



**United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
(UN-OHRLLS)**

Statement by

**Mr. Gyan Chandra Acharya, Under-Secretary-General, and High Representative, for the Least Developed Countries, Landlocked Developing Countries
and Small Island Developing States**

**at the
WTO Committee on Trade and Development
Aid for Trade Session
10 February 3:00PM
Room W, WTO**

Under agenda item (B) Implementation of the 2016-2017 aid-for-trade work programme: (I) resource mobilization and implementation activities: Reports from members, observers and observer organizations

Distinguished Chair, Excellency Ambassador of Uganda, an LDC and LLDC,

Excellencies, Distinguished delegates,

Ladies and gentlemen,

It gives me great pleasure to participate in this session of the Committee on Trade and Development on Aid for Trade. I would like to express my thanks to the WTO for this invitation.

UN-OHRLLS advocates for the special needs of the most vulnerable countries of the world, LDCs, LLDCs and SIDS. We are tasked with ensuring the coordinated follow-up, implementation and monitoring of the three Programmes of Action of the LDCs, LLDCs and SIDS, while also promoting coherence with SDGs in these countries in an integrated manner.

We are very pleased to note that the 2016-2017 WTO aid for trade work programme has a focus on promoting connectivity. It finds a strong resonance in these countries. There is a premium on these issues in these countries, where lack of infrastructure, both hard and soft, and connectivity including ICTs, low level of supply-side capacity and low productivity have deleterious impacts on their prospects for generating employment, growth, trade and sustainable development. We are further pleased that your cross cutting theme is how Aid for-Trade support is contributing to the achievement of the Sustainable Development Goals, notably the targets on poverty eradication and women's economic empowerment. They are one of the most important issues for these vulnerable countries, where the level of poverty is highest and women's equality and full empowerment would transform the life of the nation.

LDCs program of action starts with building productive capacity with focus on diversification, promotion of infrastructure including energy, sustainable agriculture development, private sector development and building resilience, in a comprehensive and coherent manner to reduce poverty, enhance equality and promote sustainable development. LLDCs program of action lays stress on trade, transit, infrastructure and structural change. Because of their geographical handicap, the cost of doing trade for them is one of the highest. Regional cooperation is critical for these countries. The small islands again have inherent disadvantages of small size and are away from the major center of trade. And as such they look for efficient connectivity, sustainability and adaptation from climate change impacts in an integrated manner.

In the past two days, we have held in Geneva our inter-agency consultations on the LDCs and LLDCs to review our collective support to these countries.

You are aware that we have an ambitious goal of eradicating poverty, promoting sustainable development and building resilience by 2030 under the new global development framework. In this day and age of advancement of science and technology combined with a tremendous global capacity, we cannot have less ambitious goals. But it is also a fact that there is a big gap in conditions around the world. We cannot achieve global SDGs, if we cannot achieve them in these vulnerable countries. Leaving no one behind and inclusiveness is our mantra. Therefore there is a need for greater and wider partnerships than even before. We need to utilize all our resources to meet these goals.

It is in this spirit that Addis Ababa action agenda called for all resources to be employed; domestic and external, public and private.

Similarly, it looked at all means of implementation, financial resources, trade, investment, technology and capacity building. It is therefore that we have goals under trade within 17.10, 17.11 and 17.12, clearly specified in SDGs. Similarly under goal 8 which is about promoting growth and employment, we have specific references of aid for trade and EIF under 8a.

Despite modest progress these vulnerable countries are making in promoting trade and growth over the last decade, they are nowhere near utilizing their full potential. Their share of international trade has remained almost constant. Terms of trade is persistently unfavorable due to supply side constraints, export product concentration, low value addition and high cost of trade. We can collectively enhance our partnership and support to make sure that they break free from the low equilibrium trap, characterized by high proportion of poverty, low productivity and diversification, lack of infrastructure and high degree of volatility and vulnerability.

It is in this context that financial support, capacity-building and technical assistance through the WTO Aid for Trade initiative is critical for them. Aid for trade plays a key role in assisting them in the formulation of trade policies, participating in trade negotiations, implementation of trade facilitation measures, and development of trade-related infrastructure, with a view to increasing their productive capacity and competitiveness. Aid for trade, in combination with complementary policies, has contributed to lower trade costs, additional infrastructure, better border institutions and regulatory procedures. Aid for trade is also important in linking them to global and regional value chains. Since they are the weakest and there is a great potential, enhancing overall resources for aid for trade is critical.

OHRLLS continues to work to raise awareness of the special needs and challenges of LDCs, LLDCs and SIDS. Last year, we organized a number of meetings on critical issues of importance to them, including meetings on sustainable transport, enhancing partnerships for achieving sustainable energy, series of seminars on the importance of trade and transport related international conventions and trade facilitation agreements, private sector development and sharing of best practices to name a few. We have worked together with regional organizations and other relevant international organisations to promote legal provisions in relation to integrated logistics and transport and transit corridors in Africa and Asia.

We also organized the LLDC transport ministers meeting in Santa Cruz in Bolivia last year, looking at soft and hard infrastructure development, regional connectivity and transit issues.

Here in Geneva and working with WTO, we also organized the Fifth meeting of Trade Ministers of LLDCs last June. The meeting adopted an ambitious Ministerial Declaration that raises very important areas crucial for successfully harnessing the trade potential of the LLDCs. Amongst them is a call for a specific Work Programme for LLDCs under WTO as well as reiterating the need for assistance provided in the context of the Aid for Trade initiative.

In terms of planned activities, I would like to inform you that my Office is organizing next month a High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development in Hanoi, Viet Nam from 7-9 March. The meeting will assess the key issues in transit cooperation, trade and trade facilitation in the Euro-Asia region; serve as a platform for sharing of lessons learned, good practices and

initiatives on how to enhance investment in and improve transit cooperation, trade and trade facilitation between the transit countries and the LLDCs; and offer recommendations in these areas.

Considering the importance of ICTs to promote both trade and economic opportunities, we are organizing ICT and broadband connectivity meeting of African LDCs in Senegal towards the end of this month and another similar event for Asia-Pacific LDCs next year.

Working together with all relevant institutions we are working on an investment promotion regime for the LDCs as envisaged under the SDG 17.5. Similarly, as articulated under SDGs and as per the decision of the UN General assembly, we have started the work for the operationalisation of technology bank for LDCs.

We believe that there is an organic relationship between trade, investment and technology, especially when we look at the capacity constraints of these countries in all these areas. We are looking forward to a structural change in these economies and that is possible only when we have all the building blocks moving together.

Ladies and Gentlemen,

In conclusion, let me reiterate once again the importance of Aid for Trade for the most vulnerable countries. Not only should the overall Aid for Trade envelope be increased, but equitable allocation within countries and groups of countries should be ensured so that those countries most in need, including many of the LDCs and LLDCs and SIDS, receive adequate resources. Effective implementation and coherence is equally critical. Similarly, EIF needs to be well funded to deepen and maximize their positive impacts on the ground and also prepare LDCs better for accessing other pools of resources. It is right time for all of us to ensure greater

resources, higher effectiveness and equitable allocation of and coherence in aid for trade, that gives due priority to those most in need.

Now that the trade Facilitation Agreement is very close to coming into force, these countries will require further assistance to implement its provisions.

We know that domestic resources also play a very important role in these countries. It is mobilization is equally critical. Given their limited domestic resource base at the moment, which is around 12 to 13 per cent, they are not capable of generating necessary investment for achieving SDGs. Their dependence on ODA is substantial. But having a more productive capacity including trading capacity helps them generate more resources. Similarly, I was recently in Washington DC at the World Bank. And now with the substantial enhancing of the IDA 18 resources, we hope that they would also enhance their allocation in the areas of trade, energy and infrastructure. We are also talking to AFDB and ADB to ensure that more resources go to productive capacity building. Similarly, IADB and EIB can play a very important role as they are preparing for the second global infrastructure forum in the next two months' time.

I hope that the sixth Aid for Trade Review highlights the key issues of LDCs, LLDCs and SIDS to help them overcome their persistent marginalization in global trade and help them achieve their full potentials. We believe that it is not only in the interest of these countries, it is in the larger interest of the international community to promote equitable trade, eradicate poverty, ensure inclusive and sustainable development and thereby contribute to global stability, peace, progress and prosperity. Enhancing trade potentials of these vulnerable countries should be an inalienable part of it and comprehensive, sustained and enhanced support and partnership is key to it. Thank you for your attention.