

**Please Check Against  
Delivery**



**United Nations Office of the High Representative for the Least  
Developed Countries, Landlocked Developing Countries and  
Small Island Developing States (UN-OHRLLS)**

**Presentation**

**by**

**Ms. Heidi Schroderus-Fox, Director, UN-OHRLLS**

**at Retreat of Ambassadors in preparation of the Second United  
Nations Conference on LLDCs**

**Session 2: Core elements of a new Programme of Action**

**9 and 10 May 2014**

**Glen Cove Mansion Hotel and Conference Center, Long  
Island,  
New York**

Excellencies,

Ladies and Gentlemen

In this session we are going to discuss elements that would form the core of a new programme of action. Your deliberations will provide key inputs towards the preparation of the outcome document of the Vienna Conference, an outcome that should ensure a better future to the more than 400 million people living in the 32 landlocked developing countries.

The previous session clearly showed that while much progress has been achieved by the landlocked developing countries during the implementation of the Almaty Programme in the past decade, a lot more needs to be done. The landlocked developing countries continue to be faced with major challenges including: high costs of trading, transit issues, poor infrastructure, poor productive capacities, low level of industrialization, dependency on primary commodities, vulnerability to internal and external shocks, and the impact of climate change, desertification and land degradation. Without an effective international response, these challenges will only heighten the vulnerability of

LLDCs and prevent them from making significant progress towards attaining rapid and inclusive sustainable development.

## Excellencies

After a decade of implementing the Almaty Programme, it is clear now that the development needs of landlocked developing countries have to be tackled in a broader context – going beyond transit, transport and international trade alone. A more holistic approach is needed to tackle productive capacity building and diversification, integration into global value chains and resilience building to withstand external shocks including the effects of climate change.

Without of course prejudging your interactive discussions, allow me to point out some expectations on key deliverables for the LLDCs that have clearly emerged from the preparatory process held this far.

The first issue for landlocked developing countries remains the need to utilise international **trade** as an engine for economic growth and sustainable development in order to benefit from trade opportunities

with a view to transforming their economies. While much improved during the last decade, the share of global merchandise exports was still only 1.2% in 2012 showing their continued marginalization from the world economy. There is a need to support landlocked developing countries to enable them to harness their trade potential - including areas of preferential market access, implementation of important trade facilitation measures, addressing supply side constraints, increasing value addition and diversification of the productive basis.

Closely linked to the first issue is the second: **transit regimes**. It is well known that the most severe impacts stemming from landlockedness originate principally from the high international trade transaction costs associated with transit of goods. Despite the progress that has been made in the simplification and harmonization of border crossing procedures and regulations, there are still many challenges that result in the longer clearance time that the LLDCs' cargo undertakes at ports, in reaching the border and at the border crossing itself. Ratification and effective implementation of the relevant international, regional/sub-regional conventions and agreements on transit cooperation by both LLDCs and transit countries is necessary and needs to be addressed.

The third issue is transport **infrastructure** – investment in hard or physical transport infrastructure in landlocked and transit developing countries is of paramount importance and large financing gaps remain. I therefore hope that the Vienna conference will alert the international community to the need for further investment in this area.

A fourth priority issue is that of strengthening **regional and sub-regional integration**. Close cooperation with the transit countries is a sine qua non for improved connectivity and integration of the LLDCs into the global economy. There are significant opportunities to utilize the potential that regional economic integration offers, especially in terms of increasing intra-regional trade and intra-regional foreign direct investment flows, increasing the size of markets, improving connectivity through transport, energy and ICT networks, increasing border agency cooperation and harmonizing customs procedures. Greater regional integration has the potential to enhance the competitiveness of LLDCs and maximize the benefits from globalization.

**Resilience building is a fifth essential element.** Landlocked developing countries are vulnerable to internal and external shocks and to the impact of climate change, desertification and land degradation, yet they often do not have the capacity to cope. It is important that the conference devises support mechanisms that can take into account the particular vulnerabilities of the LLDCs.

The sixth issue is intrinsically linked to the previous ones: **structural transformation.** Landlocked developing countries should aim to structurally transform their economies towards lower commodity dependence and higher value addition in production and trade, greater integration into regional and global value chains and overall building of enhanced domestic productive capacities. They should build a critical mass of viable and competitive productive capacity in manufacturing, agriculture and services for them to better harness their trade potential, achieve high and sustainable economic growth, economic diversification, poverty reduction, rising incomes and the strengthening of resilience to external shocks.

Lastly, the **means of implementation or international support measures** are very important for achieving meaningful results on the ground. ODA remains extremely critical. Trade plays a vitally important role for achieving rapid economic growth needed to support social development. Investment, technology transfer, south-south cooperation, debt relief and domestic resources mobilization are all important to build the internal capacity required to generate sustained and sustainable growth. The new development framework to be adopted in Vienna will have to come up with innovative forms of international support to address the specific needs of landlocked developing countries.

Excellencies,

Before I conclude, allow me to underscore the excellent timing of this retreat which provides a great opportunity for delegations to ensure that the identified key elements of the new programme of action for the landlocked developing countries are taken into account in the elaboration of the Post 2015 Development Agenda.

I now look forward to an interactive debate on this forward looking topic of the core element of a new programme of action for the landlocked developing countries.

Thank you very much.