



**Comprehensive 10 Year Review Conference
on the Implementation of the Almaty Programme of Action**

**Report of the Brainstorming Meeting on the Priorities of a
New Development Agenda for the Landlocked Developing
Countries**

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ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
APoA	Almaty Programme of Action
CFC	Common Fund for Commodities
EATL	Euro-Asian Transport Links
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMS	Greater Mekong Subregion
GNP	Gross National Product
HDI	Human Development Index
ICC	International Chamber of Commerce
ICT	Information, communication and technology
IRU	International Road Union
ITC	International Trade Center
ITU	International Telecommunication Union
LLDCs	Landlocked Developing Countries
MDGs	Millennium Development Goals
NTMs	Non tariff measures
ODA	Official Development Assistance
OSCE	The Organization for Security and Co-operation in Europe
PPP	Public-Private Partnerships
REC	Regional Economic Community
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
TFF	Trade Facilitation Facility
TIR	International Road Transport Convention
UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UN DESA	UN Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UN ECE	United Nations Economic Commission for Europe
UN ESCAP	United Nations Economic and Social Commission for Asia and Pacific
UNIDO	United National Industrial Development Organization
UN OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States
UNOSSC	United Nations Office for South-South Cooperation
WCO	World Customs Organization
WDI	World Development Indicators (World Bank)
WTO	World Trade Organization

Summary

This is a report of the Brainstorming Meeting on the Priorities of a New Development Agenda for the Landlocked Developing Countries that was held in New York on 20 and 21 March 2013. The meeting was organized by United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS) in accordance with the United Nations General Assembly resolution 66/214, in which it decided to hold in 2014 a comprehensive ten-year review conference of the Almaty Programme of Action. The aim of the two-day meeting was to discuss the key development challenges and needs of the Landlocked Developing Countries (LLDCs) and identify the priorities of a new development agenda for the LLDCs. The Meeting involved delivery of statements, presentations, brainstorming of ideas and discussions.

The ultimate objectives of the development strategies of landlocked developing countries are poverty reduction, achieving higher levels of wellbeing of their people and sustained economic growth. However their geographical disadvantages such as remoteness from international markets, lack of direct access to the sea ports, additional border crossings, compounded by infrastructure deficiencies, logistical bottlenecks and weak institutions puts them at a disadvantage in fully harnessing their potentials to support their sustainable development efforts. Landlockedness is a major impediment to trade, income and subsequently development. This is the reason why LLDCs need a global partnership with special measures and support that could assist them to end their marginalization in the international trading system.

The Almaty Programme of Action adopted in 2003 set the parameters for this partnership with clear undertakings in transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, regional integration and international support measures. Since then while a lot has been accomplished, more needs to be done to establish a firm foundation for development and progress in these countries.

One remarkable achievement of the Almaty Programme to date has been the universal recognition of the special needs of landlocked developing countries, which has generated tangible actions by not only the transit countries and the landlocked developing countries themselves, but also by the partner countries, international and regional institutions. The last ten years have seen stronger support from development partners towards transport infrastructure development, and trade facilitation and support from transit countries to harmonize transport and transit policies, simplify border control and procedures and facilitate trade. Flows of official development assistance from traditional donors increased substantially from US\$11.1 billion in 2000 to US\$ 24.3 billion in 2011 and Aid for Trade disbursements to landlocked developing countries rose from US\$4.7 billion in 2006 to US\$6 billion in 2010. Foreign Direct Investment net inflows to landlocked developing countries increased from \$3.9 billion in 2000 to \$35.0 billion in 2011.

Since the adoption of the APoA, the landlocked developing countries as a group have achieved higher annual rates of economic growth which averaged 7.8% between 2003 and 2007. However this was affected by the global financial and economic crisis slowed down in 2008 and 2009 but recovered to 7.4% in 2010 but fell to 6.0% in 2011. Almost half of the landlocked developing countries had a low per capita GDP of less than

US\$1000. In addition when compared to other groups of countries (including transit developing countries, all developing countries and developed countries) the landlocked developing countries have the lowest GDP per capita.

On the social development front, landlocked developing countries have experienced a positive trend in the Human Development Index between 2003 and 2011 - nevertheless 15 of the LLDCs are still in the lowest HDI ranking. LLDCs have made advances on some MDGs including: primary education, gender parity in primary education, increased percentage of women in decision-making power and stemming the spread of HIV/AIDS. Progress has been slow on reducing widespread poverty, hunger, child and maternal mortality and improving access to sanitation. New and emerging challenges linked to the food, energy and economic crises, as well as the negative impacts of climate change and environmental degradation including loss of biodiversity have increased tremendously the burden on landlocked developing countries' economies – a burden that none of the countries can afford to confront themselves alone.

Exports from landlocked developing countries as a group increased from US\$43 billion 2003 to US\$221 billion in 2011. Landlocked developing countries heavily rely on natural resource-based commodities for their exports including bulky primary agricultural commodities, oils and minerals, making them highly vulnerable to commodity price fluctuations. Whilst the export concentration ratios for other developing countries have remained relatively stable below 0.15, since 2000, they have dramatically increased for the landlocked developing countries from 0.17 in 2000 to 0.38 in 2010 mostly owing to higher world demand for minerals and fuels.

Some key challenges continue to impede the ability of landlocked developing countries to more effectively engage in international trade. Transit transport infrastructure is still inadequate and inefficient and as a result, transport costs in landlocked developing countries are still the highest in the world, resulting in high and uncompetitive costs of doing business. According to the World Bank's Doing Business 2012 Report, the average costs of exporting and importing a container for landlocked developing countries are US\$ 2600 and US\$ 3300, while transit developing countries are only paying 50 percent of these costs. Physical transport infrastructure remains inadequate and of poor quality and much more needs to be done to make trade facilitation more effective and help reduce the high transaction costs and long time it takes LLDCs to conduct trade.

In view of these mixed developments, the challenge before many landlocked developing countries is to secure a sustained positive economic growth that delivers decent jobs and enables these countries to make significant strides towards poverty reduction and broad based sustainable development. Limited export diversification, lack of up gradation in value chain and lack of productive capacities including human resource development continue to be some of the stark challenges to the group.

In order to achieve more sustained economic growth, the meeting proposed that it is important that LLDCs transform their economic structures by promoting competitive industries and export structures that produce higher value-added products. Robust and prudent national efforts and vision are also indispensable. The meeting underscored the

importance of the service industry, the role of the private sector and the growing importance of regional and south-south cooperation.

The meeting also highlighted some of the major challenges that were experienced in implementing the APoA. These include lack of implementation of good legal frameworks that had been established at all levels - international, regional, sub-regional and bi-lateral. Some relevant policies, regulations and procedures were still not yet harmonized. The meeting noted that human capacity building was not adequate in many areas including customs, trade negotiations, etc. Similarly financial resources were not adequate to enable the LLDCs to effectively implement the Almaty Programme.

The deliberations suggested that the objective of development in LLDCs in the new decade should be focused on improving employment intensive and inclusive economic growth that should be driven by productive capacity development and addressing poverty.

The meeting suggested that the new development agenda for the LLDCs must not be designed simply as a sectoral programme but must concretely address LLDCs' challenges in a more holistic manner, with measurable targets and indicators. While the new programme should focus on addressing social and economic development, poverty reduction and sustainable development, it must retain international trade, transport and transit issues at its core and emphasize industrial development.

The meeting suggested the following priorities for the new development agenda for the LLDCs.

1. Development of hard infrastructure

Transport infrastructure development and maintenance, in both LLDCs and transit countries

- Further development and upgrading of the transport infrastructure and addressing the missing links and transit bottlenecks;
- Develop transit infrastructure with a view of creating businesses and development corridors along transit highways and railroads;
- Give special focus on the development of roadside ancillary infrastructure for the transit systems;
- Design sustainable (green) and resilient transit transport systems;
- Promote economies of scale for transport systems, including the through intermodal transport development, dry ports, transshipment facilities, and similar hubs;
- International and regional banks should finance regional infrastructure projects;
- Innovative mechanisms of transport projects' funding, for the development, maintenance of roads including regional infrastructure funds, private-public partnerships at the national and regional levels;
- Modernize border crossing points and its equipment;
- Promote multi-stakeholder transit transport framework, including LLDCs and transit country authorities, services providers and PPPs.

Energy

- Invest into a reliable, modern and affordable energy infrastructure;
- Improve industrial energy efficiency;
- Attach importance to the promotion of renewable energy;
- International and regional banks should finance regional infrastructure projects.

ICT infrastructure

- Promote implementation of infrastructure sharing between transport, energy and ICT;
- Improve the access of LLDCs to international optical fibre networks;
- Improve the ability of LLDCs to use satellite by lowering costs through space segment consolidation efforts;
- LLDCs should develop a national broadband plan or strategy or include broadband in their universal access and service definitions;
- LLDCs should develop domestic ICT laws that must conform to others and to the Global ICT policy;
- LLDCs should develop regulatory frameworks that can facilitate and support improved ICT connectivity;
- The international community should facilitate access to technologies and transfer of know-how on ICTs;
- Promote E-Business, e-Government, e-Banking, e-Trading; cyber security;
- Forge partnerships between the governments, inter-governmental organizations and the private sector in developing and implementing ICT plans;
- Collect ICT statistics and indicators and report regularly.

2. Development of the soft infrastructure – Trade facilitation, transit policies, legal and regulatory framework

- Increase ratification/accession and implementation of UN and other international conventions (including the TIR Convention), regional and sub-regional and agreements on transport and trade facilitation by LLDCs and their transit neighbours;
- Ensure effective implementation of the conventions and regional agreements at the national level;
- Implement effectively the existing international standards and best practices for customs transit, safety and security of transport chains;
- Promote efficient, transparent and predictable customs services to reduce the cost of trade and trade facilitation;
- Modernize customs operations, by for example introducing the concept of single window and automation of documentary requirements;
- Reduce multiple clearances;
- Minimize physical inspections and promote use of ICT and non-intrusive inspection methods at border crossings;
- Promote simplification and harmonization of legal and administrative regulation and requirements on road/rail transport, border crossing and customs procedures;
- LLDCs and their transit neighbours should consider acceding to the Revised Kyoto Convention on simplification and harmonization of customs procedures so

- as to eliminate the divergence of customs procedures and practices and facilitate trade;
- Promote use of intelligent transport systems including modern computer and satellite navigation technologies to improve the efficiency and security;
 - Develop efficient logistics systems, by aligning incentives for efficient transport and transit operations, promoting liberalization and competition, phasing out anti-competitive practices such as cartels and queuing system wherever possible;
 - Ensure full and inclusive representation of the private sector and increasing its voice in trade facilitation initiatives;
 - Increase involvement of road transport business associations in PPP projects;
 - Consider industry-specific trade facilitation programs;
 - Trade facilitation initiatives that have worked in some LLDCs such as one stop border posts and dry ports should be promoted for replication;
 - Promote transit transport liberalization including the transport reforms;
 - Reflect gender dimension particularly in trade facilitation and trade logistics;
 - Promote implementation of permit-free transit road transport and expansion of multilateral quotas system of road transport;
 - Promote transit transport safety and security;
 - LLDCs should play a more active role in the trade facilitation negotiations at the WTO;
 - Conclusion of the WTO agreement on trade facilitation is important for unlocking the export competitiveness of LLDC.

3. Enhancing Trade

- Reduce commodity dependence through the diversification of the export base;
- Promote value addition in production and export;
- LLDCs should diversify their export markets;
- Provide preferential market access for LLDCs to help alleviate some of the problems associated with their geography;
- Support LLDCs and their SMEs in joining global and regional value chains;
- LLDCs should identify national actions that would help SMEs in joining value chains;
- Address supply side issues through technical and infrastructure support;
- Undertake more research to understand how the NTMs are affecting LLDCs;
- Provide support to build capacity in LLDCs to deal with the NTMs and to meet international standards and requirements;
- Promote harmonization of NTMs and rules of origin;
- Provide targeted support to countries that are in the process of WTO accession.

4. Promoting structural change, economic diversification, enhancing the productive capacity and building resilience to global economic and financial shocks

- LLDCs need to develop a strategy for industrialization/ industrial policy;
- At the regional level coordinate policies for industrial development and link the region as a whole into global markets through regional value chain mechanisms;
- Encourage value addition and forward and backward linked activities;

- LLDCs should focus on “Trade in tasks” by specializing in tasks that are most suited to the skills available, are compatible with locational constraints and enter global value chains;
- LLDCs need to create industrial clusters, such as export-processing zones, and regional centres of excellence;
- Invest in the agricultural sector for increased productivity and promote agro-based industries;
- Build productive capacities to enhance competitiveness;
- LLDCs need to diversify both the export base and markets.

5. Enhancing the role of the private sector

- LLDCs need to provide a supportive legal and regulatory framework, and create macroeconomic conditions and systems that address the concerns of both local and foreign investors;
- Governments should engage the private sector in the formulation of relevant development policies at national level and in the sub-regional, regional and international development processes;
- LLDCs need to provide an operating environment conducive to growth and development of the private sector, including: peace and stability, the rule of law, good governance with accountability and transparency, the absence of corruption, adequate infrastructure, an educated workforce, clear property rights and enforceable contracts;
- Build private sector resilience to new challenges;
- Promote SMEs which are important for job creation, economic empowerment of women and contributing to poverty reduction, including household and women-lead enterprises;
- The private sector should meet on a regional basis to discuss concrete issues and share success stories;
- Enhance entrepreneurship by providing a supportive business and institutional environment;
- Harness the benefits that Diaspora provides for private sector development, particularly through remittances and technical and managerial know-how, as well as global knowledge networks;
- Governments, the private sector including Chambers of Commerce and the development partners should come together to organize and facilitate initiatives for documenting and sharing of experiences and capacity building seminars or workshops.

6. Promoting trade in services

- Undertake research to identify the sectors where LLDCs have a competitive edge;
- Provide support for the development of the services sector in LLDCs;
- Enable trade in services;
- LLDCs need to enhance development of human skills and education which are critical for improved services.

7. Addressing vulnerability to climate change, desertification and land degradation and improving environmental sustainability

- LLDCs need to address problems related to climate change, desertification and land degradation into their national development plans;
- LLDCs need to develop their National Adaptation Plans;
- In order to fully address, mitigate ensuing problems and build resilience in LLDCs, there is need to scale up adaptation and mitigation actions on the ground, secure global participation and scale up funding for climate change mitigation measures;
- LLDCs as a group should make a special case for its capacity and resource needs for climate change adaptation, and support to address desertification and land degradation;
- Address desertification and land degradation in a holistic way addressing all the areas linked to land productivity such as poverty, climate change, food security, biodiversity, deforestation and others;
- Partners need to help LLDCs to identify their specific needs on these issues when compared to other groups of countries.

8. International support measures

i. ODA

- Increase ODA flows to LLDCs to support infrastructural development, improvement in trade facilitation, capacity development and other areas.
- Ensure a more equitable distribution

ii. Aid for trade

- Increase the allocation of Aid for Trade to LLDCs
- Ensure a more equitable distribution
- LLDCs should identify their priorities and needs for Aid for Trade

iii. Market access

- Improve market access for LLDCs in the global and regional markets, especially for processed products
- Consider providing preferential market access for LLDCs
- Grant preferential market access to all LLDCs in existing preference schemes, such as Everything But Arms.

iv. Technical assistance

- Provide technical assistance and capacity building to LLDCs to understand and implement transport, trade, trade facilitation and investment agreements and regulations
- Provide technical assistance to enhance LLDCs' ability to effectively participate in WTO negotiations

v. FDI

- LLDCs should create a conducive business environment to attract FDI
- Promote use of FDI to support local processing and value addition in the LLDCs

vi. South-South cooperation

- Foster South-South cooperation on transfer of technology and innovations, opening markets, investment and sharing of experiences and knowledge.

- The UN system, acting as one, needs to facilitate South-South trade, investment and technology transfer and the sharing of knowledge and best practices on South-South cooperation
- vii. Technology transfer
- Promote and support transfer of technology and know how to LLDCs
 - Eliminate tariff and customs duties on technologies
 - Create an LLDC technology bank and other high level technological centers
- viii. Explore innovative funding
- Regional infrastructure funds
 - Infrastructure PPPs
 - Debt markets
 - Creation of universal service fund for ICT investors
- ix. The development partners, the UN, multilateral institutions including WTO, World Bank, regional development banks and some sub-regional organizations should mainstream the new LLDC programme of action into their work and programmes.

9. Regional integration

- Improve regional infrastructure networks;
- Develop and implement key regional transport projects and regional transport agreements for facilitating the cross border movement of goods and passengers;
- Promote development of regional technology centers and regional networks of excellence;
- Promotion of harmonized regional policies provide an opportunity to improve transit transport connectivity and for ensuring greater intra-regional trade;
- Promotion of common regulatory policies, border agency cooperation and harmonized customs procedures;
- Promote the development, adoption and effective implementation of Regional Trade Agreements.

10. Enhancing capacity building in all areas (institutional capacity, education, human capacity and skills building)

- Provide training on customs and border management; improved trade facilitation and transport safety; trade negotiations; how to utilize the trade preferences; use of ICTs; how to effectively implement conventions and also for policy formulation and implementation and institutional building.

11. Sharing of experiences and dialoguing

- Set up an observatory specific to LLDCs;
- Need to systematically collect and document good practices that have worked and lessons at national and regional levels that can be capitalized as opportunities and shared for wide scale dissemination and utilization;
- Undertake research into country-specific needs;

- Utilize the International Think Tank on LLDCs for sharing of experiences and online databases and resources amongst LLDCs, and for mobilizing research work on LLDC issues.

12. Enhancing the follow-up mechanisms through enhancing monitoring and evaluation;

- Identify and develop indicators that can be monitored;
- Introduce peer pressure into monitoring processes.

Post 2015 development agenda

- LLDCs' views and concerns must be strongly reflected in the discussions relating to the Post-2015 development agenda.
- LLDCs must focus on issues that are unique to them instead of emphasizing general development challenges.
- A strong focus on LLDC specific issues, along with ways of addressing them, including means of implementation and accountability framework should be incorporated in the Post 2015 development agenda.
- Ensure that trade, economic growth and LLDCs are at the centre of the post-2015 MDG planning.

A. Introduction

1. The United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS) organized a Brainstorming Meeting on the Priorities of a New Development Agenda for the Landlocked Developing Countries held on 20 and 21 March 2013 as part of the preparatory process of the Ten-Year Review Conference of the Almaty Programme of Action that will be held in 2014. The aim of the two-day meeting was to discuss the key development challenges and needs of the Landlocked Developing Countries (LLDCs) and identify the priorities of a new development agenda for the LLDCs. UN OHRLLS prepared a study “The Development Economics of Landlockedness: Understanding the development costs of being landlocked” that was used as a background document for the meeting.

2. The meeting was chaired by Mr. Gyan Chandra Acharya, Secretary-General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries. Ambassador Saleumxay Kommasith, Permanent Representative of the Lao People’s Democratic Republic to the United Nations, and Global Chair of the LLDC Group participated in the meeting as the Chair of the Group. The meeting was attended by more than 70 participants that included Ambassadors and Permanent Representatives, and delegates from LLDCs, transit developing and donor countries, and experts from United Nations System organizations, as well as international and regional organizations, the private sector, and other stakeholders as shown in the participant list in annex 1. The meeting followed the programme of work presented in annex 2.

B. Overview of the development challenges of LLDCs

3. Mr. Gyan Chandra Acharya and Ambassador Saleumxay Kommasith presented statements.

4. In his statement, Mr. Gyan Chandra Acharya indicated that the brainstorming meeting was being held to contribute to the substantive preparations of the comprehensive global 10-year review conference on the implementation of the Almaty Programme of Action to be held in 2014 as mandated by the General Assembly in its resolution 66/214. He updated the Meeting on the status of preparations for the Ten-Year Review Conference that was being undertaken in three main tracks including: the Intergovernmental track; the UN Inter-Agency track; and the Private Sector track.

5. He indicated that the LLDCs were preparing national reports on the implementation of the Almaty Programme that would directly feed into the preparatory process at the regional and global levels. Regional review meetings were being held in close collaboration with the UN Regional Commissions to gather crucial inputs relating to the regional perspectives on the development needs of the LLDCs. He informed the Meeting that the Euro-Asia Regional review meeting was convened by UN OHRLLS, ESCAP, UN ECE and the Government of Laos in Vientiane, from 5 to 7 March 2013. He indicated that the meeting adopted the Vientiane Consensus - a document that provided

forward-looking ideas and proposals for the next development decade of the LLDCs. He indicated that UN ECLAC and UN ECA are planning to organize the Latin American and African regional review meetings respectively later this year.

6. The High Representative noted that the UN Inter-Agency track had already held two consultative meetings on the preparatory process of the conference, and that the Group agreed on organizing thematic pre-conference events that will enrich the inter-governmental debates in areas such as infrastructure development, climate change, desertification and land degradation, commodity dependence, enhancing productive capacities, international support measures and south-south cooperation. He also indicated that the inter-agency partners further agreed to prepare special analytical reports on the development of landlocked developing countries that fall within their mandates.

7. The High Representative reported that the first thematic pre-conference event on International Trade, Trade Facilitation and Aid for Trade was successfully held in September 2012 in Almaty Kazakhstan back to back with the Fourth Meeting of Ministers of Trade of Landlocked Developing Countries. He noted that the thematic meeting undertook a thorough assessment of the achievements and challenges on the third priority area of the Almaty Programme – international trade and trade facilitation and adopted a final outcome document with recommendations in the area of international trade, trade facilitation and aid for trade.

8. Mr. Acharya underscored the importance of Private Sector participation in the preparatory process of the conference. He indicated that the private sector was actively involved in trading activities in LLDCs as traders, freight forwarders, insurance providers, transporters, and source of domestic investment and foreign direct investment and thus, their views needed to be fully reflected in the preparatory process and at the conference in 2014. He pointed out that the UN Inter-Agency Group was discussing the activities that will be undertaken in the private sector track.

9. The High Representative informed the attendees that the Brainstorming Meeting was also being held with a view to provide support to the Member States towards the substantive preparatory process. He noted that the main objectives of the Meeting include:

- To analyze and assess the impact of geographical handicaps on the development prospects of landlocked developing countries and their participation in international trade markets, and their achievement of the internationally agreed development goals;
- To share ideas, lessons and best practices on how to address the key development needs and challenges of landlocked developing countries including the new landscape of international trade, the increasing role of commodities; the architecture in development cooperation and global economic and financial crises, climate change; and
- To exchange views on future policies, programmes and initiatives that can address these bottlenecks at bi-lateral, regional and global levels.

10. After making the introductory remarks, Mr. Acharya proceeded to make a presentation on the development challenges faced by landlocked developing countries.

He noted that the challenges confronted by LLDCs linked to their geography - including remoteness from international markets, lack of direct access to the sea ports, additional border crossings, compounded by infrastructure deficiencies, logistical bottlenecks and weak institutions were putting them at a disadvantage in fully harnessing their potentials to support their sustainable development efforts. He stressed that landlockedness was a major impediment to trade, income and subsequently development. He underscored that LLDCs lacked the necessary financial and technical capacities to overcome the geographical handicaps. In this context, he stressed importance of LLDCs being supported through special measures from the international community in order to assist them to end their marginalization in the international trading system.

11. The High Representative noted that although some progress had been achieved in the development and upgrading of road and rail infrastructure at national, sub-regional and regional levels since 2003, physical infrastructure development remains inadequate, of poor quality and poses a major obstacle to the trade potential of LLDCs. He also noted that energy and communication infrastructure were also vital for improving the connectivity of LLDCs, however the development of the necessary infrastructure was still inadequate.

12. With regard to soft infrastructure, he noted the progress that has been achieved which include: LLDCs and transit developing countries partnerships to make transit and border regulations more transparent, streamline administrative procedures, harmonize and standardize rules and documentation and further simplify border control and procedures and remove delays and enhance transparency by making use of ICT. He highlighted the various trade facilitation initiatives that were being implemented including the TIR Convention; one stop border posts; single window processing; harmonized road customs transit declaration document; third party motor insurance schemes; removal of roadblocks and others. He observed that despite the progress, more needed to be done to make trade facilitation more effective and help reduce the high transaction costs and long time it takes LLDCs to conduct trade.

13. Mr. Acharya noted that according to the World Bank Data, the average cost of importing or exporting a container in the LLDCs was more than twice the cost of the same container in the average transit country. He informed the meeting that an OHRLLS study shows that on average, landlocked developing countries have transport costs that are up to 45% higher than the representative coastal economy, and that transport costs have also been increasing over time. He stressed that these are resources that could be invested in building their productive capacities.

14. Turning to the trade performance of LLDCs, Mr. Acharya noted that total trade from LLDCs has increased since 2003. However, when compared to the world's total merchandise exports, LLDCs accounted for a very low proportion of only 1.2%. This showed that the LLDCs were marginalized from the global markets. He also noted that there was wide variation in the value of trade across the LLDCs with only ten percent of the LLDCs accounting for over 60% of the exports and 30% of the imports.

15. The High Representative further noted that LLDCs have a less diversified export structure when compared to other groups of countries as they heavily rely on the export

of primary commodities, a pattern that makes them highly vulnerable to commodity price volatility. He also noted that many LLDCs manifest low productive capacities, and very limited value addition. He however noted that the share of services as a percentage of GDP has grown and presents an opportunity that the LLDCs can effectively harness to improve their trade potential.

16. With regard to economic growth, he noted that the LLDCs had achieved some progress since 2003. However while the overall trend was positive across all the LLDCs, he noted that the major challenges included the very wide disparities of achievement among the countries; the fact that when compared to other groups of countries the LLDCs had the lowest GDP per capita and the fact that the LLDCs had the highest fluctuations when compared to all the other groups partly because of their high commodity dependence and vulnerability to external factors.

17. With regard to social development he noted that although the LLDCs had experienced a positive trend in the Human Development Index between 2003 and 2011, 15 of the LLDCs were still in the lowest HDI ranking. Furthermore landlocked developing countries lag behind transit developing and other developing countries. He noted that the LLDCs had widespread poverty, hunger and higher child and maternal mortality. He also noted that the new and emerging challenges linked to the food, energy and economic crises, as well as the negative impacts of climate change and environmental degradation including loss of biodiversity had increased tremendously the burden on landlocked developing countries' economies – a burden that none of the countries can afford to confront themselves alone.

18. Mr. Acharya informed the meeting that UN OHRLLS undertook a study that attempted to estimate the total development cost (including economic and social dimensions) of being landlocked. He stressed that the empirical evidence indicates that being landlocked is an effective obstacle to development. He indicated that the analysis quantifies the development cost of landlockedness as the percentage decrease in development due to landlockedness. The study findings indicate that this percentage averages around 20%-25%, meaning that because of landlockedness the level of development in the LLDCs is on average 20% lower than what it would be were the countries non-landlocked.

19. In concluding his presentation, the High Representative stressed that the attention and support that is given to the special development needs of LLDCs is fully justified as majority of the LLDCs are at the bottom of the development ladder. He stressed that this group of countries should be supported in order to help them secure a sustained positive economic growth that delivers decent jobs and enables these countries to make significant strides towards poverty reduction and broad-based sustainable development.

20. In his statement, Ambassador Saleumxay Kommasith noted that the Almaty Programme of Action was the first comprehensive UN framework aimed at addressing the special needs and challenges faced by the LLDCs, and in promoting the achievement of their development goals by setting out actions to be undertaken by LLDCs, transit developing countries and development partners in five priority areas (that include: fundamental transit policy issues; Infrastructure Development and Maintenance;

International Trade and Trade Facilitation; International Support Measures and Implementation and Review). He indicated that considerable progress had been achieved in its implementation over the past decade. He however stressed that the Group of LLDCs is of the view that there remained much more work to be done in order to fully address their special needs and problems as well as the many emerging global challenges of the World today.

21. Ambassador Kommasith indicated that over the past decade the Group of LLDCs have been promoting and advocating the cause of LLDCs, calling for effective implementation of Almaty Programme of Action while highlighting the fact that LLDCs had very unique geographical challenges that made it difficult, if not impossible, for them to address these by themselves. He highlighted that he believed the solution to this unique challenge was dependent on cooperation from the international community, particularly the genuine partnership between LLDCs and their transit neighbors with sufficient support from development partners. He stressed that this partnership should not be reflected only at the political level but also at actual implementation on the ground.

22. Mr. Kommasith highlighted the outcome of the Euro-Asia Regional review meeting of the Almaty Programme held earlier in March in Laos which adopted the Vientiane Consensus. He informed the attendees that the Vientiane Consensus identified five key broad priorities for the global review and the debate about the post-2015 development agenda, including a focus on:

1. Job-creation and employment-intensive growth, through strengthening education and vocational training, nutrition and health, gender empowerment and social protection;
2. Diversification of LLDCs' economies in favour of value-adding products to reduce vulnerability to commodity prices volatility, including among others the development of services sectors like tourism, ICT services, energy production and transmission, education and health, finance and banking, that are not dependent on the access to sea, for creation of incomes, jobs and exports;
3. Providing a stable macroeconomic, trade and investment regime to mobilize domestic as well as foreign private investments and public-private partnerships to close the infrastructure gaps and build productive capacities; deepening regional economic integration at subregional, regional and broader levels which would assist LLDCs' participation in the regional value chains, enabling them tap into the expanding markets in their neighbourhood.
4. Enhancing trade facilitation by highlighting the need for the WTO accession of LLDCs on easy and expedited terms, transit and transport facilitation by the neighboring countries, enhanced and better quality flows of ODA, aid-for-trade and FDI, and capacity building support for productive and trade capacity development and climate change mitigation.
5. The post-2015 development agenda should be built on the MDGs along with an explicit focus on inequalities and disparities. At the same time several critical gaps including policy gap, strategy gap, growth gap, resource gap and implementation gap need to be explicitly addressed in order to achieve stipulated goals. Among other things, LLDCs need to target climate change mitigation and reduction of environmentally vulnerability as development challenges.

23. He highlighted that some of the key policy challenges that the LLDCs face in moving forward include: (i) Addressing internal and external vulnerabilities; (ii) Creation of favourable market access for LLDCs; (iii) Promoting employment-intensive and inclusive growth, alleviating poverty and reducing economic and social disparities; (iv) Building productive capacities and diversifying the export base; (v) Establishing efficient transit systems, reducing trade transaction costs and improving competitiveness; and (vi) Addressing climate change consequences.

24. In concluding his remarks, Ambassador Kommasith indicated that the development issues of the LLDCs should be adequately reflected in the ongoing processes such as the post-2015 development agenda and the SDGs.

Discussion

25. In the ensuing discussion, participants noted that the two statements had indeed highlighted the major challenges of the LLDCs that are related to their geographical disadvantage. They noted that the impact of the geographical handicaps of the LLDCs affected all the aspects of development. The meeting also noted that there were some new challenges that emerged after the adoption of the APoA including climate change, and global economic and financial crises. The meeting suggested that the new development agenda should concretely address LLDCs' challenges in a more holistic manner and go beyond just the transport sector.

26. Participants expressed their appreciation that the private sector was being involved in the preparatory process at a very early stage unlike in previous UN processes and hoped that this would help them to significantly contribute to the organization of the conference and the preparation of the outcome document. They stressed that indeed, the private sector was very important as it could contribute to both the soft and hard infrastructure required to build efficient transit systems for LLDCs, and in increasing the trade capacity of LLDCs. The meeting stressed that the three tracks should not run in parallel, instead, both the UN Inter-Agency track and the Private Sector track should work very closely with the Intergovernmental track in developing the new development agenda for the LLDCs.

C. LLDCs and International Trade and Trade Facilitation

27. In this session, WTO gave a keynote presentation followed by a presentation by UNCTAD while the World Customs Organization and the Federation of Nepal Chamber of Commerce and Industry made remarks as discussants.

28. In her presentation, Ms. Arancha Gonzalez, Chief of Staff in the office of the Director-General of the World Trade Organization recognized the incredible amount of progress in economic and social development that the LLDCs had achieved since the MDGs, and how the very targeted approach of the international community towards LLDCs has worked. She stressed that it showed how a global commitment and a smart, targeted approach could unlock levers of development and offered a useful lesson for the post 2015 development process.

29. Ms. Gonzalez presentation focused not on the constraints of LLDCs, but rather on how these challenges can be turned into opportunities and in identifying the new trends in trade that can be effectively harnessed by LLDCs to increase their participation in the multilateral trading system. She noted that in the past, geographical factors were seen very much as obstacles to trade, but with the growing role of services in the developing countries' portfolio and the increase in the reach of technology and transportation is narrowing the distances between centers of production and markets. She then pointed out that these "obstacles" could be considered as "opportunities" requiring the mapping out of new ways of trading.

30. Ms. Gonzalez stressed that export competitiveness starts with trade facilitation which includes the hardware - roads, bridges, ports, and airports. These are the necessary landing docks for the business of doing trade. The software of the transactions allows trade to be processed, and this includes customs and border procedures; automation of processes; transparent and consistent fees and charges; and regulatory consistency in how rules at the border are applied. She indicated that the WTO's negotiating and non-negotiating agenda is seeking to address both of these angles. She noted that the key to the LLDCs' development agenda is exploring how we could unlock the export competitiveness of these countries and she presented the following useful ingredients to work towards in the LLDCs agenda.

31. Firstly, in the short term, Ms. Gonzalez pointed out that conclusion of the WTO Agreement on Trade Facilitation is one component of unlocking export competitiveness of the LLDC. This is seen by many WTO Members as a concrete deliverable for the 9th WTO Ministerial in Bali in December. She noted that a Trade Facilitation Agreement at the WTO could bring down the cost of moving trade from 10% to 5% (of the value of trade) and stimulate the world economy by more than US\$1 trillion. She urged LLDCs to play a more active role in the negotiations at the WTO.

32. Secondly, the presenter pointed out that for the first time in the history of WTO agreements, trade capacity building was an integral component of the agreement on trade facilitation. She noted that WTO's work on Aid for Trade continues to focus on the needs and priorities of developing countries and Aid for Trade for least-developed LLDCs increased from an average \$3 billion in between 2002-2005 to \$6 billion in 2010.

33. Thirdly, she underscored the opportunity that value chains provide to LLDCs, by allowing them to become important links in the production and distribution chains despite their geography. She stressed that value chains provide 'open air space' for smaller countries and smaller businesses to insert themselves, at a comparatively low cost entry ticket, into the world economy. Unlocking the potential of firms in LLDCs to join in value chains is therefore an important component of a future LLDCs agenda.

34. Finally, Ms. Gonzalez indicated that services play a greater role in international trade than previously thought and can be an enabler for LLDCs to access markets and unlock their competitiveness.

35. In his presentation, Mr. Jose Rubiato, Head, Trade Logistics Branch, UNCTAD noted that while significant progress has been made, a lot still remains to be done to better facilitate transit transport between LLDCs and transit countries. He underscored the importance of a comprehensive system towards ensuring smooth transit transport and outlined the following key elements of this approach that should be included in the new development framework for LLDCs: i) multi-stakeholder multinational arrangements involving private and public partners, including service providers, authorities and PPPs in LLDCs and coastal neighbours; ii) ensuring secure and reliable transport across borders including by implementing effectively the existing international standards and best practices for customs transit, safety and security of transport chains; iii) promoting economies of scale for transport systems, including the consolidation of cargo flows through the development of dry ports and similar hub; iv) designing sustainable and resilient transit transport systems.

36. Mr. Rubiato informed the meeting on UNCTAD's long-standing experience in working on solutions to alleviate the costs of doing trade in LLDCs and transit coastal countries. For example, UNCTAD is working with UNESCAP on introducing a toolkit for cross border and corridor management for LLDCs and transit countries. With ASYCUDA, UNCTAD has contributed to ease procedural steps of trade and thereby diminishing transaction cost. UNCTAD also supports WTO Members and in particular LLDCs and transit countries in understanding the implications of the text on trade facilitation currently negotiated at the WTO. Under the 2012 Doha Mandate, UNCTAD is also mandated to assist LLDCs in designing and implementing resilient and sustainable transport systems.

37. In his discussant remarks, Mr. Takashi Nakao, Regional Development Manager for the Asia Pacific region, Capacity Building Directorate, World Customs Organization introduced the WCO and its key activities in enhancing trade and trade facilitation. He presented how the role of customs had evolved and expanded from the traditional role of customs as revenue collection to protection of economic interests; protection of society; economic development, in particular promoting trade facilitation; and security. He noted that efficient, transparent and predictable customs services could reduce the cost of trade and trade facilitation, encourage investment and lead to establishment of international logistics hubs, ultimately contributing to improving the external environment of LLDCs' trading community and boosting their economic competitiveness.

38. For this purpose, WCO recently started implementing its economic competitiveness package, which includes, at its heart, the Revised Kyoto Convention on simplification and harmonization of customs procedures in order to facilitate trade while ensuring effective customs control. The package includes measures such as single window, coordination of border management, risk management, authorized economic operator programme and transit practices. He encouraged members to accede to this convention so as to eliminate the divergence of customs procedures and practices.

39. Mr. Nakao noted that WCO delivers capacity building assistance, focusing on the development of soft infrastructure: customs reform and modernization, standards and modern customs techniques and tools for exchange of information and share experiences.

40. In his discussant remarks, the President of the Federation of Nepal Chamber of Commerce and Industry, Mr. Suraj Vaidya, highlighted the following problems and issues from the experience of Nepal: i) inadequate infrastructure along the entire transport chain that render even some good investments not worthwhile; ii) non-tariff barriers (NTBs) in the form of health, environment, certificates and safety standards that have become one of the major hurdles for products originating from LLDCs; iii) the need to address supply-side issues through technical and infrastructure support; and iv) additional damage costs incurred due to unavailability of transshipment facilities.

41. Mr. Vaidya proposed the following key trade facilitation solutions that could benefit LLDCs: i) develop and implement key regional transport projects and regional transport agreements to facilitate cross border movement of goods and passengers; ii) modernize customs operations by, for example, introducing the concept of single window; iii) diversify various modes of transportation, transport logistics and other trade-related service providers to create competition; iv) simplification, harmonization and automation of documentary requirements; v) minimize physical inspections; vi) ensure full and inclusive representation of the private sector and increasing its voice in trade facilitation initiatives and vii) consider industry-specific trade facilitation program: LLDCs should start looking at where each country's advantage lies as for example, LLDCs could exploit their potential revenue and trade from the energy sector towards investing in infrastructure and lowering reliance on external financing.

42. Mr. Vaidya noted that the private sector could help in bringing quicker change in hard infrastructure investment and trade facilitation. He however noted that access to funds by the private sector was a major challenge. He also proposed that since LLDCs share many similar problems with LDCs, a LDC chamber of commerce should be created, as a mechanism for the private sector to come together. Institutions like OHRLLS could help facilitate creation of this.

Discussion

43. In the discussion that followed, the meeting underscored that services have been recognized as having a great importance to LLDCs and hold great potential to circumvent landlockedness challenges since they are less sensitive to distance. In addition, services were also identified to be less sensitive to non-tariff barriers. The information gathered by WTO from questionnaires from the private sector prepared for the Aid for Trade Review clearly indicates that services are very important to the economies of many LLDCs. It was agreed that there is a need for more research to identify the categories of the services sector where LLDCs have a competitive edge as well as provide support for the development of the services sector in LLDCs.

44. The meeting recognized that while the services sector is growing, it is very volatile and questions remain on how to ensure that LLDCs take full advantage of services. The meeting noted that one of the biggest barriers preventing the LLDCs from exploiting services in an efficient way is their limited capacity. The enhanced development of human skills and education are critical. In this regard, the meeting suggested that LLDCs would require support towards enhancing education and skills development.

45. With regard to Aid for Trade, the meeting stressed the importance of equitably distributing it in order to ensure that the LLDCs gain more benefits from the initiative. The meeting noted that the process has to start with LLDCs themselves identifying their priorities and needs for Aid for Trade.

46. The meeting discussed the growing number and importance of non-tariff barriers and their impact on the ability of LLDCs to trade. Non-tariff measures (NTMs) were noted to be restricting trade more than tariffs. The proliferation of bilateral and regional trade agreements is further multiplying the divergence in tariff barriers. The World Trade Report 2012 that was devoted to NTMs analyzed their impact on the international trade of goods and services and found that they had a negative impact on trade. The large-scale company surveys on Non-Tariff Measures conducted by including 5 LLDCs, also showed that a high proportion of companies surveyed were affected by burdensome NTMs. The meeting noted that harmonization or mutual recognition of regulatory standards could help to reduce the trade hindering effects of NTMs. The meeting also suggested that it was important to undertake more research to understand how these barriers were affecting LLDCs and provide support to build capacity in LLDCs to deal with the barriers.

47. The meeting also discussed the importance of and the need for providing preferential market access for LLDCs to help alleviate some of the problems associated with their geography. The meeting suggested that market access be one of the important priorities of the new development agenda of the LLDCs.

48. The meeting noted how LLDCs can benefit from joining value chains, especially when they are experiencing tariff escalation in certain sectors. The participants observed that connecting to value chains was problematic for many SMEs, even for countries who benefit from duty free market access schemes. In this regard, the new agenda for LLDCs had to identify national actions that would help SMEs in joining value chains. The meeting took note that the Global Aid for Trade Review to be held in July 2013 will focus on the issues of global value chains.

49. On WTO accession, the meeting noted that two new members, Lao PDR and Tajikistan joined the WTO in 2013, with three more countries Kazakhstan, Afghanistan and Ethiopia in advanced stages of the accession process while Azerbaijan, Bhutan and Uzbekistan were still working on the accession process.

50. Participants emphasized that harmonization of legal and administrative regulation of road/rail transport, border crossing and customs procedures, as well as non-tariff measures, including rules of origin, is critical in ensuring smooth and speedy transport and is at the heart of any trade facilitation package. Participants also noted that the African Union Commission was working on the harmonization of customs systems and rules of origin. Again, it was noted that implementation of transit system policy relied on critical capacity building and human resources.

51. The meeting highlighted that there is need to systematically collect and disseminate best practices on how to improve the trade potential of the LLDCs. In this regard, the meeting noted that UNCTAD had a package of best practices on border crossings in

Central Africa that could be replicated in other regions; and the UNECE in collaboration with the OSCE had produced a recent publication on Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective. The participants also discussed the trade facilitation initiatives that have worked in some LLDCs such as one stop border posts and dry ports and suggested the importance of sharing experiences.

52. Furthermore, the meeting suggested setting up of an observatory and other means of sharing experiences and success/best practices. The meeting also noted that there is a need for more research into country-specific needs. The meeting recognized that the International Think Tank on LLDCs could undertake relevant research and organize meetings to examine LLDC specific issues in more detail. The meeting also noted that UNECE is implementing a global project with other regional commissions to improve and pilot out electronic transport data exchange between countries.

53. Participants agreed that private sector participation in the preparatory process for the conference is critical and that the international community is increasingly recognizing its importance in contributing to both the soft and hard infrastructure required to build efficient transit systems for LLDCs, and increasing the trade capacity of LLDCs. Participants suggested that the private sector should meet on regional basis to discuss concrete issues and share success stories. It was noted that chambers of commerce of Kazakhstan, Afghanistan and India for example have already met.

D. Transit transport cooperation at bilateral, regional and global levels

54. In this session, a panel comprising of UN ECE, IRU, World Bank, the Permanent Secretariat of the Transit Transport Co-ordination Authority of the Northern Corridor, Africa, and OSCE introduced the key issues.

55. In her presentation, Ms. Eva Molnar, Director, Transport Division and UN ECE focal point for the Almaty Programme of Action, noted that multilateral agreements alone are unlikely to solve transit issues, even though it is anticipated that regional integration agreements are bound to flourish in the short to medium term, in a way that they promote and deepen trade and economic growth. She highlighted that the key transit issues included improving physical access, transit transport liberalization and facilitation for the smooth movement of LLDCs' cargo in transit. She stated that road transit is especially crucial in all LLDCs regions, with the exception of Latin America where river transport also plays a comparatively larger role. She stressed that the transit neighbours were crucial for the implementation of bilateral, regional and multi-lateral on transit issues.

56. Ms. Molnar outlined that the free flow of transit should not be confused with transit freedom: it entails the simplification of the processes that would enable easier and more efficient cross border transit of merchandise. She stated that the Harmonization Convention makes a crucial commitment to improve transit facilitation by streamlining administrative procedures and removing cross-border technical barriers. This Convention promotes low-risk, high-reward border crossing and trade facilitation actions. However, LLDCs were lagging behind other regions in joining this important convention that would address some, if not, most of their transit bottlenecks. Only 11 out of 31 LLDCs

have joined. Furthermore she noted that LLDCs could substantially benefit from joining the TIR convention.

57. Ms. Molnar recommended that the new development agenda for LLDCs should include: improved physical access that has to be based on multi-country planning in order to harmonize standards; the missing links and transit bottlenecks need to be addressed; LLDCs and their transit neighbours should join the UN conventions and effectively implement them in order to improve trade facilitation; and transit liberalization including the transport reforms.

58. In his presentation, Mr. Igor Rounov, Under Secretary-General and Head of IRU Permanent Delegation to Eurasia noted that while volume and investment has increased substantially, transit transport is still cumbersome and slow. A study showed that the average speed for merchandise trucks between Asia and Europe is about 18Km/hr. He lamented that the slow pace is occasioned by the many border crossings which are often times inefficient and slow in processing documentation.

59. Mr. Rounov explained that the New Eurasian Land Transport Initiative was launched in September 2008 to assess and improve commercial road transport deliveries performed by road transport companies from the Eurasian countries. A study commissioned to investigate these matters revealed that; (i) 40% of transit time was lost at border crossings, (ii) illegal payments account for 30% of additional costs, and that (iii) insufficient ancillary infrastructure along Euro-Asian routes results in massive road accidents, security violations, non-respect of the driver's need for rest and working time standards.

60. Accordingly, Mr. Rounov highlighted that the new APoA priorities for 2014-2023 should focus on the following key areas in improving infrastructure development and maintenance of "Hard infrastructure":

- Implementation of innovative mechanisms of transport projects funding, for the development, maintenance of roads including regional infrastructure funds, and public-private partnerships,
- Special focus on the development of roadside ancillary infrastructure,
- Modernization of border crossing points and its equipment,
- Development of logistical supply chains, logistics centers and "dry ports".

61. In terms of trade facilitation and fundamental transit policy issues - "soft infrastructure", the priority areas include:

- Continued accession to, and harmonization of national legislation with UN Agreements and Conventions,
- Geographical expansion of efficient customs transit systems,
- Implementation of permit-free transit road transport,
- Expansion of multilateral quotas system of road transport such as road transport multilateral quotas systems,
- Involvement of road transport business association in PPP projects,
- Intermodal transport development,
- Intelligent transport systems including modern computer and satellite navigation technologies which can significantly improve the efficiency and security of the

- long-distance road transport, optimize routes, reduce the time and costs of delivery,
- Improving the quality of professional training of transport operators in particular for drivers and management of road carriers companies which will contribute to road safety and quality of goods delivering cargo in LLDCs.

62. Mr. Rounov further stated that there is a lack of support in infrastructural development, creating security risks and other violations. The need to upgrade transit infrastructure with a view of creating businesses and development corridors along transit highways and railroads would require private-public partnerships at the national and regional levels. This is especially true, if 5-10% of the road investment is to be channeled to supportive infrastructure along the transit corridor.

63. Mr. Rounov concluded his remarks by proposing that: (i) Priorities of the new APoA should be structured according to their timeline and urgency of implementation to include short-term objectives (“low hanging fruits”), and medium and long-term objectives. (ii) Special attention should be paid to innovative international pilot projects related to the development of transport and transit which could become additional stimulus for realization of the new programme. (iii) LLDCs and transit countries could develop Individual Plans of Actions that could help in ensuring implementation on the ground.

64. Mr. Marc Juhel, Sector Manager of the Transport Division in the Energy, Transport and Water Department, World Bank highlighted that the Bank’s work towards the implementation of the APoA include projects under the (IBRD-IDA) portfolio; technical assistance: through the trade facilitation facility and partnerships; and knowledge production and dissemination.

65. With regard to projects, he stated that between 2003 and 2013, there were many World Bank projects that refer specifically to APoA. During the financial and economic crises, lending to LLDCs peaked, and 3-4% of the World Bank’s projects are linked to APoA. In addition, 8 to 10 projects a year directly address APoA concerns, with most of these projects being implemented in Africa. Some of the World Bank projects are in the areas of regional integration, national capacity building, agro-food supply chains among others. There are many projects that relate to transport and development corridors, which go beyond investment in the transport infrastructure.

66. On technical assistance, the World Bank has undertaken setting up of a trade facilitation facility whose focus area covers border management, trade infrastructure, logistics, regional, indicators, etc. The Bank provides technical assistance through the facility. On knowledge production and dissemination Mr. Juhel highlighted the research and reports that World Bank has developed including the logistics performance index, trade costs database, publications on the development issues of the LLDCs and other knowledge sharing tools.

67. Some of the lessons that the Bank has learnt from its projects include the fact that lack of infrastructure and legal framework is not the main impediment to growth, but rather the lack of implementation mechanism for transit transport, dysfunctional markets for logistics services and governance and lack of efficient border management. The

World Bank is focused on addressing these issues for infrastructure accounts for 23% of the Bank's portfolio. He stressed that the key potential for trade cost reduction include (i) efficient transit systems capable of processing and moving goods on through corridors cheaply and fast that simplify processes, ensure effective implementation mechanisms, and reduce multiple clearance, differentiated treatment of operators, and (ii) working on the logistics services market to align incentives for efficient transport and transit operations, liberalization and competition, phase out anti-competitive practices such as cartels and queuing system wherever possible.

68. For his part, Mr. Donat Bagula, Executive Secretary, the Permanent Secretariat of the Transit Transport Co-ordination Authority of the Northern Corridor, Africa, began by stating that the Northern Corridor is a multi-modal corridor encompassing road, rail, pipeline and inland waterways transport. It is the busiest and most important transport route in East and Central Africa, providing gateway linking Kenya's maritime Port of Mombasa and the landlocked economies of Uganda, Rwanda, Burundi and South Sudan. It also serves the Eastern part of DR Congo, Northern Tanzania and Southern Ethiopia.

69. Mr. Bagula indicated that international and intra regional trade as an engine of economic growth in the region is hampered by the high costs of doing business emanating from: high cost of transport and delays and numerous non tariff barriers and associated administrative costs along the transit chain. These costs are amplified by a lack of implementation by Member States of various protocols on trade and transport facilitation, low level of awareness of laws, regulations and agreements/conventions, lack of facilitation mindset, and limited capacity to package bankable projects.

70. Mr. Bagula highlighted that the region served by the Northern Corridor is a net importer, and as such is uncompetitive compared to other economies. He lamented that 37% of the total logistics costs in LLDC member states were attributable to road transport costs, the direct costs of delays contributed to more than 2% of the total logistics costs and the hidden costs of delays constitute around 40% of the total logistic costs. Delays on the Northern Corridor are estimated to cause a loss of about \$800 per day per truck, hence increasing the cost of doing business.

71. In 2010, Mr. Bagula revealed that the Authority developed an Infrastructure Master Plan, and 2012-2016 Strategic Plan towards a seamless transportation corridor outlining the key strategic areas. This document seeks to: Harmonize and streamline policies and legal framework for transport and trade facilitation; Avenue for developing opportunities for private sector investment and participation in the Northern Corridor; Expansion and improvement of transport infrastructure and services; as well as enhancement of knowledge management, partnerships and capacity building.

72. Mr. Bagula highlighted some experiences, lessons learnt from successful solutions that could be replicated elsewhere. These include One Stop Border Posts project at Malaba, Busia, and Gatuna/Katuna, undertaking regular roads surveys and a transport observatory developed and launched in December 2012. He stressed that these tools needed to be sustained, monitored and evaluated, however the lack of implementation mechanisms and the dysfunctional logistics services and mal governance of the transport industry still hamper the success of these solutions.

73. In concluding his presentation, Mr. Bagula indicated that the needs of the LLDCs in the Northern Corridor include: sustaining the partnership in infrastructure development (hard and soft); strengthening transport and trade facilitation; harmonization and streamlining of policy, legal framework and regulations; capacity building and sustaining the willingness of regional organizations to harmonize their policies and regulations; enhancing of productive capacity and promoting the private sector investment; and definition of a strong monitoring and evaluation mechanism fostering a national and regional ownership of the new programme.

74. Mr. Alexey Stukalo, Deputy Co-ordinator/Head, Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat stated that the needs of the LLDCs are central to OSCE, and the Organization pays a particular attention to trans-boundary and border issues. He informed that a Russian version of the *OSCE-UNECE Handbook of Best Practices at Border Crossings: A Trade and Transport Facilitation Perspective* had been recently released. The Handbook includes over 120 best practice examples from different countries. It also describes methodologies and concepts in specific areas of high importance for the LLDCs. The speaker noted that successful trade facilitation and improvements in logistical delivery require collaboration between states, and through PPP. He also underscored that cooperation should be further developed between specialized international organizations and “political” international organizations.

75. Furthermore Mr. Stukalo indicated that the OSCE together with its partners have organized seminars and trainings in the following areas and will continue to do so: promoting integrity in customs and other border agencies; implementing authorized economic operator programmes; the use of ICT and non-intrusive inspection methods at border crossings; and further development of the Euro-Asian transport linkages.

Discussion

76. In the ensuing discussion, participants deliberated on why implementation of conventions and agreements has been a major challenge. The meeting noted the need to clarify what to implement, set out the priorities and the doubling of efforts by everybody – LLDCs, transit countries and development partners. LLDCs and their transit neighbours need to join the relevant international conventions such as the Convention on Harmonization. The monitoring of the implementation within the transport corridors was very important and this could be done through peer monitoring by participating countries. Capacity building needs to be enhanced on a regular basis. The meeting also underscored that leadership must be prepared to undertake necessary political reforms.

77. The meeting suggested the need to identify ways in which transit transport cooperation could reflect gender dimension particularly on trade facilitation and trade logistics. The meeting noted that while transport costs have come down substantially around the world, they remain much higher for the LLDCs. The meeting raised the need for LLDCs to get additional Aid-for-Trade resources in order to help them to address the high cost of transportation. The participants also stressed that improvements of the transport corridors could significantly reduce the transport costs and enhance regional and national competitiveness.

78. The meeting suggested that the international community must look at political collaboration that delivers mutual benefits to each other and deepen global partnerships at all levels. The lessons and best practices shared by OSCE, the World Bank and Northern Corridor no doubt create the required momentum to improve trade facilitation and promote infrastructure.

E. Emerging challenges for LLDCs: Climate Change; Desertification, land degradation; and economic and financial shocks

79. In this session, a panel comprising of UNFCCC, UNCCD, and UN ESCAP introduced the key issues.

80. In her presentation Ms. Marcela Main Sancha, Senior Liaison Officer in the Executive Direction and Management Programme, UNFCCC indicated that the emerging climate change challenges for the LLDCs are of special interest to UNFCCC. She stated that Article 4, paragraph 8, element (i), of the Convention makes a clear reference to LLDCs along with other vulnerable countries.

81. On adaptation, Ms. Sancha indicated that the Convention calls upon nations to develop their National Adaptation Plans with a view of reducing vulnerability to the impacts of climate change, by building adaptive capacity and resilience. She indicated that while Decision 12/CP.18: provides guidance to the GEF for supporting LDCs through the LDC Fund; an invitation to consider how non-LDCs may be supported through the Special Climate Change Fund is being considered and GEF's response is expected after Council meeting in June 2013. She also indicated that the Adaptation Committee is going to consider relevant modalities for supporting non-LDC interested developing country Parties on the NAP process.

82. On mitigation, Ms. Sancha highlighted the initiatives under the Clean Development Mechanism. These include partnership to enhance regional distribution of projects: Nairobi Framework Partnership and a specific target of helping developing countries, especially those in sub-Saharan Africa, to improve their level of participation in the clean development mechanism; Regional collaboration centres including Lomé, Togo, in partnership with the Banque Ouest Africaine de Développement; Kampala, Uganda, in partnership with the East African Development Bank; Finance and support; Africa Carbon Asset Development Initiative; African Carbon Support Programme by the AfDB; Carbon Fund For Africa; African Biofuels and Renewable Energy Fund and the UNDP'S MDGs Carbon Facility (LDC support).

83. Ms. Sancha stated that LLDC have funds and tools available to help them deal with the challenges of climate change. For instance, the Adaptation Fund was established to finance concrete adaptation projects and programmes in developing countries that are parties to the Kyoto Protocol and are particularly vulnerable to the adverse effects of climate change. In order to facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning, there is a need to redouble efforts.

84. Ms. Sancha noted that climate change is of great importance to the Secretary General. He continues to engage with world leaders with the aim of securing a new and ambitious, accelerated and scaled-up action on the ground, to be committed to by 2015 and implemented before 2020. He also seeks to achieve a scaled-up climate financing by using public funds to leverage significant private investment, with quantifiable progress by 2015. Against this backdrop, the Secretary-General announced that he would convene world leaders in 2014 to mobilize political will to help ensure that the 2015 deadline is met.

85. In her presentation, Ms. Nandhini Iyer Krishna, UNCCD Liaison Officer, UNCCD Liaison Office, United Nations Headquarters pointed out that while land degradation and desertification are slow and silent working agents, many LLDCs are bearing the full brunt of their impact. For instance, Botswana and Burkina Faso are 99% arid and dryland, while a sixth of the populations of Mali and Burkina Faso have been displaced from their homes and farmland by land degradation.

86. At 3 percent of the planet earth, Ms. Krishna stressed that arable land is a finite resource that must be carefully used. Land degradation, desertification and droughts directly affect 1.5 billion people globally, with 50% of agricultural land being moderately and severely degraded. 75 billion tons of fertile soil disappears each year, with 12 million ha of land being lost due to drought and desertification every year. Using examples of studies done in selected countries that include LLDCs, she demonstrated that the cost of inaction was very big. For example the cost of inaction on overgrazing in Niger could be up to 400% of the cost of acting now. She also highlighted that it is crucial that the problems of desertification and land degradation in LLDCs are addressed in a holistic way addressing all the areas linked to land productivity such as poverty, climate change, food security, biodiversity, deforestation and others.

87. She referred to the recognition by world leaders at Rio + 20 that desertification, land degradation and drought were challenges of a global dimension that continued to pose serious challenges to the sustainable development of all countries, in particular developing countries, particularly Africa, the least developed countries and the landlocked developing countries. In this context she drew attention to the commitment of world leaders to strive towards a land degradation neutral world and the relevance of this for the new development agenda for the LLDCs.

88. In addition, Ms. Krishna stated that in framing the Post-2015 discourse and agenda for the LLDCs, it is important that attention is put on issues and challenges that are peculiar to the LLDC as a group. A strong focus on LLDC specific issues, along with ways of addressing them, including means of implementation is likely to yield the desired results. On the other hand, framing the arguments in general terms has the propensity to crowd out the more urgent LLDC concerns.

89. Mr. Syed Nuruzzaman, Chief, Countries with Special Needs Section, UN ESCAP highlighted priorities in addressing emerging economic and financial shocks, offering some perspectives from the Asia-Pacific LLDCs. He stated that the basic indicators of socio-economic performance of Asian LLDC show divergence. Some of the measures

used include: GDP, Population size and Population growth rate, Trade-GDP ratio, net FDI inflows and Life Expectancy at birth.

90. Shocks emanating from climate change, financial and economic crises are threatening to slow down and reverse economic and social progress in the LLDCs. He noted that the channels through which shocks to the global economy and financial market are transmitted to a particular country included trade of goods, tourism, foreign direct investment, remittances, official development assistance and other avenues. He noted that the Asia-Pacific region is highly connected to the global economy through these channels. Countries that export a high proportion of exports to developed countries; export primary commodities; and have high external debt were most vulnerable to the impact of the global economic and financial crisis.

91. Mr. Nuruzzaman emphasized that while many of the LLDCs are highly exposed to these shocks, they lack the capacity to cope. It is troubling to note the slowing down in the pace of Asian LLDCs towards meeting the MDGs. There is evidence that LLDC countries may be regressing in a number of important MDG indicators.

92. Using a scatter plot, Mr. Nuruzzaman argued that LLDCs were highly exposed to external shocks but have weaker capacity to deal with crises. He noted that there were several ways through which developing countries could cope with these crises and other external shocks. The pursuance and maintenance of a stable macroeconomic environment, strengthening of the institutional capacities and deepening of social development was especially crucial.

93. In concluding his presentation, Mr. Nuruzzaman indicated that building the resilience of the LLDCs to global economic and financial shocks should be a priority to be included in the new development agenda. LLDCs and the international community needed to prepare for 'new normal' and build instability in the global markets and external shocks into the development strategies and support measures. LLDCs needed to focus on broad-based, employment-intensive and inequality-reducing development strategy; diversify both the export base and markets and economic growth should be driven by productive capacity development. There is also a strong case to invest in internal connectivity, land-linked hubs with strong transport corridors and trade facilitation, regional and south-south trade and financial cooperation and the maintenance of macroeconomic stability, rule of law and reduce corruption. Furthermore, international support through trade, investment, remittance, aid, and technology transfer is necessary in order to strengthen social protection, and improve basic services and their delivery.

Discussion

94. During the general discussion session held after the presentations, the meeting noted that LLDCs were badly affected by climate change, land degradation, desertification and drought. The participants noted that many LLDCs were primarily agrarian and highly dependent on agriculture as a major source of foreign currency earnings. Addressing these problems was crucial in addition to addressing the transport issues. The meeting discussed the possible sources of funding for implementing the UNFCCC and noted that the GEF is the main financial mechanism where land has been

recognized as one of the main areas. However, it was noted that LLDCs suffer from a lack of capacities in terms of accessing the financing mechanism.

95. On climate change, the meeting discussed how LLDCs could mainstream better climate change into their national development plans. The meeting noted that the group of the LLDCs is an interest group that has only recently come into the discussion on climate change. It is important that the LLDC group makes a special case for its capacity and resource needs for climate change adaptation.

96. The participants pondered on how the challenges of climate change, desertification, land degradation, droughts and global economic and financial shocks - that tend to be common development challenges faced by all groups of countries - could be integrated into the new development programme for LLDCs. The meeting stressed that every effort must be made in presenting the unique concerns of the LLDCs on these issues and avoid generalities. In this regard some analysis is required to identify and stress on the LLDCs' specific needs.

F. Priorities to structurally transform LLDCs economies and harnessing emerging opportunities, enhance trade, diversify, development of productive capacities and services sector

97. In this session, UNCTAD, UNIDO, ICC, ITU and CFC gave presentations to introduce the key issues.

98. In his presentation, the Director of the Division for Africa, LDCs and Special Programmes of UNCTAD, Mr. Taffere Tesfachew expressed his appreciation of the excellent background report prepared by OHRLLS to serve as a basis for facilitating discussions in the brainstorming meeting. He indicated that from the overall assessment of the report, it is evident that LLDCs needed a New Development Agenda and a new analytical and policy narrative - about how development could be promoted in landlocked developing countries that suffer from specific structural weaknesses and locational disadvantages. He also stressed that LLDCs need a new approach to international development cooperation that addresses their problems in a more targeted manner.

99. Mr. Tesfachew noted that the problems of LLDCs go much deeper than having efficient transport and trade facilitation system. He underscored that business-as-usual approach to policy agenda where the priorities and major constraints facing LLDCs are seen primarily in terms of transport, transit and trade facilitation is not sufficient. Instead, a New Development Agenda should address broader issues that go beyond the legitimate but narrow concerns related to transport and trade facilitation. He noted that despite LLDCs impressive growth performance in the last decade, their economic and export structures are generally less diversified, they continue to rely on the export of primary commodities more heavily than any other group of countries and the relatively low share of manufacturing in LLDCs' GDP. He also noted that according to OHRLLS' report, regional integration agreements are less frequent in LLDCs than in other developing countries yet LLDCs would benefit most from regional value chains based on development-centered regional integration arrangement - "developmental regionalism".

100. Mr. Tesfachew underscored that LLDCs need to diversify their economies and develop the capacity and technological capability that they require to produce and supply goods that are competitive in global markets and that can be exported without undue constraints from the very geographical related weaknesses. LLDCs needed structural transformation - a process that creates new areas of activities through shifting resources from traditional to modern activities and from low-technology and low-productivity to high-technology and higher-productivity activities. The structural shift takes place not only across sectors but also by moving from low- to high-productivity activities and the production of more advanced and sophisticated products within sectors. The presentation underscored that a New Development Agenda for LLDCs that seeks to promote structural change and economic diversification must incorporate a strategy for the development of the industrial, agriculture and services.

101. Mr. Tesfachew suggested that the services sector holds great potential for economic diversification and there was need for LLDCs to learn lessons from other developing countries where productivity improvement in the services sector has been the main driver of economic growth and export diversification. In this regard he informed the Meeting that UNCTAD - in collaboration with the Ministry of Commerce of China - will be organizing the Second Global Services Forum in Beijing, at the end of May 2013. The Forum will discuss new strategies needed to harness the services economy for economic growth, export diversification and inclusive and sustainable development and will give special attention to the role of services-trade in LLDCs.

102. The presentation also highlighted that in pursuing the structural transformation and productive capacity building agenda, LLDCs could also learn from the experience of countries that have turned commodity dependence - from being a "curse" to a "blessing" through forward and backward linked activities. The presentation also stressed that regional integration can foster structural change and economic growth and highlight that the Greater Mekong Subregion (GMS), can be considered a successful example of developmental regionalism and could be relevant as a model for LLDCs. The core objective of the GMS goes beyond the domain of trade per se, and includes other - more ambitious forms of regional integration intervention, such as coordination of policies for industrial development and linking the region as a whole into global markets through regional value chain mechanism.

103. In his presentation, Dr. George Assaf, Director and Representative of the United Nations Industrial Development Organization to the UN and other International Organizations stressed that sustainable industrial development is very vital in LLDCs. He noted that the economies of the LLDCs were very volatile partly because they were highly dependent on primary agricultural commodities and mining. The vulnerability of LLDCs and their lack of resilience to external shocks is a huge development challenge. In addition, many enterprises in LLDCs are informal, small-scale, and lack access to capital, and relevant knowledge and technologies, making it difficult for them to fully exploit business opportunities. He stressed that in order to achieve more sustained economic growth, it is important that LLDCs transform their economic structures by promoting competitive industries and export structures that produce higher value-added products.

The recent experience of East Asian economies demonstrated that sustained industrial growth leads to a significant reduction in poverty.

104. The presentation noted that UNIDO statistics indicate that the manufacturing value added (MVA) – a measure of the contribution of the entire manufacturing sector to GDP in a country - was extremely low in LLDCs. The median MVA in all LLDCs amounted to 7.5 per cent in 2010. He also highlighted that the recent UNIDO report, entitled “Networks for Prosperity”, shows a strong positive relationship between connectedness and economic performance, better connected countries generally have better economic performance. However many LLDCs have a low Connectedness Index, with Nepal ranked second to last. The presentation underscored that LLDCs need to be better connected to international and other inter- and intra-organisational knowledge networks.

105. The presenter highlighted that given the increasing fragmentation of global production chains, “Trade in tasks” could be a lifeline for LLDCs to industrialize and participate in the global market. Instead of the need to acquire the entire range of skills necessary to produce a product at all once, the LLDC can focus on specializing in tasks that are most suited to the skills available. The presentation stressed that a key issue is how to better connect LLDCs to global value chains so that they are able to penetrate global markets and make use of trade in task.

106. The presenter suggested that public action and effective industrial policies are required to overcome the binding constraints LLDCs face. LLDCs need to develop an effective new industrial policy to create a conducive business environment for private sector development. He stressed that the public and private sectors need to work together to identify the constraints to private sector development develop and implement programmes to overcome these constraints. In this context, a well-proven way of enhancing private sector development is development and implementation of industrial policies that aim at creating geographical agglomerations. LLDCs need to create industrial clusters, such as export-processing zones, and regional centres of excellence. Clustering will also foster knowledge networks and the connectedness among companies.

107. Furthermore, the Dr. Assaf stressed that LLDCs should also take concrete action to develop a good transport infrastructure in order to foster the connectedness of LLDCs to the global markets. He also underscored that a reliable, modern and affordable energy infrastructure as well as improved industrial energy efficiency were vital for building productive capacity.

108. With regard to the private sector, Dr Assaf stressed that in order for industrialization to take place, the private sector should be vibrant and competitive in order to boost diversification, by driving innovation and economic activity and outreach to global markets. The presentation emphasized that LLDC governments should find ways to enhance entrepreneurship by providing a supportive business and institutional environment incentivised by effective industrial and trade policies. LLDCs also had to use a wide range of resource mobilization, such as official development assistance, foreign direct investments or debt markets in order to support structural change and investments in energy and transport infrastructure. They should also harness the benefits

that Diaspora provides for private sector development, particularly through remittances and technical and managerial know-how, as well as global knowledge networks.

109. In her presentation Dr. Louise Kantrow, International Chamber of Commerce (ICC) Representative to the United Nations indicated that the mission of ICC is to promote economic growth and development via trade and investment while dealing with the challenges and opportunities of globalization in economic, environmental and social areas. She stressed that a synergy between the private and public sectors, backed by urgent action promoting infrastructure development, would not only mitigate the bottlenecks associated with trade and investment in LLDCs but would also stimulate inward FDI essential to maximize efficiency and competition, promote innovation while raising living standards. She underscored the importance of engaging the private sector in the preparatory process of the comprehensive ten-year review of the Almaty Programme of Action.

110. The presentation noted that in order to unleash the role of private sector in economic and social development in LLDCs, there is need for an operating environment conducive to growth and development, including: peace and stability, the rule of law, good governance with accountability and transparency, the absence of corruption, adequate infrastructure, an educated workforce, clear property rights and enforceable contracts. Dr. Kantrow stressed that transport and communication infrastructure were essential links between regional and international markets, supply chains, and value chains and urgent action is needed to improve and scale up investment in infrastructure. She underscored that the public and private investment had to work together in developing the necessary infrastructure. With regard to the required financial resources, she suggested that alternative sources of financing such as institutional investors and Multilateral Development Banks play a key role. To address the challenge of limited infrastructure, ICC has been working with the Asian Development Bank (ADB) to foster a structured framework initially via the creation of an Infrastructure Working Group (IWG), for effective public-private high-level dialogue (aimed at the G20 process) to the preparation and delivery of infrastructure PPPs.

111. Furthermore Dr. Kantrow noted that as we transition from a MDG-focused development paradigm towards a Post-2015 Development Agenda, promotion of responsible entrepreneurship and development of inclusive business models that incorporate low-income populations into the supply, production, distribution and/or marketing networks, could lead to increased access to goods, services for LLDCs, and create new sources of income for low-income communities. She also noted that now is the opportune moment to design new infrastructure on how government and private sector can come together to discuss mutual areas of concern and the UN offers a global platform for this.

112. In his presentation Dr. Cosmas Zavazava, Chief of Department, Project Support and Knowledge Management, Telecommunication Development Bureau, International Telecommunication Union (ITU) highlighted challenges experienced by the LLDCs in trying to improve their connectivity to the global markets. These include: dependency on neighbouring and coastal countries for communication connectivity; low interest to invest in ICT in LLDCs; high infrastructure development costs; long and expensive transport

routes for LLDCs; remoteness from world markets; high vulnerability to external shocks and lack of effective implementation of ICT plans and policies on the ground.

113. Furthermore the presenter also noted that the costs for LLDCs to access high speed international internet bandwidth and their fixed (wired) - broadband monthly subscription charges were very much higher than coastal countries that are located close to the submarine communications cable that are laid on the seabed. In addition, he indicated that satellite was an option for LLDCs as it is not restricted to the sea, however the costs of utilizing satellite communication are very high and most of the LLDCs cannot afford.

114. Dr. Zavazava outlined that a lot of opportunities existed that the LLDCs can utilize. For example he stressed that improved affordable broadband access to the internet to both households and the private sector could increase GDP by 1.5% per year and labour productivity. He highlighted several ITU resolutions aimed at improving the access of LLDCs to international optical fibre networks, and their connectivity. He underscored the need for transport, telecommunication and energy sectors to work in partnerships to implement infrastructure sharing where the communication cables are installed together with the roads and energy cables. In this context he noted that it is important for all LLDCs to have a national broadband plan or strategy or include broadband in their universal access and service definitions; their domestic law must be conforming to others; and development of regulatory frameworks that can facilitate and support improved ICT connectivity.

115. The presenter suggested that the priority actions for LLDCs on the ground included: ICT infrastructure development; harmonization of the regulatory framework to Global ICT policy and neighbours; human and institutional capacity building; ICT applications; emergency telecommunications; climate change and E-Waste; E-Business, e-Government, e-Banking, e-Trading; cybersecurity; digital inclusion; facilitating access to technologies and transfer of know how; forging partnerships between the governments, inter-governmental organizations and the private sector; creating a universal service fund for investors; ICT statistics and indicators and regular reporting; and lowering of satellite costs through space segment consolidation efforts.

116. Mr. Taffere Tesfachew the Director of the Division for Africa, LDCs and Special Programmes of UNCTAD, presented the remarks of the Common Fund for Commodities on their behalf. The remarks noted that the focus of the Common Fund for Commodities was on addressing specific development problems facing countries which depend on commodities in which 23 LLDCs countries also fall in the category of commodity dependent Developing Countries (CDDCs). As with other commodity dependent countries, reliance on export commodity sector can be seen as an indication of the failure of countries to develop a comparative advantage in production and export of higher added value products. However, in the case of LLDCs the link to the global economy through commodity export and trade is further compounded by the transportation costs and the economic situation in transit countries. This curtails the capacity of LLDCs to generate income and employment driven by the global economic growth. The CFC focuses on actions which could support the landlocked CDDCs to address this problem.

117. The CFC provided examples where they have supported projects that address the needs of the LLDCs. These include: a project aimed at strengthening regional trade in tropical fruits in the Mekong region which has allowed Laos to take advantage of the trade opportunities in the Mekong river basin focusing on high value markets for tropical fruits; and the rice productivity project in Central African Republic that promotes adoption of a model small scale rice mill, and has made thousands to develop a viable business in rice production and processing. The remarks also highlighted that the CFC Governing Council approved in December 2012 a new operational plan for the organization, which opens up the possibility of close cooperation with the private sector in all aspects of commodity value chains. In this regard, the CFC would provide project financing in close collaboration with private sector seeking to stimulate investment in healthy and viable commodity projects. Typical projects funded by the CFC fall in the broad areas of: capacity building; value addition; diversification; financial instruments and risk mitigation.

118. The CFC announced that in preparation for the ten year review conference, they are arranging a project to finance case studies of successful development of commodity based value chains in LLDCs that can provide concrete directions for investment as deliverables for the future programme. They also noted that the outcomes of the studies would be presented at a High Level Event in order to obtain feedback from policy makers and other stakeholders and expressed their gratitude to the International Metals Group for partnering with CFC in the process.

Discussion

119. In the ensuing discussion the meeting stressed the important and leading role of the private sector in structurally transforming the economies of the LLDCs and for achieving sustainable economic growth. The meeting recognized that the Small and Medium Enterprises (SMEs) accounted for a major proportion of the private sector in LLDCs and they were the drivers of the economies of the LLDCs. The meeting noted that the private sector was weak as it had inadequate financial resources, limited access to technology; poor internal technical and management skills; poor access to production infrastructure and utilities; lacked knowledge and had poor access to markets. In addition most countries did not have supportive policies and regulatory frameworks and the involvement of the private sector in policy development was minimal at all levels – national, regional and international levels.

120. The meeting proposed that the new development agenda for LLDCs should prioritize private sector development and in particular SMEs which are important for job creation, economic empowerment of women and contributing to poverty reduction. LLDCs governments should develop deliberate policies to support the strengthening of the private sector, in particular improved access to financial resources, development of appropriate human capacity and promote investment in supportive economic infrastructure. LLDCs should also try to provide a supportive legal and regulatory framework, and create macroeconomic conditions and systems that address the concerns of both local and foreign investors. The meeting also noted the importance of governance and stressed the importance of learning from experiences that have worked for example under the African Peer Review Mechanism.

121. Furthermore, Governments should engage the private sector in the formulation of relevant development policies at national level and in the sub-regional, regional and international development processes. In this regard, the meeting encouraged the use of data from ITU, UNCTAD, UNIDO and other sources in the development of relevant policies. The meeting also stressed effective implementation and follow-up of the policies at all levels.

122. The meeting noted that there are some good practices that have worked and lessons at national and regional levels that can be capitalized as opportunities. These practices should be documented and shared for wide scale dissemination and utilization. The meeting suggested sharing of experiences and capacity building seminars or workshops and the need for Governments, Chambers of Commerce and the development partners to be actively involved in organizing and facilitating the initiatives.

123. The meeting underlined the important role of infrastructure development in the structural transformation of the economies of the LLDCs, improving their connectivity to the world markets, and in attracting foreign investors. In this regard LLDCs in partnership with the transit countries and their development partners should develop the economic infrastructure including transit transport, ICT and energy. In line with the need to improve sustainability, the meeting encouraged promotion of green infrastructure. Furthermore, LLDCs should be encouraged to also develop the social infrastructure.

124. The meeting underscored that technology was critical to structurally transform LLDCs. Improved access to technology for the private and informal sectors was crucial. The technology costs particularly for communication have decreased and LLDCs should also benefit from this. The meeting emphasized that technology transfer to LLDCs should be promoted and supported. The meeting noted that many countries were eliminating tariff and customs duties on technologies and strongly recommended adoption of this policy.

125. The meeting suggested that emphasis should be put on improving market access in the global and regional markets, especially for processed products. This would promote competitiveness of local industries/firms under an increasingly competitive and globalizing world. The meeting also stressed the need for governments to develop industrial policies that could develop the manufacturing sector.

126. The meeting also emphasized the need for economic growth to be translated into poverty reduction.

G. International support measures and special attention to LLDCs

127. In this session representatives of UN OHRLLS, the Delegation of the European Union to the United Nations, the UN Office for South-South, the International Trade Center, the African Development Bank and the International Think Tank on LLDCs gave presentations to introduce the key issues.

128. In his presentation, Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, and Reporting Service of UN OHRLLS, highlighted the latest data on the main international aid flows and other support measures to LLDCs. ODA to LLDCs more than doubled between 2000 and 2010 and reached \$26 billion in 2011. However, the allocation is very uneven across LLDCs, with the top two recipients, Afghanistan and Ethiopia, accounting for 40% of the group's total. He noted that Aid for Trade flows to LLDCs had increased since 2002-2005 baseline, and that the majority of the Aid for Trade goes towards economic infrastructure and building productive capacity. However he also noted that its allocation was very uneven across the LLDCs.

129. Mr. Erdenebileg pointed out that FDI is a very important source of finance that has great potential to spur economic growth and development in LLDCs, but it is highly concentrated in a few resource-rich LLDCs, with top 5 recipients accounting for 70% of the group's total. He noted that in order to attract FDI, it is important to have an enabling environment in the LLDCs as well as in the international system.

130. Mr. Erdenebileg emphasized that technical assistance and preferential market access are another important aspects of international supports to LLDCs, helping to raise their awareness and understanding of WTO negotiations and the WTO accession process, and in providing price advantage for LLDCs exports, respectively. He also noted that it is very important for LLDCs to be actively involved in regional efforts for coordinating infrastructure development, regional investment schemes, participating in regional legal frameworks and intra-regional trade.

131. Mr. Erdenebileg concluded by saying that while the UN, regional commissions, multilateral institutions including WTO, World Bank, regional development banks and some sub-regional organizations have recognized and mainstreamed APoA, Almaty is still an unfinished agenda. The new programme should provide wins for all - LLDCs, transit neighbours as well as development partners. In today's new reality and landscape of international trade, specific actions and deliverables should be part of the new programme.

132. The Head of the Economic, Trade and Sustainable Development Section of the Delegation of the European Union to the United Nations, Mr. Americo Beviglia Zampetti, presented how the EU strongly supports LLDCs as part of its comprehensive approach to development, as outlined in the Agenda for Change which focuses on countries most in need. He emphasized that the EU is a staunch supporter of a WTO Trade Facilitation Agreement, which would improve custom procedures, increase predictability and reduce costs for traders to allow goods to move faster across borders and will also improve tax collection at the border. At the same time, the EU is fully aware that in order to enjoy the full benefits of such an agreement, developing countries will need sufficient technical assistance and capacity building to implement the agreement and the EU is fully committed to providing such support for trade facilitation to LLDCs. He pointed out that the EU is already a leading provider of support to trade facilitation with €70 million a year over the period 2007-2010.

133. Mr. Zampetti informed the meeting that the EU has started working on the allocation of its development aid for the period 2014-2020 and invited all partners to

prepare plans to ensure that LLDCs receive appropriate trade-related assistance. He highlighted that developing countries will go through a needs assessment in June - financed by the EU and other donors – that will help them to clearly identify where and how assistance should be focused.

134. The Director of the UN Office for South-South Cooperation (UN OSSC), Mr. Yiping Zhou, highlighted that the potential of South-South and triangular cooperation to help the LLDCs to overcome the infrastructural, institutional, technological and other weakness is enormous. South-South cooperation could be through sharing of best practices, exchange successful experiences and knowledge, building productive capacities, increasing investment, spurring innovations, or transferring appropriate technologies. However, while South-South trade has expanded to about 50% of world trade, there are large imbalances in the South in terms of trade growth and LLDCs account for a very small share of this. He noted that while ODA is important for LLDCs, creating smoother corridors of South-South trade and investment flows, removing logistics barriers and making transit easier for LLDCs, increasing access to Southern markets, and establishing framework of agreements between countries, especially neighboring countries with LLDCs, is crucial.

135. Mr. Zhou noted that UN OSSC focuses on facilitating the sharing of knowledge and best practices between and among LLDCs and transit countries, on the one hand, and facilitating the acquisition of appropriate technologies from the global South aimed to boost the productive capacities in LLDCs, through the professional and regulated services of its South-South Global Assets and Technology Exchange (SS-GATE). He presented some examples of technology transfer projects facilitated by the SS-GATE that directly benefit the LLDCs. For example the project that involved the transfer of a patented FGC technology from China to Ethiopia to process agro-wastes and straw into low-cost, weatherproof, earthquake-resistant and durable building materials; the agricultural technology and expert exchange between China and Zambia for new rice planting; between Malaysia and Zimbabwe for food processing technology (pineapple, citrus, etc.); and between Zimbabwe to Zambia for multi-fruit manufactory. He emphasized that the UN system, acting as one, has an important role to play in facilitation of South-South trade, investment and technology transfer. He also suggested a creation of an LLDC technology bank.

136. Mr. Anders Aeroe, the Director from International Trade Centre (ITC), presented ITC's work in Landlocked developing countries, in particular presenting the findings of ITC's research work on Non-Tariff Measures. The large-scale company surveys conducted to date cover 27 countries, 5 of which are LLDCs. The surveys help to better understand the impact of Non-Tariff Measures (NTMs) on exporting and importing companies, including in LLDCs. He indicated that the surveys suggest that LLDCs are strongly affected by burdensome NTMs and procedural obstacles; for example between 62%-75% of exporters in Paraguay, Malawi and Rwanda report that they are affected by NTMs and related obstacles. He informed the meeting that rules of origin, technical requirements and conformity assessments are the most reported types of barriers, with LLDC companies facing these barriers in their home country, the importing partner countries as well as in the transit countries.

137. Mr. Aeroe highlighted that ITC has active technical projects in 27 LLDCs between 2010 and 2013, focused on improving the availability and use of trade intelligence, enhancing trade support institutions and supporting policy makers for the benefit of exporting enterprises, strengthening the export capacity of enterprises to respond to market opportunities and mainstreaming inclusiveness and sustainability into trade promotion and export development policies. Mr. Aeroe suggested the following priorities for a new agenda for LLDCs: i) addressing non-tariff barriers to trade; ii) building productive capacities; iii) enabling trade in services; iv) strengthening private sector voice and confidence in policy and regulatory reform processes; v) building private sector resilience to new challenges; vi) ensuring trade, economic growth and LLDCs are at the centre of the post-2015 MDG planning.

138. Ms. Agnes Soucat, Director Human Development of the African Development Bank (AfDB), presented the work that AfDB is undertaking in the region. She indicated that AfDB is becoming a growing financier of regional infrastructure projects, including transport and energy connectivity. Energy projects included public-private partnerships in hydropower, as well as major wind and solar investments. She informed the meeting that AfDB sees regional integration as a way to access not only regional but also global markets. She highlighted how investing in human capacity and skills building, new technologies and education is an integral part of regional integration, critical in ensuring critical mass to develop high level technological centers.

139. Ms. Soucat noted that efforts at economic transformation in these countries should focus on the following: Firstly, it should focus on increasing the potential of agricultural sector which is very promising given the importance of food security and agriculture transformation. Secondly supporting household enterprises, which employ the majority of people in Africa, and how business environment for these enterprises can be improved and improving the potential of women-lead enterprises. Thirdly, with the majority of FDI inflows are directed towards commodities extraction, and the fact that the industrial sector remains and is expected to remain in the near future a very small sector in Africa, this trend is not contributing to transformation of the economy of these countries towards high value added economies. It is important that FDI is used to support local processing and value addition in the LLDCs thereby encouraging industrialization and job creation.

140. Mr. Erdenetsogt Odbayar, Interim Director International Think Tank (ITT) on LLDCs, presented how the ITT can contribute towards identifying and helping LLDCs to meet their development priorities. Mr. Odbayar suggested that in order to make better policy recommendations for the new development agenda, researching and identifying each country's challenges and needs is a critical starting point. For example, he noted that Mongolia was entitled to export over 7000 products under the Generalized System of Preferences scheme of the EU, but in reality exported only 25 different products to the EU, due to the lack of knowledge about how to utilize the preferences under the scheme. Another example he presented is how it takes a week to ship oversized products from Germany to China, but it then takes another month and more costs to forward the shipment to Mongolia.

141. He indicated that the ITT can act as a bridge for experience sharing amongst LLDCs on capacity building, for example on WTO accession and membership; organize

meetings and build bridges between the private sector in LLDCs and connecting private sector with policy makers; serving as the meeting point for LLDCs; sharing online databases and resources with LLDCs on their website; and mobilizing research work on LLDC issues. For the final review of APoA, Mr. Odbayar suggested that there is a greater need to analyze what has been really achieved in the APoA priority areas and what concrete policies and financing would make the new development agenda more useful for LLDCs.

Discussion

142. In the ensuing discussion, participants noted that regardless of the various types of international support measures and efforts that can be availed, adequate national capacities in LLDCs are critical in order to fully take advantage of the international support offered to these countries. The meeting noted that ITC's surveys suggest that it is often the neighbouring markets that impose most burdensome barriers and thus are likely to hamper regional integration and trade.

143. Participants deliberated on how LLDCs could develop a conducive environment to attract FDI. The meeting noted that the UNCTAD publishes investment guides on investment climate and how to professionally attract FDI. Furthermore, the meeting noted that while it is important to have the correct host country measures and environment, it is equally important that LLDCs be provided with technical assistance to assist them in implementing the said rules and regulations.

H. LLDCs and the Post-2015 development agenda and sustainable development goals

144. Mr. Jose Dallo, Policy Advisor of the Post-2015 of UNDP, gave a presentation to introduce the key issues. He began his presentation by highlighting the need for a new global agenda that reflects the realities of today. He stated that there is broad-based consensus that MDGs have been successful, and that there is a growing interest for them in the Post-2015 discussions. He noted that unfortunately, the dialogue surrounding the new development framework has gathered pace largely in the developed countries. UNDP is working hard to bring balance to the discussion by involving voices from the Global South. He encouraged the LLDCs to articulate their vision and concerns in these deliberations.

145. Mr. Dallo stressed that while it is obvious that we need to frame our dialogue in terms of development goals, it is especially important that the rationale behind those goals is kept in mind. He encouraged the use of probing of questions such as the value that arises from including additional goals, where for example, some goals are already being pursued elsewhere.

146. Mr. Dallo highlighted four possible entry points through which groups and countries could share their views. These include: (i) The High level Panel appointed by the UN Secretary General that consists of 26 members; Indonesia Liberia and UK serve as chairs. The report of the panel will be ready by end of May 2013. (ii) The Open

Working Group on Sustainable Development Goals (SDGs) that has to produce a report before September 2013 to inform how the SDGs will look like. (iii) The UN Task Team – led by UNDP and DESA, is tasked with producing a vision of the UN system. (iv) The UNDG consultations that aim to bring the voices of the world together and improve ownership of the process. The strategy to achieve the desired results in the UNDG consultations is based on three pillars: national consultations in countries, thematic consultations, and taking advantages of new social technologies and social media. National dialogues are happening in 38 countries around the world. There are also thematic consultations on issues that will inform the agenda. These consultations revolve around 11 themes as well as multi-stakeholder discussion. The UNDP Web portal has all information available.

147. Mr. Dallo shared the following messages that are emerging highlights from consultations that have taken place so far: that the themes of MDGs are relevant and are good ideas on how to improve the framework; that people see the MDGs as being fundamental but not enough; there is a call to go back to the Millennium Declaration and build a broader, more coherent, universal framework that allows for the widest possible participation in its implementation. In his concluding remarks, Mr. Dallo stated that economic growth and job creation should feature prominently in the new development agenda. There is a unique opportunity in APoA to review and discuss some of these topics in the context of the post-2015 agenda. The UN Task Team report calls for a strong need for transformative change, with three fundamental principles, which are: human rights, equality and sustainability. In addition, goals should be organized around the four dimensions: environmental sustainability, peace and security, inclusive social development, inclusive economic development.

148. A representative of UN DESA raised five concrete points as a follow up to the presentation by UNDP. First, it is important to find close links between APoA and the Rio+20 outcome document as well as with the process of consultations on the post 2015 development agenda. The Rio+20 outcome document has several references to LLDCs (on LLDCs, transport). Second, pay attention to those paragraphs that renew commitment to the speedy implementation of the APoA. The Rio+20 launched several processes, and there are different entry points to the discussion that LLDCs need to follow up on and develop concrete approaches to take action. Third, some LLDCs should consider joining the panel for financing for sustainable development at the expert level, and in the high-level political forum. They should also participate in the intergovernmental processes launched at Rio+20, in particular SDGs, technology transfer workshops and the High-level Political Forum on sustainable development. Active participation in these processes is important. Fourth, there is a need for LLDCs to take part in the workshops that relate to technology transfer. It is crucial for LLDCs to formulate their development policies such that they integrate the three dimensions of sustainable development. This is especially challenging and requires a lot of institutional changes and involvement and DESA can offer technical assistance. Fifth, it is important to strengthen and utilize partnerships. Since the Johannesburg Summit, DESA has been working hard to support LLDCs in achieving transformative change. Opportunities to scale up and replicate successful partnerships should be facilitated and more consistent monitoring, assessment and accountability frameworks should be developed.

Discussion

149. In the ensuing discussion, the meeting underscored the close relationship between the Almaty Programme of Action and Rio+20. Participants emphasized the importance of keeping the focus on MDGs stressing that there was room to improve MDGs and that the international community should be more ambitious in helping the poorest among the poor for MDGs were designed to benefit the developing countries the most. The meeting noted that in order to implement the SDGs, efforts should be put on mobilizing multiple sources of finance besides ODA that has been the principle source of financing for the MDGs. South-South and Triangular cooperation could assume an even more prominent role in enhancing capacity building in developing countries.

150. Furthermore the meeting also noted that the human and social development focus of the MDGs may be necessary but not sufficient to attain sustainable development. It would require investment in the productive capacities of LLDCs. MDGs must be strongly complemented by investments in the economic and environmental pillar. It is necessary that the three pillars of the MDGs are taken into consideration jointly in ways that minimize tradeoffs, and enhance synergy. The meeting also stressed that the concerns of the vulnerable countries should be noted and put within the proper context in the post 2015 development agenda.

I. Summary of the Priorities

151. This section presents a summary of the development challenges of LLDCs, the proposed objective and general development approach of the new development agenda and priorities identified in the presentations and discussions made in the meeting.

Overview of challenges faced by LLDCs

152. There was consensus that although progress had been achieved from the implementation of the Almaty Programme of Action, much more needs to be done to effectively support the LLDCs to integrate into the global trading system and fully harness their trade potential to generate increased economic growth and improve the well being of their population. Although progress had been achieved on transport infrastructure development, there were still major connectivity gaps in all regions that have LLDCs. Energy and communication connectivity was also inadequate.

153. Although some progress was made in improving trade facilitation, the costs and delays in transit and at border crossings. Though transport costs had fallen in many other countries, they were still high for LLDCs thus continuing to render them to be uncompetitive. While total trade from LLDCs had increased since 2003, LLDCs were still marginalized from the global markets. They had a high dependence on primary commodities, weak productive capacities, lacked value addition and highly vulnerable to external factors. They also had a less diversified export market. Non tariff measures have become one of the major hurdles for products originating from LLDCs. Even though the LLDCs had increased economic growth since 2003, they had the lowest GDP per capita and experienced the highest fluctuations when compared to all the other groups.

154. These challenges were also affecting social development. The LLDCs were among the lowest on HDI and had high levels of poverty. The meeting also noted that new challenges had emerged that were not addressed in the Almaty Programme of Action.

155. The meeting also highlighted some of the major challenges that were experienced in implementing the APoA. These include lack of implementation of the good legal frameworks that had been established at all levels - international, regional, sub-regional and bi-lateral. Some relevant policies, regulations and procedures were still not yet harmonized. The meeting noted that human capacity building was not adequate in many areas including customs, trade negotiations, etc. Similarly financial resources were not adequate.

156. The deliberations suggested that the objective of development in LLDCs in the new decade should be focused on improving employment intensive and inclusive economic growth that should be driven by productive capacity development and addressing poverty.

157. The meeting suggested that the new development agenda, for the LLDCs must not be designed simply as a sectoral programme but must concretely address LLDCs challenges in a more holistic manner, with a few measurable targets and indicators. The programme should include short-term, medium and long-term objectives. While the new programme should focus on addressing social and economic development, poverty reduction and sustainable development, it must retain international trade, transport and transit issues at its core. The programme should aim to develop efficient transit systems capable of processing and moving goods on through corridors cheaply and fast. The programme should promote trade and export diversification, value-addition and industrial capacities, and the enhancement of the service sector, and productive capacities of the LLDCs.

158. Suggested Priorities for the New Development Agenda for LLDCs

1. Development of hard infrastructure

Transport infrastructure development and maintenance, in both LLDCs and transit countries

- Further development and upgrading of the transport infrastructure and addressing the missing links and transit bottlenecks;
- Develop transit infrastructure with a view of creating businesses and development corridors along transit highways and railroads;
- Give special focus on the development of roadside ancillary infrastructure for the transit systems;
- Design sustainable (green) and resilient transit transport systems;
- Promote economies of scale for transport systems, including the through intermodal transport development, dry ports, transshipment facilities, and similar hubs;
- International and regional banks should finance regional infrastructure projects;
- Innovative mechanisms of transport projects' funding, for the development, maintenance of roads including regional infrastructure funds, private-public partnerships at the national and regional levels;

- Modernize border crossing points and its equipment;
- Promote multi-stakeholder transit transport framework, including LLDCs and transit country authorities, services providers and PPPs.

Energy

- Invest into a reliable, modern and affordable energy infrastructure;
- Improve industrial energy efficiency;
- Attach importance to the promotion of renewable energy;
- International and regional banks should finance regional infrastructure projects.

ICT infrastructure

- Promote implementation of infrastructure sharing between transport, energy and ICT;
- Improve the access of LLDCs to international optical fibre networks;
- Improve the ability of LLDCs to use satellite by lowering costs through space segment consolidation efforts;
- LLDCs should develop a national broadband plan or strategy or include broadband in their universal access and service definitions;
- LLDCs should develop domestic ICT laws that must conform to others and to the Global ICT policy;
- LLDCs should develop regulatory frameworks that can facilitate and support improved ICT connectivity;
- The international community should facilitate access to technologies and transfer of know-how on ICTs;
- Promote E-Business, e-Government, e-Banking, e-Trading; cyber security;
- Forge partnerships between the governments, inter-governmental organizations and the private sector in developing and implementing ICT plans;
- Collect ICT statistics and indicators and report regularly.

2. Development of the soft infrastructure – Trade facilitation, transit policies, legal and regulatory framework

- Increase ratification/accession and implementation of UN and other international conventions (including the TIR Convention), regional and sub-regional and agreements on transport and trade facilitation by LLDCs and their transit neighbours;
- Ensure effective implementation of the conventions and regional agreements at the national level;
- Implement effectively the existing international standards and best practices for customs transit, safety and security of transport chains;
- Promote efficient, transparent and predictable customs services to reduce the cost of trade and trade facilitation;
- Modernize customs operations, by for example introducing the concept of single window and automation of documentary requirements;
- Reduce multiple clearances;
- Minimize physical inspections and promote use of ICT and non-intrusive inspection methods at border crossings;

- Promote simplification and harmonization of legal and administrative regulation and requirements on road/rail transport, border crossing and customs procedures;
- LLDCs and their transit neighbours should consider acceding to the Revised Kyoto Convention on simplification and harmonization of customs procedures so as to eliminate the divergence of customs procedures and practices and facilitate trade;
- Promote use of intelligent transport systems including modern computer and satellite navigation technologies to improve the efficiency and security;
- Develop efficient logistics systems, by aligning incentives for efficient transport and transit operations, promoting liberalization and competition, phasing out anti-competitive practices such as cartels and queuing system wherever possible;
- Ensure full and inclusive representation of the private sector and increasing its voice in trade facilitation initiatives;
- Increase involvement of road transport business associations in PPP projects;
- Consider industry-specific trade facilitation programs;
- Trade facilitation initiatives that have worked in some LLDCs such as one stop border posts and dry ports should be promoted for replication;
- Promote transit transport liberalization including the transport reforms;
- Reflect gender dimension particularly in trade facilitation and trade logistics;
- Promote implementation of permit-free transit road transport and expansion of multilateral quotas system of road transport;
- Promote transit transport safety and security;
- LLDCs should play a more active role in the trade facilitation negotiations at the WTO;
- Conclusion of the WTO agreement on trade facilitation is important for unlocking the export competitiveness of LLDC.

3. Enhancing Trade

- Reduce commodity dependence through the diversification of the export base;
- Promote value addition in production and export;
- LLDCs should diversify their export markets;
- Provide preferential market access for LLDCs to help alleviate some of the problems associated with their geography;
- Support LLDCs and their SMEs in joining global and regional value chains;
- LLDCs should identify national actions that would help SMEs in joining value chains;
- Address supply side issues through technical and infrastructure support;
- Undertake more research to understand how the NTMs are affecting LLDCs;
- Provide support to build capacity in LLDCs to deal with the NTMs and to meet international standards and requirements;
- Promote harmonization of NTMs and rules of origin;
- Provide targeted support to countries that are in the process of WTO accession.

4. Promoting structural change, economic diversification, enhancing the productive capacity and building resilience to global economic and financial shocks

- LLDCs need to develop a strategy for industrialization/ industrial policy;
- At the regional level coordinate policies for industrial development and link the region as a whole into global markets through regional value chain mechanisms;
- Encourage value addition and forward and backward linked activities;
- LLDCs should focus on “Trade in tasks” by specializing in tasks that are most suited to the skills available, are compatible with locational constraints and enter global value chains;
- LLDCs need to create industrial clusters, such as export-processing zones, and regional centres of excellence;
- Invest in the agricultural sector for increased productivity and promote agro-based industries;
- Build productive capacities to enhance competitiveness;
- LLDCs need to diversify both the export base and markets.

5. Enhancing the role of the private sector

- LLDCs need to provide a supportive legal and regulatory framework, and create macroeconomic conditions and systems that address the concerns of both local and foreign investors;
- Governments should engage the private sector in the formulation of relevant development policies at national level and in the sub-regional, regional and international development processes;
- LLDCs need to provide an operating environment conducive to growth and development of the private sector, including: peace and stability, the rule of law, good governance with accountability and transparency, the absence of corruption, adequate infrastructure, an educated workforce, clear property rights and enforceable contracts;
- Build private sector resilience to new challenges;
- Promote SMEs which are important for job creation, economic empowerment of women and contributing to poverty reduction, including household and women-lead enterprises;
- The private sector should meet on a regional basis to discuss concrete issues and share success stories;
- Enhance entrepreneurship by providing a supportive business and institutional environment;
- Harness the benefits that Diaspora provides for private sector development, particularly through remittances and technical and managerial know-how, as well as global knowledge networks;
- Governments, the private sector including Chambers of Commerce and the development partners should come together to organize and facilitate initiatives for documenting and sharing of experiences and capacity building seminars or workshops.

6. Promoting trade in services

- Undertake research to identify the sectors where LLDCs have a competitive edge;

- Provide support for the development of the services sector in LLDCs;
- Enable trade in services;
- LLDCs need to enhance development of human skills and education which are critical for improved services.

7. Addressing vulnerability to climate change, desertification and land degradation and improving environmental sustainability

- LLDCs need to address problems related to climate change, desertification and land degradation into their national development plans;
- LLDCs need to develop their National Adaptation Plans;
- In order to fully address, mitigate ensuing problems and build resilience in LLDCs, there is need to scale up adaptation and mitigation actions on the ground, secure global participation and scale up funding for climate change mitigation measures;
- LLDCs as a group should make a special case for its capacity and resource needs for climate change adaptation, and support to address desertification and land degradation;
- Address desertification and land degradation in a holistic way addressing all the areas linked to land productivity such as poverty, climate change, food security, biodiversity, deforestation and others;
- Partners need to help LLDCs to identify their specific needs on these issues when compared to other groups of countries.

8. International support measures

x. ODA

- Increase ODA flows to LLDCs to support infrastructural development, improvement in trade facilitation, capacity development and other areas.
- Ensure a more equitable distribution

xi. Aid for trade

- Increase the allocation of Aid for Trade to LLDCs
- Ensure a more equitable distribution
- LLDCs should identify their priorities and needs for Aid for Trade

xii. Market access

- Improve market access for LLDCs in the global and regional markets, especially for processed products
- Consider providing preferential market access for LLDCs
- Grant preferential market access to all LLDCs in existing preference schemes, such as Everything But Arms.

xiii. Technical assistance

- Provide technical assistance and capacity building to LLDCs to understand and implement transport, trade, trade facilitation and investment agreements and regulations
- Provide technical assistance to enhance LLDCs' ability to effectively participate in WTO negotiations

xiv. FDI

- LLDCs should create a conducive business environment to attract FDI

- Promote use of FDI to support local processing and value addition in the LLDCs
- xv. South-South cooperation
- Foster South-South cooperation on transfer of technology and innovations, opening markets, investment and sharing of experiences and knowledge.
 - The UN system, acting as one, needs to facilitate South-South trade, investment and technology transfer and the sharing of knowledge and best practices on South-South cooperation
- xvi. Technology transfer
- Promote and support transfer of technology and know how to LLDCs
 - Eliminate tariff and customs duties on technologies
 - Create an LLDC technology bank and other high level technological centers
- xvii. Explore innovative funding
- Regional infrastructure funds
 - Infrastructure PPPs
 - Debt markets
 - Creation of universal service fund for ICT investors
- xviii. The development partners, the UN, multilateral institutions including WTO, World Bank, regional development banks and some sub-regional organizations should mainstream the new LLDC programme of action into their work and programmes.

9. Regional integration

- Improve regional infrastructure networks;
- Develop and implement key regional transport projects and regional transport agreements for facilitating the cross border movement of goods and passengers;
- Promote development of regional technology centers and regional networks of excellence;
- Promotion of harmonized regional policies provide an opportunity to improve transit transport connectivity and for ensuring greater intra-regional trade;
- Promotion of common regulatory policies, border agency cooperation and harmonized customs procedures;
- Promote the development, adoption and effective implementation of Regional Trade Agreements.

10. Enhancing capacity building in all areas (institutional capacity, education, human capacity and skills building)

- Provide training on customs and border management; improved trade facilitation and transport safety; trade negotiations; how to utilize the trade preferences; use of ICTs; how to effectively implement conventions and also for policy formulation and implementation and institutional building.

11. Sharing of experiences and dialoguing

- Set up an observatory specific to LLDCs;

- Need to systematically collect and document good practices that have worked and lessons at national and regional levels that can be capitalized as opportunities and shared for wide scale dissemination and utilization;
- Undertake research into country-specific needs;
- Utilize the International Think Tank on LLDCs for sharing of experiences and online databases and resources amongst LLDCs, and for mobilizing research work on LLDC issues.

12. Enhancing the follow-up mechanisms through enhancing monitoring and evaluation;

- Identify and develop indicators that can be monitored;
- Introduce peer pressure into monitoring processes.

Post 2015 development agenda

- LLDCs' views and concerns must be strongly reflected in the discussions relating to the Post-2015 development agenda.
- LLDCs must focus on issues that are unique to them instead of emphasizing general development challenges.
- A strong focus on LLDC specific issues, along with ways of addressing them, including means of implementation and accountability framework should be incorporated in the Post 2015 development agenda.
- Ensure that trade, economic growth and LLDCs are at the centre of the post-2015 MDG planning.

J. Closing and Way Forward

159. In his closing remarks, the High Representative presented a summary of the issues outlined in the foregoing section. He indicated that the meeting had provided concrete and useful suggestions for the next development agenda of the LLDCs. He pointed out that the suggested priorities would be valuable inputs to support Member States in their substantive preparations for the global review of the Almaty Programme of Action in 2014. He also proposed that the output from the meeting would be of good use in the ongoing discussion on the post-2015 development agenda on the special development needs of the LLDCs.

160. As next steps, Mr. Acharya indicated that the secretariat would prepare a summary report of the meeting that will be circulates to all participants for their review and comments. He informed participants about the upcoming meetings of the preparatory process such as the regional reviews for the Africa and the Latin America regions, the pre-conference events and inter-agency meetings. He thanked all the participants and closed the meeting.

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ANNEX 2 – Programme of Work Brainstorming Meeting on the Priorities of a New Development Agenda for the Landlocked Developing Countries, Conference room 2726 in the Secretariat Building, United Nations Headquarters, New York

DAY 1 – Wednesday, 20 March 2013

9:30 am-10:00 am	Registration
10:00 am-1:00 pm	<p><u>Session 1. The development challenges of LLDCs and their participation in the international trading system</u></p> <ul style="list-style-type: none"> • Introduction of the objectives of the meeting and keynote presentation on the development challenges of LLDCs, by Mr. Gyan Chandra Acharya, Secretary General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. • Statement by H.E. Mr Saleumxay Kommasith, Permanent Representative of the Permanent Mission of the Lao People’s Democratic Republic to the United Nations and Chairman of the Group of LLDCs. <p>General Discussion</p>
1:00 pm – 2:00 pm	LUNCH BREAK
2:00 pm – 3:30 pm	<p><u>Session 2. LLDCs and International Trade and Trade Facilitation</u></p> <p>Keynote Presentation Ms. Arancha González Laya, Chief of Staff in the office of the Director–General of the World Trade Organization</p> <p>Presentation by Mr. Jose Rubiato, Head, Trade Logistics Branch, UNCTAD</p> <p>Discussants</p> <ul style="list-style-type: none"> • Mr. Takashi Nakao, Regional Development Manager for the Asia Pacific region, Capacity Building Directorate, World Customs Organization • Mr. Suraj Vaidya, President, Federation of Nepal Chamber of Commerce and Industry <p>General Discussion</p>
3:30 pm – 5:00 pm	<p><u>Session 3. Panel on Transit transport cooperation at bilateral, regional; and global levels</u></p> <ul style="list-style-type: none"> • Ms. Eva Molnar, Director, Transport Division and ECE focal point for APoA

	<ul style="list-style-type: none"> • Mr. Igor Rounov, Under Secretary General, Head of IRU Permanent Delegation to Eurasia • Mr. Marc Juhel, Sector Manager of the Transport Division in the Energy, Transport and Water Department, World Bank • Mr. Donat Bagula, Executive Secretary, The Permanent Secretariat of the Transit Transport Co-ordination Authority of the Northern Corridor, Africa • Mr. Alexey Stukalo, Deputy Co-ordinator/Head, Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat <p>General Discussion</p>
5:00 pm – 6:00 pm	<p><u>Session 4. Emerging challenges for LLDCs: Climate Change; Desertification, land degradation; economic and financial shocks; Food Security</u></p> <p>Panel Presentation</p> <ul style="list-style-type: none"> • Ms. Marcela Main Sancha, Senior Liaison Officer, Executive Direction and Management programme, UNFCCC. • Ms. Nandhini Iyer Krishna, CBD/UNCCD liaison officer, UNCCD Liaison office, United Nations Headquarters • Mr. Syed Nuruzzaman, Chief, Countries with Special Needs Section, ESCAP <p>General Discussion</p>
<u>DAY 2 – Thursday 21 March 2013</u>	
10:30 am – 12:00 pm	<p><u>Session 5. Priorities to structurally transform LLDCs economies and harnessing emerging opportunities, enhance trade, diversify, development of productive capacities and services sector</u></p> <p>Panel Presentation</p> <ul style="list-style-type: none"> • Mr. Taffere Tesfachew, Director of the Division for Africa, LDCs and Special Programmes, UNCTAD • Dr. George Assaf, Director, UNIDO New York Office • Dr. Louise Kantrow, U.N. Representative of International Chamber of Commerce • Dr. Cosmas L. Zavazava, Chief of Department, Project Support and Knowledge Management, Telecommunication Development Bureau, International Telecommunication Union • Common Fund for Commodities

	General Discussion
12:00 pm – 1:30 pm	<p><u>Session 6. International support measures and special attention to LLDCs</u></p> <p>Panel Presentation</p> <ul style="list-style-type: none"> • OHRLLS • European Union • Mr. Yiping Zhou, Director of UN Office for South-South • Mr. Anders Aeroe, Director - Division of Market Development, ITC • Ms. Agnes Soucat, Director, African Development Bank • Mr. Erdenetsogt Odbayar, Interim Director International Think Tank on LLDCs, Ministry of Foreign Affairs of Mongolia <p>General Discussion</p>
1:30 pm – 3:00 pm	LUNCH BREAK
3:00 pm – 4:30 pm	<p><u>Session 7. LLDCs and the Post-2015 development agenda and sustainable development goals</u></p> <p>Presentation by Mr. Jose Dallo, Policy Advisor, Post-2015, UNDP</p> <p>General Discussion</p>
4:30 pm – 6:00 pm	<p><u>Session 8. Priority areas for a new development agenda for LLDCs</u></p> <p>Summary of Discussions Comments Closing</p> <p>Mr. Gyan Chandra Acharya, Secretary General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative for the LDCs, LLDCs and SIDS</p>