REPUBLIC OF BOTSWANA

LLDC3
3rd United Nations Conference on the Landlocked Developing Countries

STATEMENT

BY

H.E. DR. GLADYS MOKHAWA
AMBASSADOR AND PERMANENT REPRESENTATIVE
OF THE REPUBLIC OF BOTSWANA TO THE UNITED NATIONS

AND

CHAIR OF
THE GROUP OF LANDLOCKED DEVELOPING COUNTRIES (LLDCs)

DURING

THE SECOND SESSION PREPARATORY COMMITTEE FOR THE FOURTH INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

TUESDAY, 3 DECEMBER 2024
UN CONFERENCE ROOM 4
15:00 – 1800HRS

Please check against delivery

- **Excellencies,**
- **Distinguished Delegates,**

1. I have the honour to deliver this statement on behalf of the Group of Landlocked Developing Countries (LLDCs).

2. At the outset, allow me to express our gratitude to the Co-Chairs of the Outcome Document of the fourth International Conference on Financing for Development (FfD4), for sharing the Draft Elements Paper for the Outcome Document.

3. The LLDCs further express its gratitude to the Co-Chairs for including some of our inputs in the Elements Paper.

4. We wish to highlight some of the key elements that remain central to LLDCs' efforts to achieve sustainable development and the principle of leaving no one behind.

Excellencies,

5. It is with keen interest for the LLDCs that the Outcome Document of the FfD4 builds upon the targets, commitments, and envisaged actions outlined in the new Programme of Action (PoA) for LLDCs. This PoA provides a vital framework for advancing the LLDCs' development priorities for the decade 2024–2034.

6. In this regard, allow me to highlight some key priorities of the LLDCs as we engage in the framing of the zero draft Outcome Document.

7. **On domestic resource mobilization**, the Group appreciates the target of achieving tax-to-GDP ratios above 15%, noting that the median ratio for LLDCs remains at just 12%.

8. We therefore underscore the support for international tax cooperation and combating illicit financial flows. These challenges are especially acute for countries dependent upon capital-intensive primary resources, including the 27 of the 32 LLDCs classified by UNCTAD as commodity-dependent. Special efforts are needed to address the corrosive impact of illicit financial flows and profit shifting for these countries.

9. **On foreign direct investment**, LLDCs continue to face persisting challenges. Just 0.13 percent of world Foreign Direct Investment stock resides in LLDCs, despite them accounting for 7% of the world's population. This lack of investment constrains our development, particularly in the context of trade and infrastructure.

10. Furthermore, LLDCs pay more than double the transport costs of transit countries, while their infrastructure lags significantly behind global averages. Addressing these gaps requires estimated investments of $510 billion to upgrade transport infrastructure to global standards.

11. The Group therefore strongly underscores the call to establish an infrastructure investment financing facility (IIFF) for LLDCs, as envisioned in the new Programme of Action. We also stress the need for capacity-building support to develop bankable projects and strengthen statistical capabilities.

Excellencies,

12. **On climate finance**, we welcome the call for increased financial flows to LLDCs and other vulnerable countries. Current climate finance remains insufficient and overly focused on mitigation rather than adaptation. Moreover, the share of concessional finance is inadequate.

13. **On international trade**, we recognize trade as an engine of development. However, six LLDCs are still in the process of acceding to

the WTO and require targeted technical assistance to complete their accession.

14. We urge the FfD Outcome Document to prioritize the establishment of a dedicated work program on LLDC trade challenges under the WTO, while also promoting e-commerce and digital trade as key opportunities for LLDCs to overcome traditional transit barriers.

15. **On enhancing productive capacities to trade**, we emphasize the especial value of e-commerce and digital trade for LLDCs as an opportunity for circumventing the traditional barriers that they face in transit.

16. In this regard, the Group reiterates the target set in the LLDCs' new PoA to double LLDCs' global merchandise exports and to significantly increase their exports of services and e-commerce.

17. **On debt and fiscal space**, LLDCs face increasing fiscal pressures, with median government debt-to-GDP ratios rising from 42% in 2019 to 50% in 2023. Meanwhile, debt service costs have surged, with seven LLDCs identified as at high risk of debt distress and four already in distress in 2024.

18. Reforms to the international financial architecture must account for the specific vulnerabilities of LLDCs, particularly their reliance on lengthy transport and transit infrastructure.

19. **On systemic issues**, it is critical that the vulnerabilities and special needs of LLDCs are sufficiently recognized and addressed comprehensively.

20. We underscore the importance **of science, technology and innovation** as a priority of the new PoA for LLDCs and a vital area for building resilience and achieving sustainable development.

Excellencies,

21. To conclude, let me emphasize that the LLDCs as a group of vulnerable countries continue to face significant challenges with trade, debt, financing, fiscal space and investment.

22. Reforms to the international financial architecture should take into account the specific needs of countries in special circumstances, such as the disproportionate reliance of LLDCs on lengthy transport and transit infrastructure.

23. The group therefore underscores the importance of a robust Outcome Document that delivers on the priorities and commitments outlined in the new Pogramme of Action for the LLDCs.

24. Support from the international community—including transit countries, development partners, international organizations, and regional actors—is crucial for the LLDCs. Together, we can advance solutions in financing, investment, and trade to ensure the effective implementation of the new PoA for LLDCs for the next decade and achieve the SDGs.

I thank you for your kind attention.