



**Plenary Statement by Dr. Shamshad Akhtar,  
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the Economic and Social Commission for Asia and the Pacific**

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***[Check Against Delivery]***

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***Challenges and Opportunities for  
Building the Future We Want for Asia-Pacific LLDCs***

Mr. President,  
Honourable Ministers,  
Excellencies,  
Distinguished delegates,  
Ladies and Gentlemen,

**Introduction**

In my remarks, I will highlight

- Key challenges facing the twelve Asian landlocked developing countries (LLDCs) (of which four are also LDCs<sup>1</sup>);
- Initiatives being pursued by the Economic and Social Commission for Asia and the Pacific (ESCAP) with other collaborators to ensure the land-linking of these LLDCs; and
- Efforts underway to synergize the LLDC policy frameworks for implementing the post-2015 development agenda, when it is adopted.

**Challenges**

A few key trends help to underscore the challenges facing our Asian LLDCs. Over the last decade or so, while LLDCs have seen a rise in GDP – this has been below potential or resource-driven, with often uneven growth. For example, Kazakhstan has grown at 7 per cent, with others such as Nepal growing at 4 per cent. Growth in Asian LLDCs also lacks inclusivity and sustainability, with low job generation outcomes. This is confirmed, among others, by:

- (i) Income inequality in the LLDCs, as measured by the Gini coefficient, which increased from 32.7 in the 1990s to 35.7 in the 2000s;

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<sup>1</sup> The 12 Asian LLDCs are Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia, Nepal, Tajikistan, Turkmenistan and Uzbekistan. The 4 LDCs out of 12 Asian LLDCs are Afghanistan, Bhutan, the Lao People's Democratic Republic and Nepal.

- (ii) Average per capita income in the LLDCs is only one-third of the average per capita income of developed Asia-Pacific countries; and
- (iii) Climate change and related natural disasters which have further eroded economic gains by as much as \$2 billion from 2003-2013.

The Asian LLDCs also account for only a fraction of global trade – barely 0.75 per cent for goods and 0.25 per cent in services. They also face geographical disadvantages, with trade costs from four to seven times those of most middle-income developing countries in Asia. Besides high trade costs, given their landlocked and weak infrastructure connectivity, the group has also been impacted by trade restrictive protectionist measures which have reduced their potential merchandise exports by \$9.2 billion.

ODA flows to these LLDCs reached \$10.4 billion in 2012, representing only 5.7 per cent of global flows. In terms of private flows, FDI was about \$20.3 billion in 2013, or 3.6 per cent of total FDI inflows to the developing Asia-Pacific region, with remittances amounting to \$24.8 billion in 2013, accounting for only about 9.2 per cent to the developing countries of the region.

### **ESCAP's Initiatives to Land-Link Asian LLDCs**

ESCAP has been working closely with the leaders, policymakers and people of the 12 Asian LLDCs since the adoption of the Almaty Programme of Action in 2003. In cooperation with regional and other development partners, our focus has been to drive and support regional endeavors to turn the LLDC's geographical constraints into geographical advantages.

Asian LLDCs have good potential to develop their land-link connections, to tap deeper regional and subregional markets, which will provide a major impetus to economic and trade diversification. There are equally good prospects for LLDCs to serve as transit countries for the movement of goods and services, from Afghanistan to the Russian Federation and outer markets, for instance. Developing regional connectivity will be critical for the LLDCs to become land-linked, in line with the recommendations of the Vientiane Consensus.

Let me bring to your attention four specific areas where ESCAP is supporting Asian LLDCs:

1. *Transport Networks and Facilitation:* Working in close collaboration with the Governments of Asian LLDCs, ESCAP has launched an intergovernmental dialogue promoting interstate cross-border transport, and transit to other countries over land to reach seaports. These plans also fit well with ESCAP's initiatives to promote connectivity links with the Asian Highway and Trans-Asian Railway networks, as well as the new network of dry ports. ESCAP also supported the recently signed Shanghai Cooperation Organization's Road Transport Facilitation Agreement, that has opened nearly 10,000 km of transit routes between Central Asia and key seaports in the Russian Federation and China.
2. *ICT Connectivity:* The Asia-Pacific Information Superhighway (AP-IS) being promoted by ESCAP aims to connect, among others, the LLDC backbone networks and to integrate them into a cohesive land- and sea-based fibre infrastructure. If effectively developed, this will provide increased route diversification and enhanced international bandwidth, extending access and lowering broadband prices for the LLDCs. Through the ESCAP intergovernmental platform we are also preparing a framework of common principles and norms for ICT development.

3. *Energy Connectivity*: ESCAP's Asian Energy Highway (AEH) initiative will foster LLDC power connectivity and enhanced energy security. The AEH will optimize the use of all energy resources, i.e. renewable energy resources and fossil fuels, and serve to widen access to sustainable energy services for the rural poor. A more integrated energy market will also promote energy efficiency and sustainability.
4. *International Trade and Trade Facilitation*: Substantive ESCAP technical assistance to several Asian LLDCs is helping to implement the trade facilitation measures included in the WTO-TFA; promote trade services and systems for paperless trade facilitation; and develop trade policies to enable closer integration with the regional and global economy.

ESCAP's key initiative for a more connected region is the *Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific*, adopted by our member States in 2013. It focuses on better integrating markets and building seamless connectivity by boosting cooperation on financing and addressing common risks and shared vulnerabilities.

Our regional knowledge products, such as the 2014 ESCAP Theme Study on Regional Connectivity, the 2012 Theme Study on Regional Economic Cooperation, the Regional MDG reports, annual Asia-Pacific Trade and Investment Reports and our Economic and Social Surveys of Asia and the Pacific (ESCAP's annual flagship report), offer rich source of material for guiding LLDCs in these areas.

### **Synergizing ALLDC policy frameworks for Post-2015 Development**

ESCAP has launched a broad-based consultation process to raise awareness and cross-fertilize the emerging knowledge and institutional frameworks for sustainable development, while supporting capacity building in related areas. The Commission has, for example, been at the forefront of promoting green growth across the Asian LLDCs, many of which are in the process of adopting this strategic approach to sustainable development. Among others, the ESCAP has helped to launch Kazakhstan's Astana Green Bridge Initiative and Green Bridge Partnership to establish the Europe-Asia-Pacific partnership for dialogue and interaction to promote low-carbon "green growth." This would involve adoption and implementation of policies, instruments and mechanisms for encouraging and supporting "green investments" at the state level, in the sectors of the economy associated with life-supportive systems, to tackle environmental and social issues

ESCAP has also been supporting the transfer of sustainable technology in the region, especially through our regional institutions, from as early as the 1970s. The three regional institutions in question are:

- The Asian and Pacific Centre for Transfer of Technology (APCTT), which was established with the specific objective of facilitating regional technology transfer;
- The Centre for the Alleviation of Poverty through Sustainable Agriculture (CAPSA), which links research and policy-making on sustainable agriculture, with the overall goal to reduce poverty and enhance food security; and
- The Centre for Sustainable Agricultural Mechanization (CSAM), built on the achievements of the Regional Network for Agricultural Machinery (RNAM), established in 1970s, to promote technical cooperation for sustainable agricultural mechanization and technology transfer.

I thank you.