

UNOHRLLS High-level Meeting
Mid-term Review of the Almaty Programme of Action
New York, 2-3 October 2008
Statement by Dr Esperanza Durán, Executive Director, AITIC

Thank you Mr Chairman for giving me the floor

I wish to commend Under Secretary General Diarra, the Ministers from the landlocked developing countries, and other LLDC officials, as well as the distinguished experts who have actively participated in the preparation of this timely Mid-term Review of the Almaty Programme of Action.

I say that the Mid-term Review is timely because so much is changing in the international arena, that our efforts directed towards the goals of Almaty will have to take these changes into account. In the areas of trade and finance we have just recently woken up to the harsh realities of an unfinished round of the Doha multilateral trade negotiations with its attendant consequences for the LLDCs and the trade facilitation negotiations. Similarly, we are all concerned about the sub-prime crisis and the threat of a meltdown of the international financial system. The sense of emergency has spread to the global marketplace, with the unprecedented rise of the prices of food and energy. Indeed, the price of grains such as rice and wheat has doubled in the past year or so and although the price of oil has eased from an all-time high last July, most observers would agree that the era of cheap oil is at an end. Some will gain from the rising prices of these important commodities, but we all know that, inevitably, there are also losers, not least some of the landlocked and transit developing countries. Thus, 2013, the year marked for the completion of the Almaty Programme of Action is closer than we think, given the winding road that still remains to be travelled.

As many of you know, assisting in our common goal of unlocking the landlocked AITIC has focused for a number of years in providing trade-related technical assistance, as well as opportune information to the LLDCs. The recent High-Level Meeting in Accra, jointly organised between AITIC and UN-Office of the High Representative for the least-developed countries, the LLDCs and the Small Island Developing States, on the link between Trade Facilitation and Aid for Trade as keys for unlocking the potential of the LLDCs was not only well-attended by many of you present here, as well as by experts of landlocked and transit countries, but more importantly it fostered an active debate seeking to assess the needs and setting the priorities as regards transport, infrastructure and trade priorities. Some of the key points that came out of our meeting are relevant to our review of the last five years of Almaty, and I would like to offer a few highlights :

The implementation of Trade Facilitation measures is particularly challenging for many LLDCs and almost impossible without external assistance. It is the linking of the national self-assessments with the offer of Aid for Trade by the bilateral donors as well as developing agencies and regional development banks that has the greatest potential for immediate gains. Thus the importance of the completion of the Doha negotiations.

Likewise, Aid for Trade depends on the feedback of countries (LLDCs as well as least-developed and other developing countries and resource-constrained economies in transition) regarding their trade-related needs and their physical infrastructure and productive capacity limitation. It is on this point that it is most surprising that the Aid for Trade questionnaire circulated by the OECD and the WTO during the summer of 2007 had an extremely low rate of response. Why? It is pertinent to ask this, as it is obviously in the interest of potential Aid for Trade recipients to inform about their needs and expectations. A lack of participation in this exercise compromises the credibility of the Aid for Trade initiative. In this respect, AITIC has actively collaborated with the OECD to establish a dialogue with the Aid for Trade potential recipients. An AITIC/OECD workshop held last April as well as a second one that took place only last week, identified the main reasons why it is simply not an easy task for LLDCs and other less-advantaged countries to respond to questions posed by the development partner agencies. Simply put, the recipients of this questionnaire found it confusing not least in deciphering the jargon that has complicated a straightforward interpretation of a given question, or as has been mentioned here: Aid for Trade is regarded as a nebulous concept that needs further clarification. .

This difficulty of LLDCs and other developing countries in participating in a fruitful dialogue with development partners is further compounded by the scale on which infrastructure, transport and capacity constraints bind the landlocked countries to a disadvantaged position with regard to competitiveness. How can this gap between what is needed by the LLDCs on the one hand and what is possible on the side of bilateral donors and agencies on the other be closed, in order to move forward?

It is not easy to provide ready-made answers to this question. However, some elements can be advanced. It is critical that the needs-assessment component, in both the Aid for Trade initiative and Trade Facilitation, should move more quickly in order to identify viable projects for bilateral donor (and agencies and development-banks) funding. Perhaps a collective and general LLDC needs assessment would be a first step?

A last point from the AITIC meeting in Accra was that LLDCs recognise that infrastructure and transport are not the only problems, and that what is needed is to attract FDI, as we clearly saw at the important High Level Investment Forum held here yesterday. Similarly it is crucial, to strengthen productive capacities and to diversify production to avoid dependence on just a few key exports. High-value products, such as exports of Information and Communication Technology products and services are less vulnerable to the condition of being landlocked and should be targeted both by the national development plans and the industrial agendas of the landlocked developing countries.

And what about the threat of high oil prices to LLDC and transit country exports, particularly those who are net importers of oil? Unless we work to incorporate this very real problem into Almaty, particularly where it intersects with the Priority number 2 regarding infrastructure transport areas of rail, road, air and pipeline infrastructure, our initiatives will not be very effective. On this note, I would like to mention AITIC's Information Brief on this very issue, entitled *The Rising Tide of*

Transport Fuel Costs: Can LLDCs Stay Afloat? Copies of which are available in the room for those of you who are interested.

I hope that over the course of this meeting we will be able to clarify the key problems that remain and more importantly the concrete actions that can offer specific, substantive improvements for the next five years of Almaty. We must address the gaps that we have been identified here in order to push forward the programme's goals, particularly now in the present situation of market volatility and economic uncertainty.

Thank you very much for your attention.