Speaking note at the retreat of the Landlocked Developing Countries (LLDCs) Group: 29 Feb -1 March

A. Activities undertaken and ongoing in support of LLDCs

1. Since the adoption of the Vienna Programme of Action, UNCTAD has been undertaking substantive and technical work in support of the landlocked developing countries, ensuring that the international development community is aware of the complex development challenges they face. For instance, at the 2015 regular session of UNCTAD’s Trade and Development Board, Member states resolved to mainstream the implementation of the Vienna Programme of Action. The Board "Invites UNCTAD to mainstream the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 into its work programme, including annual reporting, insofar as it falls within the mandate of UNCTAD" (paragraph 14 TD/B/62/11).

2. With the objective of facilitating the Participation of Landlocked Developing Countries in Commodity Value Chains and to enable them to drive maximum benefits from their natural resources wealth, UNCTAD developed and implemented a project with the financial support of the Common Fund for Commodities (UNCTAD/CFC ILZSG/267). Through the project, series of substantive case studies were undertaken on the mining sectors of Botswana and Zambia, the cotton-textile sector of Uzbekistan, the sugar sector of Paraguay and the copper/coal sector of Mongolia. The synthesis of the case studies containing policy analysis and recommendations has been published and is accessible online.

http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1434. The paper puts forward empirical and historical evidence to suggest that diversification, value addition and retention are primary considerations for LLDCs pursuing sustainable development. The paper contains a number of case studies as well as contextual research on the characteristics of LLDC’s export sectors, and provides policy analysis of best practices that will be helpful for countries pursuing a strategy of increasing the share of value-addition they provide in these sectors.

3. In support of landlocked countries that are also LDCs in their progress towards graduation, UNCTAD, in collaboration with the Government of Lao PDR and UNDP- Lao organized a national workshop on prospects for graduation and implications to Lao PDR. The workshop, which was organized at technical and policy levels, had the objective of assisting policymakers, ministers, and bureaucrats in the Lao PDR to prepare for eventual graduation. The workshop emphasized the need for formulating and implementing trade and development policies that place productive capacities and structural economic transformation at the center to prepare for eventual graduation. Countries such as Lao PDR that are to meet the three graduation criteria in the near future should use graduation as a mobilizing and catalyzing factor for long-term, broad-based and sustainable development to avoid the low or middle income trap. The Vice-Minister of Planning of Lao PDR in his letter of appreciation to UNCTAD expressed satisfaction that the
4. In Livingston, Zambia, UNCTAD participated in key panel discussions and high-level roundtables. UNCTAD, in collaboration with OHRLS and CFC, also organized a side event on "Productive Capacities, Commodities and the post-2015 Development Agenda". The side event gave opportunities to respond to questions such as: how can landlocked developing countries unlock themselves from the vicious circle of low investment, low technological base; lack of economic diversification; perpetual poverty situation and persistence underdevelopment? How can they move up in the value chains with increased technological sophistication of exports? Why is it that some countries managed to radically transform their economic foundations in a relatively short period of time, while others stagnating, deteriorating or lagging behind?

5. In the implementation of UNCTAD’s Development Accounts Project titled: "Building the capacities of selected LDCs to upgrade and diversify their fish exports", Uganda has benefited from the project. For Uganda, a landlocked developing country, fishery constitutes the second largest foreign exchange earner after coffee. The Development Account project examines ways and means to upgrade and diversify fish exports from selected countries including Uganda with a special focus on meeting international food safety and quality standards. Through the project the manual has been developed and validated during national capacity building training workshops held in Kampala in October 2015. In an official letter addressed to the UNCTAD Secretary General, the Commissioner of Uganda for Fishery Resources emphasized the need for UNCTAD's "continued support and guidance on how to improve and diversify fish exports in order to overcome challenges posed by our weak supply capacities and complex international food safety and quality standards on fish exports".

6. UNCTAD, in collaboration with the Ministry of Foreign Affairs of Ethiopia, organized a high-level policy dialogue on "Leveraging Diaspora Resources for Growth and Structural Transformation of the Ethiopian Economy", at the end of December 2015. The dialogue, which was organized at the request of the Government of Ethiopia, is part of UNCTAD's continued engagement in and support to Ethiopia’s development efforts. The high-level dialogue brought together about 60 participants, including policymakers, advisors and experts from public and private institutions of Ethiopia- both from the federal government and regional states of the country, the Ethiopian diaspora community and diaspora associations as well as independent consultants and representatives of international organizations based in Addis Ababa. The primary objective of the dialogue was to assist Ethiopia in its efforts to harness the potential role of its diaspora population by: a) articulating sound pro-diaspora policies and strategies; b) by drawing practical policy lessons from successful experiences and best practices of other developing and emerging economies in mobilizing remittances and direct investments by the diaspora in the country of origin; and c) by putting in place institutional, regulatory and enabling framework to enhance the role of the diaspora in the country's transformative development agenda.
7. Dr. Kituyi, UNCTAD’s SG, organized a Cabinet Briefing for senior government officials of Malawi, in Blantyre, from 19-21 February 2016. The briefing included exchange of views on the current state of the international economic development landscape and the major global and regional issues as well as challenges that may have direct or indirect impact on Malawi and its ability to deliver on the SDGs. The Cabinet Briefing had the objective of assisting the government of Malawi to formulate a coherent and integrated national development strategy and ensuring effective implementation. The briefing also provided opportunities for the national political leadership at the highest level to engage in a structured and frank dialogue and to exchange views and share experience on diverse issues with senior executives of international organizations and eminent personalities who have had direct experience in economic governance. This Cabinet briefing are good complement to technical assistance provided to experts who often face political will challenges.

8. In pursing the implementation of Priority 5: Structural Economic Transformation in LLDCs, UNCTAD has formulated and readied for implementation a project to assess and measure the conditions of Productive Capacities in selected LLDCs. The project will assist measuring productive capacities through identifying composite indicators, involving such areas as: 1. Structural transformation (e.g. rate of value addition in natural resource-based industries, degree of economic and export concentration as estimated by Export Concentration Index and/or Economic Complexity Index); 2. Physical infrastructure including transport (e.g. the number of roads per million of population, percentage of paved roads, density of railways, etc.); 3. Information and Communication Technologies (e.g. access to internet, mobile telephone subscription and fixed telephone lines); 4. Energy (availability, affordability and access); 5. Science, technology and innovation (expenditure on education, R&D, technical colleges and scientific institutions, number of scientists and technologists, etc.); 6. Private sector development, including overall business environment; and 7. Financing and investing in the development of productive capacities (such as gross fixed capital formation). When completed, the project will assist LLDCs in their efforts to mainstream productive capacities and structural economic transformation into their respective domestic development policies and strategies.

B. OPPORTUNITIES: UNCTAD XIV and LLDCs

- LLDCs group in Geneva is closely working with the secretariat in articulating their trade and development interest. Already a number of key paragraphs comprising of LLDCs priorities are contained in the Zero-Draft submitted by the president of the TDB.

- Key issues captured in the draft negotiating text include: i) overall support to LLDCs in implementing key priority areas of the VPoA within UNCTAD’s mandates, ii) assisting LLDCs in Trade Facilitation, including in trade in services; iii) developing tools and methodologies for measuring productive capacities and structural transformation including diversification, iv) Contributing to greater integration of LLDCs into world trade
and regional and global commodity value chains; v) Enhancing trade logistics and support structures through customs modernization and automation (ACYCUDA) and (vi) assisting in the implementation of the WTO Trade Facilitation Agreement in LLDCs, etc.

- Ministerial Meeting of LLDCs will be held in Nairobi for which substantive and technical preparations are underway in Geneva. The ministers are expected to adopt a political declaration voicing their trade and development priorities as well as the international support measures needed to address specific challenges they face.