



MINISTRY OF
FOREIGN AFFAIRS OF
THE REPUBLIC OF ARMENIA



UN-OHRLLS

DRAFT CONCEPT NOTE

LLDC Ministerial Meeting

Theme: Enhancing equitable, affordable, and inclusive transport connectivity as a driver for more sustainable and resilient economies in LLDCs

14 and 15 December 2023

Yerevan, Armenia

The 32 landlocked developing countries (LLDCs) face common problems due to their geographical location, which affect their economic engagement with the rest of the world. Long distances from the nearest seaports, inadequate transport and transit systems multiple border crossing and cumbersome transit procedures cause the LLDCs to incur higher transport and transit costs when compared to coastal countries.

According to a recent study by the WTO (2021), trade costs in LLDCs are 1.4 times higher than that of coastal developing countries. It is also estimated that LLDCs on average spent nearly two times more of their export earnings for the payment of transport and insurance services than the average for developing countries, and three times more than the average of developed economies. These costs erode their competitive edge and therefore discourage foreign direct investment and have a negative impact on their integration into the global economy as well as overall sustainable development. They are also not able to fully tap on the benefits of global trade such as investment finance, technology and services that are needed for structural transformation of economies. Overall, the level of development in LLDCs is about 20 percent lower than it would be if they were not landlocked. In addition, LLDCs have a less diversified production structure than their coastal counterparts.

The Vienna Programme of Action for the LLDCs for the Decade 2014-2024, aims to address the development challenges faced by LLDCs, and identifies six priorities for action for LLDCs, transit countries and development partners. These six areas of focus are: Fundamental transit policy issues; Infrastructure development and maintenance; International trade and trade facilitation; Regional integration and cooperation; Structural economic

transformation; and Means of implementation. The assessment of progress achieved in addressing the challenges of the LLDCs undertaken recently, indicated that very limited progress has been achieved in addressing the challenges of LLDCs. While several countries have made progress on individual action areas, such as the building of infrastructure and regional cooperation, the group of LLDCs has faced significant challenges.

The COVID-19 pandemic and its devastating impacts stalled or reversed the progress achieved over the years by LLDCs. The fragile recovery from the COVID-19 pandemic has further been disturbed by the challenging global macroeconomic conditions resulting in the exacerbation of their structural and geographical vulnerabilities. COVID-19 caused a sharp drop in exports worldwide, but this drop was more pronounced in the group of LLDCs. LLDCs' exports. The trade costs were estimated to have significantly increased in LLDCs due to the closing of borders and the supply chain disruptions. The pandemic showed the extreme vulnerability of LLDCs to disruptions to global supply chains. The pandemic exposed deficiencies in trade facilitation and eroded progress in the implementation of trade facilitation reforms. In addition, the pandemic led to increased risk of debt distress in LLDCs, limiting their fiscal and policy space for critical investments including towards infrastructure development.

The COVID-19 pandemic and subsequent supply chain disruptions clearly demonstrated the importance of connectivity and trade facilitation in LLDCs. Resilient transport connectivity and quality transport infrastructure is key to strengthening the trade competitiveness of LLDCs and their socio-economic development. Currently, LLDCs' transport infrastructure is currently characterized by missing links and poor maintenance. This situation impedes the LLDCs' integration into regional and global value chains and markets. The pandemic also prompted the acceleration of innovation and digitalized facilitation of transport processes. However, implementing these systems require fast and stable broadband technologies. These are relatively costly in many LLDCs because of insufficient digital infrastructure.

The climate change crisis has both underscored the need to prioritize building of resilient physical transport infrastructure and of resilient transit facilitation systems. This is necessary to facilitate faster, smoother and more efficient transit and cross-border.

Recent events of the Group of LLDCs relevant to the theme of this meeting include the Ministerial Transport Conference of Landlocked Developing Countries held on 15-16 August 2022 in Turkmenbashi, Turkmenistan, the LLDCs' Ministerial Meeting on Trade held in November 2021; the Global Meeting on Best Practices in Corridor Development and Management for the Benefit of Landlocked Developing Countries and Transit Countries held in Ulaanbaatar, Mongolia in October 2019.

In these meetings, the LLDCs reaffirmed the importance of enhancing sustainable transport, international trade and trade facilitation for lowering transaction costs and for the achievement of the SDGs in the LLDCs and stressed the need to accelerate the implementation of the VPoA.

The Second United Nations Global Sustainable Transport Conference, held in Beijing, October 2021 noted in its outcome the importance of addressing the needs of countries in special situations by expanding sustainable transport systems and infrastructure and improving their links with international markets, trade and tourism, including by ensuring the efficient movement of people and goods along transport and transit corridors.

Additionally, the Beijing Statement recognized the need for strengthening regional and interregional connectivity and joint action with regard to “hard” transport aspects, like regional and trans-border infrastructure, and “soft” transport elements, such as streamlined customs and border-crossing regulatory frameworks, including through global initiatives, regional and interregional strategies and plans.

As the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (VPoA) draws to a close, preparations have begun in earnest for the Third United Nations Conference on LLDCs, taking place in Kigali, Rwanda, in June 2024. The implementation period of the next programme of action will largely overlap with the final period of pursuit of the Sustainable Development Goals (SDGs), which was already lagging behind even before the emergence of the cascading crisis since 2020.

The UN General Assembly has decided in its resolutions 76/217 and 77/246 to convene the third United Nations Conference on Landlocked Developing Countries, with the mandate to undertake a comprehensive review of the implementation of the Vienna Programme of Action and to formulate and adopt a renewed framework for international support to address the special needs of landlocked developing countries, and to strengthen partnerships between the landlocked developing countries and transit countries and their development partners. The General Assembly further decided that should be preceded by national- and regional-level reviews, as well as thematic preparations.

It is in this context that the Government of Armenia and the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), are organizing this Ministerial meeting, which is part of the preparatory process of Third United Nations Conference on LLDCs, and its outcome will contribute as a thematic input to the next programme of action for LLDCs.

Objective

Against this background, the objective of this Ministerial meeting is to discuss ways to enhance transport connectivity to develop resilient and sustainable economies in LLDCs, with a view to

a) Share knowledge, experiences and innovative approaches for infrastructure financing, delivery, and resilience building, including the mobilization of financing for transport and ICT infrastructure development and maintenance; b) Create opportunities for the development of adequate hard and soft transport infrastructure to boost the creation of resilient and sustainable economies in LLDCs;

c) Identify policy options for strengthening cooperation on transport connectivity for the next programme of action for LLDCs and for acceleration of the achievement of SDGs by LLDCs; and

d) Identify possible deliverables for the third UN Conference on LLDC in the area of transport and ICT connectivity.

Organizers

The Ministerial meeting is organized by the Government of Armenia and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS).

Format

This ministerial meeting aims to convene Ministers and high-level representatives for LLDCs, transit countries, development partners and relevant stakeholders, including the private sector, to discuss initiatives, innovations, concrete policies, actions to promote transport connectivity and enhance the sustainability and resilience of LLDC economies.

Outcome

A summary of the discussions will be issued as an outcome of the meeting. The recommendations from the meeting will provide substantive inputs to the next programme of action for the LLDCs.
