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Statement

By

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High Representative

and

Under-Secretary- General

Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

At the Latin America Region Midterm Review of the Implementation of the Vienna Programme of Action for LLDCs for the Decade 2014-2024

Santiago, Chile

Opening Session

11 June 2019
Your Excellencies

H.E Mr. Julio Arriola Ramirez (Representative of Paraguay to UN and Global Chair of LLDCs)

Our distinguished Co Facilitators,
H.E. Ms. Doma Tshering, Permanent Representative of the Kingdom of Bhutan to the UN
H.E. Mr. Jan Kickert, Permanent Representative of Austria to the United Nations to the UN

My esteemed colleague, Ms. Alicia Bárcena, our Under Secretary-General and Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean,

Excellencies,
Distinguished Delegates from landlocked, transit developing countries and donor countries
Representatives of international and regional organizations

Colleagues and friends

Ladies and Gentlemen

A warm welcome to our Latin America Mid Term Review meeting!

I first must express my gratitude to Ms. Alicia Bárcena and the staff of the Economic Commission for Latin America and the Caribbean. Thank you for your excellent partnership in organizing this meeting.

I am very honored to be here with you at the Commission. A Commission which is known for many decades for its innovative and inspiring work.

You are a vital partner for the implementation of the Vienna Programme of Action and achieving the goals of the 2030 Agenda.

I also deeply thank Paraguay for your important role in the organization of our meeting and for your leadership as the global Chair of the Group of LLDCs.

What a great level of participation. It is good to see the interest from landlocked and transit countries, from the development partners of LLDCs and all stakeholders from the region- I am encouraged!

Ladies and Gentlemen,

In 2014, we adopted the Vienna Programme of Action.

You, the member states, committed to a forward-looking development agenda for LLDCs demanding action in critical areas over the decade 2014-2024.

Five years have since gone by. Yes, the clock is turning fast.
Today, this year we meet at a strategic moment in the implementation of the programme.

A moment we must seize. We must assess our progress, our failures, gaps, and above all identify the way forward. We must identify practical, workable and forward-looking ways and means to accelerate the implementation of the Vienna Programme of Action and the Sustainable Development Goals. These are not separate goals they all are mutually reinforcing goals on which the clock is ticking and asking us to accelerate action.

We just have a short five years left to ensure that the priorities of the VPoA are more than words - they must be turned into results.

I would say, the glass is half full. In the last five years, LLDCs have made some progress towards achieving the goals of the VPoA.

BUT! that progress is however not sufficient to meet the VPoA or the agenda 2030 goals.

Effort is needed NOW.

It will have to be considerable effort. This also demands commensurate resources to achieve the VPoA and SDG targets by 2030. Otherwise, LLDCs will be left behind.

So, where do we stand?

Allow me to highlight some key features of where the situation at mid-term of the programme stands. While this may look like almost a " laundery list " of action items, these are not isolated issues. These all are truly interconnected issues to manage.

As we know, trade and related transit measures are strategic drivers for LLDCs’ efforts to advance their economies and with this sustainable growth. We can see progress.

For example, 24 out of 26 LLDCs that are WTO Members have ratified the WTO Trade Facilitation Agreement.

In the LAC region, two landlocked countries and all 5 transit countries ratified the WTO Trade Facilitation Agreement.

This is encouraging. It is testimony to the LLDCs’ and transit countries’ commitment to improving trade facilitation and addressing the high trade costs of the region.

As we know too well, agreements are a first step and it is implementation that makes matters move, that must happen.

I see it as very important to ensure that the actual implementation of the Trade Facilitation Agreements advances. It is the only way to realize the benefits of signing the agreements.
At the same time, it is clear that for this process to accelerate, much more needs to be done to build the capacity of the LLDCs to implement their Trade Facilitation Agreements.

From a macro perspective, the LLDCs’ trade integration does indeed remain low.

LLDCs account for less than 1% of global exports. In 2018, the share of global exports of the 34 transit countries’ was 22.7 per cent.

These figures hide that exports remain concentrated around a few primary commodities and natural resources still generating low value-added from a domestic development perspective.

That is a critical issue.

It is linked in some measure to the LLDC’s continuing high trade costs. Both are fundamental issues we must tackle if we truly wish to see the integration of the LLDCs into global trade.

And again linked to this is of course the issue of transport.

It is highly encouraging to see that the Andean Community of Nations and the Latin American Integration Association are seeking to simplify cross border land transport throughout South America.

As I said before, appropriate and therefore upgraded infrastructure is and always has been a key developmental driver.

It is a most positive step forward to see that the LLDCs and transit countries have invested in efforts to expand and upgrade the road and railway network over the review period.

Just as inter-regional transport networks matter, domestic transport networks are equally if not by times more so key to transformation and development.

On inland water transport, the recently signed River Transport Agreement’s additional Protocols further contributes to the predictability, stability, and legal security of investments made along the Paraguay-Paraná Waterway.

These are all encouraging actions but the need for more work to improve physical connectivity of the LLDCs remains and it is more than ever urgent.

With being landlocked, we too often see considerable lag in overcoming poverty and achieving inclusive sustainable development. Now add to this the often disproportionally destructive impacts of climate change with all the consequences on people's livelihoods and the LLDCs` economies.

Poverty in the LLDC remains three times higher than the global average of 10.9 per cent. Real GDP growth declined from 5.6 per cent in 2014 to 4.5 per cent in 2017.
Many LLDCs have placed economic transformation at the core of their national development plans as a key condition for poverty eradication. The desired structural transformation however is slow.

The challenge may well be to focus on high-productivity sectors with modern higher value-added products and industrialize the agriculture sector.

This in turn demands more effort to support and enable the private sector, micro, small and medium sized enterprises, to grow and fully participate in structural transformation.

This implies a need for policy changes but also is an area where regional cooperation holds great promise.

I myself come from a very small nation and believe me the notion of " achieving economies of scale " is there every day when you come from a small, remote nation!

Regional cooperation indeed holds this great potential to achieve economies of scale, to strengthen trade and transit facilitation, and promote joint infrastructure projects and enhance connectivity.

Take Paraguay who is party to nine regional trade agreements aimed at facilitating trade. These agreements on transit and trade facilitation will, I am sure, yield great benefits and expedite trade across borders.

As we all know, we have a fourth industrial revolution,

So, a further critical " must catch up " are concerns ICT.

The development and adoption of ICT holds great potential in so many areas. As I just talked about trade only, just picture what ICT can achieve in simplifying customs formalities and controls. Investing in and leveraging the potential of the ever more rapid digital evolution is of great importance to LLDCs and where we must ensure not to leave LLDCs behind.

And a last but certainly not the least factor I must address is that of capacity and financial resources.

Capacity constraints and access to adequate financial resources remain fundamental challenges that the LLDCs face in their efforts to achieve inclusive sustained growth and sustainable development.

The situation is no different in Latin America.

ODA as such remains focused on just a few LLDCs and the LLDCs own ability to attract and retain investment, including FDI, remains a challenge.

Most of the FDI flows are directed towards the extractive sector with limited potential for employment creation or skills building leave alone increased value-added.

Capacity constraints are partly driving this situation and I will come back to this.
We all now must rally as partners and support the development efforts of LLDCs.

On the one hand, the mobilization of resources through sources of financing such as public-private partnerships, infrastructure investment funds, and South-South Cooperation and Triangular Cooperation, must be much more tapped into. They are bold and innovative means to achieve the VPoA.

At the same time, we must step up capacity building while being mindful also of simplification. Since I took office, I have made a consistent call for simplified access to and accelerated disbursement of finances available to countries and their peoples most left at risk to once more being left behind! We can do this without compromising on transparency and accountability.

Ladies and Gentlemen

We are halfway through the VPoA. It is clear that more needs to be done on many fronts to support the LLDCs. It needs to be done fast and with innovative ideas! And, the challenge at hand demands for us to work TOGETHER. We must collectively work towards ensuring that the LLDCs and their peoples are not left behind.

Ladies and Gentlemen

Allow me now to turn to a final point. It may sound like housekeeping but how we now in a participatory and inclusive way use the process leading to the High-level Comprehensive midterm review to be held in December 2019 in New York is very important.

The President of the General Assembly has appointed the Permanent Representatives of Austria and Bhutan as co-facilitators for the midterm review. The co-facilitators are here with us in this regional meeting. Thank you for being here and thank you for having participated in the Euro-Asia and Africa regional review meetings.

The presence of the co-facilitators, and the Bureau member at our meeting will ensure that discussions are brought to the full attention of the intergovernmental negotiations in New York. As far as national level preparations are concerned, we received national reports from 20 LLDCs. The national reports are a significant input into global preparations.

OHRLLS in collaboration with partners is organizing thematic events on key issues in the LLDCs. The Ministerial Meeting of LLDCs on Trade and Transport that was held in Kazakhstan in May last year kicked off the preparatory process.

Further thematic preconference events that have been organized addressed energy, aviation, foreign direct investment, climate change, transit and border cooperation, ICT connectivity and science, technology and innovation for structural transformation.
Additional preconference thematic events are in the pipeline and concerns trade facilitation; trade and transport corridors and consultative preconference event on LLDC priorities with the World Bank.

As dialogue, exchange, inclusiveness are key here, OHRLLS organized a dedicated retreat at headquarters bringing together LLDCs, transit countries, development partners and international organizations. This retreat had one objective: exchange views and consult on the elements of the outcome document of the Midterm Review.

OHRLLS in cooperation with the Regional Commissions implements a project on “Strengthening the capacity of LLDCs under the Belt and Road Initiative to design and implement policies that promote transport connectivity for the achievement of the SDGs”. The project funded by the Government of China provided the resources that OHRLLS used to contribute to the organization of this regional review meeting. I express my appreciation to the Government of China.

And once more I thank my colleague, Alicia Barcena, for hosting us all!

Ladies and gentlemen,

Your active participation, your support will no doubt ensure that the outcome of this meeting will be one of action driven and pragmatic recommendations so that we come through on the promises the VPoA and Agenda 2030 make to leave no one behind.

Muchas gracias!

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