



UN-OHRLLS

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

Statement

by

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

**Session 1:
Development challenges of the LLDCs, the need for holistic approach,
Post-2015 Development Agenda, and Policy Dialogue on how to address
their special needs**

**9 and 10 May 2014
Glen Cove Mansion Hotel and Conference Center, Long
Island,
New York**

Excellences,
Ladies and Gentlemen

I am pleased to welcome you to Glen Cove Mansion Hotel and Conference Centre for consultation ahead of the first Intergovernmental Preparatory Committee meeting, scheduled for the 12th and 13th June 2014 in New York. Today's programme comprises of 4 main sessions. We will begin by reviewing the preparatory work for the Second UN Conference of the LLDCs, highlighting some of the development challenges that face LLDCs as well as socio-economic progress made under the Almaty Programme of Action (APoA).

In the second session, we will consult on the overall expectations and approach to the new development framework for the LLDCs, along with possible core elements. In the afternoon, we will deliberate on the international support measures that are integral to the success of any plan of action. Last and not least, the fourth session will cover monitoring, review and follow-up aspects.

As it can be noted from the provided programme, we will be able to hear from a number of speakers under each item, followed by frank, open and interactive discussions. I do trust that this opportunity will enable us to take stock of some of the most important issues that affect LLDCs, and lay ground for the first PrepCom next month.

Excellences,
Ladies and Gentlemen,

Many of the development challenges that face LLDCs have become apparent. Landlockedness is a major development impediment since it leads to unsustainably high transport and transaction costs, thereby imposing serious constraints on the ability of affected countries to trade, achieve economies of scale, generate economic growth and invest in social development. Landlockedness itself coincides with other challenges, such as weak institutional and policy setup, small population and economy size, high incidence of poverty, remoteness from major markets, difficult topography and prevalent tropical or desert ecology. Such severe difficulties are further

amplified by landlocked developing countries' dependence on the political stability, infrastructure and the institutional quality of coastal transit countries. The latter are, in most cases, themselves developing countries beset by poverty and scarcities of resources.

In 2003, the United Nations General Assembly adopted a resolution establishing the Almaty Programme of Action (APoA). At the time, this Programme reflected the strong commitment of the international community to forge effective partnerships to overcome impediments faced by landlocked developing countries and sought to support LLDCs in five priority areas: (i) policy improvements such as reducing customs bureaucracy and fees, cut costs and travel days for landlocked countries' exports; (ii) improved rail, road, air and pipeline infrastructure; (iii) international trade measures that would give preferential treatment to landlocked countries' goods, making them more competitive; (iv) technical and financial international assistance for infrastructure and policy improvements; and (v) monitoring and follow-up on agreements using measurable criteria such as travel days and costs and an annual review before the General Assembly.

While the comprehensive ten-year review of Almaty Programme of Action will take place 3-5 November 2014 in Vienna, allow me to briefly highlight some of the major accomplishments that have been experienced so far. First, APoA has been instrumental in raising global awareness of the challenges faced by LLDCs. Today, there is increased visibility and recognition of LLDCs and their special needs on the international level and in the United Nations. Second, APoA has been successful in organizing global support for LLDCs in the areas of financial and technical commitments as well as macroeconomic policy development. As a result, LLDCs are growing at a relatively faster rate than they did at the beginning of the new millennium. They are also experiencing notable improvements in the areas of trade, domestic and foreign resource mobilization, infrastructure development, urbanization, and the delivery of social services.

Although the global financial and economic crisis that first began in 2007 posed grave challenges to LLDCs, it is important to observe that during the last five years, more than one-third of the twenty fastest growing

economies in the world have been LLDCs. In fact, until the onset of the crisis, the annual GDP growth rate for the group had reached a historical high of 9 percent. Per capita incomes have risen, though at a somewhat slower pace. Average GDP per capita was US\$ 938 in 2002 but has since increased to US\$ 1,423. LLDCs have also increased their share of world trade over the past decade. The share of global merchandise exports from LLDCs more than doubled, from 0.5% in 2003 to about 1.2% in 2013. To illustrate growth in international support measures, Aid-for-Trade (AfT) disbursements to LLDCs grew strongly, from US\$ 3.5 billion in 2006, to over US\$ 5.9 billion in 2012.

Through APoA, LLDCs have been able to undertake investment in both soft and hard infrastructure, and to continue to pursue policy frameworks that support the inflow of FDI and technology, accelerated participation in international trade, job creation, sustainable growth and human development. There has also been notable progress in terms of the MDG indicators. For instance, group-wide mortality rate for children under 5 years of age has significantly declined - from a high of 121.5 per 1,000 live births in 2000, to 80.9 per 1,000 live births in 2011. Women empowerment, approximated by the share of elected women in parliaments, has increased from 8.4% in 2000 to 20.2% in 2012.

Excellencies,

Even with this economic and social progress, serious challenges persist. There are troubling imbalances among LLDCs in different areas of development. For instance, while the average per capita income in 2012 was US\$ 1,423, almost two-thirds¹ of LLDCs had GDP per capita of less than US\$ 1,000.

FDI inflows have also shown remarkable increase – from about US\$ 55 billion in 2003, to over US\$ 210 in 2011. However, a closer look at the data reveals that just 3 countries have received almost 60% of the total FDI disbursed to the group, since 2009. Similar disparity is evident in the value of merchandise exports from the group, in which two countries account for more than 50%.

¹ 20 out of 32 countries have a GDP per capita of less than US\$ 1000.

LLDCs are still beset by other core challenges that include but not limited to; joblessness, extreme poverty, economic informality and isolation, low productivity, and a heightened dependency on aid by some countries. LLDCs are also experiencing a compromised resilience to internal and external shocks, including fallout from climate change. In addition - and as the latest report of the Secretary General on the implementation of APoA observed - the last decade was regrettably marked by declining productivity in agriculture and increased deindustrialization in many of the LLDCs. Equally worrying is the fact that a number of resource-rich LLDC economies have become economically less diversified and risk falling into the *Dutch Syndrome dilemma*.

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There is no doubt that APoA has been beneficial to LLDCs. With the benefit of hindsight, however, it is routinely acknowledged that the effectiveness of this programme was undermined by several things that were not anticipated in 2003. Perhaps, one of the most limiting aspects of APoA also happens to be its distinguishing mark. Designed largely as a sectoral programme with strong emphasis on infrastructure and transit, APoA did not address other growth and trade-determining factors, such as: value-addition, economic diversification, industrialization, job-creation, and resilience-building measures to deal external shocks, and climate change challenges.

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The General Assembly in its resolution 66/214, adopted in December 2011, decided to convene a comprehensive ten-year review conference on APoA, to be preceded, by regional, global as well as thematic preparations in a most effective, well-structured and broad participatory manner. The same resolution designated my Office as the United Nations system-wide focal point for the preparatory review process. In the subsequent resolution 67/222, the General Assembly provided 4 clear mandates for the Conference - one of which is to reaffirm the global commitment to addressing the special

development needs of and the challenges faced by the landlocked developing countries as called for at major United Nations conferences and summits.

In discharging its mandate related to the conference preparatory work, my Office developed a roadmap in close consultation with Member States. The roadmap follows three principal tracks: intergovernmental, inter-agency, and private sector tracks. Each of these tracks has realized substantial achievements.

Under the intergovernmental process, three regional review meetings, bringing together LLDCs, transit countries and their development partners, were successfully held in 2013 in Vientiane, Addis Ababa and Asuncion. In addition, 19 of 32 LLDCs have submitted their comprehensive national reports which document key achievements under APoA. I have no doubt that many delegations will find the outcome documents from the three regional review meetings very useful during this and other consultations organized ahead of the Conference in November.

Two- Inter-Agency Consultative Group (IACG) meetings are held each year to deliberate on the substantive and organizational aspects of the Conference, including organizing thematic pre-conference events.

Beginning with the 4th Meeting of Ministers of Trade of LLDCs, and the High-level thematic meeting on International Trade, Trade Facilitation And Aid-for-Trade held in September 2012, in Almaty, Kazakhstan, my Office, with the invaluable support of our partners, has organized 14 pre-conference events. Some of these pre-conference events include: The Road and Rail Financing Conference; the brainstorming meeting on the priorities for a New Development Agenda for LLDCs; A pre-conference event on Transport Development and Trade Facilitation; Experts Group Meeting on assessing the status of implementation of trade and transport facilitation instruments and measures in Africa; Building resilience of LLDCs to the impacts of climate change, desertification, land degradation and drought; Enhancing ICT development and connectivity for LLDCs; and the Launch of South-South Technology transfer facility for LLDCs.

The objective of the private sector track is to ensure that private sector representatives are engaged during all stages of the preparatory process, and at the Conference itself. Under this track, the private sector Steering Committee was established, consisting of about 15 members drawn from the Chambers of Commerce, business committees, business representatives of transport service providers, national and international investors from LLDCs, transit developing countries and donor countries, as well as representatives from international organizations. This committee has held regular conference calls since its inception to build common position throughout the preparatory process, to coordinate private sector inputs to the substantive discussions, and to prepare private sector participation in upcoming meetings.

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In January 2014, the Federal Government of the Republic of Austria formally expressed its desire to host the Second UN Conference on LLDCs in Vienna. Following that expression, the General Assembly adopted resolution A/68/L.38/Rev 1,² in which it sets **3-5 November 2014** as the dates for the Conference in Vienna, Austria. The Conference will be preceded by two Intergovernmental Preparatory Committee meetings in New York; **12-13 June 2014**, and **2-3 October 2014**. The General Assembly also decided in the same resolution that the Intergovernmental Preparatory Committee shall have a bureau consisting of two members from each of the regional groups, with the host Country, Austria, and the Chair of the LLDC group, Zambia, serving as ex-officio members of the bureau.

Excellencies,
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This Conference is a historic opportunity for the international community to formulate an ambitious, forward-looking, results-oriented partnership framework that comprehensively addresses the special development challenges of the world's 32 landlocked developing countries. I am extremely grateful for the generosity shown by the Federal Government

² resolution 68/270

of Austria to host this important Conference. I cannot possibly think of any country that is both landlocked and land-linked besides Austria. I have no doubt that many LLDCs will find inspiration in Austria's own development path that has effectively turned the challenges of landlockedness into opportunities. At this moment, please allow me to invite H.E. Ambassador Martin Sadjik, Permanent Representative of Austria to the United Nations, the host country of the Second United Nations Conference on LLDCs to take the floor.

I Thank you.