



Remarks by Ad Melkert

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High-level Plenary Meeting Devoted to the Midterm Review of the Almaty Programme of Action

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It gives me great pleasure to say a few words on behalf of UNDP at this high level plenary meeting launching the midterm review of the Almaty Programme of Action.

Trade can be a powerful engine of growth in landlocked developing countries (LLDCs). However, many of these countries are not realizing the benefits for human development. Collectively LLDCs only account for 2% of the world total gross domestic product and the average GDP of LLDCs is roughly half of that of their maritime neighbours. Additionally 10 of the 20 countries ranking lowest on the human development index are landlocked, according to UNDP's Human Development Report 2007/8. The recent volatility of the global economy has the potential to compound the situation further with sharp increases in food and fuel prices that severely affect LLDCs, many of whom are net commodity importing countries. If the world is to meet the Millennium Development Goals by 2015 the potential of trade for human development in landlocked and transit countries must become a reality.

Today I would like to focus my remarks on progress in achieving MDG 8 – the global partnership for achieving the MDGs, and UNDP's trade-related support to LLDCs both in the area of trade and access to energy.

1. Aid , trade and LLDCs

This year, a task force co-chaired by DESA and UNDP (with 20 agencies) looked at implementation gaps in the achievement of MDG 8. According to the MDG Gap Task Force report, the proportion of Official Development Assistance (ODA) for landlocked developing countries has not changed much since 1990; in 2006 LLDCs received 6.3 % of their GNI in ODA.

When it comes to trade, in 2000 world leaders set the goal of developing an open, rule-based, predictable and non-discriminatory trading and financial situation, including special attention for LDCs, LLDCs and small island developing states. Unfortunately the "failure to conclude the Doha Round constitutes the largest implementation gap in the areas of trade" and developing countries "still face significant distortions and reduced access to markets to which they could export and thereby generate growth" (MDG Gap Task Force Report 2008).

2. Midterm review of the Almaty Programme of Action – UNDP's contribution

In reviewing the implementation gaps of MDG 8, it is befitting that we are also at the mid-point of reviewing the Almaty Programme of Action today. UNDP recognizes that the Almaty Programme of Action constitutes a framework through which the international community committed itself to address the special needs of LLDCs and establish a global framework for efficient transit transport systems in landlocked and transit developing countries.

National trade capacity development is key to a more inclusive and equitable globalization, including for the achievement of the MDGs. UNDP's support programme aims to: (a) enhance trade mainstreaming in national development strategies and PRSPs; (b) build capacities to negotiate trade agreements that prioritize poverty reduction and human development outcomes; and (c) strengthen competitiveness and overcoming supply side constraints.

UNDP has been actively contributing to these objectives, including through:

- Supporting programme countries on a variety of Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (EIF) implementation and substantive issues;
- Responding to new demands of EIF programme expansion;
- Providing support on the Aid for Trade initiative; and
- Assisting UNDP country offices and regional trade advisers provide support on mainstreaming trade into national poverty reduction and development plans.

These activities are being coordinated as part of the 'Delivering as One' process through the CEB Trade and Productive Capacity Cluster and the UN Resident Coordinator System on the ground.

More specifically, our trade capacity development work is already geared towards accelerating the integration of the Almaty Programme of Action priorities into areas of work in the fourteen EIF participating LLDCs, namely Bhutan, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lao PDR, Lesotho, Malawi, Mali, Niger, Nepal, Rwanda and Zambia.

In this midterm review, LLDCs are requesting the UN system and other partners to further operationalize the Aid for Trade initiative to support trade facilitation measures and trade-related technical assistance, as well as the diversification of the export products, SMEs development and private sector engagement in LLDCs.

UNDP has prioritized the provision of policy support for conducting Needs Assessment in LLDCs. These assessment exercises help to identify potential areas that can benefit from the Aid for Trade Initiative. They provide a set of policy recommendations and technical assistance projects aimed at overcoming productive capacity and other supply-side constraints and building trade capacity, while inter alia,

improving human development and poverty reduction outcomes. Such assessments are currently in progress in Mongolia, Kazakhstan, Kyrgyzstan and Uzbekistan and soon will be extended to several other countries in the region, including Tajikistan, Turkmenistan, Azerbaijan as well as South African Customs Union (SACU) countries (which include Botswana and Swaziland), and Paraguay. To give one example, in Mongolia UNDP has been supporting a mid-term trade policy review which has recommended actions such as opening new customs offices, adopting an open skies policy for freight and exporting high value products by air, as well as the need to renew efforts in the negotiations with China and Russia to finalise a “transit trade framework.”

3. The potential for increasing access to energy in LLDCs

Beyond the area of trade I also wanted to bring to your attention the crucial importance of expanding access to modern energy services in LLDCs. Through the Regional Economic Communities in West Africa (ECOWAS) which include Burkina Faso, Mali and Niger, and in the East Africa Community (EAC) which includes three of the five member states as LLDCs, Uganda, Rwanda and Burundi, UNDP has supported the formulation of regional strategies that include specific energy access targets related to domestic fuels, electricity and motive power, designed to assist countries in providing energy services to meet the MDGs.

In Asia, UNDP is supporting community-level rural energy policy development and the establishment of institutional frameworks for delivery of rural energy services at the district level in Afghanistan and Nepal. Bhutan has prepared renewable energy policy as a part of their current Five Year national Plan and in Nepal the Rural Energy Development Programme (REDP) has installed over 100 micro-hydro schemes in 30 districts since 1996 that supply electricity to over 20,000 households yielding a development benefit of \$1.1 million each year. Efforts like these need to be scaled up and lessons learned transferred to other LLDCs. In all of the UN activities addressing the need to act decisively on climate change the vital priority of connecting all poor people to electricity, water and sanitation should be emphasized with equal force.

With only seven years left to 2015 – the target for the achievement of the MDGs - an extraordinary effort needs to be made to improve the lives of the poor through stronger international cooperation. Trade and access to energy are crucial to this effort, by increasing pro-poor growth and advancing human development. We, at UNDP, stand ready to assist the LLDCs in meeting the challenges outlined in the Almaty Programme of Action.

Thank you.