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Remarks by

Ms. Rabab Fatima, Under-Secretary-General and High Representative for the LDCs, LLDCs and SIDS

at the 22nd Annual Ministerial Meeting of Foreign Ministers of LLDCs on the theme

"From Vienna to Kigali: Building momentum towards a new decade of action for prosperity and transformation of LLDCs"

21 September 2023 1000hrs – 1300 hrs Conference Room # 6 His Excellency Mr. Lemogang Kwape, Foreign Minister of Botswana

His Excellency Mr. Dennis Francis, President of the 78th session of the General Assembly

Her Excellency Ms. Paula Narvaez, President of ECOSOC

Mr. Courtenay Rattray, Chef de Cabinet

Excellencies, Distinguished Delegates,

I am honoured to have this opportunity to address this meeting.

At the outset, I wish to convey my deep appreciation to you, Hon'ble Minister, for your commendable leadership of the Group of LLDCs, especially now as we are preparing for the 3rd UN Conference of the LLDCs.

I take this opportunity to thank the Government of Rwanda for its generous offer to host the Conference. This is the first time, an LLDC Conference will be held in Africa, which is home to half of the LLDCs. I commend the leadership of Rwanda for making this happen.

I thank the President of the General Assembly for his announcement to relaunch the high-level advisory group for the LDCs, LLDCs, and SIDs. This is very timely in view of the Conference next year. I commend him for his commitment to place the issues of the vulnerable countries high on the agenda of the 78th UNGA.

I am very pleased to see the large presence here today of transit countries and development partners, which speaks of your strong solidarity and support to help the LLDCs overcome their unique challenges and vulnerabilities.

This year, the ministerial meeting holds special significance, as it is the final one before the Conference.

The Ministerial Declaration, which will be adopted today, will be an important input to the Conference.

Honorable Ministers, Excellencies,

As the Vienna Programme of Action comes to an end, I would like to present an overview of its implementation, drawn principally from this year's report by the UN Secretary General on the implementation of the VPOA and the three regional review meetings.

Excellencies,

The situation in LLDCs continues to remain challenging.

Many of these challenges are systemic but have been made worse by the lingering effects of the COVID-19 pandemic, conflicts in different parts of the world, climate change, and other overlapping crises.

Thus, the last half of the implementation of the VPOA has been marked by stalled, and in some cases, even reversed socioeconomic progress.

Poverty levels remain well above global averages.

GDP levels have made a modest recovery since the pandemic but remain quite low.

The average growth rate in LLDCs' exports has fallen by 53% since the previous Programme of Action.

Inflation rose to 20.5% in 2022.

Pandemic-induced supply chain disruptions increased shipping costs, magnifying the geographical isolation of these countries, and making access to global markets even more difficult.

Food insecurity worsened further, increasing from 43.4 per cent in 2015, to 57.9 per cent in 2022.

And while we saw progress across education, health indicators, and HDI through 2019, the pandemic has caused major disruptions in all these areas.

There are, of course, some encouraging developments in regional, subregional, and global levels to support transit, transport, as well as the reduction of travel time across corridors.

However, much more needs to be done to close the infrastructural gaps in LLDCs, to ensure their smooth and seamless connectivity with the rest of the world

Excellencies,

As the VPOA draws to a close, we must draw lessons from our experience and make every effort to make the next Programme of Action, more ambitious and commensurate with the needs on the ground.

The Third UN Conference on LLDCs in Kigali, Rwanda next year, offers an important opportunity.

This will indeed be the moment to learn from the challenges of the past decade and ensure that the next decade is one of transformative change and real progress.

Excellencies,

In my capacity as the Secretary-General of the LLDC3, my Office is leading the UN-system-wide substantive preparations for the Conference.

I am pleased to inform you that we have had three very successful regional review meetings.

The Africa Regional review meeting was held in Gaborone, Botswana in May 2023.

This was followed by the Latin America Regional Review meeting held in Asuncion, Paraguay in July 2023.

The third and final one was the Euro-Asia regional review meeting held in Bangkok, Thailand in August 2023.

All these meetings had excellent participation from all stakeholders and adopted comprehensive outcome documents.

Last week, we successfully held the organizational session of the Preparatory Committee for the Conference, which elected the members of its bureau.

I take this opportunity to congratulate H.E. Mr. Alexander Marschik, Permanent Representative of Austria, and H.E. Mr. Enkhbold Vorshilov, Permanent Representative of Mongolia, on their elections as the Co-Chairs of the PrepCom.

I also congratulate Bolivia, Burundi, Luxembourg, Nepal, Paraguay, Romania, Russia, and Zimbabwe for their election as the Vice-Chairs, and Botswana and Rwanda on their elections as ex-officio Vice-Chairs.

Excellencies,

As part of the thematic preparations, we have held a good number of events during the past couple of months, including a dedicated session at the HLPF.

We plan to seize the opportunities of the upcoming COP-28, the WTO MC13, and other important moments to mobilize support for the Conference.

The other important events in the lead up to the Conference include:

- A Ministerial-level Meeting on connectivity to be hosted by the Government of Armenia in November 2023.
- An Ambassadorial retreat in early 2024.
- A half-day joint UNGA and ECOSOC thematic meeting on the LLDC3 later this year.

 And most importantly, the two sessions of the Preparatory Committee (PrepCom), to be held from 5-8 February 2024, and 29 April to 1 May 2024.

Excellencies,

We are also ensuring a whole of UN-engagement to support the Conference preparations.

I have held a first round of consultations with the RCs based in LLDCs. We will have further rounds of meeting with them in the coming days, to make sure that the RCs are fully anchored in the preparations at the national level.

The UN System entities have been mobilized to remain active in the process through the dedicated Interagency Consultative Group for LLDCs. They will be providing thematic reports which can serve as inputs for the zero draft. My office as well will produce background papers and reports. We are finalizing a report on "An assessment of the cost of being landlocked and progress on the priority areas of the Vienna Programme of Action."

Excellencies,

Before I conclude, I would like to highlight some of the key priorities for LLDCs that have emerged from recent meetings, discussions, and reports:

First: Transit-transport and connectivity remains a fundamental priority.

LLDCs need seamless access to seaports by all means of transportation, including within the framework of the WTO Trade Facilitation Agreement and UNCLOS.

They need more investment in physical and digital infrastructure and transit transport connectivity. Equally important is to invest in soft infrastructure, which includes strengthening institutional and regulatory frameworks.

Second, promoting structural economic transformation is vital for LLDCs.

The share of manufacturing value-added of LLDCs remained static at around 11% during the implementation period of the VPOA, down from 14% in 2000.

LLDCs need rapid industrialization, especially through expanding their manufacturing base, digitization, and skills development, for moving to the higher value-added production frontier and increasing their competitiveness in world market.

Third: International trade, trade facilitation and regional integration are critically important.

The global merchandise exports of these countries have remained around 1 per cent.

LLDCs need product and market diversification, greater participation in e-commerce, new and dynamic service sectors, and digitally deliverable services. Enhanced partnership and support within different frameworks, including through WTO Trade Facilitation Agreement, Aid for Trade, south-south and triangular cooperation, and African Free Trade Agreement can play a critical role in this regard.

Fourth: Climate change is affecting LLDCs heavily and must be more thoroughly addressed in the next POA.

LLDCs priorities must be at fully integrated in the global climate discourse and processes, including the upcoming COP28.

Fifth: Means of implementation is the bedrock for advancing a successful development agenda – thus, LLDCs need enhanced financing from all sources.

[In the last decade] Between 2014-2020, ODA flows to LLDCs increased from \$25 to \$35 billion. However, in 2021, the flow of ODA declined by 15%.

FDI flows to LLDCs declined from \$28.9 billion in 2014 to \$20 billion in 2022.

And around one third of the LLDCs are either in debt distress or at a high risk of it.

We need a comprehensive approach to deal with these issues, involving all stakeholders, including multilateral and bilateral donors, IFIs, MDBs, and Private Sector.

Finally, a robust follow up and review mechanism at the national, subregional, regional, and global levels on the implementation of the new POA, was identified as an important priority.

Hon'ble Ministers, Excellencies,

This is not an exhaustive list.

We look forward to receiving further directions and recommendations, and new commitments, from today's meeting. Those will further guide our upcoming preparatory work and will constitute important inputs for the outcome document of the LLDC3.

Let us harness our shared commitment and solidarity to drive transformative change in the lives of 570 million people living in 32 LLDCs and ensure that no one is left behind in our pursuit of sustainable development.

We need to set the course for an ambitious, and an actionoriented POA for the next decade of development of the LLDCs.

Before I conclude, allow me to make an early call to you all to ensure the highest level of participation from all LLDCs in Kigali Conference.

I wish to assure you, Mr. Chairman, Excellencies, that we will be with you every step of the way in ensuring an impactful and successful LLDC3 in Kigali.

I thank you.