Statement

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

at

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Follow-up to the Second United Nations Conference on Landlocked Developing Countries

Introduction of the report of the Secretary-General on the implementation of the Vienna Programme of Action for the LLDCs

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Mr. Chairman,
Excellencies
Ladies and Gentlemen

I am pleased to introduce the Report of the Secretary General on the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the decade 2014-2024 contained in document A/74/113.

With the upcoming Comprehensive High-level midterm review of the Vienna Programme of Action, and as mandated in General Assembly resolution 73/243, this report takes stock of where we stand in the implementation of the Vienna Programme of Action for the period 2014 to 2019.

The focus is on assessing progress made and also highlighting the challenges that remain and must be addressed.

The report provides for recommendations on how to accelerate implementation of the VPoA over the next five years.

Overall, the LLDCs record mixed results regarding progress in achieving the goals of the Vienna Programme of Action and also in their progress toward achieving the SDGs.

Over the period under review, the annual growth rate of real GDP per capita in LLDCs decreased from 3.1 per cent in 2014 to 2.1 per cent in 2017.

It is of concern that in 2017 GDP per capita was a mere 15 per cent of the world average.

When we look at select social indicators, some progress has been made regarding health and education-related indicators and on gender equality and the empowerment of women and girls.

So what progress has been achieved in the first 5 years of implementation of the Vienna Programme of Action?

The very geographical situation of the LLDCs demands a priority investment in opening up transit space to integrate into the world economy.

Regarding transit policy issues, the ratification of international conventions by both LLDCs and the transit countries has remained relatively low with the exception of the ratifications of the WTO Trade Facilitation Agreement. Currently 25 out of 26 LLDCs that are WTO Members have ratified the Trade Facilitation Agreement while 27 Transit countries have ratified the Agreement.

The report notes the significant development of regional, sub-regional and multilateral initiatives in support of transit.

Examples that stand out are:

the New Customs Code adopted by the Eurasian Economic Union;
the transport and transit corridor agreement signed by Afghanistan, India and Iran; the African Continental Free Trade Area; and the Agreement on River Transport for the Paraguay-Paraná Waterway signed by the Latin American LLDCs and transit countries.

Development of adequate infrastructure but also its maintenance are obviously a top priority.

Some progress was made in completing missing links and improving the quality of infrastructure to increase connectivity of LLDCs.

However, challenges remain.

The estimated paved road and rail densities for LLDCs are considerably below world averages.

As for air transport however the LLDCs global share of freight transport by air increased from 0.9 per cent in 2014 to 1.4 per cent in 2017.

On Inland waterways, the major challenges faced by LLDCs include the reduction in water levels during dry periods; silting; constraints in the development of port infrastructure; capacities and operational, management-related and regulatory issues.

On the count of access to energy, access of people to electricity in LLDCs increased from 49.5% in 2014 to 56.3% in 2017.

This is positive but LLDCs do continue to lag considerably behind the world average of 88.8%.

The report also draws your attention to the fact that the rural-urban gap remains significant in electricity and other basic access.

On ICT, the proportion of individuals using the Internet increased from 17.3 per cent in 2014 to 25.7 per cent in 2017.

Again, this remains considerably below the world average of 48.6 per cent.

One key factor here is that LLDCs continue to face excessive costs for broadband access.

Turning now to international trade performance. LLDCs global merchandise exports continue to account for less than one percent of global exports! And, it is of concern that they comprise mainly of primary commodities exports.

The VPoA identifies trade facilitation as a key action area. At present, the implementation of Trade Facilitation Agreement lags behind. The LLDCs’ rate of implementation of commitments is estimated to be about 34%. The report however notes that LLDCs have adopted a wide range of measures in their effort to implement the Agreement but still face implementation capacity challenges.
A further strategic action area pertains to regional integration and cooperation. The average number of regional trade agreements that LLDCs are parties to increased from 3.34 to just 3.91 per country during the review period.

Given what I just shared with you on key factors in development, it is thus not surprising that structural economic transformation remains constrained. For example, the average value-added contribution of the manufacturing sector to GDP only increased slightly, from 9% in 2014 to 9.6% in 2017.

Twenty-six LLDCs remain commodities-dependent.

It is this lack of diversification which makes LLDCs vulnerable to terms-of-trade shocks and severely hampers their competitiveness. As far as ODA is concerned, the level increased from $24 billion in 2014 to $28 billion in 2017. This represented 17.2% of total ODA flows to developing countries.

We all know of the critical importance of partnerships and especially public-private partnerships. Yet, FDI flows to LLDCs declined from $28.7 billion in 2014 to $22.7 billion in 2017.

This is an average and both ODA and FDI flows were concentrated in a few countries and FDI mainly went to the extractive sector.

Allow me now to turn to follow-ups and reviews by the UN system. The report highlights several activities undertaken by OHRLLS and other UN agency organizations to facilitate the implementation of the VPoA.

Progress made clearly is limited. Time is not on our side. It is therefore essential that the report stresses that LLDCs require continued and enhanced investment, technical assistance and capacity development. It is the only way to accelerate the implementation of all the priorities of the VPoA member states signed off on.

It is also for this reason that the report calls for greater cooperation between the LLDCs and transit countries. The report also calls for deepening regional integration to improve the trade potential of LLDCs.

The report recommends both the need and urgency for mobilization of additional financing to increase investments in resilient and sustainable infrastructure development and maintenance, improved trade facilitation, and efforts to address internal and external vulnerabilities of the LLDCs.

It further recommends enhancing technical assistance and capacity building support including in the formulation and implementation of effective, targeted and high-quality policies and strategies on economic structural transformation. This ought to include industrial policies that can promote value addition.
We must also strive for greater coherence in implementing the VPoA and the 2030 Agenda.

Mr. Chairman, Ladies and Gentlemen

The Comprehensive high-level midterm review of the VPoA will be held here in New York on 5 and 6 December 2019 as already announced by the PGA.

It is my sincere hope that the report continues to serve as background information to member states’ deliberations, which have resulted in a draft outcome document of the Comprehensive high-level midterm review.

This draft, which has been consensually agreed on, has a call for action. If this action is taken now with a sense of urgency, it should allow for the acceleration of the achievement of the VPoA objectives and those of the 2030 Agenda.

I thank you.