Inter-active panel on
Promoting Trade, Trade facilitation and Structural economic transformation
in landlocked developing countries

Remarks by Ms. Fatou Haidara, UNIDO

Excellencies,
Ladies and gentlemen,

Allow me to first thank the organizers for this important event, and for giving UNIDO the opportunity to share our work in this area.

As many of you know, UNIDO is the specialized agency of the United Nations that promotes Inclusive and Sustainable Industrial Development (ISID) for poverty reduction, inclusive globalization and environmental sustainability.

I have carefully listened to the statements made yesterday and was encouraged by the progress made. I was furthermore encouraged to hear that industrialization is at the core of LLDC’s development strategies. Yet, more work needs to be done to meet the goals of the Vienna Programme of Action.

As we have heard, the challenges facing LLDCs are manifold. The industrialization gap between LLDCs and other developing countries can be partly attributed to their structural vulnerabilities, the absence of adequate infrastructure in transport, logistics, energy, ICT as well as other factors such as slow regional integration and limited access to quality infrastructure. The unique challenge of LLDCs are their dependence on their neighbors’ infrastructure and administrative procedures to transport their goods to markets.

These structural factors have contributed to the low levels of the LLDC’s share in global trade.

Addressing these challenges requires a more holistic approach for structural economic transformation in LLDCs to allow them to benefit from globalization. This transformation to offer industrial goods and quality services, including ICT-based services to global markets, needs to be supported by an enabling business climate, the capacity to export, and industrial infrastructure such as industrial parks and economic zones.

Of course, right policies, infrastructure, skills and a level playing field are key elements for a conducive investment climate. Trade facilitation and trade capacity building to support exports, partnerships to build infrastructure, facilitate technology transfer and foster innovation are also key elements.
UNIDO supports LLDCs through dedicated trade facilitation and trade capacity building programmes and innovative partnerships.

I will start by sharing with you our approach to trade facilitation and trade capacity building.

Ladies and Gentlemen,

The ability of LLDCs to exploit trade opportunities and to access markets is hampered by the absence of competitive supply capacities and compliance infrastructure.

Therefore, we focus on:

- Building capacity for effective trade and quality policy making, and provide advice on trade related policies;
- Strengthening the regional and national quality infrastructures;
- Supporting productive sectors to produce goods that meet international requirements;
- Promoting food safety and consumer, environmental, social and health protection, taking into account gender equality and women economic empowerment.

It is easy to overlook the fact that one of the first challenges to successful access to export markets starts at the factory gate as goods begin their long journey to regional and global markets. Within UNIDO’s programme for economic competitiveness, Trade Capacity Building provides solutions in the framework of the Aid-For-Trade Initiative to access global markets.

We team up with governments, international organizations, representatives of the public and the private sectors, financial institutions, academia and civil society to:

1. Enhance standardization, quality, accreditation, metrology and conformity assessment services;
2. Enable SMEs to participate in global value chains, including modernizing agro-industries to increase their export potential;
3. Increase the ability of SMEs to compete in export markets, including forming export-oriented consortia.
4. Develop systems to improve knowledge management and assessment of market trends.

And now, I shall turn to our innovative partnership approaches.

In past recent years, UNIDO has been piloting a new model of country-level engagement based on partnerships and aimed at leveraging private investment, namely the Programme for Country Partnership (PCP). The PCP is UNIDO’s innovative tool to support Member States to achieve long-term inclusive and sustainable industrial development (ISID) and meeting SDG 9, industry, innovation and infrastructure.
Ethiopia, Kyrgyzstan, Zambia and Rwanda are some of the LLDC examples of our PCP. Key features of the PCPs are: country ownership; alignment with national priorities; creation of synergies among partners; enhancing partnerships with the private sector, multilateral and development finance institutions. PCPs also link technical assistance to investments. PCP supports governments in mobilizing large-scale industrial investments from both public and private partners.

Before concluding my remarks, I would like to draw your attention to the rapidly changing environment. The 4th Industrial Revolution with its rapid advances in technology such as Artificial Intelligence, block chains, Internet of Things, etc. could further widen technology and digital gaps. UNIDO’s Industrial Development Report 2020 entitled “Industrializing in the digital age” contributes to this debate. Of course, this is not the main focus of our discussion today but it gives the context in which LLDCs are operating, and I invite all of you to take a look at the findings of this excellent report.

Finally, allow me a recommendation to accelerate the implementation of the VPoA in the remaining period. Let me first echo the SG’s call to “join forces to help the world’s 32 LLDCs achieve sustainable transformations and better standards of living …”, and reiterate UNIDO’s commitment to join forces with partners to:

- promote innovative industrial policies;
- advance enabling business environments;
- support infrastructure, human capital, technology and institutional capacity building;
- foster private-public partnerships;
- stimulate innovative financing, including blended finance.

Thank you for your attention!