**Mr. Mahmoud Mohieldin, Senior Vice President for the 2030 Development Agenda, United Nations Relations, and Partnerships, World Bank**

Your excellencies, colleagues, ladies and gentlemen

It's an honour to be here in Hanoi representing the World Bank Group at this important regional gathering on improving cooperation on transit, trade facilitation, and the 2030 Agenda.

Let me begin by commending the Government of Vietnam for graciously offering to host this meeting and for the excellent arrangements that have been made to make our stay enjoying and the conference productive.

Colleagues, the World Bank Group is committed to support the implementation of the Sustainable Development Goals and appreciate the unique challenges landlocked developing countries (LLDCs) face, including high transport costs and burdensome border procedures, remoteness and isolation from international markets. These challenges hinder the ability to harness international trade and structurally transform an economy.

However, while we appreciate these challenges, we also acknowledge the untapped potential that LLDCs have by being land-linked and providing transport routes between coastal neighbours and building new economic corridors that facilitate enterprise and investment across regions.

Over the years, the LLDCs and countries they use to transit through have initiated important policy reforms to address physical and non-physical aspects of transit transport. Some LLDCs and transit countries, through regional trade agreements, free trade areas and customs unions, have developed supportive institutional frameworks, such as transport and trade facilitation bodies or coordination committees, and road funds. Here in the Euro-Asia region, investments have been made in facilitating transit cooperation and transit trade and connecting the LLDCs with major Asian and European markets.

We know that the resources needed to achieve the goals set out in the 2030 Agenda are far in excess of the current flow of official development assistance, estimated roughly at $135 billion per year.

To be fit for purpose and effectively support the 2030 Agenda, Official Development Assistance (ODA) funds must be used more strategically and catalytically.

The World Bank Group remains committed to supporting landlocked and transit countries through our fund for the poorest, the International Development Association (IDA).

This past December, over 60 donor and recipient countries agreed to step up the fight against extreme poverty, with a record commitment of $75 billion to IDA. This is a milestone in the fight against extreme poverty and a testament in the faith of multilateral institutions such as the WBG to deliver development results.

In fact, IDA18 is one of the most concrete and important proposals made to support the new Financing for Development agenda framed by the 2015 Addis Ababa Action Agenda and is an essential step towards achieving the Sustainable Development Goals by 2030.

For the first time, IDA is seeking to leverage its equity by blending donor contributions with internal resources and funds raised through debt markets, enabling it to provide clients with billions of dollars in additional resources. IDA's recent triple-A credit ratings is an important first step to enable capital market access. Donor contributions remain central to this model, to ensure its financial sustainability and to enable IDA to provide concessional terms in line with its development objectives. This innovative IDA18 financing package offers exceptional value for money, with every $1 in partner contributions enabling about $3 in spending authority.

What does this mean for LLDCs: In total, IDA-eligible LLDCs (23 out of the 32 countries classified as LLDCs according to the UN-ORHLLS) would receive an indicative allocation of about US$17.4 billion in **Concessional Core financing** during IDA18. This represents over a USD5 billion increase from IDA17 commitments. In addition to the concessional core financing, additional resources would be available to all IDA countries under the **non-core regimes** (e.g. Crisis Response Window, Regional Program, and Private Sector Window).

As in the past, these funds will support a wide ranging development activities in transport and ICT infrastructure, trade facilitation, connectivity, and corridor-based projects in landlocked and transit countries.

But not only financing. On the Knowledge front, the WB is engaged in modernizing transit regimes, improving competition in the national and regional transport markets, assisting in the development of bilateral arrangements granting transport and transit rights, and promoting a functioning and competitive ICT sector to allow for affordable, accessible, and high-quality telecommunications services across borders.

**Mobilizing additional private sector resources**. As I mentioned scarce ODA funding and limited domestic resources cannot cover the estimated SDGs financing gap of several trillion dollars a year. In support of financing for development agenda, we are positioning the World Bank Group not only as a provider, but also as a facilitator of capital. A large pool of private capital is yet to be catalysed for development purposes and we are developing new tools and approaches to crowd in this money and help boost economic growth and employment. This is particularly relevant to LLDCs, where private capital remains scarce in the majority of cases.

Lastly we are promoting trade facilitation to better sequence our interventions, we've developed a "cascade approach" to investment decision-making. The model makes sure that the "Private Sector goes first, Public dollars last"

In other words, if a development program *can* be financed on commercial terms without government guarantees, while remaining affordable and offering value for money, then that investment is not a priority to for concessional or public financing. The newly established IDA private sector window will support this approach by making available usd2.5billion.

I wish to express the World Bank Group's full commitment to working with all Member States to support the LLDCs and transit countries improve cooperation on transit, trade facilitation and the 2030 Agenda.