



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

28 June 2019

Excellency,

I have the honour to transmit herewith a letter dated 28 June 2019 from H.E. Mr. Jan Kickert, Permanent Representative of Austria and H.E. Ms. Doma Tshering, Permanent Representative of the Kingdom of Bhutan, the co-facilitators to lead intergovernmental consultations with a view to producing a Political Declaration for the comprehensive high-level mid-term review of the implementation of the Vienna Programme of Action (VPoA) for landlocked developing countries (LLDCs) for the decade 2014-2024, as mandated by General Assembly Resolution 72/232 entitled "Follow-up to the second United Nations Conference on Landlocked Developing Countries" of 20 December 2017.

The co-facilitators are also sharing the draft of the outcome document ahead of the informal consultation to be held on Tuesday, 2 July 2019, at 10 a.m. in Conference Room 6.

Please accept, Excellency, the assurances of my highest consideration.

A handwritten signature in blue ink that reads "M. ESPINOSA".

María Fernanda Espinosa Garcés

All Permanent Representatives and
Permanent Observers to the United Nations
New York

28 June 2019

Excellency,

We write to you in our capacities as co-facilitators appointed by the President of the General Assembly to lead intergovernmental consultations on a Political Declaration as the mandated outcome of the comprehensive high-level mid-term review of the implementation of the Vienna Programme of Action (VPoA) for landlocked developing countries (LLDCs) for the decade 2014-2024.

We now have the honor to share with you the revised draft (Rev.1) of the political declaration.

We would also like to invite you to the third informal on Tuesday 2 July 2019 starting from 10 AM in Conference Room 6 with a view to hearing specific and substantive comments of Member States on the revised draft.

We count on your active participation and support in this process.

Please accept, Excellency, the assurance of our highest consideration.



Doma Tshering
Permanent Representative of Bhutan



Jan Kickert
Permanent Representative of Austria

All Permanent Representatives and Permanent Observers
to the United Nations, New York

**Mid-Term Review of the Vienna Programme of Action
High Level Political Declaration**

REV.1 28 June 2019

Preamble

1. We, the Heads of State and Government Ministers and High Representatives, gathered at the United Nations on 5 and 6 December 2019, to review the implementation of the Vienna Programme of Action (VPoA), reaffirm our commitment to the overarching goal of the VPoA to address the special development needs and challenges of Landlocked Developing Countries (LLDCs) arising from landlockedness, remoteness and geographical constraints in a more coherent manner and we collectively commit to strengthened cooperation in the context of sustainable development for LLDCs.
2. We reaffirm our commitment to the full, effective and timely implementation of the VPoA, which is integral to the 2030 Agenda for Sustainable Development and which is in line with the Addis Ababa Action Agenda, the Paris Agreement, the Sendai Framework for Disaster Risk Reduction and the New Urban Agenda. Effective implementation of the VPoA and 2030 Agenda are mutually reinforcing and crucial for the attainment of the Sustainable Development Goals.
3. We emphasise that eradicating poverty in all its forms and dimensions, including extreme poverty is the greatest global challenge and an indispensable requirement for sustainable development.
4. We are committed in our endeavour to help turn LLDCs into land-linked countries, for this we must come together in durable, transparent, accountable and effective partnerships between LLDCs and transit countries and their development partners, as well as with a range of stakeholders, including civil society, the private sector, academia and youth. We further reaffirm that gender equality and the empowerment of all women and girls will make a crucial contribution.
5. We recognize the importance of access for LLDCs to and from the sea and freedom of transit, in accordance with the applicable rules of international law.

Review and Assessment of Progress, Gaps and Challenges

6. We take note with appreciation of the report of the Secretary General on the implementation of the VPoA and recognise the many efforts at all levels by LLDCs, transit countries and development partners and the progress achieved since 2014. At the same time, we remain concerned that the progress made is not enough for LLDCs to achieve the VPoA targets and sustainable development. We note with concern that one third of the LLDCs' population is still living in extreme poverty, that the prevalence of moderate to severe food insecurity persists and that the LLDCs' average Human Development Index (HDI) lags behind the world average.
7. We commend those LLDCs that have met the criteria for graduation from least developed country status.
8. We recognize that a key challenge faced by LLDCs is lack of reliable and regular data to inform policy and ensure follow-up.

Priority 1: Fundamental transit policy issues

9. We recognize the progress that has been made by LLDCs and transit developing countries in ratifying the WTO Trade Facilitation Agreement, Revised Kyoto Convention, TIR Convention and other relevant international conventions. We note however that there is need for LLDCs and transit countries to effectively implement their obligations under these conventions and agreements.

10. We welcome the recent developments amongst LLDCs and their transit neighbours in building transit transport and economic corridors. Progress has been made on reducing travel time and corresponding costs along corridors, significantly reducing the time spent at the borders and at intermodal points.

Priority 2: Infrastructure development and maintenance:

11. Progress has been made in LLDCs and transit developing countries towards expansion and upgrading of rail, road, ports, air transport, and inland waterways. Some missing links have been closed and regional integration has been strengthened.

12. We note that infrastructure in LLDCs for production, supply, transmission and distribution of modern and renewable energy services has been expanded and upgraded. However, more than 40% of the LLDCs population still does not have access to electricity and the rural-urban gap remains significant. The pace of completion of power projects is too slow.

13. We recognize that access to ICTs in LLDCs has increased. LLDCs continue to face major constraints that include infrastructural gaps, relatively high cost of ICT services, especially the high cost of accessing submarine cables.

14. The major challenges in infrastructure development include limited financial resources to close the significant infrastructure financing gaps, lack of capacity to develop bankable infrastructure projects, limited technologies and lack of resilient infrastructure.

Priority 3: International trade and trade facilitation:

15. LLDCs continue to face greater difficulties than coastal countries in expanding international trade, due to the high cost of trade, which is double that of transit developing countries. In that regard we note with concern that their share in global trade has declined. We welcome efforts made by LLDCs to enhance their participation in global trade including through mainstreaming trade into their national strategies and updating their trade related policies.

16. We are concerned that most of LLDCs' exports remain highly concentrated on a few primary commodities and that service exports are still dominated by the tourism sector. The lack of diversification of exports of LLDCs exacerbates their vulnerability to excessive price volatility and exogenous economic and environmental shocks.

17. We note that the gap in trade finance has increased since the global financial crisis, including for LLDCs. This limits LLDCs trading potential and results in missed opportunities to use trade as an engine of development.

18. We note with concern the lack of access to capital for micro, small, and medium-sized enterprises (MSMEs), including women and youth-owned enterprises, which affects overall private sector development and economic growth of LLDCs.

19. We are further concerned that LLDCs still fall behind in their e-commerce readiness.

Priority 4: Regional integration and cooperation.

20. We recognize that LLDCs' participation in regional and sub-regional trade, transport and transit facilitation agreements and initiatives aimed at deepening regional integration, enhancing infrastructure connectivity, and facilitating movement of cargo across borders has increased. LLDCs have entered into bilateral and plurilateral trade, transport and transit-related agreements with their neighbours.

21. We are encouraged by signs that broader cooperation in areas such as investment, research and development, and policies supportive of regional industrial development and regional connectivity is taking place both among LLDCs and between LLDCs and their neighbours.

Priority 5: Structural economic transformation

22. Since 2014, many LLDCs have placed structural economic transformation at the centre of their national development plans and adopted strategies for diversification and upgrading of their economies, industrialization, export promotion and private sector development, but LLDCs have made limited advancement towards achieving structural transformation, still have limited manufacturing and industrial capacity to create high value-added products, some LLDCs even showing signs of de-industrialization of their economies.

23. We acknowledge the efforts by LLDCs to support private sector development and emphasize that enabling legal and regulatory environment for the local private sector is one of the most important requirements for promoting sustainable, inclusive and sustained economic growth, developing an industrial base, attracting investment and bringing about structural transformation.

24. We express concern at the limited technological capabilities, low technology intensity and acquisition and low investments into research and development in LLDCs.

25. LLDCs are vulnerable to the adverse impact of climate change and remain disproportionately affected by desertification, land degradation, drought and receding glaciers. We are also concerned about the economic, social and environmental impacts of sudden- and slow-onset of disasters in LLDCs, as well as the impacts of disasters in transit countries on the economies of LLDCs.

Priority 6: Means of implementation

26. We note that lack of adequate financial resources and capacity constraints are some of the biggest challenges LLDCs face in their efforts to implement the VPoA and achieve sustained growth and sustainable development.

27. We recognize that LLDCs and their transit country neighbours need to effectively mobilize adequate domestic and external resources, both public and private, for the effective implementation of the VPoA. Cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks will be at the heart of our efforts.

28. We note that the average tax revenue in LLDCs is not sufficient to meet development needs.

29. We express concern that illicit financial flows have an adverse impact on domestic resource mobilization and on the sustainability of public finances in LLDCs.

30. We commend the greater international attention that has been given to LLDCs since the adoption of the VPoA including increased ODA and aid for trade and South-south and triangular cooperation, but reaffirm the need for renewed and strengthened partnerships for the LLDCs' development.

31. We welcome that official development assistance flows to LLDC have increased in real terms. At the same time, we note with concern that much of the official development assistance continues to be concentrated in few LLDCs.

32. We express concern over the continued decline in FDI flows to LLDCs, which is an impediment for their economic growth.

Call for Action to accelerate the implementation of the Vienna Programme of Action

33. We underscore the need to capture data to monitor the specific objectives of the VPoA and commit to providing LLDCs with capacity building support to strengthen their national statistical systems.
34. We commit to targeted and accelerated action to remove all legal, social and economic barriers to achieve gender equality and the empowerment of all women and girls, and the realization and enjoyment of their human rights.
35. We underscore the importance of mobilizing adequate resources to accelerate the implementation of the VPoA and to support the LLDCs to achieve the SDGs and targets by 2030.
36. We call on LLDCs and transit countries to effectively implement their obligations under all relevant international, regional and bilateral agreements to improve transit in a manner consistent with their trade and development objectives.
37. LLDCs and transit countries should consider promoting a corridor approach to improve trade and transit transport. We call on LLDCs and transit countries to make additional efforts to reduce travel time along the corridors and to adopt an integrated and sustainable approach to the management of international transport corridors that promotes regional connectivity.
38. We call on the UN system and other relevant international and regional organizations to continue providing policy, analytical and technical support towards the development, functioning and management of corridors.
39. We encourage LLDCs, transit countries and development partners to work towards greater synergy and complementarity among various transport and transit corridors at regional and inter-regional levels with a view to maximising the associated economic opportunities.
40. We encourage LLDCs and transit countries to integrate the development, upgrade and maintenance of national and transboundary transport infrastructure in their national development strategies.
41. We encourage LLDCs and transit countries, with the support of their development and trade partners to develop regionally integrated, sustainable, climate and disaster resilient transport infrastructure, and to close missing links in order to reduce the cost of doing business and increase intra-regional trade.
42. We encourage LLDCs and transit countries to create an enabling environment for sustainable investment, including FDI, and infrastructure operations.
43. We encourage LLDCs and transit countries to expand and upgrade supply, transmission and distribution infrastructure for electricity, including off-grid solutions, to accelerate preparation of power projects, especially renewables, scale up projects on cross border inter-connectors and improve transformational energy access and ensure access to affordable, reliable, and modern energy for all.
44. We encourage LLDCs and transit countries to collaborate to establish ICT infrastructure, applications and services with the support of governments, private sector, development partners, multilateral financial and development institutions and regional banks. The substantial digital divide between LLDCs and the developed countries needs to be addressed.

45. We call on development partners, the UN system, international financial institutions and international and regional organizations to provide technical support to LLDCs for the formulation and implementation of bankable infrastructure and transport development projects.

46. We encourage LLDCs to continue formulating policies and strategies aimed at diversifying their export structure and adding value to their exports in order to expand their participation in sustainable regional and global value chains.

47. We encourage LLDCs, with the support of their development and trade partners, to reduce “before the border” trade costs by improving transport networks and customs procedures as well as by the application of technology driven and ICT solutions to expedite international trade.

48. We reaffirm the importance of the World Trade Organisation Agreement on Trade Facilitation in addressing the high trade and transit costs and call for full and timely implementation of the Trade Facilitation Agreement by all the Members of the World Trade Organisation. LLDCs should promptly notify their technical assistance needs. We also invite development partners and relevant organisations to enhance support to LLDCs to implement their WTO commitments.

49. We call upon all Member States to enhance market access for exports from LLDCs.

50. We underscore the potential for LLDCs to facilitate their integration into sustainable regional and global value chains, expand their trade capabilities and connectivity by strengthening productive linkages, supporting the development of supply chains within the region, improving the quality and the effective implementation of regional integration agreements.

51. We call upon the UN system, regional and international development partners, and other international organizations to support LLDCs and transit countries in leveraging the opportunities provided by regional initiatives and integration.

52. We encourage LLDCs, with the support of development partners and international organisations, to identify and provide targeted incentives to specific sectors and/or firms with higher sustainable development impact, value-added production, inclusive job creation, diversification and/or export potential.

53. We encourage LLDCs to promote innovative solutions in sectors such as agriculture, transport, information and communications, finance, energy, health, water and sanitation and education, and effective public-private partnerships through investments in education and skills development, including technical, vocational and tertiary education, and training alongside ensuring gender equality with respect to access to services. Recognizing that these investments are required to reduce economic volatility, enable LLDCs to reap the demographic dividend, achieve lifelong learning and broader human development.

54. We call on LLDCs to encourage private sector development by enhancing private sector capabilities, as well as improving economic governance and business regulations.

55. We are determined to build economies and societies in LLDCs that are resilient to external economic shocks, natural disasters and the adverse impact of climate change and environmental degradation. We urge development partners, the UN system and other international and regional organizations to support LLDCs’ efforts to develop and implement national climate change strategies in line with the goals of the Paris Agreement and develop tools to prevent and combat desertification, land degradation, drought and receding glaciers as well as strengthen water resources management at all levels, including through transboundary cooperation, disaster risk prevention, preparedness and response, early warning and early action systems.

56. We encourage development partners to support LLDCs in building institutional and human capacities.
57. We request the UN system to provide assistance to graduating countries, upon request, in the formulation and implementation of their national transition strategies and to consider country specific support for graduated countries for a fixed period of time and in a predictable manner, and call upon development partners to support smooth transition.
58. We encourage LLDCs to strengthen their services sector and enhance their efforts to integrate into electronic commerce (e-commerce), to develop national science, technology and innovation policies, and create enabling STI infrastructure, to continue to make improvements in the regulatory environment for business, in particular for MSMEs. We also urge enhanced international and domestic investments in R&D in LLDCs.
59. We call upon Member States to consider the establishment of dedicated technology funds and centres for STI development in LLDCs.
60. We encourage LLDCs to strengthen their efforts in raising domestic resources, including through carrying out reforms in tax administration, broadening the tax base and strengthening domestic capital markets and call on the international community to assist these efforts in line with national priorities.
61. We call upon development partners to increase support to LLDCs, including through ODA. At the same time, we encourage LLDCs to better leverage ODA for attracting further finance from other sources such as foreign direct investment, public-private sector partnerships, and blended finance.
62. We call upon development partners to effectively implement the Aid for Trade initiative, giving adequate consideration to the special needs and requirements of LLDCs.
63. We call upon the developing and developed countries to increase support to LLDCs in line with the modalities of South-South and triangular Cooperation.
64. We welcome the establishment of the International Think Tank for LLDCs and call on all LLDCs that have not done so to ratify or accede to the Multilateral Agreement for its Establishment. We invite Member States and other relevant stakeholders to make voluntary contributions to the Think Tank's budget.
65. We call upon the UN system, including the UN Regional Economic Commissions, as well as all relevant international and regional organizations, to continue providing necessary support to accelerate the implementation of the VPoA.
66. We call upon UN-OHRLLS to continue to ensure the coordinated follow-up to, effective monitoring of and reporting on the implementation of the VPoA.
67. We call on the Secretary-General to mobilize the necessary resources, from all sources to enable the LLDC unit of UN-OHRLLS to adequately support the LLDCs.

Third United Nations Conference on Landlocked Developing Countries

68. We invite the General Assembly to consider holding the Third United Nations Conference on the Landlocked Developing Countries in 2024.