

Mid-Term Review of the Vienna Programme of Action High Level Political Declaration

Preamble

1. We, the Ministers and High Representatives, gathered at the United Nations on [5] and [6] December 2019, to review the sustainable development aspirations and priorities of Landlocked Developing Countries (LLDCs) through the implementation of the Vienna Programme of Action, reaffirm our commitment to strengthen cooperation and support towards LLDCs in the context of sustainable development.
2. We recall the overarching goal of the VPoA to address the special development needs and challenges of LLDCs arising from landlockedness, remoteness and geographical constraints in a more coherent manner and thus contribute to an enhanced rate of sustainable and inclusive growth, which can contribute to the eradication of poverty in all its forms and dimensions, including extreme poverty.
3. We reaffirm our commitment to the full, effective and timely implementation of the VPoA, which is integral to the 2030 Agenda for Sustainable Development and which is in line with the Addis Ababa Action Agenda, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction. Effective implementation of the VPoA is crucial for the attainment of the Sustainable Development Goals.
4. It is our endeavor to help turn LLDCs into land-linked countries, for this we must come together in durable and effective partnerships between LLDCs and transit countries and their development partners, as well as with a range of stakeholders, including civil society, the private sector, academia and youth. We further reaffirm that gender equality and the empowerment of all women and girls will make a crucial contribution.
5. We recognize the importance of access for LLDCs to and from the sea and freedom of transit, in accordance with the applicable rules of international law.

Review and Assessment of Progress, Gaps and Challenges

6. We recognise the many efforts at all levels by LLDCs, transit countries and development partners and the progress achieved since 2014 but we remain concerned that the progress made is not enough for LLDCs to achieve the VPoA targets and sustainable development, as one third of the LLDCs' population is still living in poverty.
7. We commend those LLDCs that have met the criteria for graduation from least developed country status.
8. We note that a key challenge faced by LLDCs is lack of reliable and regular data to inform policy and ensure follow-up in particular on transport infrastructure, trade costs and transit and trade facilitation measures. We underscore the need to capture data to monitor the specific objectives of the VPoA and commit to providing LLDCs with capacity building support to strengthen their national statistical systems.

Priority 1: Fundamental transit policy issues

9. We recognize the progress that has been made by LLDCs and transit developing countries in ratifying the WTO Trade Facilitation Agreement, Revised Kyoto Convention, TIR Convention and other relevant international conventions and in participating in regional, sub-regional and multilateral initiatives on transport and transit.

10. Progress has been made on reducing travel time and corresponding costs along corridors, significantly reducing the time spent at the borders and at intermodal points, however we express concern on the lack of data to reliably monitor progress on these indicators.

11. We welcome the recent developments amongst LLDCs and their transit neighbours in building transit transport and economic corridors aimed at strengthening transport, trade, integration and economic development of their regions.

Priority 2: Infrastructure development and maintenance:

12. Progress has been made towards expansion and upgrading of all modes of transit transport infrastructure in LLDCs and transit developing countries including rail, road, ports, air transport, and inland waterways. Some missing links have been closed and regional integration has been strengthened, but limited connectivity of LLDCs remains one of the main obstacles to their enhanced trade integration.

13. Infrastructure in LLDCs for supply, transmission and distribution of modern and renewable energy services has been expanded and upgraded but more than 40% of the LLDCs population still does not have access to electricity and the rural-urban gap remains significant. The pace of completion of power projects is too slow.

14. Access to ICTs in LLDCs has increased. LLDCs continue to face major constraints that include infrastructural gaps, relatively high cost of ICT services, in particular broadband services, low digital literacy rates, poor quality regulation and high cost of accessing submarine cables.

15. The major challenges in infrastructure development include limited financial resources to close the significant infrastructure financing gaps, lack of capacity to develop bankable infrastructure projects, limited technologies and lack of resilient infrastructure. We note the marginal increase in ODA allocated to LLDCs infrastructure development which increased from 18.5% in 2014 to 18.8% in 2017.

Priority 3: International trade and trade facilitation:

16. LLDCs continue to face greater difficulties than coastal countries in expanding international trade and their share in global trade has declined. The competitiveness of LLDCs remains limited due to the high cost of trade, which is double that of transit developing countries.

17. We note efforts made by LLDCs to enhance their participation in global trade including through mainstreaming trade into their national strategies and updating their trade related policies.

18. We express concern that the LLDCs' share of global merchandise exports follows a negative trend as it has decreased from 1.19 per cent in 2014 to approximately 0.98 per cent in 2018 whilst total value of merchandise imports increased.

19. We are further concerned that most of LLDCs' exports remain highly concentrated on a few primary commodities and service exports are still dominated by the tourism sector. The lack of diversification of exports of LLDCs exacerbates their vulnerability to price volatility and exogenous economic and environmental shocks.

20. We note that the gap in trade finance has increased since the global financial crisis, including for LLDCs.

21. We note with concern the gap in access to capital for Micro, small, and medium-sized enterprises (MSMEs), including women and youth-owned enterprises, which affects overall private sector development and economic growth of LLDCs.

Priority 4: Regional integration and cooperation.

22. We recognize that LLDCs' participation in regional and sub-regional trade, transport and transit facilitation agreements and initiatives aimed at deepening regional integration, enhancing infrastructure connectivity, and facilitating movement of cargo across borders has increased. LLDCs have entered into bilateral and plurilateral trade, transport and transit-related agreements with their neighbours.

23. We are encouraged by signs that broader cooperation in areas such as investment, research and development, and policies supportive of regional industrial development and regional connectivity is taking place both among LLDCs and between LLDCs and their neighbours.

Priority 5: Structural economic transformation

24. Since 2014, many LLDCs have placed structural economic transformation at the centre of their national development plans and adopted strategies for diversification and upgrading of their economies, industrialization, export promotion and private sector development, but LLDCs have made limited advancement towards achieving structural transformation, still have limited manufacturing and industrial capacity to create high value-added products, some LLDCs even showing signs of de-industrialization of their economies.

25. We acknowledge the efforts by LLDCs to support private sector development and emphasize that enabling legal and regulatory environment for the local private sector is one of the most important requirements for promoting sustained economic growth, developing an industrial base, attracting investment and bringing about structural transformation.

26. We express concern at the limited technological capabilities, low technology intensity and acquisition and low investments into research and development in LLDCs.

27. LLDCs are vulnerable to the negative effects of climate change and remain disproportionately affected by desertification, land degradation, drought and receding glaciers. We are also concerned about the economic, social and environmental impacts of sudden- and slow-onset of disasters in LLDCs, as well as the impacts of disasters in transit countries on the economies of LLDCs.

Priority 6: Means of implementation.

28. We note that lack of adequate financial resources and capacity constraints are some of the biggest challenges LLDCs face in their efforts to implement the VPoA.

29. We recognize that LLDCs and their transit country neighbours need to effectively mobilize adequate domestic and external resources for the effective implementation of the VPoA.

30. We note that the average tax revenue to GDP in LLDCs in 2017 was 13%, well below the necessary level to meet development needs.

31. We express concern that illicit financial flows have an adverse impact on domestic resource mobilization and on the sustainability of public finances in LLDCs.

32. We commend the greater international attention that has been given to LLDCs since the adoption of the VPoA including increased ODA and aid for trade and South-south cooperation, but recognize the need for renewed and strengthened partnerships to address their special challenges arising from landlockedness.

33. We acknowledge that official development assistance flows to LLDC have increased from US\$24 billion in 2014 to US\$28 billion in 2017 in real terms but note that much of the official development assistance continues to be concentrated in few LLDCs.

34. We express concern over the continued decline in FDI flows to LLDCs as their share of total global FDI flows decreased from 2.1% in 2014 to 1.6% in 2017. Some of the deterrents of FDI to LLDCs include geographical isolation and long distance from markets, small domestic markets, poor endowments of natural resources, inadequate skilled human capital and weak institutional capacity.

Call for Action to accelerate the implementation of the Vienna Programme of Action

35. We call on LLDCs and transit countries to effectively implement all relevant international and regional agreements to improve transit in a manner consistent with their trade and development objectives.

36. LLDCs and transit countries should consider promoting a corridor approach to improve trade and transit transport. We call on LLDCs and transit countries to make additional efforts to reduce travel time along the corridors and to adopt an integrated and sustainable approach to the management of international transport corridors.

37. We call on the UN system and other relevant international and regional organizations to provide further policy, analytical and technical support towards the development, functioning and management of corridors.

38. We urge LLDCs to integrate the development and maintenance of national and transboundary transport infrastructure in their national development strategies.

39. We urge LLDCs and transit countries, with the support of their development and trade partners to develop climate resilient transport infrastructure.

40. We encourage LLDCs and transit countries to create an enabling environment for investment and infrastructure operations.

41. We urge LLDCs and transit countries to expand and upgrade supply, transmission and distribution infrastructure for electricity, including off-grid solutions, to accelerate preparation of power projects, especially renewables, scale up projects on cross border inter-connectors and improve transformational energy access that goes beyond meeting basic household needs.

42. We encourage LLDCs and transit countries to collaborate to establish ICT infrastructure, applications and services with the support of governments, private sector, development partners, multilateral financial and development institutions and regional banks. The substantial digital divide between LLDCs and the developed countries needs to be addressed.

43. We call on international financial institutions, the UN system and international and regional organizations and development partners to strengthen their efforts to mobilize more resources for infrastructure development and maintenance and to provide technical support to LLDCs.

44. We encourage LLDCs to continue formulating policies and strategies aimed at diversifying their export structure and adding value to their exports in order to expand their participation in regional and global value chains.

45. We reaffirm the importance of the World Trade Organisation Agreement on Trade Facilitation in addressing the high trade and transit costs and call for full and timely implementation of the Trade Facilitation Agreement by all the Members of the World Trade Organisation. LLDCs should promptly identify their Category C measures.

46. We call upon all Member States to enhance market access for exports from LLDCs.
47. We invite development partners and relevant organisations to enhance support to LLDCs to build their capacity to meet WTO requirements.
48. We encourage LLDCs and transit countries in cooperation with international and regional organizations to promote development of regional integrated infrastructure and connectivity, and close missing links in order to reduce the cost of doing business and increase intra-regional trade.
49. We underscore the potential for LLDCs to facilitate their integration into regional and global value chains, expand their trade capabilities and connectivity by engaging in large-scale regional initiatives such as Free Trade Areas.
50. We call upon the UN system, regional and international development partners, and other international organizations to strengthen their technical, financial and capacity building support to LLDCs and transit countries to leverage the opportunities provided by regional initiatives, advance their regional integration efforts and ensure effective implementation.
51. We encourage LLDCs, in collaboration with development partners and international organisations, to identify and provide targeted incentives to specific (sub-)sectors and/or firms with higher value-added production, diversification and/or export potential.
52. We are determined to build economies and societies in LLDCs that are resilient to external economic shocks, natural disasters and the effects of climate change. We urge development partners, UN system and other international and regional organizations to support LLDCs' to develop and implement national climate change strategies and tools to prevent and combat desertification, land degradation, drought and receding glaciers as well as disaster risk mitigation, preparedness and resilience policies and strategies, including early warning and early action systems.
53. Requests the entities of the UN development system to provide assistance to graduating countries in the formulation and implementation of their national transition strategies and to consider country specific support for graduated countries for a fixed period of time and in a predictable manner.
54. We invite LLDCs to strengthen their services sector and enhance their efforts to integrate into electronic commerce (e-commerce).
55. We encourage LLDCs to continue to make improvements in the regulatory environment for business, in particular for MSMEs.
56. We urge enhanced international and domestic investments in R&D in LLDCs to promote innovation and spur structural transformation, with the support of the development partners.
57. We encourage LLDCs to develop national science, technology and innovation policies, and create enabling STI infrastructure, such as laboratories and science and technology parks, incubators and start-up accelerators, with the support of the international community.
58. We encourage the consideration to set up dedicated technology funds and centres for STI development in LLDCs, to promote experience and technology sharing and local technological capability building.
59. We underscore the importance of raising considerable resources to accelerate the implementation of the VPoA and to support the LLDCs to achieve the SDG targets by 2030.

60. We urge LLDCs to strengthen their efforts in raising domestic resources, including through carrying out reforms in tax administration, broadening the tax base and strengthening domestic capital markets and call on the international community to assist these efforts.

61. We call upon development partners to increase ODA flows to LLDCs.

62. We encourage LLDCs to better leverage ODA for attracting further finance from other sources such as foreign direct investment, public-private sector partnerships, and blended finance.

63. We call upon development partners to effectively implement the Aid for Trade initiative, giving adequate consideration to the special needs and requirements of LLDCs.

64. We encourage Member States to facilitate foreign direct investment flows to LLDCs. The LLDCs' ability to attract and retain investment, including FDI, remains a challenge that needs to be fully addressed.

65. We invite developing countries, in a position to do so, to increase support to LLDCs within the framework of South-South and triangular Cooperation.

66. We welcome the establishment of the International Think Tank for LLDCs and call on all LLDCs to ratify or accede to the Multilateral Agreement for its Establishment.

67. We invite development finance institutions and the development partners to increase their funding to LLDCs.

68. We call upon the UN system as well as all relevant international and regional organizations, to continue providing necessary support to accelerate the implementation of the VPoA.

69. We call upon UN-OHRLLS to continue to ensure the coordinated follow-up to, effective monitoring of and reporting on the implementation of the VPoA.

70. We call on the Secretary-General to mobilize the necessary resources, from all sources to enable the LLDC unit of UN-OHRLLS to adequately support the LLDCs.

Third United Nations Conference on Landlocked Developing Countries

71. We encourage the General Assembly to consider holding the Third United Nations Conference on the Landlocked Developing Countries in 2024.