Thank you Mister Moderator.

As a landlocked country with a relatively small economy, **Austria understands particularly well many of the challenges that confront Landlocked Developing Countries** (LLDCs). Austria quite successfully managed to address many of the challenges related to landlockedness, and will always stand ready to share its experience as a matter of solidarity. It is for this reason that we hosted the Second UN conference on landlocked developing countries in Vienna in 2014, that we co-chair the group of friends of the LLDCs in New York and that the Austrian Ambassador to the UN in NY immediately accepted to take on the co-facilitation role for the Outcome Document of the Midterm Review of the Vienna Programme of Action.

In this regard, please let me start by sending you the **warmest regards from Ambassador Kickert** who would have wanted nothing more than to be here with us today. Unfortunately because of a Minister’s visit to New York he was not able to travel at this time.

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The **development disadvantages** that stem from landlockedness are increasingly becoming well known. It is now clear that landlocked developing countries face greater impediments than most countries, and as such, deserve and require **the support of the international community**. The Secretary-General has been effective in advocating and highlighting challenges that confront LLDCs and we look forward to receiving his **next Report** on the implementation of the Vienna Programme of Action.
While physical distance and remoteness cannot be erased, we remain convinced that many of the challenges related to landlockedness can be successfully addressed. The support of development partners can help complement the efforts of LLDCs in this regard.

Our national experience has shown the following measures to be especially important in addressing landlockedness:

First, the promotion of regional cooperation and integration guarantees LLDCs access to markets, enables them to discover and pursue strategic activities that are most profitable, hold comparative advantage possibilities, and create economies of scale.

Let me illustrate the importance of regional integration by taking my own country as an example. Austria is an industrial country with a small domestic market, the export economy is therefore particularly important. 6 out of 10 euros are earned from exports. In this regard, it cannot be stressed enough the positive impact that joining the European Union and its customs union has had. As some 70% of Austria’s foreign trade is with EU member states, the internal market means significant savings for the Austrian economy. Since our accession in 1995, exports have tripled and 13,000 new jobs have been created per year.

The work of the UN regional economic commissions is important when it comes to regional cooperation and integration. Austria strongly supports the work of the United Nations Economic Commission for Europe. 2016 Austria was the 10th biggest bilateral donor to UNECE and provided voluntary contributions of approx. USD 200 000, specifically to work on environment and transport.
The two biggest contributions were for the Air Convention and the Transport, Health and Environment Pan-European Programme¹. We are also proud that the Deputy Project Manager for the Trans European Railway project (TER), Dr. Andreas Zimmer, is an expert financed by Austria.

Second, it is important to **make adequate investment in the development and maintenance of critical infrastructure.**

As we have heard yesterday, **energy** is a crucial factor in this regard. Without access to affordable, reliable, sustainable and renewable energy services, economic, ecological and thus social development is hampered. Renewable energy and energy efficiency solutions can greatly contribute to the reduction of dependency on expensive fossil fuel imports and are best developed in the framework of regional cooperation, aimed at both, building renewable energy industries, and fostering the emergence of energy efficiency markets. Austria has an excellent **partnership with UNIDO** on the establishment of a **Network of Regional Sustainable Energy Centres for LLDCs** all over the world.

Third, **trade facilitation** measures are particularly crucial for countries that suffer economic and structural impediments - such as LLDCs.

It is in this regard that we strongly support the trade policy of the European Union to grant **Preferential Market Access to Least Developed Countries**, a preferential regime that applies to almost half of all 32 LLDCs. Under the **Everything But Arms arrangement**, the EU provides

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¹ USD 82000 and USD 44000, respectively
duty-free, quota-free access to the European market for all products originating in LDCs.
To ensure smooth transition, the EU also provides for the establishment of a transitional period of at least three years for countries that graduate from the LDC category.

Fourth, international support measures, such as adequate, predictable and effective ODA, Aid-for-trade, South-South and triangular cooperation, and other multilateral and bilateral development frameworks are indispensable to complement the efforts of LLDCs.

The Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation, concentrates its activities on key regions in Africa, Asia, South-Eastern and Eastern Europe. The ADA field offices make sure that local cooperation is based on equal partnership, while also guaranteeing effective monitoring. The projects and programmes are tailored to local conditions and agreed with local partners.

The Austrian Official Development Assistance (ODA) to LLDCs in 2017 amounted to 42.7 million EUR. Half (6)\(^2\) of Austria’s (11) priority countries fall under the LLDC category. The programmatic priorities of the Austrian Development Cooperation (ADC) in these countries contribute to four of the five priorities of the VPoA (namely 2,3,4 and 5\(^3\)).

Let me name one example: our highly valued and long standing cooperation with the Kingdom of Bhutan.

\(^2\) Armenia, Bhutan, Burkina Faso, Ethiopia, (Kosovo), Moldova and Uganda
\(^3\) Priority 2: Infrastructure development and maintenance, Priority 3: International trade and trade facilitation, Priority 4: Regional integration and cooperation, Priority 5: Structural economic transformation
Development cooperation between Bhutan and Austria began at the beginning of the 1980s. The Austrian Development Agency has maintained a field office in the capital, Thimphu, since 1992. Cooperation focuses on energy supply and strengthening rule of law. Austrian ODA to Bhutan in 2017 amounted to 1.9 million EUR.

Bhutan chose Austria as a development partner in areas where we can draw on extensive know-how, such as forestry and agriculture or tourism. Austria was heavily involved in the construction of the Rangjung and Basochhu hydropower stations and Bhutan led the way in building the third large hydropower station in Dagachu with the help of technical expertise and loan finance from Austria. Furthermore, Austria supports a government initiative to advance the electrification of rural areas.

Fifth, the private sector, including through foreign direct investment, has a critical role to play in the implementation of the VPoA. Therefore, LLDCs must also look inwards for what is needed to attract increased and more diversified foreign direct investment.

The Oesterreichische Entwicklungsbank (OeEB) has been operating as the Development Bank of Austria since March 2008. It provides long-term finance for the implementation of private sector projects in developing countries. Let me zoom in on two examples:

In November 2015 the OeEB signed a long-term credit line of USD 10 million for Ameriabank Armenia. The credit line is dedicated to the financing of local small and medium-sized enterprises (SME) as well as renewable energy and energy efficiency projects in Armenia. The credit line improves SMEs' access to finance and thus contributes to the country's economic development as well as to securing and creating jobs.
In addition, renewable energy and energy efficiency projects are being supported in order to improve Armenia’s energy supply and to reduce the country’s dependence on expensive energy imports.

In September 2014, OeEB invested USD 4 million in **Dolma Impact Fund I**, Nepal’s first private equity fund. Dolma provides capital and expertise to small and medium-sized enterprises (SME) in order to enhance the country’s economic development and to boost job creation. Focus sectors include renewable energy, microfinance, healthcare, education, eco-tourism and the optimisation of agricultural supply chains and storage facilities.

It is our experience, that to fully leverage the impact of the private sector, a stable, predictable and **enabling investment environment** is needed. To this end, the rule of law, good governance, the respect of human rights, gender equality, as well as accountable and transparent institutions are essential “**factors for success**”.

**To conclude**, let me sum up the **measures that have proven to be especially important in addressing landlockedness in Austria’s experience**:

- 1 - regional cooperation and integration;
- 2 - investment in the development and maintenance of critical infrastructure;
- 3 - trade facilitation;
- 4 - international support measures, including ODA;
- 5 - creating “factors for success” to attract private sector investment.
Now, as the global community embarks on the 2030 Agenda for Sustainable Development and the ambitious targets of its 17 Sustainable Development Goals, a focused cooperation with the 32 landlocked developing countries is more important than ever and we look forward to continuing fruitful discussions ahead of the MTR in December.

Thank you.