

Yerevan Statement

Draft Chair's Summary of the Ministerial Meeting of Landlocked Developing Countries on *enhancing equitable, affordable and inclusive transport connectivity as a driver for sustainable and resilient economies*

Armenia, 14-15 December 2023

Ministers and high-level representatives from landlocked developing countries, (LLDCs) and representatives from transit developing countries, development partners, United Nations entities, regional and sub-regional organizations, regional development banks, think tanks, private sector representatives and other stakeholders met on 14 and 15 December 2023 in Yerevan, Armenia. The Ministerial Meeting was organized jointly by the Government of Armenia and the United Nations Office of the High Representative for Least Developing Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) on the theme “*enhancing equitable, affordable and inclusive transport connectivity as a driver for sustainable and resilient economies*”.

The opening session of the meeting was attended by the Prime Minister of Armenia Nikol Pashinyan, who in his speech presented the "Crossroads of Peace" project and highlighted the role of transport connectivity for regional stability, security, peace and cultural ties between peoples. The nexus between transport connectivity and peace was further elaborated during the panel discussions.

The Ministerial Conference deliberated upon and called for consideration of the following key areas as inputs into the preparatory process of the Third United Nations Conference on LLDCs, which is to be held in Kigali, Rwanda in June 2024.

The strategic importance of enhancing equitable, affordable and inclusive transport connectivity.

The LLDCs are isolated from global markets because of their lack of direct territorial access to the sea. The geographical challenges of LLDCs are compounded by inadequate hard and soft infrastructure, such as cumbersome customs and border procedures.

As a result, the competitiveness of the LLDCs is constrained and they struggle to integrate into regional and global value chains. These factors seriously constrain their structural economic transformation and their achievement of the sustainable development goals by the LLDCs.

While recognizing these challenges, the Ministers and other speakers emphasized the need for efficient transit and transport routes to seaports to improve their connectivity to the world market. It was further stressed with urgency that the “missing links” in transport connectivity should be resolved.

The importance of financing was repeatedly highlighted, with calls made for the creation of a dedicated infrastructure financing facility for LLDCs within the international financial system.

Ministers emphasized the critical role of regional integration for both peace and economic prosperity among neighboring countries.

Transport connectivity was recognized for its role in accelerating the development of hard and soft infrastructure, including harmonizing procedures and supporting the implementation of trade facilitation measures. Ministers highlighted the importance of diversifying transport routes to increase transit capacities and mitigate against the impact of unwarranted disruptions.

Progress achieved and lessons learned on transport connectivity during the implementation of the Vienna Programme of Action (VPoA)

While the Ministers acknowledged the progress made in transport connectivity in the course of the Vienna Programme of Action, they reiterated that the existing transport networks fall short of fostering greater regional and global integration due to poor maintenance, missing links, and a lack of integration between networks, and inefficient transport and logistics services. Additionally, cumbersome transit and customs procedures such as complex and unharmonized cross border and transit documentation frameworks negatively impact the connectivity of LLDCs.

It was highlighted that the progress achieved by the LLDCs has been undermined by multiple and overlapping challenges and crises, including the COVID-19 pandemic, high indebtedness, geopolitical tensions and climate change, which have further exacerbated resource constraints faced by LLDCs.

The speakers shared that infrastructure development and maintenance features prominently in many LLDCs national development plans and significant resources are allocated to develop road, rail, air, waterways, ports, information and communications technologies (ICT) and energy networks. Nevertheless, the efforts are insufficient compared to the magnitude of the needs of LLDCs. The lack the capacity to plan, develop and implement transport infrastructure projects was also highlighted in the meeting.

The participants underscored the importance of aligning climate-related policy frameworks to better leverage the synergies between climate adaptation action and national investment priorities. In LLDCs with weak climate information infrastructure and dissemination capacity, the lack of knowledge affects private sector and limit their investments in climate risk management due to uncertain risk-return assessments. Lack of information also limits insurance products, which can be used for risk management purposes.

Panellists and participants highlighted the need for incentivizing and involving the private sector to unlock larger adaptation investments for long-term planning.

Building resilient infrastructure connectivity for sustainable development of LLDCs

Ministers underlined that climate change and related disasters are seriously jeopardizing the connectivity of LLDCs having their trade competitiveness further compromised.

Resilient infrastructure was therefore underlined as a critical component to build adaptability and sustainability of the infrastructure against recurrent incidences of climate-related disasters. It was also highlighted that infrastructure must increasingly absorb, respond to, and recover from hazard events and shocks, and streamline the climate consideration into public investment management for new infrastructure investment, public procurement rules and public private partnership (PPP) framework.

The realization of resilient infrastructure depends on LLDCs' improved governance of existing infrastructure; capacity building focused on bridging LLDCs infrastructure gaps; integrating systemic risk into long-term planning with requisite commitment, actions, and follow-up; and simultaneous development of complementary sectors, such as energy and water.

Participants recognized the need to leverage South-South and triangular cooperation for the greening of and implementation of resilient infrastructure projects and efforts. South-South and triangular cooperation was seen as valuable for the exchange of ideas and to leverage existing and innovative financing arrangements.

Participants called for supporting LLDCs to build capacity in designing bankable projects and to tailor projects to incorporate resilience with a view to gaining access to climate related finance and technical support.

Participants also called for additional infrastructure investments to retrofit existing infrastructure or add redundancy to the overall system to ensure that social and economic activity can continue uninterrupted during climate crisis.

The newly launched loss and damage fund presents an opportunity to place LLDCs in the climate change conversation and enhance access to climate finance.

Participants also underscored the need to enhance and attract private sector investment and overall FDI in infrastructure. Participants stressed that to encourage the participation of the private sector governments need to invest in and communicate national adaptation investment plans to help investors identify investment opportunities and to address the fear of low returns.

Deepening regional integration through inclusive transport connectivity

Ministers acknowledged with concern the lack of regional and sub-regional integration, including as a result of inefficient transport and logistics services and missing links, particularly in rural areas, and cumbersome transit and customs procedures between neighboring countries.

The importance of active economic, political and cultural ties at various levels among the regional countries was also highlighted which can contribute to long-term prosperity, stability and peace in the region.

Panelists underscored the need to enhance cooperation between the LLDCs and transit countries to implement joint trade facilitation arrangements, harmonize and simplify custom procedures and regulations and address nontariff barriers. Adequate resources need to be provided to support their implementation, including through Aid for Trade.

Calls were made for an integrated and cost-effective approach to infrastructure development to balance competing priorities in the development of road, rail and other infrastructure.

Calls were made for further collaboration for the development of infrastructure, ICT applications, and services at both national and regional levels, with the support of governments, the private sector, development partners, multilateral financial and development institutions, and regional banks.

The Covid-19 pandemic accelerated adoption of digital and innovative solutions to strengthen trade transit connectivity. Panelists highlighted that artificial intelligence could help solve a variety of problems in transport related to safety, reliability and predictability, as well as efficiency and sustainability.

PPPs provide a useful avenue for LLDCs to access additional capital as well as technical expertise for improved and coordinated transport and logistics systems. The international community was called upon to provide financial and capacity-building support to LLDCs to improve the business environment and promote private sector participation in the transport sector.

In terms of enhancing transport network systems, a coordinated multi-country action at the regional level is necessary given the geographical remoteness of LLDCs. Regional initiatives can create economic spaces large enough to capitalize on scale economies in infrastructure development and generate demand for products.

LLDCs and transit countries need to accelerate implementation of regionally adopted policy, regulatory and legislative frameworks to create an enabling environment for investment and infrastructure operations as well as enhance their competitiveness.

LLDCs were called upon to make efforts to accelerate and champion deeper market integration at the regional level.

Transforming global trade and connectivity through digital technologies

Ministers highlighted that being unable to leverage the trade potentials, the achievement of the Sustainable Development Goals in the LLDCs is undermined.

Digital technologies were emphasized as critical in overcoming the physical barriers of being landlocked. Digitalization offers new pathways both to export digital services and to better facilitate trade in goods, to boost the integration of the LLDCs into global markets.

Renewed efforts were called for further investment in digital ecosystems in the landlocked developing countries, to unlock digital trade, and enable their integration into global markets. This will include developing national digital strategies, digital connectivity, skills development, national regulatory frameworks, and conducive regional and global environment.

The accelerated and full implementation of the Trade Facilitation Agreement is key to transforming trade in the LLDCs. The implementation rate of the WTO Trade Facilitation Agreement measures is just 61% and the LLDCs have identified that they need further technical and financial support to implement the remaining measures. Ministers called for scaled international financial and technical support to implement the Trade Facilitation Agreement.

Strengthening global partnerships for improving transport connectivity and increasing trade in LLDCs

The Ministers called for continued solidarity within LLDCs and further called on strengthened partnerships between LLDCs, transit countries, development partners, the United Nations system, and international and regional organizations, as well as the private sector, and other stakeholders, to identify and implement lasting solutions to address interconnected and persistent challenges faced by LLDCs and to enable them to achieve the 2030 Agenda and SDGs and ensure that no one is left behind.

The Ministers called upon development partners to scale up support from the development partners including through enhanced ODA, debt relief, technical assistance and FDI. They called upon the international community to support the implementation of integrated national financing frameworks, such as blended finance, public-private partnerships, and impact investments, to mobilize resources for sustainable infrastructure development and diversification of LLDCs economies. Support was also sought to build the capacity of LLDCs to enhance the mobilization of domestic resources.

Participants urged LLDCs to establish favorable conditions for the development of the digital economy and e-commerce by creating an appropriate environment that includes the necessary policies, legal and regulatory frameworks to support the development of ICT and further call for increased international cooperation to support LLDCs through increased financial contributions for investment in ICT infrastructure, including a greater push for public-private partnerships.

Calls were made to encourage a substantial increase in investments in transport infrastructure and maintenance in LLDCs. Opportunities should be explored for forging greater South-South and regional and sub-regional cooperation in raising resources and systematic exchange of knowledge and experience for infrastructure development, promoting regional and sub-regional connectivity and structural transformation.

Acknowledgement

The participants expressed profound appreciations to the Government of Armenia for graciously hosting the meeting and for its contribution to the successful organization of the Ministerial Conference.

The participants expressed gratitude to the substantial support of UN-OHRLLS for the substantive preparation and successful organization of the conference. The participants also recognized the role that OHRLLS has been playing as the substantive secretariate of the third UN Conference on LLDCs.

The participants expressed appreciation for the efforts undertaken by Botswana in its capacity as the Global Chair of the Group of LLDCs.

The participants also appreciated the active participation and substantive contributions by LLDCs, transit developing countries, development partners, UN system organizations, multi-lateral and regional development banks, other international and regional organizations, development partners, the private sector, think tanks and other stakeholders.