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**Special Body on Least Developed and Landlocked
Developing Countries: Final regional review of the
Almaty Programme of Action****Note verbale dated 11 March 2013 from the Ministry
of Foreign Affairs of the Lao People's Democratic
Republic addressed to the secretariat of the Economic
and Social Commission for Asia and the Pacific****

The Ministry of Foreign Affairs of the Lao People's Democratic Republic presents its compliments to the secretariat of the United Nations Economic and Social Commission for Asia and the Pacific and, with reference to the Euro-Asian Final Regional Review of the Almaty Programme of Action, held in Vientiane from 5 to 7 March 2013, has the honour to enclose herewith the Vientiane Consensus for the consideration of the Commission at its sixty-ninth session under item 2 (a) of the provisional agenda.

The Ministry of Foreign Affairs would like to take this opportunity to express its deep gratitude to the secretariat for providing the Government with the necessary support in successfully hosting the Euro-Asian Final Regional Review of the Almaty Programme of Action.

* E/ESCAP/69/L.1.

** The late submission of the present document is due to the fact that the meeting in question was held after the deadline for submission to conference services.

Annex to the note verbale dated 11 March 2013 from the Ministry of Foreign Affairs of the Lao People's Democratic Republic addressed to the secretariat of the Economic and Social Commission for Asia and the Pacific

Outcome of the Euro-Asian Final Regional Review of the Almaty Programme of Action

Vientiane Consensus

I. Introduction

1. Landlocked developing countries face serious constraints in their economic development due to lack of territorial access to sea, remoteness and isolation from world markets and high transport costs. Their international trade and transport depends on cross-border and transit transport over land, which is hampered due to the existence of numerous physical and non-physical barriers. As a result, landlocked developing countries are disadvantaged from fully utilizing trade for their development.

2. The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty, Kazakhstan, in 2003 adopted the Almaty Programme of Action¹ to address the special needs and challenges faced by landlocked developing countries in achieving their development goals, and set out actions to be undertaken by landlocked developing countries, transit developing countries and development partners in five priority areas: fundamental transit policy issues; infrastructure development and maintenance; international trade and trade facilitation; international support measures and implementation and review.

3. In its resolution 66/214, the General Assembly decided to hold a comprehensive ten-year review conference of the Almaty Programme of Action in 2014. The Assembly also decided that the conference should be preceded by regional and global as well as thematic preparations in a most effective, well-structured and broad participatory manner. The Assembly designated the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States as the United Nations system-wide focal point for the preparatory review process, and noted that United Nations system organizations, including the regional commissions, should, within their respective mandates, provide necessary support and actively contribute to the preparatory review process and the comprehensive ten-year review conference itself.

¹ Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries (*Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28-29 August 2003* (A/CONF.202/3), annex II).

4. In its resolution 67/1, the Economic and Social Commission for Asia and the Pacific (ESCAP) requested the Executive Secretary to provide, in collaboration with relevant organizations, necessary assistance to the landlocked developing countries in the region during the final regional review of the Almaty Programme of Action. The United Nations Conference on Sustainable Development (Rio+20 Conference), held in June 2012, also invited the international community to speed up the implementation of the specific actions in the five priority areas agreed upon in the Almaty Programme of Action and those contained in the declaration on the midterm review in a coordinated manner.²

5. Accordingly, ESCAP and the Economic Commission for Europe (ECE) in collaboration with the Office of the High Representative and the Government of the Lao People's Democratic Republic organized the Euro-Asian Final Regional Review of the Almaty Programme of Action, which was held in Vientiane from 5 to 7 March 2013. The meeting adopted the Vientiane Consensus, as contained herein, as the outcome of the final regional review and requested the Government of the Lao People's Democratic Republic as the Global Chair of the Group of the Landlocked Developing Countries to transmit it to the Commission at its sixty-ninth session for endorsement as the regional input to the global review of the Almaty Programme of Action, to be held in 2014.

6. The meeting was attended by some 120 participants including ministers and senior government officials and other stakeholders from 26 countries, namely Afghanistan, Armenia, Australia, Azerbaijan, Bangladesh, Bhutan, Cambodia, China, France, Georgia, India, Indonesia, Japan, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia, Nepal, Poland, the Russian Federation, Serbia, Tajikistan, Thailand, Turkmenistan, the United Kingdom of Great Britain and Northern Ireland, and Viet Nam, as well as representatives of the United Nations system, international and regional organizations, development partners, civil society organizations and the private sector from the Euro-Asian region. The meeting expressed its deep appreciation to the Government of the Lao People's Democratic Republic for hosting the Final Regional Review and to ESCAP, ECE and the Office of the High Representative for organizing the event.

II. Brief review of progress and challenges

7. The meeting expressed its satisfaction that significant progress has been achieved by landlocked developing countries and transit developing countries in implementing the Almaty Programme of Action with the support of ESCAP, ECE, the Office of the High Representative, relevant international and regional organizations and other development partners.

8. While acknowledging the progress, the meeting recognized the high structural vulnerability of landlocked developing countries in the context of recent global developments. The modest economic growth achieved by landlocked developing countries during the last decade has recently come under increasing threat due to successive global crises in the areas of food, fuel and finance. As a result, most landlocked developing countries are falling short in achieving various social targets, including the Millennium Development Goals. Many of them are severely affected by natural

² See General Assembly resolution 66/288, annex, para. 182.

disasters and climate change. Moreover, landlocked developing countries continue to be marginalized from the international trading system.

9. The meeting also recognized the continuing and emerging challenges faced by the landlocked developing countries vis-à-vis integration with the global economy and the need to expedite and strengthen the implementation process of the Almaty Programme of Action. It echoed the outcome of the recent Rio+20 Conference, “The future we want”, which had recognized the serious constraints that the landlocked developing countries face in achieving sustainable development. In that context, the meeting underlined the importance of reflecting the perspectives of the landlocked developing countries in developing the sustainable development goals.

10. The meeting observed that the Euro-Asian landlocked developing countries have witnessed significant fluctuations in economic growth and export performance in recent years due mainly to the global economic crisis and the effects of sluggish growth in advanced countries. Despite notable, though uneven, progress made since 2003, landlocked developing countries remain marginalized in global trade, with the share of their exports in world trade remaining at about 0.8 per cent for merchandise trade and 0.5 per cent for services trade in 2012. Thus, they have been prevented from reaping the benefits of globalization and using trade as an instrument for achieving their development objectives.

11. The meeting agreed that landlocked developing countries need to exploit the potential of regional economic integration arising out of increasing intra-regional trade and intra-regional foreign direct investment and improving connectivity through transport, energy and ICT networks. Landlocked developing countries have yet to fully leverage the regional preferential and plurilateral trading arrangements for harnessing the complementarities not only within the subregion but also across subregions in critical areas, such as energy security, transport development and trade facilitation, for promoting more inclusive growth and sustainable development. Some landlocked developing countries which are in the process of accession to the World Trade Organization (WTO) also need to expedite their efforts.

12. The meeting noted that, despite variations in socioeconomic performance, Euro-Asian landlocked developing countries are home to a large number of underprivileged people. Overall, the pace of development of these countries has been slow, indicating the urgent need to adopt more effective measures in a more inclusive and sustainable manner. The meeting observed that most of these countries are rich in natural, mineral and human resources which need to be harnessed more effectively if they are to attain their development objectives.

13. The external sector of the landlocked developing countries shows relatively high trade openness but the absolute level of trade values is low compared with their potential due to large deficits in infrastructural facilities, trade barriers and insufficient technological capacities. Their exports are characterized by a high concentration of few commodities, reflecting their poor productive capacities.

14. The indicators related to health, education and social development suggest that most of these countries have achieved relatively high levels of development, although the absolute number of people deprived is still quite

high. The meeting also noted that the development indicators of these countries suggest that there is tremendous scope for improving their macroeconomic management, pursuing more prudent policies for greater integration of trade and foreign direct investment (FDI), and investing in improved connectivity. Another important area for landlocked developing countries is to invest in the skills of their workers so that they can have better access to well-paid activities in the region and beyond.

15. The meeting observed that, since the adoption of the Almaty Programme of Action, landlocked and transit developing countries have made substantial progress in transport infrastructure development and maintenance. Many sections of the Asian Highway network in the landlocked developing countries and their neighbouring transit developing countries have been upgraded to higher standards along with the construction of several missing links in the Trans-Asian Railway network.

16. Landlocked developing countries and transit countries have implemented or initiated many transport facilitation initiatives, including: one-stop border posts; introduction of single window processing; harmonized road transit charges and road customs transit declaration document; third party motor vehicle insurance schemes; reduction of roadblocks; the TIR system; and increased use of electronic systems for customs clearance, making it easier for landlocked developing countries to use roads and ports of neighbouring countries.

17. The meeting agreed that the priority areas, as identified in the Almaty Programme of Action, could provide useful anchors around which unmet goals and targets could be set keeping national development policies and strategies in view, and actions taken individually and jointly by landlocked developing countries and their development partners. They also recognized that expected outcomes in each priority area could be further enhanced through genuine partnerships between landlocked, transit developing countries and their development partners at bilateral, subregional, regional and global levels, including partnerships between the public and private sectors. Moreover, these partnerships need to be based on equitable sharing of benefits derived from specific actions among the concerned countries, transit developing countries and their development partners.

18. The meeting noted that the Euro-Asian landlocked developing countries are characterized by important differences with respect to the composition and destinations of exports. Some are mainly exporters of natural resources and manufactures, others of services, while for some the focus is primary commodities. Another important area for landlocked developing countries is more liberal access for their workers to productive activities in other economies inside and outside the region.

19. The meeting observed that the policies of the landlocked developing countries need to be oriented towards stimulating productive investment, building technological capacities, and strengthening linkages within and across sectors and between different enterprises. For increasing productive capacities and moving up the value chain, the landlocked developing countries need to undertake measures, such as strengthening national capacities to undertake analysis of competitive potential at the product and subsector level; establishing the quality and conformity assessment infrastructure required to increase exports; working in productive sectors with high export potential to upgrade product and production quality and

comply with standards and regulations so that enterprises can export successfully; and developing troubleshooting mechanism in cases where export products encounter technical barriers.

20. The meeting noted that cross-border and transit transport for landlocked developing countries is extremely difficult due to poor infrastructure facilities and numerous constraints to movements and crossing borders. Such physical and non-physical barriers caused high transport cost, inordinate delays in transport process including crossing borders, and uncertainty in logistics services and supply chain management. Those challenges significantly reduce the competitiveness of landlocked developing countries in the world markets and discourage FDI flows. It was recognized that close cooperation between landlocked developing countries and their transit partner countries is needed to develop transport infrastructure connections and transport operational connectivity through facilitation.

III. Persistent, new and emerging issues facing Euro-Asian landlocked developing countries

21. The meeting observed that the landlocked developing countries continued to face several persistent and emerging challenges, highlighting the need for both domestic policy reforms and changes in global environment conducive to more equitable, inclusive and sustained growth and development. The meeting identified the following key development challenges that the landlocked developing countries face in moving forward:

- (a) Addressing internal and external vulnerabilities;
- (b) Creating favourable market access;
- (c) Promoting employment intensive and inclusive growth, alleviating poverty and reducing economic and social disparities;
- (d) Building productive capacities and diversifying export base;
- (e) Establishing efficient transit systems, reducing trade transaction costs and improving competitiveness;
- (f) Addressing climate change consequences.

22. If not addressed adequately and in a timely manner, these challenges can erode many of the development gains of the past decade. In order to ensure equitable, inclusive and sustainable development, a priority need is to build the resilience of these countries to withstand these persistent and emerging challenges.

23. Euro-Asian landlocked developing countries are also vulnerable to emerging challenges related to natural disasters, food security, energy security and water management. Natural disasters that threaten these countries include droughts, storms, glacier lake outburst floods (GLOF) and extremes of temperatures and cold/heat waves, as well as wet and dry mass movements.

24. The meeting noted that the landlocked developing countries have been taking adaptation measures to climate change consequences. These include integrated water resources management, water storage infrastructure (surface water and groundwater), watershed development, rainwater

harvesting, and water conservation and community-based initiatives to integrate land, including grass land and water management. Landlocked developing countries have developed national adaptation programmes of action (NAPAs) as a means of identifying medium- and long-term adaptation needs, and developing and implementing strategies and programmes to address these needs. Building on this process, several countries are working towards the development of national adaptation plans (NAPs) with a focus on integrating climate change adaptation into national planning. In addition, the countries have been identifying appropriate institutional, legal and governance responses for adaptation.

25. In order to build resilience, landlocked developing countries emphasize creating awareness and understanding of the ways to cope with the risks and vulnerabilities associated with climate change. At the regional level, landlocked developing countries should pursue a number of measures and use policy tools with a view to (a) closing the gap between economic and ecological efficiencies, (b) planning and designing eco-efficient infrastructure, (c) securing the transfer of appropriate technologies and (d) formulating and implementing low carbon development strategies. More specific measures are needed in this regard to strengthen capacity-building in cross-sectoral initiatives, such as the Green Bridge Partnership Programme.³

26. The meeting emphasized the need for bringing about further qualitative changes in the pattern of growth so that the benefits of growth permeate to all sections of society. In that context, the nexus between economic growth and poverty reduction needed to be strengthened through the creation of increased productive and decent employment opportunities for the poor.

27. The meeting observed that fragmented approach to cross-border facilitation and transit transport continued to yield suboptimal results in removing non-physical barriers. While progress has been made to reduce these barriers, it has been slower than anticipated as some of the facilitation efforts have been taken in relative isolation leading to fragmented results. As a result, trade transaction costs remain high, limiting the ability of landlocked developing countries to successfully harness trade as an instrument of their development. The regional common frameworks and the existing United Nations conventions and agreements could be used as guideposts for each of the issues identified, thereby ensuring that the facilitation efforts of countries converge in the long term.

IV. The way forward

Development of fundamental transit transport policy

28. The meeting identified the creation of comprehensive transit policies in the landlocked and transit developing countries in establishing efficient transit transport systems. The participants noted that while significant progress has been made in some countries in this regard, fundamental transit policy needs to be further developed in the countries which have not done so.

29. The meeting suggested that the landlocked and transit developing countries review the existing challenges faced in transit transport and

³ See E/ESCAP/67/8, chap. I, sect. C.

propose policy measures to address the challenges. These include, for example, transport strategies and programmes, transforming from landlocked to land-linked, development of transit transport corridors, improvement of major transit transport infrastructure, development of regulatory framework, establishment of international legal regimes, greater participation of the private sector, reforms to make providers of transport services more responsive to user demands, enhance transparency of transit and border regulations, create streamlined administrative procedures, simplify controls and procedures, promote the use of information and communication technology, and strengthen training programmes in the sector. Furthermore, such policy needs to take into account of environmental and social aspects and promote sustainable development. The meeting also noted that it was crucial for ESCAP, ECE and Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to support landlocked developing countries to share experiences on transit policies that have proved to be effective.

30. The meeting recognized the importance of the ESCAP Regional Strategic Framework for the Facilitation of International Road Transport, adopted by the Ministerial Conference on Transport at its second session, in March 2012,⁴ as a guidepost in the formulation of national transit transport policy. The six common targets and seven modalities contained in the framework can be incorporated into the national transit transport policy, where appropriate.

Facilitating transit transport

- **Improving transport efficiency**

31. The meeting observed that high costs of transport are an important impediment to trade and economic cooperation among Euro-Asian landlocked developing countries. Landlocked developing countries, transit countries and their development partners should pay special attention to addressing the non-physical barriers that cause high transport costs (freight rates), some of which are: constrained transport operations, inordinate delays, irregular time schedules, weak logistics industry performance, complicated transshipment procedures, excessive documentation and procedures for international transport, particularly at borders, limited competition, low productivity in the trucking industry, corruption and insufficient level of security.

- **Harmonizing legal regimes**

32. The Almaty Programme of Action maintains that international conventions relating to the facilitation of transport and transit, as well as regional and bilateral agreements, ratified by landlocked and transit developing countries are the main vehicles by which harmonization, simplification and standardization of rules and documentation can be achieved. The meeting observed in this context that subregional agreements can play a useful role if aligned with the international conventions. They can also provide important stepping stones to international harmonization of standards and norms.

33. The meeting encouraged accession to and more effective implementation of United Nations and other relevant international

⁴ See E/ESCAP/68/9, chap. I.

conventions, agreements and other international legal instruments related to transport and transit facilitation with special attention to the International Convention on the Harmonization of Frontier Control of Goods (1982). In that regard, ESCAP and ECE were requested to provide technical support. The meeting further requested ESCAP and ECE to intensify capacity-building assistance to the countries, including training programmes to all stakeholders, raise awareness and understanding of the process and implications of accession to international conventions relating to the facilitation of transport and transit.

34. The meeting requested ESCAP, in cooperation with subregional organizations, to intensify technical support for facilitating international land transport by assisting in effective implementation of subregional facilitation agreements among member States, many of which are landlocked.

35. The meeting recognized the role of the ESCAP Regional Network of Legal and Technical Experts for Transport Facilitation as a platform to build the national capacity of landlocked developing countries and transit countries for accession to and implementation of international conventions and formulation and implementation of subregional and bilateral agreements on transport.

Improving transport infrastructure and bridging infrastructure gaps

36. The meeting noted that, despite the substantial progress achieved in transport infrastructure development and maintenance in the region over the review period, a number of issues need further and more concerted efforts to remove the constraints on the overall socio-economic development of Euro-Asian landlocked developing countries, stemming mostly from lack of territorial access to the sea, remoteness and isolation from the world markets, and high transit costs. In addition, the recently completed phase II of the Euro-Asian Transport Links project identified not only priority infrastructure projects but also essential missing links which need to be built in order to improve the connectivity and enhance the efficiency of transport services between Europe and Asia. In this respect, the participants took note of the importance of the Joint Declaration on the promotion of Euro-Asian rail transport and activities towards unified railway law, signed in Geneva on 26 February 2013.

37. The meeting acknowledged that, for improving transport infrastructure, bridging infrastructure gaps, and ensuring coherent infrastructure development and planning, the landlocked developing countries need to engage actively in regional cooperation initiatives such as the United Nations Special Programme for the Economies of Central Asia (SPECA) and institutional framework such as the two existing intergovernmental agreements on transport infrastructure (i.e. the Asian Highway and the Trans-Asian Railway) and to support the adoption of the intergovernmental agreement on dry ports. More specifically, Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan and Turkmenistan were requested to take measures towards ratification, acceptance, approval of or accession to the Intergovernmental Agreement on the Trans-Asian Railway network, and Turkmenistan with regard to the Asian Highway network. The Asian landlocked developing countries should also take the necessary actions to sign the intergovernmental agreement on dry ports, which is expected to be adopted by ESCAP member States during the sixty-ninth session of the Commission and, if adopted, should be open for

signature at the second session of the Forum of Asian Ministers of Transport, to be held from 4 to 8 November 2013. Landlocked developing countries need to establish an adequate strategic support from their subregional partners for infrastructure development under such regional transport networks.

38. The meeting urged the development partners to work together to realize an international integrated intermodal transport and logistics system in Asia, with a focus on the development, upgrading of the Asian Highway and Trans-Asian Railway networks and dry ports.

39. At present, most of the landlocked developing countries are ranked low in international comparison in terms of the quality of infrastructure. The meeting observed that improving the quality of infrastructure is vitally important for safe and efficient transport. The level of infrastructure is also not homogeneous among the Euro-Asian landlocked developing countries. In the case of roads, substantial differences exist in terms of latest improvements and of intrinsic development. For instance, the Lao People's Democratic Republic, Mongolia and Afghanistan have a limited percentage of roads paved (below 30 per cent) compared with the Central Asian countries (above 80 per cent). For these countries, a critical area is to tap the opportunities for improving infrastructure at regional and subregional levels.

40. The meeting noted that some of the most immediate benefits of improved infrastructure would be better cross-national integration between border areas, which are often among the more remote and poorer regions of the countries in question. For deriving greater benefits, physical links between countries need to be accompanied by harmonization of standards, such as railway signalling systems.

41. It was however recognized that bridging the infrastructure gap for the landlocked developing countries was a complex and challenging task. Along with strong political and regional commitment, it is necessary to utilize all opportunities in a comprehensive manner for future infrastructure development in the landlocked developing countries. In this respect, efforts should continue to be made to build internal capacity for efficient planning, implementation and operationalization of transport infrastructure projects. Landlocked developing countries should also support commercial initiatives promoting the use of inland transport services for international trade, in particular rail transport, as a competitive alternative to maritime transport and back activities targeting the emergence of quality-driven logistics services. In that context, the participants emphasized the importance of mobilizing financial resources for infrastructure development and urged the international financial institutions, donors and potential sources of finance to come forward in meeting these needs.

42. The Intergovernmental Agreement on the Asian Highway Network, which entered into force in 2005 and covers over 143,000 km of road in 32 countries, has been signed or acceded to by 29 countries, including 11 landlocked developing countries. With strong commitment from participating countries, nearly 30 per cent of the Asian Highway roads in these countries (corresponding to more than 10,000 km) have been improved since 2004. The portion of Asian Highway routes below the minimum standard (Class III) has decreased from 32 per cent to 18 per cent. Still, there are 6,796 km of Asian Highway routes that need to be upgraded to meet the minimum standard. Although there are no "missing links" in

terms of absence of roads, the poor road quality acts as a deterrent for international transport due to increased vehicle operating costs. The issue should be urgently addressed.

43. Apart from road networks, efficient rail links have a central role to play for improving the access of the landlocked developing countries to world markets. To facilitate planning for future expansion, upgrading and operation of the railway network in the region, the Intergovernmental Agreement on the Trans-Asian Railway network, which supports efficient regional connectivity, was adopted. The main challenge, however, is the existence of many missing links, which prevent the network from functioning as a continuous system. According to ESCAP estimates, these constitute about 10,500 km of rail track, or 9 per cent of the Network for which urgent action is required.

44. In 2003, ECE and ESCAP launched a project to promote the development of Euro-Asian transport links which could provide competitive alternative transport options to maritime routes for trade between Asia and Europe. The project has been implemented in two phases. The total number of participating countries is 27 (including 9 of the 12 Asian landlocked developing countries). As part of the project, a geographic information system (GIS) database has been created and is now available online which is a basic tool for future efforts aimed at developing efficient, safe and secure Euro-Asian transport links providing valuable support for the implementation of the Almaty Programme of Action. ECE and ESCAP should take the measures necessary to ensure more intensive use of the project's outputs for integrated planning and development of inland transport linkages in the region.

45. The landlocked developing countries can make greater use of the Asian Highway and Trans-Asian Railway by improving transport facilitation measures and by investing in intermodal facilities, such as dry ports. Dry ports can build synergies by linking different modes of transport; they can also promote balanced spatial development by helping industrialization in the hinterlands. They are particularly relevant to landlocked developing countries because they play an important role similar to that of sea ports in facilitating the provision of efficient intermodal transport and logistics services. The development of intermodal facilities and dry ports should be given high-level commitment from regional organizations as well as countries.

46. ECE is pursuing the network approach to the development of international transport infrastructure by developing, updating and promoting its transport infrastructure agreements.⁵ Together with a similar initiative carried out by ESCAP, the objective is to ensure that no country in Europe or Asia would be left disconnected from access to the major road and rail lines of international importance. However, not all landlocked developing countries in ECE have become contracting parties to all infrastructure agreements. The relevant organizations should pursue the matter with the relevant countries so that they become parties to these international infrastructure agreements, which would benefit from further integrating

⁵ The European Agreement on Main International Traffic Arteries, the European Agreement on Main International Railway Lines, the European Agreement on Main Inland Waterways of International Importance, and the European Agreement on Important International Combined Transport Lines and Related Installations.

their transport systems into the ECE-wide transport networks and thus enhance the level of technical and operational interoperability.

47. As recognized by the Almaty Programme of Action, information and communications technology (ICT) can play a crucial role in accelerating development. Despite recent progress in ICT penetration, Asian landlocked developing countries lag behind the rest of the region in terms of broadband internet access, while this technology can play a crucial role in boosting enterprises competitiveness and facilitating international trade. Due to very rapid developments in the ICT sector, landlocked developing countries have faced severe challenges in keeping up with the necessary infrastructure deployment, and concomitant evolution of policy frameworks, broadband costs, as a share of gross national income are approximately ten times higher in Asian landlocked developing countries than in the rest of the ESCAP region. As a result, the economic and social development benefits of broadband internet remains elusive for the majority of these countries. This situation is further exacerbated for landlocked developing countries by the fact that, at the regional level, fixed broadband transmission infrastructure still relies heavily on submarine fibre-optic cables for the connectivity to the global Internet.

48. The meeting called for further action towards the deployment of a terrestrial information superhighway to boost access and affordability regarding fixed broadband Internet services. It noted with interest the multiple regional initiatives in that respect that will certainly contribute to better connectivity for a number of landlocked developing countries of the region, specifically the Trans-Eurasian Information Super Highway (TASIM) project between Central Asia and Europe, the Greater Mekong Subregion Information Superhighway Network (ISN) and the South Asian Subregional Economic Cooperation (SASEC) Information Highway Initiative. It also supported the current efforts of the ESCAP secretariat and ITU to jointly map out existing transmission networks, with a view to identifying bottlenecks and missing links in the electronic connectivity infrastructure.

49. Observing that between 70 and 90 per cent of the costs to develop a terrestrial fibre-optic network is related to the excavation and installation of ducts and conduits through which cables are pulled, the meeting noted the great potential offered by the convergence of ICT connectivity infrastructure with transport and energy infrastructure networks. One option the meeting identified is for terrestrial cables to be laid alongside future development and maintenance of the Asian Highway or Trans-Asian Railway routes.

50. The meeting took note of the recommendations made by the side event organized by the International Road Transport Union (IRU).

Facilitating border-crossing process

51. The meeting noted that, during a transit journey, the most notorious delays occur at the main interface or transshipment points, namely those between maritime and inland transport, between adjoining railways networks, and on both sides of national borders. Inadequate rail/road off-take capacity in major transshipment points can and does cause major delays. The slow interchange of rolling stock between railway networks not only holds up goods in transit but also results in poor utilization of railway assets, thus reducing their revenues.

52. Border-crossing procedures place particularly severe constraints on transit by road. Border crossing delays result largely from inadequate physical infrastructure facilities and lack of coordination among various officials working on a given side of the border and between them and their counterparts across the border. In addition, complicated formalities and procedures are key obstacles to efficient transit transport. Countries need to give adequate attention to these issues with support from regional and subregional partners.

53. The meeting noted that a number of transit and transport facilitation tools, such as the ESCAP time/cost-distance methodology, secure cross-border transport model, efficient cross-border transport model, integrated border crossing management model, and the Customs Convention on the International Transport of Goods under Cover of TIR Carnets, have been developed to assist in identifying and addressing non-physical barriers to cross-border and transit transport. The OSCE-ECE *Handbook of Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective* also offers a unique opportunity for countries both in and beyond the ESCAP/ECE region to develop border and customs policies that increase security and more efficiently facilitate international trade and transport. The facilitation tools can be used by landlocked developing countries and their transit partner countries to enhance transit security and improve transit efficiency. Landlocked developing countries and their development partners could enhance their efforts for further applications of transit and transport facilitation tools. The meeting urged ESCAP/ECE to continue to encourage these processes and urged institutions to strengthen the application of information and communications technology.

54. For landlocked developing countries in Central Asia, the SPECA Project Working Group on Transport and Border-Crossing (PWG-TBC) has been providing valuable support for transport infrastructure development and facilitation since its launch in 1998. ESCAP and ECE should further strengthen this process so that this can emerge as an effective platform for cooperation among countries. This cooperation mechanism also needs further strengthening to create the necessary institutional platform for coordinated and rational planning of regional infrastructure and facilitation measures.

55. The meeting suggested enhancing efforts at border crossings for improving infrastructure facilities, inter-agency coordination and cooperation, and implementing integrated border crossing management, single stop inspection and single window clearances, the use of new non-intrusive inspection technologies, and the application of risk management.

56. The meeting noted that the region had developed some transit facilitation initiatives that have proved to work, such as the one stop border post, dry ports, and the use of TIR and its information technology applications (TIR Electronic Pre-Declaration, *Cute-Wise*) for customs clearance. The meeting underscored that landlocked developing countries and transit countries in the region, with support from their development partners, should consider scaling up or replicating such initiatives. In addition, it requested ECE, ESCAP and the Office of the High Representative to support the development of effective intercountry mechanisms for widely sharing best practices related to experiences with policies, strategy data and other resources for improving transit policies.

Developing productive capacity and diversifying the export base

57. The meeting noted that many of the landlocked developing countries in the region are commodity-dependent, with a significant number relying primarily on minerals, oil, and agricultural products, which often have low value addition, for export. This has made landlocked developing countries highly vulnerable to external trade shocks due to the volatility of commodity prices. The meeting called for concerted measures and actions to support the efforts of landlocked developing countries to reduce commodity dependence, including through the diversification of their export base, and enhanced processing and value addition of commodities. Participants called for development partners to enhance their efforts to support landlocked developing countries in diversifying their exports, through, among other things, the transfer of relevant technologies on mutually agreed terms, support to develop and strengthen their productive capacities, and capacity-building in developing relevant policies.

58. The meeting underscored that in order to mitigate the adverse development impact of landlockedness, comprehensive, coherent and coordinated policies are needed at all levels in the areas of investment, infrastructure (production, transport, ICT and energy), logistics (transport and trade facilitation) and technology to support the efforts of landlocked developing countries to develop local productive capacities and diversify products and markets in order to enhance competitiveness and profitability while simultaneously reducing vulnerability to external shocks. In this regard, the meeting called for support from the international community.

Harnessing remittances

59. The meeting observed that remittances have increasingly become an important resource for development for some of the landlocked developing countries. These resources are contributing to poverty alleviation, employment generation and skills formation. In many instances, returning migrant workers are investing in new enterprises and thereby contributing to productive capacity development, including in the services sector. The meeting recognized that governments of sending countries could adopt a more systemic approach in improving the skills of migrant workers, reducing the transaction costs faced by migrants and strengthening linkages with their migration communities abroad in order to attract their skills and investment at home. The meeting also stated that the receiving countries could do more to provide a safe working environment for migrant workers and facilitate the efficient transfer of remittances.

Promoting tourism

60. Observing that international tourism was increasingly becoming a significant part of global trade, the meeting called for increased investment in this sector. For landlocked developing countries, tourism can generate strong foreign exchange inflows and positive intersectoral linkages which can promote growth in other sectors and can have a stronger positive and multiplicative spillover effect than most economic sectors. From the perspective of landlocked developing countries, strategic interventions may be needed for promoting more balanced gender and social equity outcomes in relation to tourism and more care would have to be taken to ensure environmental sustainability. The meeting emphasized the promotion of sustainable tourism, in particular ecotourism and mountain tourism, for

employment generation and poverty alleviation in landlocked developing countries.

Promoting trade capacity and enhancing trade facilitation

61. The meeting observed that trade costs in landlocked developing countries are still extremely high, typically four to seven times higher than those of most other middle-income developing countries in Asia.

62. The meeting recommended that landlocked developing countries take the following measures to further progress trade facilitation:

(a) As accession to WTO is likely to yield non-discriminatory market access and other benefits of a multilateral framework for trade landlocked developing countries that are currently seeking accession should be supported by their trade partners in acceding to WTO and the terms of accession should not be onerous. Landlocked developing countries should be provided with technical assistance and capacity-building support by the international community in their accession efforts and in the implementation of commitments;

(b) Be actively involved in implementing the ESCAP resolution 68/3 on enabling paperless trade, together with other trade facilitation measures, to further reduce trade transactions costs and enhance the efficiency of supply chains originating from or destined for landlocked developing countries;

(c) Fully utilize the tools for trade facilitation developed by international organizations to further build the capacity of relevant stakeholders. In this respect, landlocked developing countries are encouraged to take the advantage of the guides developed by the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNEExT) on business process analysis, document alignment, data harmonization and modelling, and single window implementation, among others;

(d) Take into account and ensure that trade facilitation measures are consistent with existing international and regional agreements, mechanisms and undertakings, and build on existing international standards and conventions, such as those issued by United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) or supported by the United Nations Commission on International Trade Law (UNCITRAL) or the World Customs Organization;

(e) Develop mechanisms to more accurately monitor their progress in facilitating trade and more effectively prioritize implementation of trade facilitation measures.

Addressing non-tariff barriers

63. The meeting urged Euro-Asian landlocked developing countries to work together on trade related reforms based on analysis of non-tariff barriers, including other trade barriers and trade-related measures. The meeting expressed concern that non-tariff barrier activities at the global level would increasingly affect, both directly and indirectly, the export capacity and competitiveness of landlocked developing countries as well as their market access and entry in global trade. It urged United Nations entities, including ESCAP and ECE, in cooperation with the United Nations Conference on Trade and Development and other relevant international and

regional organizations, to provide landlocked developing countries with the necessary technical, research and other assistance in the WTO accession process and to design trade-related reforms for promoting trade and investment integration processes to enhance global and regional cooperation.

Financing and public-private partnerships

64. The meeting noted that financing is an obvious challenge given the considerable amount of resources that would be required to expand and maintain the transport infrastructure of landlocked developing countries. In order to meet that challenge, participants emphasized that developing innovative financing solutions might be necessary to complement public investments in that area. One innovative financing solution might be to further develop public-private partnership (PPP) opportunities in landlocked developing countries by increasing the readiness of these countries for PPP schemes and developing a conducive environment in terms of policy formulation, regulatory reform and administrative arrangements. Donors and international finance institutions might also consider the need to establish national or subregional innovative financing mechanisms that could assist landlocked developing countries in closing the funding gaps in hard and soft transport infrastructure and attract more financing for the necessary investments, for instance by further developing public-private partnership (PPP) opportunities through the use of donor grant resources to leverage loans from international finance institutions.

65. The meeting urged countries to streamline the mechanisms for maintaining existing facilities. For ensuring adequate funding for road maintenance, countries might establish dedicated road funds with revenue collected from several sources, such as levies on consumables, mainly: (a) fuel; (b) tolls; (c) annual vehicle licence fees; (d) supplementary fees for heavy vehicles; and (e) fines for overloading. Several landlocked developing countries have established road funds as an effective means of mobilizing finances for road maintenance. Other landlocked developing countries, including the Lao People's Democratic Republic and Nepal, are encouraged to follow these established best practices. Overall, adopting best regional practices for infrastructure development and maintenance is critical in order to maintain the value of the existing assets and reduce future financing need. At the regional level, fostering synergies among countries, international financing institutions and other stakeholders, including the private sector, is necessary to explore financing opportunities in priority infrastructure projects along the Asian Highway and Trans-Asian Railway routes, and to promote the development of PPPs in landlocked developing countries. Efforts are also needed to identify investment priorities and prospects and different approaches to financing projects and to exchange experiences related to financing, development and operation of major highways. The meeting noted that South-South cooperation could be used towards infrastructure development.

Deepening regional cooperation and integration

66. Further to efforts at the multilateral level, the meeting emphasized the need to undertake measures to deepen regional cooperation and integration, including through free trade agreements. The meeting noted that one of the critical elements in overcoming the marginalization of Asian landlocked developing countries was to promote their active participation in

existing regional agreements and frameworks and provide them with due special and differential treatment for maximization of development gains.

67. The meeting emphasized that, while strengthening trade-investment linkages is crucial for enhancing regional cooperation and integration, such linkages also lead to the improvement of the export supply capabilities of individual countries by establishing trade-creating joint ventures, which, in turn, leads to both higher growth and greater employment creation. Similarly, free trade agreements might spur investment flows in terms of efficiency-seeking regional restructuring. Moreover, if the policy priorities focus on developing production networks through vertical integration and horizontal specialization enabled by cross-country investment flows for strengthening trade-investment linkages, there could be significant gains in terms of higher intraregional trade and investment flows. There was a need to design development-friendly and trade-augmenting rules of origin by promoting the regional accumulation approach.

Expanding regional/subregional initiatives

68. The meeting agreed on the need for landlocked developing countries to embark on a new development paradigm with the strategic goal of becoming more regionally integrated (including the urban/rural connectivity) to generate rapid growth which is inclusive and sustainable. This requires concerted actions aimed at evolving a broader framework for economic integration at the regional level, ensuring equitable economic and social benefits for landlocked developing countries, developing regional transportation, energy and communication networks, and improving trade and transport facilitation, as well as strengthening ICT connectivity.

69. The meeting emphasized two important aspects of the five priority areas of Almaty Programme of Action: first, stimulative actions that will contribute to raising investment in priority areas, especially those related to developing and maintaining the infrastructure needed to establish efficient transit transport systems in landlocked and transit developing countries, which, in turn, are needed to accelerate growth and change its pattern towards providing more benefits to poor and disadvantaged regions of countries, bearing in mind the urban economic diversification; and second, enhancing the capacity to utilize available trade concessions, which is currently limited by infrastructure and other capacity constraints.

70. The meeting also agreed to widen and strengthen the existing regional cooperation frameworks so that countries can face the challenges collectively. In this context, the participants noted that the key would be to increase development cooperation both within and across the ESCAP and ECE regions with a view to developing regional markets and domestic productive capacities. The areas may cover such priorities as developing new markets, technology transfer, attracting FDIs, and transit transport development. Over the years, ESCAP and ECE have provided useful platforms that contribute to closer and more effective cooperation and collaboration among Euro-Asian landlocked developing countries. The time is now ripe for the landlocked developing countries to use these platforms more effectively to integrate better into the global production, transport and trade system with the goal of accelerating development, improving welfare and reducing their risks and vulnerabilities.

International support

71. The meeting called on the international community to facilitate the accession of landlocked developing countries to WTO, as only four landlocked developing countries have completed the accession process since the adoption of the Almaty Programme of Action. It also called on those landlocked developing countries which had not yet become members of WTO to engage more intensively with their trading partners in order to complete the accession, and urged that all export products originating from landlocked developing countries receive duty-free and quota-free market access in the developed-country members of the WTO.

72. The meeting was of the opinion that, in view of the severe structural disadvantages of landlocked developing countries, assistance through external resources, such as ODA, will have to play a key role in supporting their economic development and social progress. These countries need external resources to build their economic and social infrastructure, especially for investing in basic services, such as water, sanitation, energy, transport, shelter, health and education. Such resources could complement the national efforts of landlocked developing countries aimed at expanding and diversifying their productive capacities, promoting FDI and trade, adapting technological innovations, fostering gender equality, ensuring food security, and reducing income poverty.

73. In this regard, the meeting suggested that landlocked developing countries need to improve their institutions and governance structures in order to make ODA more effective in supporting them to address their special needs. Donors are requested to increase financial resources and technical assistance provided to landlocked developing countries.

74. The meeting underscored the importance of Aid for Trade to landlocked developing countries for capacity-building on: (a) the formulation of trade policies; (b) participation in trade negotiations and implementation of trade facilitation measures; (c) the development of trade-related infrastructure; and (d) the diversification of export products and strengthening of productive capacities with a view to increasing the competitiveness of the products of landlocked developing countries in export markets. In this regard, the meeting encouraged development partners to continue and increase their support to the Aid for Trade initiative, giving adequate consideration to the special needs and requirements of landlocked developing countries.

75. The meeting emphasized the significant role of FDI in boosting the trade potential and economic growth of landlocked developing countries. It also highlighted the supportive role of FDI in providing infrastructure for transport, telecommunications and utilities. The meeting was of the view that it was necessary to promote and sustain a conducive business environment for FDI in accordance with national legislation and developmental needs.

76. The meeting acknowledged the supportive role of the United Nations system as well as regional, subregional and other international organizations in providing technical, financial and capacity-building support to landlocked developing countries towards enhancing their participation in international trade and achieving internationally agreed development goals, including the Millennium Development Goals. The meeting invited the organizations of the United Nations system, including

the regional commissions, other international organizations, and regional development banks to strengthen, within the context of their respective mandates, the efforts of landlocked developing countries to overcome structural impediments and benefit from the international trading and investment system.

77. The meeting noted the crucial role of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in raising awareness and advocating that the concerns of the landlocked developing countries be placed high on the global development cooperation agenda, and in mobilizing international support and resources in favour of landlocked developing countries to help them overcome their vulnerabilities, build resilience and set themselves on a path of economically, socially and environmentally sustained and sustainable development. The meeting called upon the Office of the High Representative to continue to assist landlocked developing countries through increased advocacy and mobilization of international and United Nations system-wide support.

78. The meeting urged Euro-Asian landlocked developing countries to ratify or accede to the Multilateral Agreement for the Establishment of an International Think Tank for Landlocked Developing Countries of 24 September 2010 at their earliest convenience in order to bring the think tank, which was established in Ulaanbaatar on 27 July 2009, into full operation. Landlocked developing countries noted with satisfaction the establishment of the interim Secretariat of the International Think Tank for Landlocked Developing Countries as an important first step towards its full operationalization. Recognizing its potential role in providing technical and capacity-building support to member countries, the meeting deemed it desirable that the Think Tank should collaborate with existing networks and the initiatives of the regional commissions.

The post-2015 development agenda

79. The meeting was of the view that the Millennium Development Goals provided a powerful tool for consolidating national, regional and global efforts around clear, concise and measurable development objectives for individual countries as well as the global community. In Euro-Asian landlocked developing countries, the progress towards the Goals has not only been considerably varied across different goals and indicators, but the achievement of the Goals has also been unequally distributed across regions, subregions and countries as well as different population groups in a nation. The meeting expressed its strong opinion to build on the Goals along with an explicit focus on inequalities and disparities in the post-2015 development agenda. It was also agreed that several critical gaps, including a policy gap, a strategy gap, a growth gap, a resource gap and an implementation gap, need to be explicitly addressed in the post-2015 agenda to achieve the stipulated goals. Landlocked developing countries need to target climate change mitigation and reduction of environmental vulnerability as development challenges.

80. The meeting emphasized that working towards wellbeing and happiness through economic growth is vital for realizing any post-2015 development goals, but growth must be inclusive and sustainable and it must address inequalities and disparities. It is also recognized that growth in Euro-Asian landlocked developing countries has sometimes been accompanied by environmental degradation and, hence, there is a need to

promote green economy policies. Several other areas also need renewed emphasis, including poverty and hunger, gender equality and empowerment of women, health-related outcomes (including non communicable diseases), educational goals with more emphasis on quality dimensions, decent and productive employment, and demographic dynamics, including urbanization. Other areas that also deserve priority attention include the building of productive capacities, social protection, water management, food and nutrition security, energy security, sustainable transport, natural disasters and climate change, peace and security, human rights, institutional capacity-building at all levels, greater policy coherence and systemic change, a well-defined accountability framework, governance at all levels, including global development partnerships and cooperation, and a more equitable sharing of responsibilities between national Governments and the international community. The importance of South-South cooperation and triangular cooperation was also highlighted. Recognizing that development cooperation has acquired a multi-dimensional character, the participants highlighted the increased role of different stakeholders, such as civil society organizations, the private sector, philanthropic organizations, the media and centres of excellence, in realizing the post-2015 development agenda.
