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Declaration of ministers of the landlocked developing countries at the fifteenth United Nations Conference on Trade and Development

We, the ministers of the landlocked developing countries, having met virtually prior to the fifteenth session of the United Nations Conference on Trade and Development (UNCTAD XV), held from 3 to 7 October 2021,

Recalling the 2030 Agenda for Sustainable Development and the Sustainable Development Goals aimed at, inter alia, eradicating extreme poverty and hunger by 2030; the Addis Ababa Action Agenda of the Third International Conference on Financing for Development; and the Paris Agreement under the United Nations Framework Convention on Climate Change,

Recalling the Vienna Declaration and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, adopted at the Second United Nations Conference on Landlocked Developing Countries,

Recalling the Ministerial Communiqué of the landlocked developing countries adopted within the framework of UNCTAD XIV,

Taking note of the Ministerial Declaration adopted at the Nineteenth Annual Ministerial Meeting of Landlocked Developing Countries held on 23 September 2020 in New York, within the framework of the high-level week of the 75th session of the United Nations General Assembly,

Taking note of the road map for accelerated implementation of the Vienna Programme of Action VPoA in the remaining that years that highlights priority action areas with concrete deliverables towards the achievement of the Vienna Programme of Action VPoA objectives and targets adopted on 23 September 2020 at the same annual ministerial meeting,

1. *Recognize* that the COVID-19 pandemic has had a severe adverse impact on our countries, threatening to undo years of development gains. LLDCs were already among the most disadvantaged countries in the world economy before the crisis, and the pandemic has further exacerbated their vulnerabilities. Border closures and disruptions of trade and transport networks have further isolated the landlocked countries dependent on their neighbouring transit countries for access to global markets and many essential goods. Falling demand for commodities has reduced fiscal revenue in many landlocked countries, further reducing the resources available to fight the pandemic and support the most vulnerable populations. Increased fiscal outlays and reduced fiscal revenues have meant



growing debt burdens for many of our countries, potentially exacerbating the long-term effects of the crisis on development.

2. *Call for* global solidarity in fighting the pandemic and its consequences in the most vulnerable countries, including ensuring equitable access to vaccines and needed medical equipment and support to mitigate the economic impact of the pandemic. The international community should also give LLDCs special treatment in accessing and distributing vaccines against COVID-19, given the logistic, transport and transit-related challenges they face due to their specific geographical challenges as well as budgetary constraints. Against this background, the Debt Service Suspension Initiative of the Group of 20 and the Global Financial Institutions should be extended until the end of the pandemic and be broadened to include private sector creditors. In addition, ODA to the most vulnerable countries, including LLDCs, should be expanded.

3. *Recognize* that our countries faced significant challenges even before the pandemic. Average growth rates in landlocked developing countries have slowed since 2014, falling short of the levels needed to achieve the goals of the Vienna Programme of Action and the Sustainable Development Goals. Similarly, the share of landlocked developing countries in global merchandise exports has fallen, rather than doubled, compared to 2014.

4. *Recognize* that our geographical position and dependence on transit transport as well as multiple border crossings continue to pose obstacles to our socioeconomic development. High trade costs remain a defining common challenge of landlocked developing countries, reducing the competitiveness of our exports on world markets and raising import prices. Together, these obstacles are rendering industrialization and structural transformation harder to achieve, locking many of our countries in the trap of commodity dependence. Breaking out of this trap will require investments in domestic transport infrastructure, streamlining of border crossing procedures, and improved transport infrastructure, logistics and procedures in transit trade.

5. *Consider* that innovative approaches should be explored to treat in a holistic manner the issues of transit, transport and trade facilitation given their intrinsic links to address the limitations arising from the rising transport and logistic costs that are hampering the effective participation of landlocked countries in regional value chains using their comparative advantages.

6. *Affirm* our commitment to further work on exploring such innovative approaches to improve the nexus among transport networks and trade logistics, including trade facilitation, and call for renewed engagement and cooperation among transit countries and regional cooperation in achieving tangible results for the implementation of regional transit agreements. To this end, there is also a need for increased international support measures.

7. *Call on* development partners to substantially increase the allocation of Aid for Trade funds to landlocked developing countries with a focus on sectors of significant potential for export diversification, value addition and jobs creation. We further call on the international community to support our countries and transit neighbours with the implementation of the WTO Trade Facilitation Agreement.

8. *Recognize* that most of our countries remain highly dependent on the exports of commodities, rendering our societies vulnerable to price shocks, unbalanced growth and low-income traps. Overcoming commodity dependence and achieving sustained and inclusive growth requires efforts to diversify exports and achieve structural transformation.

9. *Recall* that building productive capacities is a key strategy to accelerate structural transformation, promote inclusive economic growth and achieve sustainable development. Building productive capacities also reduces vulnerabilities to external shocks, whether economic, political or health-related. Post-COVID-19 development policies and strategies should place building productive capacities at the centre, so as to build resilience, achieve inclusive growth and kick-start the process of structural economic transformation. This should include pursuing coherent trade, industrial and other sectoral policies, including entrepreneurship, innovation and technological upgrading.

10. *Recognize* the work carried out by UNCTAD on the concept of productive capacities and urge UNCTAD to continue its efforts in this regard, with a view to developing country-

specific policies and programs for building productive capacities. The objective of this should be to reorient domestic policies to harness comparative advantages in LLDCs, relieve key binding constraints on development and formulate nationally owned, forward-looking and comprehensive multi-year and multisectoral programmes of intervention.

11. *Welcome* the new policy tool of the Productive Capacities Index developed by UNCTAD, and request UNCTAD, with the support of development partners, to operationalize it and carry out productive capacity gap assessments in LLDCs and to identify policies and measures that would support our countries in building productive capacities. We call on UNCTAD to enhance its work in support of LLDCs to foster productive and supply capacities, including by developing a dedicated programme or centre on productive capacities.

12. *Express* appreciation for the innovative approaches elaborated by UNCTAD for the integrated approach on transit transport and trade facilitation aimed at the implementation of existing transit agreement existing in regional trade agreements and in context of African Continental Free Trade Area transit corridors, and calls on the Enhanced Integrated Framework and development partners to further support this initiative, while ensuring active engagement from landlocked beneficiaries for its success.

13. *Recognize* the potential role played by trade and foreign direct investment in supporting the creation of productive capacities and note the importance of effective market access for products of interest to our countries. In this respect, we welcome the research carried out by UNCTAD to ensure that transport costs do not unduly penalize landlocked countries in meeting rules of origin requirements that are the key to improved market access under preferential trade arrangement. We call on our trade and development partners to reduce market entry barriers and remove unnecessary non-tariff measures.

14. *Recognize* the important work carried out by UNCTAD in its three pillars of research and analysis, intergovernmental consensus-building and technical assistance, to support the landlocked countries, including in areas such as transit corridor operation, trade facilitation, trade logistics, customs procedures automation, business facilitation, investment promotion, investment policy reviews, trade policy analysis, e-commerce readiness, science and technology policies, fostering entrepreneurship, support for export diversification, debt management, macroeconomic policies and policies to support structural transformation. We are grateful to UNCTAD for its work and contribution to promoting sustainable development in our countries, including achieving the objectives of the Vienna Programme of Action and the Sustainable Development Goals.

15. *Reaffirm* our call made in the Ministerial Declaration during UNCTAD XIV, to strengthen the Division for Africa, Least Developed Countries and Special Programmes, in particular the Landlocked Developing Countries Section, with increased human and financial resources.

16. *Express* our sincere recognition to Mongolia for the efforts undertaken in its capacity as a Coordinator of the Group of Landlocked Developing Countries in Geneva.

17. *Express* our sincere appreciation and gratitude to the people and Government of Barbados for the excellent arrangements made to support the successful hybrid organization of UNCTAD XV.