives that have been implemented include the application of information technology at borders, such as an automated system for customs data (ASYCUDA), one-stop border posts, third party motor insurance schemes, the establishment of e-tracking systems, and single window clearance systems. Furthermore, several countries have established national transport and trade facilitation committees which are playing a major role in coordinating work on national transit transport facilitation. But much more remains to be done.

The Asian region developed and adopted the inter-governmental Agreements to underpin the Asian Highway Network and the Trans-Asian Railway Network that entered into force in 2005 and 2009 respective, and an Intergovernmental Agreement on Dry Ports that was opened for signature in Bangkok in November 2013. The Africa region has made

progress in developing an intergovernmental agreement for the Trans-African Highway Road Network.

The report also notes that although there are over 50 international legal instruments on international transport and trade facilitation, which can help in the harmonization, simplification and standardization of rules and procedures, there was limited effective accession and implementation by the LLDCs and transit countries.

In relation to another priority area of infrastructure development and maintenance, some progress has been made, but much more needs to be done to close the missing links and expand the transport infrastructure. The report highlights that when compared with the other groups of countries, landlocked developing countries have the lowest percentage of paved roads, followed by transit developing countries. Rail infrastructure is less developed, with only 10 LLDCs having 1,000 kilometres or more of railways for freight service. Air transport - cargo airfreight has increased in some landlocked developing countries over the review period. However, demand is limited by cost, which is typically priced between 4 and 5 times that of road transport and between 12 and 16 times that of sea transport.

The Secretary-General's report also notes that LLDCs have made progress in improving telecommunication infrastructure, in particular, internet connectivity and cellular phones. Despite this progress, LLDCs lag behind other developing countries in terms of broadband internet access. The report also underscores that even though marked improvements in electrification have been seen over the past decade, there is still a long way to go before basic energy infrastructure needs are fulfilled in most landlocked developing countries yet a reliable, modern and affordable

energy infrastructure is vital for reducing delays in transit time and for building the productive capacity.

The report notes that mobilization of the required resources to invest in the transport, ICT and energy infrastructure development remains a major challenge that should be urgently addressed.

On international trade, the report notes that total merchandise exports for LLDCs increased from US\$44 billion in 2003 to US\$ 228 billion. However, disaggregated analysis gives us a different picture: two thirds of the exports came from a few countries. The Group accounts for only 1.2% of world merchandise trade - showing continued marginalization of the group in the world economy and heavy reliance on primary commodities. Furthermore LLDCs face trade costs that are double that of the transit developing countries. Since 2005, the cost of importing a standard container to a typical landlocked developing country has increased at an annual rate close to 6% per cent, while global costs have risen by 2.8 per cent. Export costs faced by landlocked developing countries also remain significantly higher, and continue to trend upwards.

Mr. Chairman,

While Priority 4 of the Almaty Programme of Action on international support measures recognised that the primary responsibility for implementing the Programme rests with LLDCs and their transit countries, it also recognised that the cost implications required the strong support of the development partners. The report notes that over the review period, the development finance flows to landlocked developing countries have increased. However, due to the global economic crisis, fiscal austerity

measures in major donors have led to a decline in ODA flows in 2011 and 2012, though ODA has seen somewhat upward tick in 2013 yet 2014 prospects are not positive.

The report also highlights the efforts made by the United Nations system and other international organizations in implementing the Almaty Programme of Action over the review period.

The report proposes some recommendations. It highlights that the Almaty Programme of Action had a strong emphasis on infrastructure and transit. But the development challenges related to value addition, economic diversification, industrialization, job creation and resilience-building are hampering the prospect of sustainable development in the LLDCs. It suggests that the next development decade would need to address the special needs of landlocked developing countries in a holistic manner in order to ensure that they can transform their economies and achieve sustainable development and thus overcome the negative effects that their geographic constraints have on the livelihoods of people.

The report also suggests that LLDCs should develop their productive capacities, add value to their exports, and improve their competitiveness. In this regard, the Secretary-General calls upon LLDCs to consider designing and implementing active industrial policies to promote the diversification and structural transformation of their economies and exports, increase agricultural productivity and the services sector, strengthen the role of the private sector and promote science, technology and innovation. Furthermore, regional integration should be promoted by strengthening regional trade, transport, communication and energy networks.

The report invites the LLDCs and transit developing countries to ratify and effectively implement international conventions and agreements and regional and sub-regional agreements on transport and trade facilitation. The report further calls upon the international community to provide greater market access for goods originating in landlocked developing countries to mitigate high trade transaction costs stemming from their geographical disadvantages. In addition, LLDCs should integrate trade policies into national development strategies to better harness the development benefits from international trade.

Mr. Chairman

Allow me to now update you on the status for the preparations of the upcoming Second UN conference in Vienna. We are now finalizing the preparations of the conference. The LLDCs prepared and submitted national reports on the implementation of the Almaty Programme of Action. Regional reviews were successfully held in 2013 in Vientiane, Laos, in Addis Ababa, Ethiopia and in Asuncion, Paraguay. Seventeen pre-conference events have been successfully organized, with a focus on developmental issues that are crucial to LLDCs. Two Preparatory Committee meetings have been held where the Member States continue with the negotiations on the outcome document.

With regard to the conference itself, it will be held in the Vienna International Centre, Vienna. Many Heads of States and Governments, Ministers, high level representatives and heads of UN and other Institutions will be participating in the conference. In addition to the intergovernmental activities, the Conference will feature parallel and side

events, a Business and Investment Forum of the private sector track and an exhibition. High-Level Thematic Roundtables will be part of the parallel events.

I wish to reiterate that the Second United Nations Conference on LLDCs is a once-in-a-decade opportunity for reinvigorating global partnerships in support of countries that are geographically handicapped with impacts upon their development prospects and as such, we call for your solidarity, strong support as well as high level participation.

Since the Vienna conference is taking place before the Post 2015 Development Agenda, I also hope that strong linkages are developed with this important global process.

I thank you for your attention.