



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

Statement by

**Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under-Secretary-General
and High Representative for the Least Developed Countries,
Landlocked Developing Countries and Small Island Developing
States**

**at session 53: Plenary
Enhancing Connectivity and Advancing the Sustainable
Development goals
Thursday 13 July, 9.00-10.30 am, Room W**

**Aid for Trade Global Review
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[Question: Poor connectivity is a challenge that greatly affects landlocked developing countries and small island states. It increases their trade costs and reduces their competitiveness. As such, the panel will start with a question to Under Secretary-General and High Representative Fekitamoeloa Katoa 'Utoikamanu to provide her perspective on the work that is being carried out by OHRLLS to help this numerous group of countries overcome their connectivity challenges and how the AfT initiative can contribute in this regard.]

Mr. Moderator
Honourable Keynote Speaker
Distinguished Panelists
Excellencies, Ladies and gentlemen,

It gives me a great pleasure to participate in this session.

We are very pleased to note that the Aid for Trade review of this year is focusing on trade, inclusiveness, and connectivity for sustainable development, which are particularly relevant for the most vulnerable countries, especially LLDCs and SIDS.

As we have heard during the past two days as well as this morning that the LLDCs and SIDS are facing unique geographic challenges to their engagement in international trade and investment. Their inherent supply-side capacity and trade-related infrastructure constraints greatly impede their access to markets and their ability to integrate into regional and global value chains. These economies face high costs for transport, energy and intermediate inputs as well as low labour productivity, all of which inhibiting them from taking full advantage of their trade and development potentials.

Landlocked economies have no territorial access to the seas which results in high dependency on neighboring transit countries for their external trade and suffer from high transaction costs. Sealoaked economies face greater risk of marginalization due to their small size, remoteness from large markets, and high economic vulnerability to economic and natural shocks beyond domestic control.

According to World Development Indicators, only 44 per cent of the population in LLDCs have access to electricity, which is 74 per cent in SIDS. Around 88 per cent of the population of LLDCs and SIDS have access to mobile network. However, they are enjoying very limited internet and broadband connectivity which in turn constrains their ability to promote e-commerce and digitalized trading system. These constraints along with low level of supply-side capacity, weak human capital, limited technology-content in their products and low productivity have deleterious impacts on their prospects for drawing the full potentials offered by the international trade.

One of the key mandates of my Office, UN-OHRLLS, is to undertake comprehensive advocacy and outreach activities in support of the special needs of the most vulnerable countries of the world, namely LDCs, LLDCs and SIDS. We are also 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.

Under the broader umbrella of the strategic priority of OHRLLS, my Office undertakes several specific and targeted measures to foster connectivity of LLDCs and SIDS with a view to maximizing the benefits from international trading system.

First: Our analytical works, which includes reports, position papers, background documents and issue papers, are especially geared to address the structural and geographical constraints of LLDCs and SIDS. Our own narratives provide in-depth analysis on the costs associated with the remoteness and the tangible benefits related to modern and advanced connectivity networks.

Second: We consistently work within the UN system and with the Member States to ensure that the issue of infrastructure, connectivity and digitalization are systematically mainstreamed in the major outcome documents and other legislative documents. It is through our collective efforts that various aspects of international trade and the aid for trade are duly integrated into the 2030 Agenda. The SDG 8 calls to “increase aid-for-trade support for developing countries, in particular least developed countries”. The Vienna Programmes of Action for LLDCs lays specific measures to foster trade, infrastructure, transit facilities, regional cooperation and structural transformation. The SMOA Pathway for SIDS also highlights on the need for modern infrastructure, energy and connectivity to unlock the potentials of international trade. My Office has been undertaking rigorous follow-up and monitoring of the implementation of these provisions on a regular basis.

Third: OHRLLS continues to work to raise awareness of the special needs and challenges of LLDCs and SIDS. We organize 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 are also working with the United Nations Development System including the regional organizations and other relevant international organizations to promote legal provisions in relation to integrated logistics and transport and transit corridors in Africa and Asia.

Despite our sincere efforts as well as specific measures undertaken by LLDCs and SIDS, these groups of countries are yet to tap the full potentials offered by international trade. International support is vitally important for them. Aid for trade can greatly benefit these countries to undertake necessary measures in improving their productive capacity building, infrastructure development, creating an enabling environment, lowering trade costs, facilitating digital trade and e-commerce, and promoting growth in services. These countries can also leverage on sectors with the most potential to contribute to inclusive growth, trade flows, and generating economy wide spillovers. Some experts find that a 1% increase in the aid for trade is associated with a 7.3 points rise of the export diversification and a 1.16 point rise of improvement in export quality.

Aid for trade is also important in linking them to global and regional value chains. Aid for Trade can also fostering digital trade and bring numerous benefits to these countries. Experience

suggests that women entrepreneurs use internet and digital technology more than their male counterparts and can benefit from widening access to digital technologies and services. Aid for trade can also promote trade in services to a great extent.

Before I conclude, I would like to highlight these groups of countries do not enjoy any special and differential treatment in market access for their goods and services. Therefore, they need direct financial and technical support to be sufficiently competitive in the global trade. We are concerned that the international support that LLDCs and SIDS is receiving is far from adequate. In 2014, LLDCs received US\$ 6.49 billion Aid for Trade, while SIDS received US\$ 1.18. These allocations are far from adequate. I would call upon the development and trading partners to substantially increase their support to LLDCs and SIDS with a view to enhancing trade potentials of these vulnerable countries.

I thank you for your attention.