REPORT OF THE THEMATIC MEETING ON
INTERNATIONAL TRADE, TRADE FACILITATION AND
AID FOR TRADE

As part of the preparatory process for the comprehensive 10-year
Review Conference of the Almaty Programme of Action

Almaty, 13-14 September 2012
I. Introduction

The Almaty Programme of Action, adopted by the International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor community on Transit Transport Cooperation, held in 2003 in Almaty, Kazakhstan, recognized the special needs and challenges faced by the landlocked developing countries in achieving their development goals. The Programme’s objective is to establish a new global framework for developing efficient transit transport systems, taking into account the interests of both landlocked and transit developing countries that will help landlocked developing countries overcome their inherent geographical difficulties and support their efforts to eradicate poverty, sustain economic growth and better integrate into the world economy.

The General Assembly, in its resolution 66/214, decided to hold a comprehensive ten-year review conference of the Almaty Programme of Action in 2014, in accordance with paragraph 49 of the Almaty Programme of Action and paragraph 32 of the Declaration on the midterm review. The comprehensive ten-year review conference shall be preceded, where necessary, by regional and global as well as thematic preparations in a most effective, well-structured and broad participatory manner.

The Almaty global Thematic Meeting on international trade, trade facilitation and aid-for-trade marked the beginning of the global preparatory process for the comprehensive ten-year review conference of the Almaty Programme of Action to be held in 2014. The outcome of the Almaty Thematic Meeting will serve as substantive input to the review conference in 2014.

The Thematic Meeting on international trade, trade facilitation and aid-for-trade brought together Trade Ministers and senior officials responsible for trade from landlocked and transit developing countries, representatives of donor countries, UN system organizations, international financial institutions and relevant regional and sub-regional organizations, with a view to reviewing and assessing the progress made in the implementation of priority 3 of the Almaty Programme of Action. The Meeting also deliberated on future actions needed to enhance the participation of landlocked developing countries in the international trading system while further strengthening the global partnership for establishing efficient transit transport systems.

The Thematic Meeting elected H.E. Mrs. Zhanar Aitzhanova, Minister of Economic Integration of Kazakhstan as Chairperson. The heads of delegation of the Lao People's Democratic Republic and Turkey were elected as Vice-Chairmen. The head of delegations of Italy was elected as Vice-Chair cum Rapporteur. On 14 September 2012, the Thematic Meeting adopted the Chairperson’s summary, which is reproduced in Annex I.

The opening session of the meeting was attended by H.E. Mrs. Zhanar Aitzhanova, Minister of Economic Integration of Kazakhstan, H.E. Dr. Nam Viyaketh, Minister of Industry and Commerce, Lao People's Democratic Republic, Chairman of the Group of LLDCs, H.E. Mr. Manuel Maria Caceres, Vice Minister of External Affairs and Economic Issues of Paraguay, Coordinator of the Group of LLDCs on matters related to trade and development in Geneva, Mr. Gyan Chandra Acharya, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing
Countries and Small Island Developing States, Ms. Valentine Rugwabiza, Deputy Director-General, World Trade Organization, and Mr. Martin Marmy, Secretary General of the International Road Transport Union.

The Meeting was attended by 150 participants. 27 landlocked developing countries and 5 transit developing countries were represented, as well as other UN member states such as the Germany, Hungary, Italy, Libya, Spain, Turkey and United Kingdom. The European Union also attended, as well as 16 international and regional development and financial organisations.

II. Opening session

In her opening statement, H.E. Mrs. Zhanar Aitzhanova, Minister of Economic Integration of Kazakhstan, stated that, as the first ten years of the Almaty Programme of Action were drawing near and the international community started preparations for the 10-year review conference as mandated by the General Assembly resolution 66/214, it was important to review the Almaty priority area on international trade and trade facilitation and to examine the major achievements and constraints experienced by the landlocked developing countries and identify recommendations to further advance the goal of fully integrating the landlocked developing countries into the multilateral trading system.

In his statement, H.E. Dr. Nam Viyaketh, Minister of Industry and Commerce, Lao People's Democratic Republic, Chairman of the Group of Landlocked Developing Countries, underscored highlighted that the thematic meeting provided a critical opportunity to assess what had been achieved thus far and what could have been done better with a view to achieving the Almaty Programme objectives before the end of the decade. He added that the Group of Landlocked Developing Countries was ready to engage constructively in the task of preparing effectively and efficiently for the all important 10-year review conference of the implementation of the Almaty Programme. He called for a renewal of the Almaty spirit partnership in order to work towards an enhanced new action framework that would redefine priority areas and concrete measures to ensure that landlocked developing countries are set on a sustainable path towards a better future for their people.

H.E. Mr. Manuel Maria Caceres, Vice Minister of External Affairs and Economic Issues of Paraguay, Coordinator of the Group of LLDCs on matters related to trade and development in Geneva, noted that the world had changed much since the adoption of the Almaty Programme of Action. He pointed to new challenges that the landlocked developing countries had to face and that should be taken in consideration in the preparation of the new programme of action in 2014. Among the new challenges were the question of access to international networks of communication technology and data transmission lines, energy production and trade, climate change, investment and services. He noted the importance of working in a coordinated way to seek greater financial support for national and sub-regional infrastructure projects to connect landlocked developing countries to international trade routes. He recalled the Millennium Declaration and invited all to approach the review conference in a genuine spirit of partnership with specific focused support to the landlocked developing countries.
In his statement, Mr. Gyan Chandra Acharya, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States stated that with less than two years to go, he would make sure that effective substantive preparations are undertaken with a view to laying solid ground for a successful 10-year review Conference in 2014. He noted that notwithstanding the progress made, the economies of landlocked developing countries had not undergone the desired structural transformation and continued to depend on a few unprocessed export commodities. He underscored the crucial importance of trade and transport facilitation measures for landlocked developing countries and their coastal neighbours. He pointed to the need for political commitment, leadership and domestic ownership, to be supported by enhanced technical and financial cooperation. He invited the Meeting to aim high, with a view to an ambitious, results-oriented partnership framework for the new decade, one that addressed the landlocked developing countries’ development needs and challenges in their broadest sense, rooted in the realities of their countries and strongly supported by the international community.

In her remarks, Ms. Valentine Rugwabiza, Deputy Director-General, World Trade Organization, noted that efforts were being made at the WTO to see how best to address elements of the Doha Development Agenda which could potentially be harnessed while remaining true to the spirit of the single undertaking. Work on Trade Facilitation continued steadily and preparations were under way for the 4th Global Review of Aid for Trade in July 2013. She outlined the benefits of accession to the WTO and underscored the positive role which enhanced and streamlined trade facilitation procedures can play in the economic development of landlocked developing countries. She stressed that trade facilitation could be a major deliverable for this group and urged the Meeting to continue to address it as a priority.

Mr. Martin Marmy, Secretary General of the International Road Transport Union, stated that right from the outset, the IRU had considered the Almaty Programme as an important core element of the international policy for facilitating road transport and enabling trade growth and development under the new market competition resulting from the globalisation process. He noted that road transport was not only a transport mode but had become a real production tool catalysing in every country economic growth and trade development. He informed the Meeting that IRU studies demonstrated that more than 40 percent of total transport time was lost at borders due to a lack of harmonisation and inappropriate border crossing procedures. Very long waiting times appeared to be the best incentive for the development of illegal practices at the border points. He therefore stressed that the facilitation and development of national and international road transport were the best tools to ensure in all countries – and in particular in landlocked countries – the required trade growth and economic development to improve the welfare of their citizens.
III. Exchange of views on the participation of landlocked developing countries in international trade and progress made in the area of trade facilitation and aid for trade

In the first session dedicated to the progress made and challenges encountered in the implementation of the Almaty Programme of Action priority area 3 on international trade and trade facilitation, presentations were made by the following representatives:

- Mr. Sandagdorj Erdenebileg, Chief, Policy Development Coordination, Monitoring and Reporting Service, UN Office for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States,
- Ms. Eva Molnar, Director, Division of Transport, UN Economic Commission for Europe,
- Mr. Ravi Ratnayake, Director, Trade and Investment Division, UN Economic and Social Commission for Asia and the Pacific,
- Mr. Magdi Farahat, Principal Advisor on Trade, Geneva Inter-Regional Advisory Services, UN Economic Commission for Africa.

In the same session, H.E. Ms. Marlyn-Nathalie-Laelle Mouliom, Minister of Trade and Industry of the Central African Republic, and Mr. Mazhit Esenbayev, Chairman of the Customs Control Committee of the Ministry of Finance of Kazakhstan, presented their country experiences.

In the second session on the role of trade facilitation in integrating the landlocked developing countries into the world market, presentations were made by the following representatives:

- Mrs. Valentine Rugwabiza, Deputy Director-General, World Trade Organization,
- Ms. Anne Miroux, Director, Division on Technology and Logistics, United Nations Conference on Trade and Development,
- Mrs. Virginia Cram Martos, Director, Trade and Sustainable Land Management Division, UN Economic Commission for Europe,
- Mr. Evgeny Najov, Senior Economist, World Bank,
- Mr. Gaozhang Zhu, Director of Compliance and Facilitation, World Customs Organization.

H.E. Ms. Jabulile Mashwama, Minister of Commerce, Trade and Industry of Swaziland shared her country experience, while Mrs. Patricia Frutos, Director for Multilateral Economic Organizations, Ministry of Foreign Affairs of Paraguay, presented the experience of her country in negotiating on trade facilitation for landlocked developing countries.

During the third session, focused on improving the trade competitiveness, productive capacities and investment climate of the landlocked developing countries, presentations were made by the following representatives:
- Mr. Guillermo Valles Galmés, Director, Division on International Trade and Commodities, United Nations Conference on Trade and Development,

- Mr. Parvindar Singh, Chief, Policy, Programme Management and Evaluation Unit, Common Fund for Commodities,

- Mr. Ankur Huria, Private Sector Development Specialist, International Trade and Investment Unit, World Bank.

H.E. Mr. Robert Sichinga, Minister of Commerce, Trade and Industry of Zambia, shared his country experience.

In the morning of second day, the fourth session was dedicated to the mobilisation of international support measures for fuller integration of landlocked developing countries in the global trade including Aid for Trade, market access, official development assistance, foreign direct investment, South-South cooperation and United Nations system and international organisations’ support. Presentations were made by the following representatives:

- Mrs. Valentine Rugwabiza, Deputy Director-General, World Trade Organization,

- H.E. Mrs. Aurelia Bouchez, Ambassador, Head of European Union Delegation to Kazakhstan,

- Mr. Evgeny Najov, Senior Economist, World Bank,

- Ms. Sheila Marnie, Central Asia Economist, United Nations Development Programme.

The fifth session focused on the role of transit transport and ancillary infrastructure development for increased trade opportunities for landlocked developing countries. Presentations were made by the following representatives:

- Mr. Eduard Biriucov, Secretary General, TRACECA,

- Mr. Igor Rounov, Under Secretary General, International Road transport Union,

- Mr. Zhenis Kasymbek, Executive Secretary of the Ministry of Transport and Communications, Kazakhstan,

- Mr. Bekmagambetov, President, Kazakh Institute of Transport and Communications, Kazakhstan,

- Mr. Wang Hong, Officer in Charge Kazakhstan Resident Mission, Asian Development Bank

- Ms. Sophie Fouvez, Regional Advisor, UN Economic Commission for Europe

- Ms. Jeannette Kloetzer, Deputy Head, OSCE Centre in Astana, Organization for Security and Co-operation in Europe

- Mr. Evgeny Najov, Senior Economist, World Bank.

IV. Closing session

The Thematic Meeting adopted a Chairperson’s Summary (Annex I).
The Chairperson, H.E. Mrs. Zhanar Aitzhanova, Minister of Economic Integration of Kazakhstan and Mr. Gyan Chandra Acharya, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, delivered closing remarks.
ANNEX I

Chairperson’s Summary

I. Introduction and mandate

1. The General Assembly, in its resolution 66/214, decided to hold a comprehensive ten-year review conference of the Almaty Programme of Action in 2014, in accordance with paragraph 49 of the Almaty Programme of Action and paragraph 32 of the Declaration on the midterm review. The comprehensive ten-year review conference shall be preceded, where necessary, by regional and global as well as thematic preparations in a most effective, well-structured and broad participatory manner. Furthermore, the General Assembly designated the Office of the High Representative (UN-OHRLLS) as the United Nations System-wide focal point for the preparatory review process and noted that United Nations system organizations, including UNCTAD, UNDP, Regional Commissions and relevant international and regional development and financial organizations, within their respective mandate, should provide necessary support and actively contribute to the preparatory review process and the comprehensive ten-year review conference itself.

2. The Almaty Programme of Action, adopted by the International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor community on Transit Transport Cooperation, held in 2003 in Almaty, Kazakhstan, recognized the special needs and challenges faced by the landlocked developing countries in achieving their development goals. The Programme’s objective is to establish a new global framework for developing efficient transit transport systems, taking into account the interests of both landlocked and transit developing countries that will help landlocked developing countries overcome their inherent geographical difficulties and support their efforts to eradicate poverty, sustain economic growth and better integrate into the world economy.

3. The Almaty Global Thematic Meeting on International Trade, Trade facilitation and Aid for Trade marked the beginning of the global preparatory process for the comprehensive ten-year review conference of the Almaty Programme of Action to be held in 2014. The present outcome of the Almaty thematic meeting will serve as substantive input to the review conference in 2014. The present outcome should also be issued as a document of the forthcoming 67th session of the General Assembly of the United Nations.

4. The Almaty Global Thematic Meeting on International Trade, Trade facilitation and Aid for Trade brought together Trade Ministers and senior officials responsible for trade from landlocked and transit developing countries, representatives of donor countries, UN system organizations, international financial institutions and relevant regional and sub-regional organizations, with a view to reviewing and assessing the progress made in the implementation of priority 3 of the Almaty Programme of Action. The Meeting also deliberated on future actions needed to enhance the LLDCs’ participation in the
international trading system while further strengthening the global partnership for establishing efficient transit transport systems.

II. Assessment of current situation

5. Inherent geographical difficulties and poorly developed transport, communications and border management and logistics systems in both landlocked and transit developing countries hamper productivity, growth, and poverty reduction. In addition, LLDCs depend on transit countries for transport and communications infrastructure, administrative processes in transit, inter- and intra regional collaboration. The 2003 Almaty Programme of Action has been instrumental in calling for landlocked and transit developing countries to refine their regulatory frameworks; increase their regulatory transparency; and simplify border control and procedures.

6. The Almaty Programme of Action has made a positive impact in several areas to improve the ability of LLDCs to participate in international trade. The awareness of the challenges faced by LLDCs has increased globally. There has been increased visibility and recognition of LLDCs and their special needs on the international level and in the United Nations. Today, they are prominent on the international development agenda, including the Millennium Development Goals, the multi-lateral negotiations in the WTO, the Doha Declaration adopted at the UNCTAD XIII Conference, and the outcome document “The Future We Want” of the United Nations Conference on Sustainable Development held in Rio de Janeiro in June 2012.

7. During the period 2003 to 2010, the LLDCs as a group experienced an improvement in annual growth of GDP from about 5 per cent to about 7 percent. However this growth has not been steady, it has fluctuated to as low as 3 percent in 2009.

8. The LLDCs as a group have recorded an impressive trade performance in recent years. The value of their merchandise exports in nominal terms increased from US $33 billion in 2003 to US $158 billion in 2010. However, despite this remarkable achievement, the share of the Group in global trade is still modest at 1.04 per cent in 2010, showing continued marginalization of the group of LLDCs from the world economy. In addition, their exports tend to be concentrated in a few countries and in a few products. Six countries account for 70 per cent of the total LLDC exports.

9. In terms of products, LLDCs’ exports are highly dependent on natural resources with crude oil and natural gas accounting for almost 60 per cent of the total, with minerals and metals being the second largest category. However, commodity prices have concomitant fluctuations and unpredictability that accompany them making LLDCs to be highly vulnerable to external price shocks that may greatly affect their economies. Conversely, exports less sensitive to transport and distance play only a marginal role. For example, trade in services other than tourism, which is of economic importance to a few LLDCs, is still limited and with a low exports value. Another concern is the limited diversification of the basket of goods.

10. Landlocked and transit developing countries have made some progress in implementing important policy reforms to remove physical and non-physical barriers to the effective participation of LLDCs in international trade. They have made some
progress in ratifying relevant international conventions and agreements on transit transport and trade facilitation. However the progress and implementation of the agreements has been slow.

11. There has been some progress in the establishment of regional and sub-regional agreements that could provide a basis for simplification and harmonisation of formalities and procedures. However many of the agreements are not being fully implemented. Their effective implementation is important for landlocked developing countries to optimally benefit from improved transit measures.

12. LLDCs have also taken initiatives to strengthen and establish institutional mechanisms for coordinating work on national transit transport and trade facilitation. For example, they have created or strengthened existing national trade and transit transport facilitation boards or committees. These bodies have facilitated effective coordination and cooperation among all the relevant agencies responsible for international trade and transport facilitation. However in some countries where national trade and transit transport facilitation boards or committees are separate there is need to coordinate their work to achieve better and effective results.

13. With support from partners LLDCs and their transit neighbours have made some improvements in the development of transport, and communication infrastructure. This is evidenced by various transit operations and infrastructure projects in Latin America, Africa, and Asia. For example, notable progress has been made in the development and upgrading of both the Asian Highway and the Trans-Asian Railway networks; in South America, the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) has made progress in the development of transport, energy and telecommunications infrastructure in the region and in Africa, the Programme for Infrastructure Development in Africa (PIDA) is being implemented to improve the connectivity of the continent.

14. The LLDCs are increasingly benefiting from regional integration and new regional trade agreements. For example in Africa, the EAC-COMESA-SADC Tripartite Arrangement, which was created in 2009 is geared toward the establishment of a free trade area between the three Regional Economic Communities. In South America, regional integration has been further deepened through the establishment of the Union of South American Nations (UNASUR). These efforts towards harmonizing policies and programmes particularly on transport, communications, and customs will help facilitate transit transport and trade for LLDCs.

15. LLDCs and their transit neighbours have made progress in streamlining administrative procedures, harmonization of trade documents and simplifying border control procedures and better coordination between border agencies to increase efficiency and reduce delays. They have implemented trade facilitation initiatives that have helped reduce time in transit and costs such as use of the single window concept, one stop border controls, modernization and the increased use of ICTs for customs clearance, the establishment of dry ports and inter-modal transit transport systems, and enhancing the reliability of logistics and supply chains. Another example of best practice in trade facilitation is the implementation of the Convention on International Transport of Goods Under Cover of TIR Carnets.
16. As a result transit time and transaction costs in international trade are now lower for a number of LLDCs. According to the World Bank’s Doing Business Report 2012, the average number of documents that LLDCs take to export have decreased from 9 in 2006 to 8 in 2012 whilst for importing have decreased from 11 to 9. The average time taken to complete export formalities has decreased from 49 days to 43 and in the case of import formalities, the time has decreased from 58 to 49 days. However when compared to transit developing countries where the average days to complete export formalities is 23 days and 27 days for import formalities, further efforts are required to improve trade facilitation and save time. Efficient border management and the coordination of agencies involved in border clearance has emerged as more critical than ever in achieving further reduction in transit time.

17. Eight LLDCs are currently in their accession procedure to the WTO. WTO’s priority list for accessions based on the maturity of the process in each acceding government shows that Kazakhstan and Lao People Democratic Republic are in the forerunners for ‘early accession’.

18. Aid-for-Trade commitments to LLDCs have risen steadily since 2002-2005. Total commitments to LLDCs in 2010 stood at US$ 9.1 billion - a more than 100 per cent increase over the original baseline figure of US$ 4.1 billion. LLDCs have benefitted from Aid for Trade through enhanced capacity to mainstream trade within sectoral, national and regional policies. Net transfers of total Official Development Aid to LLDCs from traditional donors to the LLDCs increased from US $12.1 billion to US $25.3 billion from 2003 to 2010.

19. However despite the impressive progress, LLDCs have not yet reached their full trade potential and much more remains to be done in order to increase their trade potential. Numerous challenges and significant financing gaps continue to be faced by the LLDCs in their efforts to decrease economic distance to global markets, improve trade facilitation and enhance their integration in the world economy.

20. Economic growth and increased trade performance has not been accompanied by structural transformation and development of strong productive capacities to improve competitiveness of the exports. In addition, there has been a lack of concrete policy interventions instigating a change in the mix of exports towards a higher share of services and products representing low bulk, high value goods that would help reduce the additional transaction costs that these countries incur in international trade owing to market distance and transit hurdles.

21. High trade transaction costs lie at the core of the continued marginalization of the LLDCs within the world economy. The long time required to get to the border, lack of digitalisation of tracking of cargo and delays at ports continue to make trade transaction costs high. Inefficient logistics systems results in unpredictability in the supply chain of goods. This stresses the importance of trade facilitation.

22. LLDCs have also been affected by a series of crises related to energy, food, and the harmful effects of the climate change. LLDCs also face the challenge of income inequality that undermines efforts to reduce poverty.
23. Despite the progress made in infrastructure development, large gaps remain including poor quality transport infrastructure and missing links, which result in high transport costs and continue to make trade physically difficult, if not impossible.

24. The stagnation of the Doha Development Round is of great concern to LLDCs as it might negatively affect the fulfilment of the mandate to incorporate the “development dimension” into the Multilateral Trade System.

25. Due to the recent global crises, many countries particularly developed countries, enacted certain measures to bolster growth and employment in their domestic economies. The WTO’s most recent monitoring report from mid-June 2012 shows that governments are still implementing new measures which restrict or potentially restrict trade and that this situation is further aggravated by the relatively slow pace with which governments are rolling back existing, trade-restrictive measures. The accumulation of these trade restrictions is an issue of concern to the LLDCs. Protectionism breeds further protectionism and the cumulative impact is one which is potentially disastrous for small and low-income developing countries.

III. Further efforts to accelerate the implementation of Priority 3 of the APoA

26. In view of the assessment, it is important to maintain and enhance the positive trends and address the outstanding gaps and limitations.

Development Objectives

27. Poverty reduction and sustainable and inclusive development are key and fundamental development objectives of Landlocked Developing Countries. The structural transformation, including modernization and specialization of the productive sectors and improving physical infrastructure has to be done in a way that is supportive to achieving national development objectives and internationally agreed development goals, including the MDGs. It is important for LLDCs to implement pro-poor and inclusive economic growth policies.

Enhanced trade facilitation

28. Transport and trade facilitation improvement is realistic only if LLDCs and their transit neighbours cooperate. In this regards, LLDCs and transit developing countries are invited to ratify and effectively implement international conventions and agreements, and regional and sub-regional agreements on transport and trade facilitation since this can significantly improve LLDCs’ access to the sea. Greater awareness and understanding of the implications of accession to the international conventions is needed to accelerate the level of accession through capacity building among policymakers and administrators involved in the negotiation and implementation of the international instruments. Mainstreaming of the conventions and other regional agreements at the national level is also important as it will allow their incorporation in national plans and budgetary allocations.
29. Trade facilitation initiatives that have proved to work such as the single window, one stop border post, dry ports, and use of the yellow card should be replicated and fully funded.

30. Trade facilitation at the international borders requires proper ICT infrastructure to help in verifying compliance with stipulated norms, regulations and standards. For example, the modernisation and computerisation of Customs operations through the ASYCUDA (Automated System for Customs Data Automation) Programme has helped simplify documentation and procedures for facilitating trade while strengthening Customs Controls and preserving revenue collection. It is important to promote use of ICT infrastructure at borders in order to achieve progress in trade facilitation.

31. Enhancing trade logistics, transport market improvements and institution building are essential to improve the efficiency of supply chains and obtain sustainable results.

32. Creation of "development corridors" based on increasing efficiency of the important transit routes linking LLDCs with the major global markets; elimination of physical barriers; facilitation of border, customs and other administrative procedures in the area of international road transport and transit; creation of modern roadside services and facilities, and facilitation of border crossing procedures.

33. Capacity building is important in improving trade facilitation, in particular, training of international road transport operators, customs and border clearance staff.

**Developing productive capacities and improving competitiveness**

34. Development and maintenance of physical transit transport infrastructure is still necessary to allow greater access of LLDCs to sea ports and the international markets. The establishment of a secure, reliable and efficient transit transport system, which is the overarching goal of the Almaty Programme of Action, remains therefore critical for LLDCs to be able to reduce transport costs and enhance the competitiveness of their exports on regional and global markets. Development and maintenance of supportive infrastructure including distribution centres, intermodal points, dry ports, border structures and rest areas that are secure is also important.

35. The creation of efficient transit corridors; development of ancillary, logistics and intermodal infrastructure; as well as facilitation of international road transport, makes an important contribution to the economic development and international trade of LLDCs. Special attention should be paid to the harmonisation of legal and administrative regulation of road transport on the basis of international agreements and conventions; liberalization of road transportation; creation of modern and safe ancillary road infrastructure; development of intermodal connections; and road safety improvement.

36. Further investment in the development of information communication technology infrastructure is crucial for connecting LLDCs to international markets and for improving trade and transport facilitation. Energy infrastructure is important for enhancing the participation of LLDCs in international trade and it is important to further develop trade-related regional and national energy infrastructure.
37. Building a critical mass of viable and competitive productive capacity in manufacturing, agriculture and services is essential if landlocked developing countries are to better harness their trade potential.

38. The development of a strong science and technology innovation base and enhanced human development and skills training are necessary to address many of the persistent and emerging trade and development challenges that LLDCs face. Cooperation in the transfer of appropriate technology will play a key role in this regard.

39. LLDCs need to nurture the development of supportive economic policies that can lead to the development of manufacturing and processing industries that add value to their raw materials. Depending on the needs of specific LLDC this may entail, inter alia, entail efforts to develop entrepreneurship, creating an enabling business environment, developing domestic research capacity, enhancement of workers’ skills, investment facilitation, development of agro-business and natural resource processing industries, and supportive infrastructure development.

**Diversification and promotion of services sector**

40. There is a need for concerted measures and actions to support LLDCs’ efforts to reduce commodity dependence, including through the diversification of their export base, and enhanced processing of the commodities. LLDCs also need to diversify their markets.

41. The services sector plays a strategic importance to overcome landlockedness through its potential contribution to trade and development. Although the sector represents a key sector for a country’s economic development in many countries today, the barriers to trade and restrictions on investment in the services sector remain higher than for the goods sector. This is particularly crucial as access to low-cost and high-quality producer services such as telecommunications, transport, finance, and distribution will affect LLDCs’ overall productivity and competitiveness (in goods and services). Improvements in the domestic provision of services require investment in human resources development as well as the effective applications of technology, and in particular ICTs, to the production of services. Putting in place an enabling policy, regulatory and institutional environment will be a crucial step for allowing LLDCs to leverage the development benefits of services and services trade. In particular, such an enabling environment needs to be designed in a manner which aims to enable LLDCs to exploit the potential of the expanding service economy and trade in services, to move service activities from the informal to the formal sector, and from low to high value-added sectors.

42. Policy and regulatory interventions in LLDCs should aim to allow them to get out of over-reliance on one particular sector (e.g. minerals) and to diversify into crisis-resilient sectors and a means to lessening their vulnerability to external shocks. Investment should be attracted to the production of goods and services that are less sensitive to distance or transport costs. LLDCs should promote the production of higher value and lower bulk goods, such as precision instruments, IT components and pharmaceuticals, or services in tourism, education, ICTs, perishable vegetables, fruits, flowers and biotrade products. It is also important to promote investment into goods and
services of creative industries such as film making, advertisement industry and cultural goods production.

**Promoting investment**

43. Public and private investment, including foreign direct investment, should be strengthened. LLDCs should promote and sustain a conducive business environment for domestic and foreign direct investment and wish to encourage public private partnerships. LLDCs need to develop or strengthen the legal and institutional framework to attract private investment into transport, energy and telecommunications sectors which are crucial for economic development and competitiveness of LLDCs.

**Enhanced regional integration**

44. Close cooperation with the transit countries is a *sine qua non* for improved connectivity. Infrastructure, trade and regulatory policies and political stability of neighboring countries have large repercussions on external trade of LLDCs. The costs of reaching international markets for LLDCs do not depend only on their geography, policies, infrastructures, and administration procedures but also on those of neighboring countries. Thus regional integration and coherent and harmonized regional policies provide an opportunity to improve transit transport connectivity and for ensuring greater intra-regional trade, common regulatory policies, border agency cooperation and harmonized customs procedures as well as to promote a better coordination and deepening of regional markets. The support towards the ongoing regional integration processes in regions with LLDCs should be enhanced and partners should support these initiatives.

45. Trade facilitation measures included in Regional Trade Agreements tend to cover the same issues as those that are being negotiated at the WTO and they may be even more ambitious in their scope and the time given for their implementation. It is therefore important to promote the development, adoption and effective implementation of Regional Trade Agreements.

46. Documentation of and the sharing and dissemination of best practices is important to allow cooperating partners to benefit from each other’s experiences.

47. LLDCs’ exports often face tariffs that are higher within their region than in the rest of the world. Although high tariffs is not the only or even the main reason of the relatively low share of intra-regional trade of many developing countries, abating some of these tariffs may have a great payoff in terms of regional integration and regional production sharing. It is therefore important to promote “developmental regionalism” aimed at fostering structural change and economic growth in LLDCs –both as a goal per se – and also as a means of collectively linking the region into the global web of market relations. UNCTAD, multilateral agencies and the UN regional commissions could serve as both as think tanks and consensus fora to promote developmental integration.

**WTO trade negotiations**
A fair, just, transparent, inclusive and foreseeable multilateral trade system based on development, should support the effective markets opening and the creation of opportunities for developing countries and particularly for the most vulnerable and small ones such as the LLDCs. Faster progress in the Doha Development Round is required so that LLDCs can reap benefits particularly in areas that have strong positive impacts on the trade flows of LLDCs, such as trade facilitation, market access and the elimination of non tariff barriers and other trade distorting measures, as well as implementation issues.

In a time of fragile economic recovery, the international community need to address protectionism and redouble efforts to keep markets open and trade flowing. The international community should provide greater market access for goods originating in landlocked developing countries to mitigate high trade transaction costs stemming from their geographical disadvantages. This should be coupled by the broad application of transparent and development-friendly preferential rules of origin to increase the utilization rate of current schemes and serve as an additional incentive for foreign direct investment in LLDCs.

LLDCs are major producers and exporters of agricultural products and aim to negotiate for better market access and removal of trade distorting measures, such as subsidies and concealed protectionism.

The WTO negotiations have to be conducted in a way that enables effective, full and democratic participation of all WTO Members through maintaining a multilateral, transparent, bottom up and member driven negotiation process in order to arrive at a successful conclusion with an ambitious, balanced and equitable outcome which ensures, inter alia, improved market access for agricultural and non agricultural export products of LLDCs.

Trade facilitation is an area of great importance in the current negotiations to reduce costs and guarantee predictability for LLDCs’ merchandise arrival to the corresponding destination. Improved trade facilitation will help LLDCs to gain a more efficient flow of goods and services as well as improved international competitiveness. The future agreement on trade facilitation, in the final outcome of the Doha Round, should contain binding commitments ensuring the freedom of transit, customs cooperation, expedited movement, release and clearance of goods, as well as, special and differential treatment with financial support.

National committees on trade facilitation should be promoted as they are a useful mechanism to help countries collaborate and identify win-win situations for different stakeholders. They are not only an important tool for analysing, negotiating and implementing trade facilitation commitments, but they are in fact about to become an obligation according to Article 14 of the future WTO Trade Facilitation Agreement.

The critical importance of concluding the negotiations on the Doha Development Agenda with development-related outcomes that take fully into account the trade and development needs, challenges and priorities of LLDCs.

The LLDCs are still operating as an informal group in the current negotiations in Geneva and as such do not exercise sufficient pressure to advance issues of LLDCs.
There are benefits to formalise the group such as support to accession, recognition of their specific needs and a bigger capacity to push along their concerns.

56. The LLDC group should broaden its negotiation agenda beyond trade facilitation and market access to include other areas of trade negotiations such as supply side constraints and services.

**WTO accession**

57. The accession procedure for LLDCs should be simplified and there is need to take into account the individual levels of development and the special needs and problems caused by the geographical disadvantage of being landlocked during the accession process to the WTO. All provisions on Special and Differential Treatment reflected in the GATT and in all WTO agreements must be effectively granted to all acceding LLDCs.

58. Documentation and the sharing and dissemination of compilation of experiences and guidelines on WTO accession is important to allow LLDCs to benefit from each other’s experiences.

**Broadening the agenda**

59. Promoting trade should be addressed in a coherent and holistic manner ensuring that broader aspects of development are also addressed beyond the transport issues. For example efforts to improve the effective participation of LLDCs in the international trading system need to be accompanied by efforts to build productive capacity, promote value addition, diversification, technology transfer, information and communication technologies (ICT), infrastructure development, and improved market access. In this context the Almaty +10 Agenda should look into downstream aspects of trade such as new sectors, and production methods. In addition LLDCs will have to effectively mainstream trade into their sectoral and national development policies.

**IV. Support of the international community**

60. Bilateral and multilateral development partners should increase their technical and financial assistance in areas of interest to LLDCs in support of their national efforts to overcome the obstacles imposed by geography and to integrate LLDCs more beneficially into the multilateral trading system and to improve their productive capacities and address supply-side constraints. This assistance should complement LLDCs’ national efforts aimed at diversifying the domestic production structure and ensure a better integration into the global economy with competitive goods and services that minimize transaction costs related to the specific geographical situation of LLDCs.

61. Aid for Trade initiative - is important to reduce the effects of the landlocked condition in their competitiveness and take full advantage of the international trade benefits through building productive capacity, trade-related infrastructure and trade development. The focus on regional, sub-regional and cross-border issues in Aid for
Trade should continue to be a priority because of the reliance of LLDCs on multi-country transit corridors.

62. The next Global Review in July 2013 with the theme 'Connecting to Value Chains' should map out the assistance provided to LLDCs and identify strategies for LLDCs to better access and exploit the potential benefits which value chains offer to them.

63. Development partners should effectively support the Aid for Trade initiative, giving adequate consideration to the special needs and requirements of LLDCs. Areas of urgent support to LLDCs include: trade related supply-side constraints of landlocked developing countries, implementation of trade facilitation measures, building human and institutional capacity to enable LLDCs to take advantage of trade opportunities, and establishment of efficient transit transport systems in all landlocked regions.

64. Further strengthening of South-South cooperation and triangular cooperation as a means for diversified trade opportunities, additional foreign direct investment flows that contribute to the sustainable development of LLDCs, as well as cooperation in the transfer of appropriate technology is important.

65. Organizations of the United Nations system, in particular OHRLLS, UNCTAD, UNDP, UNIDO, the UN Regional Economic Commissions and other international organizations, especially WTO, WCO, CFC, IRU, ITC, the World Bank, OSCE, the Regional Development Banks, and Regional Economic Communities, are invited to strengthen, within the context of their respective mandates, their efforts to help mitigate the constraining development effects of landlockedness and to provide more and better targeted technical assistance for the structural transformation of the LLDC’s economies.

66. Relevant United Nations and other international organizations should provide greater support for the strengthening of the negotiating capacities of LLDCs and their ability to implement trade facilitation measures and to ensure their effective participation in the World Trade Organization trade negotiations.

New and emerging challenges

67. LLDCs need to be prepared to face the new and emerging challenges and boldly grasp opportunities. The international community should support the LLDCs to address the negative impacts of climate change on the availability of natural resources, in particular water and arable land. Desertification, land degradation and scarcity of water for human consumption as well as for industrial and agricultural purposes pose a real threat to the livelihood of future generations in many LLDCs.

Unfinished agenda

68. LLDCs continue to face problems associated with their geography, in particular trade transaction costs that have persisted to be problematic. There is also a new landscape for international cooperation where emerging economies are playing a bigger role in international trade, technology transfer, investment and policy making. New partnerships should provide win-win solution. Transit cooperation should be considered
not only about access of LLDCs but also access for others to LLDCs’ markets and resources.

The Almaty Programme of Action for Landlocked Developing Countries

69. Efficient and effective preparations and successful organization of the 2014 comprehensive 10-year review conference of the Almaty Programme of Action is important as outlined in the General Assembly resolution 66/214.

70. Landlocked and transit developing countries and their development partners are encouraged to take a very active role in the preparatory process and attend the comprehensive 10 year review conference in 2014 at the highest possible level.

71. The comprehensive ten-year review conference should come up with a successor programme of action which outlines concrete and comprehensive measures and actions to be pursued by LLDCs and their partners to enable the LLDCs to integrate more effectively into the global trading system and move closer to achieving the internationally agreed development goals.

72. The relevant United Nations Organizations, particularly UN-OHRLLS, UNCTAD, UNDP, UNIDO, the UN Regional Economic Commissions, other international organizations, especially, WTO, WCO, CFC, IRU, ITC, the World Bank, regional development banks, regional organizations, regional economic communities, national parliaments, the private sector and other stakeholders are invited to support and provide inputs to the preparation of a successor programme of action of the Almaty Programme of Action.

73. Donor countries and the international financial and development institutions are invited to make voluntary contributions to the Trust Fund established by the Secretary-General to support the activities related to the follow-up to the implementation of the outcome of the Almaty International Ministerial Conference, as well as the participation of LLDCs in the preparatory process and in the comprehensive ten-year review conference itself.

Expression of gratitude

74. The Meeting expressed profound appreciation to the authorities and the people of Kazakhstan for generously hosting this event.
ANNEX II

List of Participants

National Delegations

- Armenia
- Azerbaijan
- Benin
- Bhutan
- Bolivia
- Botswana
- Burkina Faso
- Burundi
- Cambodia
- Central African Republic
- Chad
- China
- Ethiopia
- Germany
- Italy
- Kazakhstan
- Kyrgyzstan
- Lao P.D.R.
- Lesotho
- Libya
- Malawi
- Mali
- Mongolia
- Nepal
- Paraguay
- Republic of Moldova
- Rwanda
- Spain
- Swaziland
- Tajikistan
- Tanzania
- Togo
- Turkey
- Uganda
- Zambia
- Zimbabwe

**Intergovernmental Organizations**

- European Union

**United Nations System and other International, Regional and Sub-regional Organizations**

- Common Fund for Commodities
- Conference on Interaction and Confidence-Building Measures in Asia (CICA)
- International Road Transport Union
- TRACECA
- United Nations Conference on Trade and Development
- United Nations Development Programme
- United Nations Economic and Social Commission for Asia and the Pacific
- United Nations Economic Commission for Africa
- United Nations Economic Commission for Europe
- United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
- World Bank
- World Customs Organization
- World Trade Organization