

4 January 2013

## CONCEPT NOTE

### **ESCAP/OHRLLS/ECE/Government of Lao PDR Final Regional Review of the 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**

Vientiane, Lao PDR  
5-7 March 2013

**Theme: Promoting Connectivity in Euro/Asian LLDCs for sustainable and inclusive development.**

#### **Development challenges and context**

Lack of territorial access to the sea, remoteness and isolation from world markets and high transit costs continue to impose serious constraints on the overall socio-economic development of landlocked developing countries (LLDCs). Their sea borne trade unavoidably depends on transit through other countries. Additional border crossings and long distance from the market substantially increase the total expenses for the transport services. The economic performance of landlocked developing countries reflects the direct and indirect impact of geographical situation on key-economic variables. The LLDCs are generally among the poorest of the developing countries, with the weakest growth rates, and are typically heavily dependent on a very limited number of commodities for their export earnings.

The United Nations gives high priority to LLDCs including the 12 from Asia<sup>1</sup> and the two from Europe<sup>2</sup>. Among others, the Almaty Programme of Action for LLDCs (APoA), adopted in 2003 is one of the main global mandates through which the international community has mobilized support for this group of countries. The overarching goal of APoA is to forge partnerships to overcome the specific problems of the LLDCs that result from their lack of territorial access to the sea and their remoteness and isolation from world markets.

Since the adoption of the APoA, a series of reviews and high-level meetings have been organized. The Asia-European regional mid-term review meeting of the APoA was jointly organized by ESCAP and ECE in Bangkok in April 2008. The outcome document of the meeting identified progress and obstacles in the implementation of the APoA along its five priority areas and made several recommendations on how to accelerate the implementation of the programme in the region. The second most

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<sup>1</sup> Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Tajikistan, Turkmenistan and Uzbekistan.

<sup>2</sup> The Republic of Moldova and the Former Yugoslav Republic of Macedonia.

important review for the Asian LLDCs was the convening of a high-level policy dialogue on the APoA in April 2011 in Ulaanbaatar. That meeting adopted the Ulaanbaatar Declaration<sup>3</sup> and its subsequent endorsement by the Commission in its sixty-seventh session in May 2011. The Ulaanbaatar Declaration, among other things recognized that the greatest challenge facing the landlocked developing countries is to promote inclusive and sustainable growth for reducing poverty and improving the quality of life of the people. It also expressed concern about the re-emergence of rising food and energy prices and the special vulnerabilities of landlocked developing countries to such price rises.

As is well known, the global as well as regional socio-economic climate has dramatically changed since the midterm review of the Almaty Programme of Action was undertaken in 2008. Although significant progress has been made in several areas of APoA, LLDCs continue to face major challenges and development gaps. Harmonization of legal regimes, adoption of an integrated approach to trade and transport facilitation, elimination of physical and non-physical bottlenecks to transport, completing missing links, promoting intermodal transport, developing integrated transport corridors and logistics services and mobilizing domestic and external resources are some of the remaining challenges faced by landlocked developing countries. The multiple (or triple) food, fuel and financial crises have highlighted the vulnerabilities of the countries with special needs including LLDCs to external shocks, as well as impacts of climate related extreme weather events and natural disasters (floods, drought, sand and dust storms, etc).

Global economic and financial crises, among others, negatively affected the efforts of the LLDCs to fight poverty and reduce disparities. One of the major challenges facing the LLDCs will be overcoming resource constraints, including energy, minerals, water and land, as people in the region strive to achieve higher living standards. In terms of MDG achievement, the LLDCs have continued to face several challenges. For Asian LLDCs, a recent ESCAP/ADB/UNDP report<sup>4</sup> indicated that the Asia-Pacific region as a whole has made impressive gains in many MDG indicators, especially in reducing poverty. But it is lagging on some important targets, particularly on reducing hunger and in achieving higher standards of health. There is also considerable variation between country groupings and sub-regions. For example, among the LLDCs, Armenia (15 indicators), Mongolia (17 indicators) along with Azerbaijan (11 indicators), Uzbekistan (13 indicators), Kyrgyzstan (12 indicators), Kazakhstan (11 indicators), Bhutan (12 indicators) and Tajikistan (11 indicators) seemed to have done better in terms of being on track or has achieved the target out of the 21 indicators. Among the remaining LLDCs, Nepal (9 indicators), Lao PDR (8 indicators) and Turkmenistan (7 indicators) were countries with the poor performance.

The new global development agenda needs to focus on the countries with special needs including the LLDCs. The recent triple crises and the increasing impact of climate change have painfully exposed the specific vulnerabilities of countries with special needs such as the LLDCs. The new global partnership for development

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<sup>3</sup> E/ESCAP/67/22

<sup>4</sup> ESCAP/ADB/UNDP 2012. Accelerating Equitable Achievement of the MDGs: Closing Gaps in Health and Nutrition Outcomes, Asia-Pacific Regional MDG Report 2011/12.

needs to prioritize these countries with special needs with a view to support them in their efforts to leave poverty traps. It also needs to focus on building resilience for long-term sustainable development in the broadest sense. The Outcome of the Rio+20 Conference “The Future We Want” of June 2012 has recognized the need to further mainstream sustainable development at all levels integrating the three pillars of development, namely economic, social and environmental aspects and recognized their interlinkages, so as to achieve sustainable development in all its dimensions.

### **Final Regional Review of the Almaty Programme of Action for the Landlocked Developing Countries**

GA resolution <sup>5</sup> on the “Specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of landlocked and Transit Developing Countries and Donor Countries and International Financial and Development institutions on Transit Transport Cooperation”, in particular paragraph 21 mandated the convening of a comprehensive ten-year review conference of the Almaty Programme of Action in 2014. In the same paragraph, Regional Commissions were directed to provide necessary support and actively contribute to the preparatory review process and the comprehensive ten-year review conference itself. ESCAP Resolution 67/1 on “Ulaanbaatar Declaration: Outcome of the High-level Asia-Pacific Policy Dialogue on the Implementation of the Almaty Programme of Action and other Development Gaps faced by the Landlocked Developing Countries” also requested the secretariat to provide, in collaboration with relevant organizations, necessary assistance to the landlocked developing countries in the Asia-Pacific region during the final review of the Almaty Programme of Action. The Rio+20 Conference also invited the international community to speed up further the implementation of the specific actions in the five priorities agreed upon in the APoA and those contained in the Declaration on the midterm review, in a better-coordinated manner, in particular for the construction, maintenance and improvement of their transport, storage and other transit-related facilities.

In response to the above resolutions, ESCAP, ECE and OHRLLS, in cooperation with the Government of the Lao People’s Democratic Republic are organizing the Euro-Asian Regional Final Review of the Almaty Programme of Action for the LLDCs during 5-7 March 2013. After the regional review and the adoption of the Outcome Document, it would be placed at the Special Body on the LDCs and LLDCs during the sixty-ninth session of the Commission, to be held from 25 April to 1 May 2013. After it is considered by the Commission, the Outcome Document would be transmitted by the ESCAP Executive Secretary to the High Representative of OHRLLS as the regional Euro-Asian final review document for the global final review in 2014.

A regional review paper on the implementation of the APoA and way forward will be prepared to facilitate discussions at the regional final review (see attached outline of paper). The paper will highlight subregional dimensions and take note of

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<sup>5</sup> A/RES/66/214

the roles of different stakeholders in support of the LLDCs. The preparation of the regional review paper will be supported by seven technical background papers, each corresponding to the 4 priority areas and the 3 persistent, new and emerging issues. The geographical scope of the Asia-Pacific regional review will be the 7 LLDCs covered jointly by ESCAP and ECE, the 5 LLDCs covered by ESCAP and 2 LLDCs covered ECE, i.e., Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, the Republic of Moldova, Mongolia, Nepal, Tajikistan, the Former Yugoslav Republic of Macedonia, Turkmenistan and Uzbekistan. ESCAP will take the lead in preparing the regional overview paper. The draft will be reviewed by OHRLLS and ECE and other stakeholders and then finalized by ESCAP.

### **Objectives of the Final Regional Review of the APoA**

The objectives of the regional review include the following:

- i. To review and take stock of the implementation of the Almaty Programme of Action at a regional level in Asia and Europe including identification of the major achievements, constraints experienced, emerging challenges and the opportunities presented;
- ii. To identify policy recommendations and actions that need to be implemented to enable the Euro-Asian LLDCs to fully participate in the global trade and realize their full potential for sustainable and inclusive development.

The outcome of the regional review meeting will form substantive input into the preparation of the ten-Year Review Conference of the Almaty Programme of Action.

### **Issues to be discussed**

- i. The participants will review the progress that their countries have made in the four priority areas of the Almaty Programme of Action. These areas are namely Priority I: Fundamental transit policy issues; Priority II: Infrastructure development and maintenance; Priority III: International trade and trade facilitation; and Priority IV: International support measures. They will also discuss the persistent, new and emerging issues facing the Euro-Asian LLDCs such as addressing vulnerabilities to external shocks including rising and volatile food and fuel prices and economic and financial downturns, coping with climate change consequences and reducing poverty and economic and social disparities. They will then make recommendations for way forward in addressing these challenges for sustainable and inclusive development.
- ii. The persistence of low per capita incomes in landlocked developing countries results in a vicious circle where large investments in transport remain economically unviable owing to the low demand for transport services. Similarly, inadequate infrastructure facilities constrain economic activities, leading to poor development outcomes. The participants will discuss how they can address these challenges in transport linkages so that

they can maximize their potential for sustainable and inclusive development.

- iii. The WTO accession process for LLDCs poses substantial challenges, both in terms of human capacity and the commitments sought from them. The participants will review the progress that countries in the accession process have made, identify the challenges and make suggestions on how to improve the accession process. They will also discuss the importance and strategies for enhanced and predictable access to all markets for exports of LLDCs.
- iv. The participants will present their country experiences in enhancing trade facilitation in order to reduce transit and transport costs. In particular, they will discuss how initiatives such as the one stop border post, use of ICTs at the borders, e-tracking of cargo and single windows, have reduced delays at the borders and benefits of enhanced cooperation and coordination with neighbouring countries including transit developing and developed countries through deepened regional integration and establishment of legal frameworks.
- v. The meeting will discuss how to structurally transform the economies of the LLDCs in the region including improving their productive capacities so that they can improve their competitiveness and achieve sustainable growth.
- vi. The review will address the issue of how to improve the role of the private sector in addressing the special needs of the landlocked developing countries.
- vii. The participants will review international support measures, including official development assistance, Aid for Trade flows, non-concessional development financing or other official flows and other sources of support such as regional and south-south cooperation that have helped them increase their trade potential. They will make suggestions on how to improve the support measure so as to fully harness their trade potential.
- viii. Given that the global economy remains challenging, the participants will discuss new and emerging issues and how they are addressing the vulnerabilities of their economies to commodity price volatility and other global related external shocks. In particular, they will discuss experiences with diversification of the productive base, value addition and specialization into sectors where they could be more competitive. They will also discuss how to address emerging issues, including vulnerabilities to external shocks, climate change and food and fuel prices and economic and financial downturn; and how they can reduce economic and social disparities.

- ix. The high-level participants are expected to identify the key policy recommendations and actions required to address the specific needs of the LLDCs in the region.

## **Outline of the final regional review**

- I. Introduction
- II. Review of progress achieved, challenges encountered and actions taken
  - A. *Priority 1: Fundamental transit policy issues*
  - B. *Priority 2: Infrastructure development and maintenance*
  - C. *Priority 3: International trade and trade facilitation*
  - D. *Priority 4: International support measures*
- III. Persistent, new and emerging issues facing the Asia-Pacific LLDCs for consideration
  - A. *Addressing vulnerabilities to external shocks including rising and volatile food and fuel prices and economic and financial downturns*
  - B. *Coping with climate change consequences*
  - C. *Reducing poverty and economic and social disparities*
- IV. Way Forward

Both the substantive preparations and organization of the regional review will be carried out in close cooperation and collaboration with OHRLLS, ECE and different divisions and sub-regional offices of ESCAP.

## **Participants**

Senior government policymakers, especially Ministers dealing directly with the implementation of the APoA and other stakeholders including the private sector from 14 Euro-Asian LLDCs i.e. Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, the Republic of Moldova, Mongolia, Nepal, Tajikistan, Turkmenistan, the Former Yugoslav Republic of Macedonia and Uzbekistan together with transit developing and developed countries as well as donor agencies will be invited to participate in the meeting. The UN system, relevant regional and sub-regional organizations, development partners, civil society representatives and the private sector from the Euro-Asian region will also be invited.

## **Documentation**

- i. Almaty Programme of Action: Addressing the Special Needs and Problems of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries
- ii. Report of the Secretary-General on the progress in the implementation of the Almaty Programme of Action

- iii. General Assembly resolution A/RES/66/214
- iv. General Assembly resolution A/C.2/67/L.39
- v. Ulaanbaatar Outcome Document
- vi. The outcome document of the Pre-Conference Global Thematic Meeting on International Trade and Trade Facilitation held in Almaty, Kazakhstan, on 13-14 September 2012
- vii. Background paper on the progress in the Implementation of the Almaty Programme of Action in the Euro-Asia Region
- viii. Seven technical background papers (TBP), each corresponding to the 4 priority areas and the 3 persistent, new and emerging issues.

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