



**Statement by the South Centre
at the**

Second United Nations Conference on the Landlocked Developing Countries

3-5 November 2014, Vienna, Austria

Mr. President,
Excellencies Ministers,
Distinguished delegates,
Ladies and Gentlemen,

I have the honour to deliver this statement on behalf of Mr. Martin Khor, Executive Director of the South Centre. The South Centre, an intergovernmental organisation of developing countries, including Landlocked Developing Countries, was established in 1995 and is based in Geneva.

As the multilateral policy research institution of developing countries, The South Centre has been working on many challenges faced by developing countries supporting their efforts to achieve a truly route of sustainable development. In this context, we welcome the UN Second Conference on Landlocked Developing Countries.

Since the first international conference on LLDCs in Almaty in 2003, LLDCs have been more proactively charting their own blue print for sustainable development. Yet, while some progress have been made in terms of education, health, gender and environmental goals, robust and sustainable economic growth remains elusive for far too many LLDCs. In this regard, this conference is a valuable opportunity to review the progress in the implementation of Almaty Programme of Action, and to develop an updated comprehensive framework for international cooperation and action for the next decade. This programme must take into account key challenges and puts the promotion of sustainable economic and social development as the primary and overriding challenging objective for Landlocked Developing Countries. The Program of Action 2014-2024 must promote structural and economic transformation in LLDCs so that they overcome the negative impact of their geographical disadvantages and external vulnerabilities, creating jobs and ultimately leading to poverty reduction and inclusive sustainable growth and development.

Mr. President, the South Centre would like to highlight some key points in the context of this conference and other multilateral processes directly connected with the needs of the developing countries, including the LLDCs:

First, the global economic scenario continues to be extremely challenging, more so for LLDCs. Prospects for global recovery are not encouraging, particularly with weak recovery in the developed world and growing turbulence in emerging economies which had been a growing market for exports coming from the 32 LLDCs countries. LLDCs are especially prone to external shocks such as the global financial and economic crisis, and commodity price volatilities. LLDCs countries will most likely be even more negatively affected by external shocks as result of dependency on trade, disadvantages in logistics and transport and strong dependence on commodities as primary source of revenue. The Action Plan to be adopted in Vienna must take this perspective into consideration and identify concrete actions to build LLDC resilience and create solid mechanisms that to overcome daunting developmental challenges faced by this group of countries.

Second, trade is well-known critical challenge for LLDCs. LLDCs account only for 1.2 per cent of global exports. The Almaty Programme of Action promoted the greater integration of LLDCs into the global economy and some important progress has been made. However, LLDC competitiveness continues to be stymied by limited productive and industrial capacities, lack of economic diversification, high transport and trade transaction costs all these impede the socio-economic development the 400 million inhabitants of the 32 landlocked developing countries. The trade negotiations at the multilateral and regional or interregional levels must ensure that these challenges are properly taken into consideration. The South Centre has consistently supported LLDCs in these negotiations in promoting their policy space so that they can deal appropriately with their specific developmental challenges.

Third, we need to make sure that the Action Plan adopted in Vienna promotes LLDC development priorities as we embark on the negotiations toward the post-2015 Development Agenda, for adoption in 2015. A set of Sustainable Development Goals (SDGs) has been multilaterally negotiated and developed as a basis for the post-2015 development agenda. The South Centre will be a strong advocate on the special needs of developing countries and of the LLDCs in setting the sustainable development agenda and in its implementation.

We must recognize that while the MDGs might have focused attention on the social pillars of sustainable development, the larger economic aspirations of LLDCs, including infrastructure development and industrial development have not been adequately addressed by the MDGs. We are pleased that the SDGs include economic goals like growth, industrial development, and infrastructure as key elements in **structural transformation**. Most critical in the post-2015 development agenda is the provision by developed countries to developing countries of the means of implementation (finance, technology, capacity building) and a more robust global partnership for development. This will require access by developing countries to long-term finance for development and technology transfer. The global development agenda must highlight and expand policy space in the LLDCs so that these countries can use government actions that are appropriate to their circumstances.

Fourth, development requires a proper partnership starting with the discharge on the part of development partners of existing commitments such as the ODA targets adopted at the Ministerial Conference on Financing for Development held in Monterrey, Mexico in 2002. We welcome the suggested targets of the outcome document of this conference to maintain momentum in ODA, and double disbursements in the next decade; to address ODA imbalances with increased support to countries with greater need by 2024; and to achieve 30 per cent ODA targeted to capacity development and productivity and trade-related areas by

2024. We believe however, these should be mandatory targets subject to measurement, reporting, and verification mechanisms.

Fifth, the South Centre believes that the upcoming UN Financing for Development review conference to take place in Addis Ababa in July 2015 must become an important complement to the Second UN Conference on LLDCs. A principled global partnership for development based on the principles of equity and common but differentiated responsibility is the essential core of multilateralism and international solidarity, responsibility and accountability. This is of central importance for supporting LLDCs' sustainable development efforts. The Addis Ababa outcome document in July 2015 will be an opportunity to give developing countries and LLDCs countries a guarantee that the programme of action adopted here in Vienna will have a proper mechanisms for supporting the Plan of Action to be endorsed here during the of Second Conference on LLDCs.

Sixth, while South-South Cooperation is an important and growing element of LLDCs development efforts, the South Centre takes the position that it is a complement but not a substitute for North-South cooperation. Development partners must fully discharge their long-standing commitments in development cooperation, including financial and technical support for the effective implementation of the Program of Action 2014-2024.

Seventh, the LLDC are, like other developing countries, particularly vulnerable to the adverse effects of climate change. Climate change poses grave challenges to LLDCs and threatening to reverse progress made in economic and social development, including poverty eradication, hunger, and environmental protection efforts. The 2015 outcome of the climate change negotiations must take this into account, and ensure that the enhanced actions on adaptation and mitigation of developing countries, including LLDCs are adequately enabled and supported by enhanced commitments on adaptation and mitigation financing, technology transfer, and capacity building support, as well as enhanced commitments on mitigation, from developed countries under the UNFCCC.

Finally, the South Centre looks forward to cooperating with the LLDC International Think Tank in our common effort to deal with the mounting challenges faced by LLDCs and the entire Global South.

The outcome from Vienna must chart a definitive path forward, building on the foundations of the LLDCs-specific internationally agreed goals in the Almaty Programme of Action 2003 and ensuring that the Vienna Programme of Action 2014-2024 is well integrated into the Post-2015 Development Agenda.

Mr. President,

The South Centre will remain fully engaged in the processes charted by the new Plan of Action and in helping to support the implementation of the outcomes of the UN Second Conference on Landlocked Developing Countries, within its mandated capacity.

Thank you.