Statement by

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Under-Secretary-General
High Representative
for the Least Developed Countries, Landlocked Developing Countries
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Financing the SDGs in Africa’s landlocked least developed countries through strengthened trade ties within the framework of the AfCFTA
18:15 to 19:45 hrs,
5th December 2019,
Venue: Egypt to the UN Mission, New York

H.E. Mr. Lazarous Kapambwe, Ambassador and Permanent Representative of the Republic of Zambia to the United Nations in New York
- thank you for giving me the floor.

HE Mr. Mohamed Fathi Ahmed Edrees, Ambassador and Permanent Representative of Egypt.

Ms. Bience Gawanas, Under-Secretary-General and Special Adviser on Africa to the United Nations Secretary-General.

Representative of the UNECA

Representative of the AfDB

Excellencies, Ladies and Gentlemen

This year is an important milestone for the implementation of the Vienna Programme of Action for LLDCs.

We are halfway through a very ambitious journey. A journey of caring to leave no one behind.

The Mid Term Point of the Vienna Programme of Action also presents us with an opportunity to review our progress towards achieving the Sustainable Development Goals.

Excellencies,

Towards this, I wish to underscore that LLDCs have exhibited mixed progress with some achievements in some areas such as ratification of the WTO Trade facilitation Agreement, efforts to close missing links on transport routes, and improvements in trade facilitation on one hand but also facing major challenges that have limited their progress in other areas.

At the current progress rate, it is unlikely that the LLDC will achieve the majority of objectives of the VPoA by 2024 nor the Sustainable Development Goals by 2030.

Time is not on our side!

After five years into the implementation of the Vienna programme of action, LLDC’s socio-economic development continues to be limited by lack of direct access to the sea, and their dependence on developing transit countries for international trade.

LLDC’s real GDP growth declined to 2.1 % in 2017. This is its lowest level since 1998!

While poverty levels have improved, they remain higher than world average. A third of the population in LLDC still live in extreme poverty.

The impact of climate change on their food security and the many ramifications stemming from lack of food security for development and peace, are of concern.

Excellencies,
The 2030 Agenda recognizes international trade as an engine for inclusive economic growth and poverty reduction, and as an important means to achieve the Sustainable Development Goals.

One of the primary goals of the VPoA is to foster partnerships that can support LLDCs to harness benefits from international trade. The VPoA aims, amongst other objectives to promote increased participation in global trade, value addition, diversification and reduction of dependency on commodities.

Historically, trade has proven to be an engine for developing countries’ economic development and poverty reduction. Rapid growth, fueled by trade, have contributed to an unprecedented reduction of poverty levels.

However, LLDC global merchandise exports accounts for less than one percent of global exports! African LLDC’s merchandise exports decreased from US$2.9 billion in 2014 to 2.5 billion in 2017. And, it is of concern that they comprise mainly of primary commodities exports.

Africa’s exports to the rest of the world are mainly natural resources and low-value added primary commodities- which are vulnerable to price volatility.

This calls for diversification and greater value addition. It also calls for effective integration into the global and regional trade, including through regional integration.

However, this is limited by LLDCs high trade costs resulting from long distances to ports, isolation from the international markets and cumbersome border procedures, among other things.

The issue of high trade costs for the LLDC has hardly improved!

In this context, the African Continental Free Trade Area (AfCFTA) brings positive prospects for African LLDCs. It offers an opportunity for LLDCs to integrate into the African market of over a billion consumers with a total GDP of over $3 trillion.

AfCFTA can serve as an effective instrument for regional integration, promotion of industrial development and economic diversification and the enhancement of the participation of LLDCs in regional and global trade and ultimately achievement of SDGs.

Effective participation of LLDC in AfCFTA will integrate them into the regional and global value chains.

Excellencies,

For the AfCFTA to deliver its promises to all countries across Africa, its implementation has to go hand-in-hand with that of implementation of global agendas dedicated to the most vulnerable countries, in particular the Vienna Programme of Action. LLDC must therefore double its efforts, supported by development partners to implement the priorities of the Vienna Programme of Action.

Much more needs to be done - and it needs to be done faster!
LLDCs require continued and enhanced investment, technical assistance and capacity development to accelerate the implementation of all the priorities of the VPoA.

LLDC need to effectively implement international and regional agreements to improve transit, including the WTO Trade Facilitation Agreement. We need to build LLDC capacity to implement the TFA.

Development of adequate infrastructure and its maintenance is a top priority. There is an urgency to mobilize 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.

There is need to enhance 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 and development of bankable infrastructure projects.

Excellencies,

On this note, I wish to recall that the Political Declaration of the High-level Midterm Review on the Implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, which has been consensually agreed on, has a call for action.

The effective implementation of the call for action is critical for the achievement of the VPoA objectives and those of the 2030 Agenda, ensuring that we leave no one behind.

Thank you for your attention.

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