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

**The Global Development agenda, landlockedness and the
United
Nations Conference in Vienna**

Statement by

by

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**To the Austrian Association for Foreign Policy and the United
Nations**

11:00am, Monday 23 June, 2014

**Venue - Imperial Palace: "Hofburg/Stallburg"
Reitschulgasse 2/2nd floor, corner Josefsplatz and Braeuner Str. 1010 Vienna**

- **H.E. Dr. Wolfgang Schuessel, Former Austrian Chancellor and President of the Austrian Association for Foreign Policy and the United Nations**
- **Distinguished Ladies and Gentlemen,**

I am delighted to be here today at the Austrian Association for Foreign Policy and the United Nations and for this opportunity that I have. This is important to the United Nations as we recognize the value of partnerships with research and think tanks in advancing the UN agenda. And Austria is not only an important seat of many UN agencies, but also a strong multilateralist.

I understand that you have here a distinguished tradition of looking at the larger issues with a strategic vision. Such issues have been deliberated here with an open mind and deep thoughts for intellectual fermentation. They are important in today's rapidly changing and complex world.

My topic of discussion is **The Global Development agenda, landlockedness and the United Nations Conference in Vienna**. I will start by providing some key highlights in the shaping of the global development agenda, followed by a focus on the development issues of one of the vulnerable countries that I represent namely - landlocked developing countries (LLDCs) and details of the upcoming Second United Nations Conference on the landlocked developing countries to be held here in Vienna from 3 to 5 November 2014.

The first paragraph of the Charter of the United Nations expresses the determination of the peoples of the world to 'promote social progress and better standards of life in larger freedom' and to 'employ international machinery for the promotion of the economic and social advancement of all peoples'. Article 55 of the Charter expands on these purposes indicating that the United Nations shall promote:

- i. higher standards of living, full employment, and conditions of economic and social progress and development;
- ii. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and
- iii. universal respect for, and observance of, human rights and fundamental freedoms for all.

This is so because there is an organic link between peace and security on the one hand and social and economic progress on the other. Both require

respect and provision of human rights and fundamental freedoms. They all reinforce each other.

The historic United Nations conferences and summits held in the past two decades generated an unprecedented global consensus on a shared vision of development. These remarkable participatory processes laid the groundwork for the Millennium Summit, at which a series of time-bound goals and targets were adopted, - the Millennium Development Goals. The world has been working very hard to achieve the MDGs. Some progress has been made, however by the end of next year we may have to leave some of the MDGs unfulfilled particularly in the most vulnerable countries including the least developed countries, landlocked developing countries and small island developing states.

The United Nations is currently working on to shape the future development agenda beyond 2015 that builds on the gains and lessons of the MDGs. The preparatory process has produced a wealth of resources including the report of the High level panel, the report of the Secretary General “A Life of Dignity for All”, the UN Sustainable Development Solutions Network, a UNDG Post-2015 Report, and the outcome document of the high-level plenary meeting of the General Assembly on the Millennium Development Goals held in September last year. There has been a substantial progress in MDGs in the last decade and half. We need to accelerate it further in coming years and have to build upon it while committing to take forward the unfinished agenda.

The post-2015 development agenda, with sustainable development goals at the core, will seek to eradicate poverty and ensure a healthy planet and support human well-being for the current generation and many generations to come. Member States have been devoting their time and energy through an open working group to develop the Sustainable Development Goals. In their last meeting that just ended last Friday they were discussing a zero draft that has 17 goals. The President of the General Assembly has also been organising a number of high-level meetings and thematic debates to encourage the global community to work towards building consensus and elaborating concrete action for the implementation of the Post-2015 Development Agenda. There are many national level consultations as well as regional discussions on MDGs and successor programme.

The intergovernmental Committee of Experts on Sustainable Development Financing is working on the financing aspects of the Post 2015 Development agenda and will submit to the President of the General Assembly its report

and recommendations proposing options on an effective sustainable development financing strategy later this year.

Our fundamental challenge at this time is to formulate an inclusive, universal agenda that will steer our world onto a truly sustainable, prosperous and peaceful path. The new agenda must go beyond the MDGs. All the three dimensions of sustainable development must be balanced and integrated. The development agenda should have poverty eradication, rapid economic growth and environmental sustainability at its core. It is also clear that we must give greater attention to pressing issues that are central for our success in the 21st century, including climate change, inequality, peace and security, governance, the rule of law, violence against women and the impact of disasters and many conflicts. The Secretary General will prepare a synthesis report that takes stock of the main messages of the preparatory processes by the end of this year that will be used to prepare the outcome of the 2015 Summit.

What are we looking for in the Post 2015 development agenda? Eradication of extreme poverty, inclusive and transformative growth, and protection of our national capital. Multistakeholder partnerships are important for global public goods and as such need our strong collective commitment. Globalization demands an integrated and holistic approach. Institutions need to be made fit for the purpose. No one should be left behind and transformative changes are possible and doable.

There are also other important processes that are taking place and can contribute to the shape the global development agenda. I would like to highlight some of them. This September on the 23rd, the UN Secretary General will convene leaders from government, business, finance and civil society at a Climate Summit in New York. The summit will provide a unique opportunity to showcase transformative collective efforts to promote mitigation and strengthen adaptation and resilience and mobilize political will for action. Preparations are also underway to convene, in 2015, for a third international conference on financing for development to assess the progress made in the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development and international actions on means of implementation on how best to enhance partnerships to support the Post 2015 Development Agenda.

Ladies and Gentlemen,

When we talk about inclusive agenda, we have to closely look at the particular disadvantages of some of the most vulnerable groups like LDCs, LLDCs and small island developing states.

For landlocked developing countries, geography plays a very important role in the trajectory of economic growth and prosperity. Thirty two LLDCs with a population of about 440 million face special challenges that are associated with their lack of direct territorial access to the sea and remoteness and isolation from world markets. They are 16 in Africa, 10 in Asia and 6 in Europe & Latin America. Their international trade depends on transit through other countries. Additional border crossings and the long distance from major markets, coupled with cumbersome transit procedures and inadequate infrastructure, substantially increase the total expenses for transport and other transaction costs that erode the competitive edge of the LLDCs, reduce economic growth and subsequently have an impact on their capacity to promote social development and environmental sustainability. Landlockedness is a major contributor to the relatively high incidence of extreme poverty and general underdevelopment among the LLDCs. Many of them are either mountainous, or face desertification and land degradation and have excessive dependence on natural commodity exports. Their population is burgeoning and largely unemployed.

The Almaty Programme of Action was adopted in 2003 as the United Nations response to the growing need to address the special development challenges faced by the LLDCs in a collective and focused manner. The Almaty Programme of Action has made a positive impact in several areas to improve the ability of LLDCs to participate in international trade. The LLDCs as a group, have achieved some progress in their overall economic development and growth although it was very uneven across the countries and not sustainable. They have recorded increased growth rates of gross domestic product and foreign direct investment in the past ten years; and exports have surged from \$42 billion in 2003 to US\$443 billion in 2013. The review period has witnessed – Nepal, Lao PDR, and Tajikistan complete their accessions to the WTO. Progress has also been achieved on some aspects of social development including primary education, stemming of the HIV/AIDS epidemic as well as women's representation in parliaments.

There has been progress in implementing the priority areas of the Almaty Programme – fundamental transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, and international support measures. Progressive efforts have been made to develop and upgrade road and rail infrastructure and to foster the maintenance of the

existing infrastructure at national, sub-regional and regional levels. Dry ports are being established in all regions.

Official Development Assistance including aid for trade disbursements to LLDCs have increased over the decade although unevenly distributed across the individual LLDCs. Technical assistance and capacity building support from the UN system, international and regional organizations to the LLDCs has increased at global, regional and national levels. However despite the progress, the LLDCs have not undergone the desired structural transformation, as shown by LLDCs' continued dependence on a few, unprocessed export commodities with lack of competitiveness. This also leaves them in an extremely vulnerable position in the face of persistent global crises, accompanied by equally persistent poverty.

LLDCs still face high trading costs which are at the core of their continued lack of competitiveness and marginalization in the world economy. The average cost of exporting a container for LLDCs is \$3,203 compared with \$1,287 for transit countries and similarly \$3,884 compared with \$1,602, respectively, for importing a container. Because of these high trading costs, LLDCs exports are much lower than those of the coastal countries. Today LLDCs account for a very low proportion of global exports of only 1.2%, demonstrating their marginalisation from the global markets. Overall OHRLLS estimated that development of LLDCs is on average 20% lower than what it would have been were the countries not landlocked. Studies by many development economists like Paul Collier and Jeffrey Sachs have shown that the high cost of transport and infrastructure challenges have cost the LLDCs as much as 1.5 to 2 percent of their growth rate per annum.

Inadequate physical transport infrastructure is still a critical problem of LLDCs but equally important is the need for improved trade facilitation measures for LLDCs and their coastal neighbours in order to ensure quicker, easier and less costly transactions for the LLDCs. LLDCs are still beset by other challenges such as joblessness, extreme poverty, economic informality and isolation, declining productivity in agriculture, increased deindustrialization, and limited resilience to internal and external shocks including the impact of climate change, desertification and land degradation.

Now as we are nearing the end of the implementation of the Almaty Programme of Action we have learnt a major lesson that the development needs of the LLDCs need to be addressed in a holistic manner in order to ensure that the LLDCs can fully benefit from globalization, achieve sustained and inclusive economic growth, sustainable development, poverty eradication, employment generation, and structural transformation. The

difficulties of being landlocked permeate every aspect of the development process and poverty eradication. Besides addressing infrastructure and transit issues the new development agenda of the LLDCs should also put emphasis on other growth and trade-determining factors, such as: focus on employable education, value-addition, economic diversification, industrialization, job-creation, skills development, technology adaptation and resilience-building measures to deal with external shocks, and climate change challenges.

Among the primary areas they are looking at include: transit, transport (roads, railway, inland water and air), regional cooperation, productive capacity building (agriculture and services), resilience building, youth employment, education and skills development, desertification, drought (land, water and energy nexus) and protection of natural endowments and global partnerships.

Ladies and Gentlemen

These concerns and special needs of the LLDCs will be discussed at the Second United Nations Conference on the LLDCs to be held here in Vienna in November. The United Nations General Assembly in its resolution 66/214 decided to convene the conference which is also the 10 year review of the Almaty Programme and the Austrian Government offered to host the conference. I am very grateful to the Government of Austria for the generous offer. Austria being a developed landlocked country, will serve as a very good example of how a LLDC can turn the challenges of being landlocked into being land-linked.

The Conference is a very important international event, taking place only every ten years. The Secretary-General places the LLDCs and this conference high on his agenda. He will be attending and many other heads of states and governments of these countries will also be attending the conference. We have a high expectation that the Vienna conference will deliver a Programme of Action that can address the LLDCs' development needs and challenges in their broadest sense, rooted in the realities of their challenges and strongly supported by the international community. This outcome document should be based on the moral and humanitarian imperative to help the geographically handicapped and most vulnerable countries to move into a self sustained growth trajectory. The outcome of the conference will feed into the Post 2015 development agenda.

The preparations for the Second United Nations Conference on the LLDCs are proceeding very well under the three tracks that the preparatory process is following: intergovernmental, inter-agency, and private sector tracks.

Under the intergovernmental track, the LLDCs prepared and submitted national reports on the implementation of the Almaty Programme of Action. Regional reviews were successfully held in 2013 in Vientiane, Addis Ababa and Asuncion. These events have provided substantive inputs to be used for developing the draft outcome document for the LLDCs. We have just held the first session of the Intergovernmental Preparatory Committee meeting from 12 to 13 June in New York and another one will be held from 2 to 3 October 2014. The sessions of the intergovernmental preparatory committee are focussed on preparing the outcome document of the conference.

Under the UN inter-agency track, seventeen pre-conference events have been successfully organized focused on the key developmental issues of crucial importance to the LLDCs, including for example international trade, trade facilitation and aid for trade, road and rail financing, the role of services sectors, transport development, impacts of climate change, desertification, land degradation and drought, ICT development and connectivity, a brainstorming meeting on the priorities for a new development agenda for the LLDCs, vulnerability of the LLDCs to external shocks, a retreat of New York Ambassadors to discuss the substantive elements of the outcome document and meeting held in Mongolia last week to discuss the importance and implications of the WTO trade facilitation agreement to the LLDCs. As a result of these pre-conference events, the key issues of the LLDCs have been crystallized.

Under the private sector track, a Steering Committee was established, which has held regular consultations to build a common position and prepare substantive inputs. The private sector has also participated actively in all the preparatory events.

Ladies and Gentlemen

The importance of the conference is also highlighted by the fact that many of the priority countries like Austria are landlocked. From the neighbouring TFYR of Macedonia and Moldova to Burkina Faso, Uganda, and Ethiopia, to Nepal and Bhutan. The issues under discussion fit in very well with your own development agenda. They are looking for a stronger support from the global community.

In conclusion, having highlighted the importance of the global development agenda and the importance of the conference, I wish to call upon your support to create awareness on the conference and mobilize high level of participation in the conference from Austria and the European region. Let us work together to achieve a successful conference. The Vienna Conference should serve as a good springboard, for increased cooperation addressing the needs of the LLDCs in a coherent manner with a stronger global partnership.

I thank you.