

**Opening Speech by Helen Clark, undg Chair and
Administrator of UNDP at the Second UN Conference on
Landlocked Developing Countries (LLDCs)**

Vienna, Austria, Monday 3 November 2014

This conference is timely and important. It convenes here in Vienna just before UN Member States begin negotiations on the post-2015 sustainable development goals. It will also review progress on the Almaty Programme of Action (APOA), and it will shape the development agenda for landlocked developing countries for the next decade.

It is important to maximize the synergies between these processes, so that the needs of landlocked developing countries are prioritized in a bold post-2015 agenda, and so that the landlocked developing countries' programme of action drives transformational change for this unique grouping of nations.

The UN Development Group is present in all 32 landlocked developing countries. We see the challenges, but we also see the opportunities. Turning location into opportunity with policies and investments which directly address the current constraints is possible, and from that significant benefits for human development can flow with the right policy mix.

Currently around half the landlocked developing states are also Least Developed Countries; around half are in the low human development category in the Human Development Index; and an average LLDC achieves a level of development twenty percentage points lower than that of an average coastal developing state.

Yet, let us also recognize and applaud the significant progress many LLDCs have made since the adoption of the Almaty Programme of Action (APOA). Economic growth across the grouping as

a whole has been positive, with thanks due in part to reforms undertaken to begin removing barriers to trade and investment flows. For example:

- a number of regional and sub-regional transit facilitation agreements have been completed,
- many border facilities and procedures have been modernized, leading to increased efficiencies, and
- there have been many efforts to upgrade and maintain transport infrastructure. Air carrier departures from LLDCs were up around eighty per cent in the decade from 2003.

These changes have contributed to a reduction in the number of days taken for merchandise goods to enter and exit LLDCs from 57 in 2006 to 47 in 2014 for import, and from 49 to 42 days for export.

But more progress is needed. The number of days taken for LLDCs to import and export is still almost double that of transit countries. The average cost of exporting a container from LLDCs relative to that for transit countries is over 2 ½ times higher, and for imports to LLDCs the cost is over twice as high.

These high costs erode competitiveness and reduce growth potential. As well, over dependence on commodity exports leaves many vulnerable to volatile commodity prices with fluctuating global demand. This calls for faster diversification of economies.

Higher rates of Official Development Assistance and Aid-for-Trade support to LLDCs are helping to address the constraints – ODA to LLDCs more than doubled between 2003 and 2012, and Aid-for-Trade disbursement rose by around seventy per cent between 2006 and 2012.

Now, to accelerate economic growth and poverty reduction, LLDCs need transaction costs lowered further, and more trade and investment. Ongoing reforms as envisaged by the Almaty Programme of Action and as promoted by this conference will be vital.

Toward a new agenda for LLDCs

UN Country Teams have been supporting LLDCs to implement a number of their Almaty Programme of Action commitments. Since 2003, UNDP's support through the Enhanced Integrated Framework and Aid for Trade has grown a lot. Through these and other initiatives, we have learned a lot about promoting inclusive and pro-poor growth in LLDCs. For example:

- we believe it is important to identify the specific trade constraints each LLDC faces, and to design appropriate strategies and actions to overcome them.
- we see trade strategies benefiting from being mainstreamed into LLDCs' national development plans, so that trade facilitation can be integrated across work plans spanning sectors and ministries.
- the less visible, behind the scenes work of building stronger and more accountable institutions, including in customs administration, is essential for improving the enabling environment for trade and investment and for development overall.

To realize the full potential of all these reforms, there must be a focus on getting inclusive growth so that the benefits of structural transformation reach the poorest populations.

Let us also be mindful of the disproportionate impact of climate change on LLDCs. Almost fifty per cent of global dry lands are in LLDCs, and many are experiencing significant desertification and land degradation. Addressing these challenges also needs to be prioritized in global agendas.

My message to LLDCs is: Please count on the UN Development Group to be an advocate for the needs of the more than 440 million people living in LLDCs being recognized in all global agendas, and count on us as your partners as you work on making the reforms and the investments.
