

**Statement for the United States by Ambassador T. Vance McMahan,  
U.S. Representative on the UN Economic and Social Council, at the  
High-level plenary meeting devoted to the midterm review of the  
Almaty Program of Action**

**General Assembly, Sixty-third session, October 2-3, 2008**

Thank you, Mr. President.

The outcome document of the Midterm Review and the Secretary-General's detailed, comprehensive report on implementation of the Almaty Program of Action are an excellent basis for our deliberations this week. We note that the outcome document and the report affirm the value of regional and subregional cooperation, and of accession to multilateral conventions, transport policy reform, and trade facilitation measures including, quote, "the commercialization and liberalization of transport services and efforts to improve institutional, procedural, regulatory and managerial systems and reduce excessive paperwork and red tape requirements." These reforms are in our view essential for effective participation in the world economy and for deriving full benefit from international assistance.

Mr. President, in thirteen of the landlocked developing countries today, the United States through the Millennium Challenge Corporation is providing national development strategies with unprecedented levels of assistance, transfer of know-how and technology, and collaborative institution-building. Our partnerships are aimed at transformation, at achieving a permanent boost to rates of economic growth.

The Millennium Challenge Corporation currently has signed large grant agreements – called Compacts – with ten landlocked developing countries for over 1.9 billion U.S. dollars. In Mongolia, the MCC is funding a \$188 million project to rebuild and commercialize the national railroad system. Another \$23 million project is aimed at strengthening the legal infrastructure for property rights near Mongolia's rapidly growing urban centers. In conjunction with the Asian Development Bank, \$25 million will go to establishing a vocational training network for over thirty career paths essential to building an urban/industrial-based economy.

In Armenia, the MCC is providing \$235 million to increase economic performance in the agricultural sector through strategic investments in rural roads and irrigated agriculture. The Compact with Armenia will directly benefit approximately 750,000 people, or 75% of the rural population.

The MCC is working with Mali to transform agricultural production, reducing vulnerability to drought and targeting agro-processing and higher-value crops. The government's \$235 million Alatona Irrigation Project, financed by MCC, will create 16,000 hectares of new irrigation-fed agricultural land. This infrastructure improvement will be accompanied by programs to improve land tenure, establish agricultural credit and lending, and enhance water management. Another \$184 million from the MCC will be used to re-build Mali's airport in order to expand Mali's access to trade.

Mr. President, the MCC initiative is about helping our development partners achieve their national priorities, based on our common values. MCC programs are premised on the expectation that once the

foundation of accountable public management and a regulatory environment that encourages private economic activity are in place, investment in people and infrastructure will have a permanent, and transforming impact on economic growth. We see it as a partnership where large-scale external assistance for infrastructure and ambitious projects will succeed because the conditions for lasting national development are present.

MCC does not replace our traditional foreign assistance to landlocked developing countries; it supplements it. In 2006, LLDCs received a total of \$4.3 billion in US economic assistance, including MCC disbursements.

The US also provides assistance to land-locked countries for implementing and strengthening macroeconomic and business/investment reform. In the past year, our teams provided recommendations on streamlining business regulation to Rwanda, Burundi and Uganda. In conjunction with the World Bank, our USAID Business Environment Improvement Project assisted the Kyrgyz Republic with an ambitious program of administrative change and regulatory simplification. The result: the Kyrgyz Republic jumped from 99 to 68 in the World Bank's Doing Business ranking, landing third among the Top Ten Reformers for 2008.

In the Former Yugoslav Republic of Macedonia, a USAID collaborative program with the government established one-stop business registration and customs documentation. The time to register a company fell from over a month to as little as three days, and waiting times at the border dropped by 75%.

The US Overseas Private Investment Corporation (OPIC) also facilitates investment in landlocked developing countries. An initial investment by OPIC of approximately \$15 million has leveraged another \$90 million

in African capital for the rehabilitation and improvement of the Nacala Corridor in south-eastern Africa. The transaction includes significant port improvements and will contribute to a seamless multimodal transportation system running from Mozambique into Malawi and Zambia. OPIC also provides political risk insurance as in the example of \$142 million in coverage for the Baku-Tbilisi-Ceyhan pipeline, the second longest in the world.

We recognize the challenges faced by land locked developing countries – the high cost of transportation and of inputs, the corresponding impact on export competitiveness, and dependence on regional neighbors for access to overseas markets. We believe, however, that it is fair to say that the geographic position of landlocked developing countries, their centrality, can also be an advantage. A multilateral framework for cooperation in transit and trade, infrastructure development and regional approaches to problem-solving should help landlocked developing countries explore possibilities for competitive advantage and profitable market niches. In our view, the Almaty Program of Action is an important and necessary initiative for realizing the full potential of landlocked developing countries and achieving and sustaining the Millennium Development Goals.

Thank you, Mr. President.