United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

(UN-OHRLLS)

Statement by
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High Representative
and
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Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

Opening Session
Meeting on Best Practices in Corridor Development and Management for the Benefit of LLDCs and Transit Countries

Novotel Ulaanbaatar Hotel
Ulaanbaatar, Mongolia
30th October 2019
Your Excellency Ms. Batmunkh Battsetseg, Deputy Minister for Foreign Affairs of Mongolia,

Excellencies,
Distinguished delegates,

Esteemed colleagues and representatives of international and regional organizations,

Ladies and gentlemen,

I thank you for giving me the honor to address the opening session of this important meeting.

I express gratitude to the Government of Mongolia for hosting us and all your support towards the preparations of the meeting and your warm hospitality. I also thank you for your unwavering commitment to the development agenda of the Landlocked Developing Countries.

You also host and support the International Think Tank for LLDCs. This is testimony to your strong support toward advocating and being a voice for the needs and interests of the LLDCs.

Last, but by no means not least, I express our appreciation to the Government of the Russian Federation for their generous financial support which has made this meeting possible.

Distinguished participants,

So many of you have come from afar and I am inspired by this great level of participation.

It is good to see the interest in this topic from both landlocked and transit countries, from across different regions.

Our meeting is very timely.

Trade, global exchange, and so much more are once again key issues in multi-lateral relations.

Indeed, there is renewed interest and we see the emergence of bilateral, regional and multilateral efforts to develop and manage transit, transport and economic corridors.
This is particularly true for the Euro-Asia region.

I believe it is important to have a platform to discuss together how already existing agreements can be put to practice, how to efficiently manage corridors. As they say " paper can be patient " but our challenge is to ensure that the tools and initiatives we have are made operational and are effective.

The world’s 32 landlocked developing countries are among the most disadvantaged countries in the world.

The LLDCs count for about 509 million people. That is some 7 per cent of the world's population. They live on about 22 per cent of the total global land area. Yet, they account for less than 1 per cent of global exports!

and this share has been declining!

The countries' given geography is that they lack direct territorial access to seas. They are isolated from major centres of economic and trade activity. Their size and locations severely limit scope for economies of scale, bring about structural transformation impediments and capacity constraints.

Add all this up and the result is that it is very expensive for LLDCs to conduct trade, achieve industrial development and attract investment. Agenda 2030 and its SDGs is all about integration, leaving no one behind. Yet, we face a formidable challenge in ensuring full integration of the LLDCs into global trade if we want to meet the related SDGs.

This is where connectivity comes in.

Enhancing transit transport is a key issue for the LLDCs. LLDCs remain peripheral to major transportation networks. They depend entirely on transit routes across their neighbouring country territories for transport of their exports and their imports. The result is simple - high transport and transit costs.

In fact, the costs to export and import for LLDCs are more than twice that of the transit countries and these costs have been increasing over time. Establishing integrated, sustainable and efficient transit transport systems thus is a must, a top priority. This is particularly true for corridors as they are critical for the movement of goods, expansion of LLDCs’ trade, increasing connectivity and integration into regional and global trading networks. Well-coordinated corridors do more than just accelerate the development of infrastructure. They act as a catalyst for the harmonization of procedures along
corridors, the development of soft infrastructure and the implementation of trade facilitation measures. They help reduce time spent at borders, increase transport reliability and predictability and so ultimately contribute to reducing the high cost of transport.

This also necessitates the design and implementation of effective rules and regulations within a supportive, stable and predictable policy framework. It is imperative to develop policies to encourage efficient transit along corridors. The implementation of the WTO Trade Facilitation Agreement is important in this regard to facilitate smoother, faster and cheaper trade and transport along corridors.

The spin-off impact of corridors is therefore much wider bearing on economies, including the development of vibrant services industry and creation of decent jobs.

But ensuring efficient transit along corridors is not purely a national matter. Close cooperation between LLDCs and transit countries in their respective regions on transport is a necessity.

Better connecting, integrating the LLDCs can also provide for win-win opportunity for both LLDCs as well as their trading partners. Some LLDCs have already been able to take advantage of their natural resources and implement policies that have enabled diversification and export of higher value-added products to wider markets. These are efforts we must support and encourage.

In turn, LLDCs are also becoming important transit countries themselves.

I hope I have made my case that there is a lot to gain for everyone from close corridor management cooperation!

Distinguished participants, Ladies and Gentlemen

The promotion, development and effective management of corridors will also be critical to the implementation of the Vienna Programme of Action for the Landlocked Developing Countries.

The Vienna Programme of Action adopted by the international community in 2014 offers a holistic approach to addressing the special needs and challenges of LLDCs across six priority areas.
A key objective of the Vienna Programme of Action is to ensure efficient access to and from seas for the LLDCs. Furthermore, it is about reducing high transport costs, developing adequate transit transport infrastructure networks, simplifying and harmonizing rules and regulations and promote increased participation of LLDCs in global trade.

Yes, it is a tall agenda!

The Vienna programme provides for specific actions to be taken by LLDCs and transit countries for corridor development.

These are: promoting sustainable and resilient transit systems including through development of corridors along transit highways; creating development corridors along transit highways and railroads; and sharing best practices in corridor management.

The corridor approach has been particularly successful in Africa where it has contributed to facilitating trade, harmonizing policies across countries, fostering partnerships in infrastructure development and promoting private sector investment.

There is a lot we can learn from each other's experiences. This is why I hope that this meeting will allow you to share knowledge, best practices, what did not work and lessons learned in effective corridor development and management.

There is a lot we can learn from experiences of established corridor management organizations such as those for the Northern Corridor of Africa to the more recent planned projects such as the Mongolia, Russian Federation and China Program of Trilateral Economic Corridor or the bi-oceanic corridor that will join the Atlantic Ocean with the Pacific Ocean in Latin America.

Distinguished participants, Ladies and Gentlemen

Our meeting is one of the final gatherings leading up to the comprehensive high-level midterm review on the implementation of the Vienna Programme of Action.

This review takes place on 5 and 6 December in New York. It will be chaired by the President of the United Nations General Assembly. The midterm review is a unique opportunity to take stock of progress made. To take stock of what has worked, what has not worked, what are the remaining challenges and what needs to be done to deliver concrete results. The report and
recommendations of your meeting will provide an important input into the midterm review.

OHRLLS has coordinated the preparatory process for the midterm review. This included national level reviews, regional review meetings for Euro-Asia, Africa and Latin America. The process also provided for more than 20 thematic pre-conference events, such as this one.

At the outset, I was concerned that we have a highly participatory process and one that captures your voices.

The midterm review itself will feature important discussions. We will discuss connectivity and corridor development in two high-level panels: one on Promoting trade, trade facilitation and structural economic transformation in LLDCs and one on Regional integration and infrastructure connectivity. The midterm review will adopt a Political Declaration. The declaration will include a call to action to accelerate the implementation of the Vienna Programme. Time is of the essence, 2024 is just around the corner!

Promotion of an integrated corridor approach to improve trade and transit transport and promoting regional connectivity will be one of the important calls of the Declaration.

Your active participation, your engaging in the discussions, will send a strong signal to the midterm review that corridor development and management is a key issue! A key issue for both landlocked and also the transit countries in the implementation of the Vienna Programme of Action and achievement of the SDGs.

I look forward to listening to you and wish you constructive deliberations. Thank you.