Your Excellencies, distinguished guests, ladies and gentlemen

It is my pleasure to be able to address this distinguished audience on behalf of the World Bank.

At the start, I’d like to say that I would probably not be surprising this audience today by noting that helping Landlocked Developing Countries overcome their geographical disadvantages has long been part of the development agenda. Significant resources have been devoted: i) to generate a better framework (conventions and treaties have been agreed and signed), ii) provide funding for infrastructure; and iii) support technical assistance. The 2003 Almaty Programme of Action has been instrumental in elevating the profile of these efforts by calling for landlocked and transit developing countries to refine their regulatory frameworks; increase their regulatory transparency; and simplify border control and procedures.

A lot has been accomplished since -- Costs and time required to trade have been reduced in number of developing counties. My colleagues will be sharing some of these results with you over the next few days. Still, some key challenges continue to impede the ability of Land Locked Developing Countries to more effectively engage in international trade. International assessments, including the Logistics Performance Index, have identified the logistical unfriendliness, in particular the overregulation, poor quality services and underinvestment in a number of developing countries.

Let me now turn to the World Bank’s role in advancing this important agenda. Clearly the Almaty Programme of Action is very much aligned with our development objectives in areas such as transport, trade logistics, customs and trade, which are central to our engagement in key regions such as the Africa region and the Central Asia region, together hosting most of the Land Locked Developing Countries.

As a knowledge Bank, we particularly feel responsible and committed to help review and analyze what works and what does not work, and transfer this experience from one trade corridor to another.

Concerning instruments of our assistance, the World Bank Group is one of the largest financiers of projects aimed to improve trade and trade facilitation. Between IBRD and IDA we lend about 1-1.5 billion dollars per year to projects in Land Locked Developing Countries, in transit countries or projects that have a regional dimension, directly contributing to the Almaty Programme of Action. This corresponds to about 12 projects per year on average. The largest such investment project is currently implemented in Kazakhstan, namely the Western Europe-Western China Project with Bank’s contribution of more than 2 billion dollars;
In addition to financing, the Bank is providing **technical assistance** at the country-level or to regional institutions, administering a donor funded Trade Facilitation Program, which prioritizes low income countries. The largest Project under this Facility helps the Economic Community of Central African States develop and implement a comprehensive Trade Facilitation Project that addresses such areas as the performance of corridor and its transit regime, including a single window project at the port of entry in Cameroon. We also have several on-going activities in the Central Asia region, including the review of corridor performance as well as advisory support on the planned development of new transport links (e.g., between China and Uzbekistan through the Kyrgyz Republic).

Not all of our activities are about facilitation and corridors. Some of them are tackling some of the priorities identified in the Almaty Programme of Actions. And some are addressing the other connectivity challenges of Land Locked Developing Countries, including energy, air-transportation, or regional financial systems along with promotion of productive capacity and export diversification.

Additionally, through our **advocating role** in multilateral initiatives we are actively helping advance the trade and trade facilitation agenda globally.

**Let me now briefly turn to issues and priorities emerging from our activities.** An important finding of our work in recent years is the need to focus on improving service delivery for traders. More specifically, the cost of transportation (per unit) is not necessarily the main issue, but rather the unpredictability of the supply chain, and delivery schedule of goods. And this unreliability is only partly an issue of infrastructure development, as it is also influenced by a lack of proper implementation of a transit system, procedural complexity, and under-development of service markets, such as trucking.

We also find that the problems are often outside of the boundaries of the Land Locked Developing Countries and not necessarily at the border: in many instances, most of the time is spent by goods at the port of entry. For example, this is typically one to three weeks in the case of transit countries in the Africa region. The conclusion is that, transit systems, which govern the movement of goods from origin to destination, have serious implementation issues and require more attention.

Our work demonstrates that for the improvement of services to traders, there is no “quick fix recipe”, but a series of interrelated processes and incentives. A key lesson from our experience is that, it is important to combine investment in physical infrastructure with soft facilitation measures, including on trade logistics, transport market improvements and institution building to improve the efficiency of supply chains and obtain sustainable results.

World Bank presentations during this conference will shed more light on lessons and results from our extensive involvement in this area.

Let me conclude my remarks noting our strong commitment to advance implementation of the Almaty Programme of Action over the coming period. Thank you very much for your attention; I wish you a successful conference.