

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

**Opening Session at the High-Level Meeting for the Euro-Asia  
Region on Improving Cooperation on Transit, Trade Facilitation  
and the 2030 Agenda for Sustainable Development**

7th March 2017  
Sheraton Ha Noi Hotel, Hanoi

H.E. Phạm Bình Minh, Deputy Prime Minister and Foreign Minister of Vietnam

Honourable Ministers

H.E. Frederick Musiiwa Makamure Shava, President of UN Economic and Social Council

Distinguished UN colleagues, heads and representatives of international and regional financial institutions as well as international organisations, Excellencies

Distinguished Delegates,  
Ladies and Gentlemen,

It is a great honour and privilege for me to address this opening session of the High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development.

Together with the government of Vietnam, OHRLLS is pleased to organize this meeting here in this beautiful historic city.

Let me begin by expressing my gratitude to the Government and the people of the Socialist Republic of Viet Nam for their support to host this meeting. I also appreciate your warm hospitality and excellent arrangement for the meeting.

We are happy to note that the hosting of this meeting here is reflective of the transformative change the country has gone through in a single generation as well as strong commitment of Viet Nam an important transit country and to the implementation of the Vienna Programme of Action and the 2030 Agenda for Sustainable Development. The meeting provides a great opportunity to share our experiences, best practices and I would like to extend my sincere thank to LLDCs, transit countries, development partners, UN and international institutions as well as regional and sub regional organizations for their close involvement in its preparation and their participation in the meeting.

I am particularly appreciative of the support of the World Customs Organization and the International Road Transport Union towards the organizing this meeting.

Deputy Prime Minister, Ministers, Excellencies, Ladies and Gentlemen

We are all aware that the 2030 agenda is a transformative global framework with ambitions to eradicate poverty, reduce inequality, promote sustainable development and protect our environment, while leaving no one behind. To translate our goals into reality, it is critical that we pursue an integrated approach, collaborate with all the stakeholders and mobilize comprehensive means of implementation. ODA, domestic resource mobilization, trade, investment, technology and capacity building all play an important role.

Trade is a key element of the means of implementation of 2030 Agenda for Sustainable Development. Trade can be an engine for inclusive economic growth and poverty reduction. No where is it so clear than here in Vietnam. Despite the pivotal role of international trade in achieving sustainable development, LLDCs remain marginalized from global trade. The share of LLDCs' exports in global exports hovers around 1% showing the marginalization of the LLDCs. In 2015 it stood at 0.96% having gone down from 1.21% in 2011, largely due to a sharp decline in commodity prices which demonstrates the vulnerability of the LLDCs.

The marginalization of the LLDCs is due to several factors including long distances to the seaports, poorly developed transport and transit systems, and cumbersome border and transit procedures. The LLDCs have to pay more than double what coastal countries incur as well as require double the time taken by transit countries to send and receive merchandise from overseas markets which renders them uncompetitive thus discouraging investment including FDI.

The LLDCs also manifest a high export concentration ratio when compared with other groups of countries, as their exports are highly concentrated on a limited number of products particularly commodities. Greater efforts are needed to support the LLDCs to reduce the trade costs that they face,

diversify their exports, promote value-addition and connect to international and regional value chains.

The Vienna Programme of Action offers a holistic development framework that reflects a commitment of the international community to help LLDCs tackle landlockedness through its priority areas of: Fundamental transit Policy Issues; Infrastructure Development and Maintenance; International Trade and Trade Facilitation; Regional Integration and Cooperation, Structural Economic Transformation, and Means of Implementation. Each priority area has specific objectives that need to be achieved through specific actions to be undertaken by LLDCs, transit developing countries, and development partners with support from all the other stakeholders.

The 2030 Agenda and the Addis Ababa Action Agenda recognize the special needs and challenges faced by LLDCs and stress the need for the international community to support the development efforts of the LLDCs. There is also the need to build coherence in the implementation of the VPoA with the other regional and international processes to ensure that no one is left behind in the LLDCs.

This meeting provides a unique opportunity to enhance dialogue on ways of enhancing cooperation on issues that are very important to the overall sustainable development of the LLDCs and their neighbours – transit, trade facilitation and the 2030 Agenda.

Let me highlight some key areas of cooperation as contribution to the discussion in this meeting.

First: Deepened regional integration and cooperation is needed to improve the hard physical infrastructure that is important to allow faster movement of goods belonging to the LLDCs to transit through their neighbours to the seaports. I wish to acknowledge the efforts undertaken in the region to improve connectivity - in particular initiatives such as the Asia Highway Network, Trans-Asia Railway Network, the Central Asian Regional Cooperation (CAREC) Programme, the Greater Mekong Sub-region (GMS) and the One Belt, One Road Initiative. However more efforts are needed to close the infrastructure gaps, the missing links, expand and upgrade all

modes of transport infrastructure needed to connect the LLDCs to sea ports and to build transport infrastructure that is resilient.

Second: Faster movement of goods in transit requires improving the soft infrastructure that involves enhancing the legal framework that includes the international transit treaties such as the TIR Convention, and regional, sub-regional and bilateral agreements that govern transit issues at the border, between the borders and behind the borders. It also requires improvement in the regulatory framework including harmonization of customs procedures and standards, regulatory consistency in how rules at the border are applied, and harmonization of policies between the LLDCs and transit countries, increased use of ICT applications for trade and transport facilitation and transparency and consistency in fees and charges.

Third: We recently witnessed a key landmark event in the multilateral trading system as the WTO Trade Facilitation Agreement entered into force on the 22nd of February 2017. This is an important moment for the LLDCs as the Agreement is expected to reduce trade costs and delays including passage of goods and streamlining of border procedures. However, in order to ensure that the TFA really translates into benefits to the LLDCs there is need for rapid implementation of the agreement. To date 17 LLDCs and 20 transit countries that are WTO members have ratified the agreement. It is also important that those Members who have not yet ratified the Agreement do so in order to benefit from its implementation. It is also important that Members who have capacity challenges are provided with assistance.

Fourth: Investment needs are high in both the LLDCs and transit countries. Domestic resource mobilization for infrastructure financing remains critical.

However domestic public finance alone will hardly meet the total financing needs. The importance for greater partnerships therefore cannot be overemphasized. Governments, the private sector, regional, international organizations, civil society, North-South and South-South cooperation are all important. Public resources, including ODA, need to be used in a catalytic way to attract and leverage sufficient investment.

The role of multilateral and regional development banks, in providing financing is crucial. The efforts that the financial institutions are currently undertaking are acknowledged and greatly appreciated. However more is needed including in the form of dedicated infrastructure funding for the LLDC. This is an area in which the LLDCs continue to dialogue with the financial institutions.

Fifth: Deepened cooperation is crucial in areas that can help both the LLDCs and transit countries to achieve the SDGs. For example; experience sharing and cooperation on enhancing efficiency and competitiveness, enhancing of productive capacities, increasing value addition, market expansion, and upgrading of the value chains. This can lead towards structural transformation of both the LLDCs and transit countries and greatly contribute to poverty eradication and promote sustainable development.

Let me conclude by emphasizing that it is now time for action as we need to accelerate progress to achieve the Vienna Programme of Action and the Sustainable Development Goals. Our collective work can transform landlocked countries into land-linked countries. The important result that we all wish to attain is the central pledge of the SDGs that we bring about transformative change while leaving no one behind. Enhanced level of Cooperation between the LLDCs and the transit countries will create a win-win situation, since it is through multifaceted cooperation and smooth regional connectivity that they will be able to improve their transport infrastructure, enhance trade, economic growth and overall sustainable development.

I thank you for your attention.