



Statement by

Ms. Rabab Fatima

**Under-Secretary-General and High Representative
for the LDCs, LLDCs and SIDS and
Secretary General of the Third UN Conference of
Landlocked Developing Countries**

**9th Global Review of Aid for Trade
Session on**

**Forging pathways to prosperity in LLDCs: mainstreaming trade
in development programmes and the role of Aid for Trade**

**Room #3, 26 June 2024
World Trade Organization, Geneva**

Excellencies, Distinguished Colleagues,

A warm welcome to you all.

And I thank you Mr. Chairman, for co-organizing this important meeting with us.

The year 2024 is critical for the LLDCs.

This year, the third United Nations Conference on LLDCs will take place in Gaborone, Botswana.

The Conference is a once-in-a-decade opportunity to rally reinvigorated global support to address the specific challenges of LLDCs within the United Nations system and beyond.

Excellencies,

The challenges confronting LLDCs are too often overlooked within the development system.

They are seriously off-track in realizing the Sustainable Development Goals.

In the last decade, the annual per capita GDP growth rate of LLDCs averaged just about 1.2 percent, less than half that of the average of all developing countries.

Their pre-existing challenges emanating from their land-lockedness and more complex supply chains, put them on the frontline of geopolitical tensions, and the lingering consequences of the Covid-19 pandemic.

Trade is a powerful tool for development, but LLDCs are yet to reap its full benefits.

Despite accounting for 7 percent of the world's population, LLDCs account for just 1.1 percent of world trade, and only 0.75 percent of world trade in services.

83 percent of the merchandise exports of LLDCs are in primary commodities.

Their share of world trade in manufactures amounts to as little as 0.28 percent.

Excellencies,

The new Programme of Action for the LLDCs, which was agreed by consensus in New York earlier this month, attaches special attention to the critically important issues of trade and trade facilitation, with concrete targets, commitments, and deliverables.

The POA aims to at least double the share of LLDCs in global merchandise exports.

It also aims to diversify their exports by increasing their value-added and manufactured component, and by expanding exports of services and e-commerce.

Allow me to highlight some of the significant actions in the POA to facilitate trade and aid for trade.

First: the POA includes commitments to support the implementation of national trade strategies and policies to improve the business environment and to enable smaller firms to participate in international trade.

Special consideration is given to trade policies that can contribute to advancing gender equality and women's economic empowerment.

It also puts enhanced attention to capacity building to overcome the unique challenge of complying with sanitary and phytosanitary standards *both* for transit and destination markets.

For this, the POA identified Standards and Trade Development Facility as a key tool.

Second: the POA recognizes the importance of digital economy and e-commerce.

This can help LLDC businesses reach international markets, reduce transaction costs, and overcome geographical barriers.

It commits to supporting LLDCs to address their fundamental challenges of inadequate digital infrastructures, underdeveloped legal and regulatory frameworks, and limited digital skills.

Third: the POA underlines the LLDCs' interest to have a dedicated work programme on their special needs under the auspices of the WTO.

Given the pressing need for a more supportive multilateral trading system for LLDCs, this work programme is expected to study the special needs, challenges, and vulnerabilities of LLDCs and propose related multilateral measures.

The POA also commits to supporting the six LLDCs that are in different stages of the process of acceding to the WTO.

Fifth: given that trade costs are 30 per cent higher for LLDCs than their coastal transit countries, the POA has put renewed focus on trade facilitation and infrastructure for both LLDCs and transit countries.

Full implementation of the WTO Trade Facilitation Agreement will be key for these countries.

This can reduce trade costs for LLDCs by up to 14.3%. Simplifying and harmonizing customs procedures, improving infrastructure at border crossings, and enhancing transit cooperation with neighboring countries are going to be vital steps in this regard.

Improving transport infrastructure will be critical to address the estimated \$510 billion transport infrastructure gap in LLDCs.

Recognizing this gap, the POA has identified a dedicated Investment Finance Facility as a concrete deliverable to address the LLDCs' infrastructure financing needs.

Sixth: supporting LLDCs will always entail regional collaboration and partnerships.

The POA requests the UN Secretary-General to constitute a high-level panel of experts on freedom of transit. This will examine the application of the existing international laws and agreements, identify constraints, and make recommendations on the freedom of transit for LLDCs.

There are also commitments to further strengthen regional integration with a focus on implementing agreed frameworks, the creation of regional value chains, and regional **cumulation**.

Finally: the POA calls on all relevant organizations, including UNCTAD, the World Bank, World Trade Organization, World Customs Organization, and the International Trade Centre, to provide specific support to landlocked and transit developing countries.

This includes: for export promotion, trade fairs, trade facilitation, e-commerce, and the design and implementation of inclusive trade policies with specific consideration to women, youth, and people in vulnerable situations.

Excellencies,

The targets and commitments in the POA are indeed ambitious and can bring about transformative changes.

We need to now mobilize enhanced political support and resources to implement those.

Aid-for-Trade can play a pivotal role in this regard.

Since 2006, Aid for Trade disbursements to LLDCs have totaled about US\$ 114 billion.

Given the renewed commitment and targets of the new POA, this needs to be scaled up significantly. We need more effective, coordinated, and increased efforts in this regard.

Excellencies,

Let me conclude by iterating that the LLDC3 Conference in Gaborone later this year, is a once-in-a-decade opportunity to demonstrate our shared commitment to make a real difference in the lives of the 570 million people of the 32 LLDCs. Let us not miss this opportunity.

I call upon you all to participate at this Conference at the highest political level.

I look forward to welcoming you all in Gaborone.

I thank you.