



**Statement
by**

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**to introduce the report of the Secretary-General on the
Implementation of the Almaty Programme of Action
under agenda item 88 (b)**

at the

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Mr. Chairman,

Let me thank you for this opportunity to introduce the Report of the Secretary-General under agenda item 88 (b), on the “Implementation of the Almaty Programme of Action”. The report is contained in document A/59/208. This is the first time a report has been presented on the progress made in the implementation of the Almaty Programme of Action, as called for in the UNGA resolution 58/201 of 23 December 2003. The present report highlights the initial activities undertaken by the organizations and bodies of United Nations for the implementation of the Almaty Programme.

The fundamental geographical difficulties faced by landlocked developing countries (LLDCs) continue to be a major constraint in their development. For these countries, excessive transport costs are a more insidious dampener of international trade than tariffs. The IMF balance-of-payment statistics show that recently transportation costs comprised 13 % of the export value of landlocked developing countries. The corresponding figure for coastal developing countries and industrialised countries were around 8 % and 4% respectively.

By making trade expensive and uncompetitive, high transport costs cannot but have an enormous impact on the economic development prospects of LLDCs. It diminishes export profits, and inflates the prices of imported inputs for manufacturing. Moreover, countries with high trade transaction costs are also less likely to attract export-orientated private capital. According to UNCTAD, in 2003, LLDCs received FDI flows of US\$7.9 billion. That’s just 1.4 % of total world flows. Most of this investment was received by a few for oil exploration. Twenty-nine LLDCs attracted just US\$2.7 billion.

Because of such realities, landlocked developing countries find themselves among the poorest developing countries today, beset with anaemic growth rates and deteriorating social conditions. As a consequence, thirty one LLDCs accounted for only 2 % of the developing world’s total GDP in 2002. With economic stagnation, it is little wonder that LLDCs score abysmally on many human development indicators. Of the 15 countries at the bottom of the 2003 Human Development Index, 9 are landlocked. Burundi, Mali, Burkina Faso and Niger are among the bottom five.

Given the low levels of exports and FDI inflow, LLDCs have to rely on Official Development Assistance. It is encouraging to note that the decline in bilateral ODA allocated to LLDCs - experienced in the late 1990s – has been reversed. In 2002, LLDCs enjoyed total ODA of \$10 billion, as compared to \$7.3 billion in 1998. But these figures do not tell the whole story. Most ODA was utilized for emergency needs. The 31 LLDCs allocated less than 10 % of ODA in 2002 to economic infrastructure, including transport and communications, which could have a long term effect on trade expansion and development.

The widening development gap between landlocked developing countries and the rest of the developing world is a clear and unmistakable trend. The major macro-economic indicators point to the fact that landlocked developing countries will be left

increasingly by the wayside in the foreseeable future, unless they can be vigorously helped to surmount their geographic handicaps.

Mr. Chairman,

Just little over a year has now passed since the landmark International Ministerial Conference of Landlocked and Transit Developing Countries adopted the Almaty Programme of Action. The Programme's recognition of the vital link between transport, international trade and economic growth - and its determination to confront the challenges of landlockedness - makes it a milestone initiative. The Secretary-General attaches a particular attention to its timely implementation. His report provides the account for efforts undertaken by the UN system organizations in this regard.

These efforts began with the preparation of the roadmap towards the implementation of the Almaty Programme of Action to provide guidance and a well-coordinated and coherent approach for the process. The roadmap was endorsed at the inter-agency meeting convened in early February 2004 in New York. It identified areas that would require immediate action. These include the identification of major "missing links" in Africa, Asia and Latin America; the creation of subregional priority projects to develop infrastructure and facilitate trade; establishment of national trade facilitation boards; coherent and coordinated technical assistance; resources mobilization; and promotion of the accession to international conventions on transit and transport. In this context, I should also note that in the Communiqué adopted at the Fifth Annual Ministerial Meeting of LLDCs in September, the Ministers called for special attention to products of special interest to LLDCs during the WTO negotiations on market access; expedition of the WTO Work Programme for small economies; and greater technical cooperation assistance in relation to trade facilitation as it will be included in the forthcoming trade negotiations

The regional commissions of the United Nations continue to play a major role. In this regard, I would like to emphasize the Intergovernmental Agreement on the Asian Highway Network signed in Shanghai, China last April. This covers 140,000 kilometres of highways extending to the 32 countries, including 12 LLDCs. The Asian Highway has the potential of integrating countries spread across the huge Asian continent.

The United Nations Economic Commission for Africa (UNECA) has been making a valuable contribution through its Sub-Saharan Africa Transport Policy Programme. This Programme has adopted an action plan for transit transport facilitation that allows for the observation of abnormal practices along transit corridors; port security audits; port facilitation; road safety; harmonization of transit transport documents; and capacity-building for transport planning specialists.

The United Nations Economic Commission for Europe (UNECE) continues to provide assistance to Central Asian landlocked and transit developing countries mainly through its Special Programme for the Economies of Central Asia (SPECA). Also, the UNECE continues to promote international conventions related to transit trade. In this

regard, a seminar organized in July jointly by the UN-OHRLLS, UNECE and Office of Legal Affairs, as part of the 2004 Treaty Event, was valuable in explaining benefits derived from these conventions and the legal actions required for becoming parties to those. The background documents used for the seminar still can be downloaded from the website of the UN-OHRLLS.

The World Bank has an important role to play in the implementation of the Almaty Programme of Action. In this regard, I would like to emphasize the increased engagement of the Bank in infrastructure development in light of growing investment needs. The Infrastructure Action Plan of the Bank is a clear demonstration of this. The World Bank is also supporting the Almaty Programme of Action by collaborating with the World Customs Organization to streamline customs procedures. It is also running a number of projects aimed towards improving infrastructure and streamlining transit arrangements. The Northern Corridor transport improvement project seeks to give Uganda, Rwanda, Burundi, and the Democratic Republic of the Congo access to the Kenyan section of the corridor. In West Africa, the World Bank, the Economic Community of West African States and the West African Economic and Monetary Union are preparing a transport sector project to improve road conditions, facilitate border-crossing operations, and implement inter-regional transit agreements.

UNCTAD has assisted LLDCs through its analytical work and technical cooperation arms. There have been three pilot projects to design and implement regional solutions in selected transport corridors in Latin America, Africa and Asia.

These are a few examples. I would not dwell further since those have been addressed in the report of the Secretary-General.

Mr. Chairman,

The agreement on the launching of the WTO Doha Round of trade negotiations reached in August in Geneva has a very relevant element for landlocked and transit developing countries. Trade facilitation was included as one of the topics of trade negotiations. Transit issues are a prominent aspect of trade facilitation. I am particularly encouraged that this process will be supported with the necessary technical assistance. The internationally binding rules on trade facilitation and transit will certainly facilitate the speedy movement and clearance of goods to further reduce trade transaction costs.

Mr. Chairman,

In his report, the Secretary-General outlines a number of far-reaching recommendations for our future work. I would like to highlight a few of them.

First, market access must be improved, infrastructure must be strengthened; and regulatory and institutional systems must become more efficient.

Second, the Secretary-General calls for closer cooperative arrangements between LLDCs and their transit neighbours. Regional economic groupings and bilateral arrangements are crucial in this regard.

Third, transit policy reforms are needed to improve efficiency and lower costs through the commercialisation and liberalisation of transport services.

Fourth, financial assistance to LLDCs and transit developing countries must be increased. Greater proportions of finance need to be allocated to infrastructure investment.

Fifth, national governments should be in the driver's seat. One way is to create trade facilitation boards to bring together all the relevant stakeholders of public and private sectors to consider issues related to establishing efficient trade facilitation system and transit transport.

And finally, the United Nations system and other relevant organizations have to provide greater technical assistance to LLDCs and transit developing countries and in more coordinated and coherent manner. In this regard, the Secretary-General also invited donors to make voluntary contributions to the Trust Fund that he established to facilitate the Almaty Conference and its follow-up.

Mr. Chairman,

I believe that the General Assembly review of the progress in the implementation of the Almaty Programme of Action represents a much-needed engagement of the international community that is very pertinent to the pursuit of the Millennium Development Goals. The reflection and guidance it accords can only strengthen our resolve to address the special needs of landlocked developing countries, as called for in the Millennium Declaration of 2000.

I thank you very much for your attention, and I wish you every success in your deliberations.

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