

# Summary Report – Retreat of Ambassadors in Preparation for the Second United Nations Conference on Landlocked Developing Countries

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United Nations Office of the High Representative for  
Least Developed Countries, Landlocked Developing Countries  
and Small Island Developing States



Report prepared in preparation for the Second United Nations  
Conference on Landlocked Developing Countries



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# Summary

The United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS) organized a Retreat of Ambassadors based in New York as part of the preparations for the Second United Nations Conference on the Landlocked Developing Countries (LLDCs). The retreat was held at the Glen Cove Mansion Conference Centre, Long Island, New York on 10 May 2014. The aim of the retreat was to come up with concrete ideas and key elements for the preparation of the draft outcome document of the Second UN Conference on LLDCs.

The meeting was attended by 55 participants that included Ambassadors and Permanent Representatives, and delegates from LLDCs, transit developing and donor countries, and experts from United Nations System organizations, as well as international and regional organizations, the private sector, and other stakeholders.

The meeting noted that although considerable progress had been achieved in the implementation of the Almaty programme over the past decade there remained much more work to be done in order to fully address the special needs and problems of the LLDCs. Participants indicated that some of the key challenges that continue to affect the LLDCs include: inadequate transit transport infrastructure, high trade costs, lack of effective implementation of the supportive international and regional legal frameworks that had slowed down potential benefits of improved trade facilitation to the LLDCs, high dependence on natural resource-based commodities for their exports making them highly vulnerable to commodity price fluctuations, lack of up gradation in value chain and lack of productive capacities. The decade was regrettably marked by declining productivity in agriculture and increased deindustrialization in many of the LLDCs.

Furthermore, new and emerging challenges linked to the food, energy and economic crises, as well as the negative impacts of climate change, desertification and environmental degradation have increased tremendously the burden on the LLDCs' economies. The LLDCs were also experiencing other core challenges such as joblessness, extreme poverty and a heightened dependency on aid by some countries.

Participants noted that the Almaty Programme of Action (APoA) was designed largely as a sectoral programme with strong emphasis on infrastructure and transit. They noted that the APoA did not address other growth and trade-determining factors, such as: value-addition, economic diversification, industrialization, job-creation, and resilience-building measures to deal with external shocks, and climate change challenges. The meeting stressed that the challenges of the LLDCs in the new development decade would need to be addressed in a holistic manner in order to ensure that the LLDCs can structurally transform their economies and achieve sustainable development.

Participants also stressed that the aims of the Almaty Programme remain valid. The meeting emphasized that the new programme should address the issues that are very specific to the LLDCs and focus on the areas with the highest impact so that international support can be channelled to those areas. Participants suggested that the international measures should be action oriented clearly indicating the actions by all the stakeholders.

The meeting discussed the core elements of the new programme of action for the LLDCs. A summary of the key elements raised in the discussions is presented below.

**Infrastructure development and maintenance** – investment into the critical transit transport infrastructure development and maintenance – including sea and airports, road and rail networks is important at local, national, sub-regional and regional levels and will help close missing links, improve efficiencies, promote development corridors and interconnectivity of markets. Promote development and use of multi-modal transport where it is feasible. Investment in the development and maintenance of energy and ICT infrastructure is equally important.

Regional cooperation and integration – has the potential to enhance competitiveness of the LLDCs, improve their access to the seaports, increase their markets and maximize the benefits from globalization. It is also important for developing region wide industrial development policies and measures to address tariff and non-tariff barriers.

**Transit issues** – Share best practices and experiences between countries and different regions on transit issues. Develop a good dialogue mechanism between the LLDCs, transit countries and development partners to develop a best transit arrangement that can create a win-win situation for all. Provide support to the LLDCs and transit countries to ratify and effectively implement agreements and conventions such as the TIR that can allow for reduction of transit time and costs. Automate customs and border management and the regulatory agencies involved in the clearance process in order to reduce delays at the borders. Modernize and implement reforms, such as a requirement for pre-arrival of documents at the border to fast track the clearance process of cargo.

**International trade** – Provide support to the LLDCs to increase their market access, trade facilitation, address supply side constraints, and promote value addition and diversification. LLDCs should actively participate in the strengthening of multilateral regulatory framework in order to create and promote transparency, predictability and consistency. Strengthen the voice of LLDCs in the negotiation process through capacity building.

**Trade facilitation** – Scale up and replicate trade facilitation initiatives that have worked such as the use of single windows, electronic cargo tracking systems and one stop border posts.

**Effective implementation of the WTO Trade Facilitation Agreement** – The next development programme should strongly reflect the need to effectively implement the trade facilitation agreement which can provide potential benefits to the LLDCs. There is a need to encourage ratification of the agreement by WTO members, and that LLDCs need to assess their technical assistance and capacity building support needs and priorities to implement the agreement. It is important for the WTO to launch a dedicated Work Programme for the LLDCs to assist the LLDCs address their special needs – on trade facilitation, Aid for Trade, services, electronic commerce and WTO accessions.

**Building resilience of the LLDCs** – Provide support mechanisms to the LLDCs to build their resilience to internal and external shocks including among many, the global economic and financial shocks, conflicts, climate change and desertification. Support investment for preventive measures, such as building productive economies.

**Structural transformation, enhancing productive capacities, value-addition, diversification, and linking up into the global value chains and trade in services** – LLDCs should lower commodity dependence and increase value addition in production and trade. LLDCs should integrate more into the regional and global value chains. Support the LLDCs to build their domestic productive capacities. LLDCs should increase productivity in manufacturing, agriculture and services sectors. LLDCs need to invest in the service sectors – related to trade facilitation and infrastructure – such as banking, insurance, transportation, and



telecommunication. LLDC governments should develop robust industrial policies in consultation with the private sector and main stakeholders. LLDCs should increase domestic value-added content of natural resources and develop export products that are less dependent on transport.

**Promoting the role of the private sector** – LLDC governments should involve the private sector and let it be knowledgeable of the actions that they should take. LLDCs should improve the general business environment and implement smart regulations in order to promote the private sector. LLDCs should build an environment to enable the creation and sustenance of SMEs. Promote sharing of best practices in the areas of involvement of the private sector and sustaining industrialisation. Public-private partnerships particularly in infrastructure development and in the area of science and technology should be encouraged.

**Capacity Building** – The LLDCs must invest in education and human skills development, entrepreneurship and capacity enhancement of public agencies. Provide capacity building support to the LLDCs to have the private sector work in a manner that it is sustainable and contributory to the progress and economic development. Participants underscored the importance of capacity building for information and data collection for monitoring the New Programme of Action.

**National strategy** – Develop and implement strong national policies for example on industrial policies or transit issues. Promote good governance, the rule of law, efficient public and private sectors, a good regulatory framework, human resource development, strengthen their national mechanisms for domestic resource mobilization, and sound macroeconomic policies – especially with respect to tax recovery, inflation and fiscal stewardship. Similarly, national policies should also include sustainability of the activities and the protection of the natural resources in the LLDCs.

**International support measures** – adequate means of implementation including adequate and effective official development assistance (ODA), Aid-for-trade, worker remittances, market access, capacity building support, transfer of technology, South-South and triangular cooperation are important for the LLDCs to achieve sustainable and inclusive development. ODA should be increased and be predictable. Innovative forms of international support are also crucial and should be explored and strengthened.

United Nations, international and regional organizations, multilateral institutions including WTO and the World Bank, donors, regional development banks, and some sub-regional organizations have supported LLDCs through technical assistance, capacity-building, advocacy and resource mobilization. That support need to be continued and increased.

**Foreign direct investment (FDI)** – LLDCs need to promote an enabling environment to attract investments. Strengthen capacity of the LLDCs to negotiate with multinationals. FDI on its own is not an international support measure as it is profit driven, however both home countries and receiving countries should put in place supportive mechanisms to promote FDI flows to the LLDCs.

**Remittances** – Inclusion of remittances in the new programme of action should be treated carefully since remittances are privately owned and are mostly directed to consumption. In addition remittances are not in large amounts in some LLDCs. LLDCs should introduce education and literacy programmes to help assist the recipients of remittances to be able to manage the remittances in a productive way. It is important to reduce the number of intermediaries and transaction costs and to implement measures that can improve the flow of remittances to the LLDCs.

**Effective monitoring and review** – LLDC Governments should mainstream the new programme of action in their national and sectoral development strategies, and implement and conduct regular reviews. LLDCs would need to establish or strengthen national institutional mechanisms for coordinating the national level implementation, monitoring and reviewing such as national coordination committees. At the national level, the United Nations should support the work of the LLDC governments in the implementation, follow up and monitoring of the programme of action. Sub-regional organizations should mainstream the implementation of the programme of action into their relevant programmes and priority projects and undertake reviews. Sub-regional organisations should strengthen coordination mechanisms such as regional monitoring committees.

Regional organisations should undertake periodic reviews, involving regional organizations, development banks and regional United Nations organizations. The New Programme of Action should be mainstreamed in development assistance and funding.

At the global level, the United Nations General Assembly should undertake annual reviews of the implementation of the PoA. The governing bodies of organizations in the United Nations system should mainstream the implementation of the new PoA in their programmes of work, and sectoral and thematic reviews of the Programme should be undertaken. OHRLLS should fully mobilize and coordinate the United Nations system in the implementation, follow-up, monitoring and review; provide coordinated support to General Assembly reviews; mobilize international support and resources; and monitor and report.

The private sector should be involved at all levels – national, sub-regional, regional and global. Evaluate the new PoA to the extent that it addresses poverty eradication, raising basic standards of living, developing disaster risk preparedness, reduction, mitigation and overall reconstruction following disasters.

A criteria and indicators would need to be developed in these areas, taking into account the differential capacities of different countries. The indicators need to be measurable, clearly understood and achievable. The meeting noted that timing of the review process should be periodical, sufficient time to enable governments to take measures, and show tangible results, and yet sufficient to make modifications. The monitoring process should be in partnerships with all stakeholders – private sector, academia, scientific institutes, think tanks, civil society and the media. There is a need to keep national information and data current.

**Strong linkages** with the global processes in particular the Post 2015 Development Agenda should be included in the new programme of action.

# Introduction

1. The United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS) organized a Retreat of Ambassadors as part of the preparations for the Second United Nations Conference on the Landlocked Developing Countries (LLDCs). The retreat was held in the Glen Cove Mansion Conference Centre, Long Island, NY on 10 May 2014. The aim of the retreat was to come up with concrete ideas and key elements for the preparation of the draft outcome document of the Second UN Conference on LLDCs.
2. The meeting was chaired by Mr. Gyan Chandra Acharya, Secretary-General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Ambassador Martin Sajdik, Permanent Representative of Austria to the United Nations participated in the meeting as the host country of the Second United Nations Conference on LLDCs, and Ambassador Dr. Mwaba Patricia Kasese-Bota, Permanent Representative of Zambia to the United Nations participated in the meeting as the Chair of the Group of the LLDCs.
3. The meeting was attended by about 55 participants that included Ambassadors and Permanent Representatives, and delegates from LLDCs, transit developing and donor countries, and experts from United Nations System organizations, as well as international and regional organizations, the private sector, and other stakeholders as shown in the participant list in annex 1. The meeting followed the programme of work presented in annex 2.

# The Development Challenges of LLDCs, the Need for Holistic Approach, Post 2015 Development Agenda, and Policy Dialogue on How to Address Their Special Needs

4. Mr. Gyan Chandra Acharya, Ambassador Martin Sajdik, and Ambassador Dr. Mwaba Patricia Kasese-Bota presented statements.
5. In his statement, Mr. Acharya said that landlockedness was a major development impediment since it contributed to unsustainably high transport and transaction costs, thereby imposing serious constraints on the ability of affected countries to trade, achieve economies of scale, generate economic growth and invest in social development. Landlockedness itself, he noted, coincided with other challenges, such as weak institutional and policy setup, small population and economy size, high incidence of poverty, remoteness from major markets, difficult topography and prevalent tropical or desert ecology. These severe difficulties were further amplified by landlocked developing countries' dependence on the political stability, infrastructure and the institutional quality of coastal transit countries. The latter are, in most cases, themselves developing countries beset by poverty and scarcities of resources.
6. Mr. Acharya recalled that in 2003, the United Nations General Assembly adopted a resolution that established the Almaty Programme of Action (APoA). At the time, he said, the Programme reflected the strong commitment of the international community to forge effective partnerships to overcome impediments faced by landlocked developing countries and sought to support LLDCs in five priority areas: (i) policy improvements such as reducing customs bureaucracy and fees, cut costs and travel days for landlocked developing countries' exports; (ii) improved rail, road, air and pipeline infrastructure; (iii) international trade measures that would give preferential treatment to landlocked developing countries' goods, making them more competitive; (iv) technical and financial international assistance for infrastructure and policy improvements; and (v) monitoring and follow-up on agreements using measurable criteria such as travel days and costs and an annual review before the General Assembly.
7. While the comprehensive ten-year review of Almaty Programme of Action would take place from 3 to 5 November 2014 in Vienna, Mr. Acharya briefly highlighted the following major accomplishments that have been experienced so far. First, he said APoA had been instrumental in raising global awareness of the challenges faced by LLDCs. He emphasized that there was increased visibility and recognition of LLDCs and their special needs on the international level and in the United Nations. Second, APoA had been successful in organizing global support for LLDCs in the areas of financial and technical commitments as well as macroeconomic policy development. As a result, LLDCs were growing at a relatively faster rate than they did at the beginning of the new millennium. He said LLDCs were also experiencing notable improvements in the areas of trade, domestic and foreign resource mobilization, infrastructure development, urbanization, and the delivery of social services.
8. Although the global financial and economic crisis that first began in 2007 posed grave challenges to LLDCs, Mr. Acharya reiterated that during the last five years, more than one-third of the twenty fastest growing economies in the world were LLDCs. He added that until the onset of the crisis, the annual GDP growth rate for the group had reached a historical high of 9 percent. Per capita incomes had also risen, though at a somewhat slower pace. Average GDP per capita was US\$ 938 in 2002 but had since increased to US\$ 1,423. LLDCs had also increased their share of world trade over the past decade. The High Representative observed that the share of global merchandise exports from LLDCs had more than doubled, from 0.5% in 2003 to about 1.2% in 2013 and that Aid-for-Trade (AFT) disbursements to LLDCs had grown strongly, from about US\$ 3.5 billion in 2006, to over US\$ 5.9 billion in 2012.
9. Mr. Acharya said that through APoA, LLDCs had been able to undertake investment in both soft and hard infrastructure, and were pursuing policy frameworks that were supportive of the inflow of FDI and technology, accelerated participation

in international trade, job creation, sustainable growth and human development. He also said that there had been notable progress in terms of the MDG indicators. For instance, group-wide mortality rate for children under 5 years of age had significantly declined – from a high of 121.5 per 1,000 live births in 2000, to 80.9 per 1,000 live births in 2011. Women empowerment, approximated by the share of elected women in parliaments, had increased from 8.4% in 2000 to 20.2% in 2012.

10. Even with this economic and social progress, Mr. Acharya cautioned that there were still serious challenges. He said that there were troubling imbalances among LLDCs in different areas of development. For instance, while the average per capita income in 2012 was US\$ 1,423 almost two-thirds of LLDCs had GDP per capita of less than US\$ 1,000.
11. On FDI, Mr. Acharya said that inflows had also shown remarkable increase – from about US\$ 55 billion in 2003, to over US\$ 210 in 2011. However, a closer look at the data revealed that just 3 countries had received almost 60% of total FDI disbursed to the group, since 2009. He also said there was similar disparity in the value of merchandise exports from the group, in which two countries accounted for more than 50%.
12. Under-Secretary-General Acharya said that LLDCs were still beset by other core challenges such as joblessness, extreme poverty, economic informality and isolation, low productivity, and a heightened dependency on aid by some countries. LLDCs were also experiencing a compromised resilience to internal and external shocks, including fallout from climate change. He recalled the latest report of the Secretary General on the implementation of APoA that said that the last decade was regrettably marked by declining productivity in agriculture and increased deindustrialization in many of the LLDCs. He said that another worrying trend was that a number of resource-rich LLDC economies had become economically less diversified.
13. Mr. Acharya said that while APoA had been beneficial to LLDCs, in hindsight, the effectiveness of this programme was undermined by several things that were not anticipated in 2003. He stated that perhaps, one of the most limiting aspects of APoA also happened to be its distinguishing mark. He said that while the programme was designed largely as a sectoral programme with strong emphasis on infrastructure and transit, APoA did not address other growth and trade-determining factors, such as: value-addition, economic diversification, industrialization, job-creation, and resilience-building measures to deal with external shocks, and climate change challenges.
14. Regarding the Second United Nations Conference on the LLDCs, Mr. Acharya recalled that the General Assembly in its resolution 66/214, adopted in December 2011, decided to convene a comprehensive ten-year review conference on APoA, to be preceded, by regional, global as well as thematic preparations. He said that the same resolution designated UN-OHRLLS as the United Nations system-wide focal point for the preparatory review process. He added that in the subsequent resolution 67/222, the General Assembly provided 4 clear mandates for the Conference – one of which was to reaffirm the global commitment to addressing the special development needs of and the challenges faced by the landlocked developing countries as called for at major United Nations conferences and summits.
15. Mr. Acharya provided an update on the status of preparations for the conference. Under the intergovernmental process, he said that three regional review meetings, were successfully held in 2013 in Vientiane, Addis Ababa and Asuncion. In addition, 19 of 32 LLDCs had submitted their comprehensive national reports which document key achievements under APoA and challenges experienced. He assured participants that many delegations would find the outcome documents from the three regional review meetings very useful during different consultations organized ahead of the Conference in November.
16. Under-Secretary-General Acharya said that two- Inter-Agency Consultative Group meetings were held each year to deliberate on the substantive and organizational aspects of the Conference, including organizing thematic pre-conference events. He noted that 14 pre-conference events had been organized. Some of those pre-conference events included: Thematic meeting on international trade and trade facilitation, The Road and Rail Financing Conference; the brainstorming meeting on the priorities for a New Development Agenda for LLDCs; A pre-conference event on Transport Development

and Trade Facilitation; Experts Group Meeting on assessing the status of implementation of trade and transport facilitation instruments and measures in Africa; Building resilience of LLDCs to the impacts of climate change, desertification, land degradation and drought; Enhancing ICT development and connectivity for LLDCs; and the Launch of South-South Technology transfer facility for LLDCs.

17. On the private sector track, Mr. Acharya said that the objective was to ensure that private sector representatives were fully engaged during all stages of the preparatory process, and at the Conference itself. Under this track, the private sector Steering Committee had been established, consisting of about 15 members drawn from the Chambers of Commerce, business committees, business representatives of transport service providers, national and international investors from LLDCs, transit developing countries and donor countries, as well as representatives from international organizations. He stated that this committee had held regular conference calls since its inception to build a common position throughout the preparatory process, and to coordinate private sector inputs to the substantive discussions.
18. Mr. Acharya said that the General Assembly had adopted resolution 68/270 in which Austria offered to host the Second United Conference on the LLDCs from 3 to 5 November 2014 in Vienna. He said that the resolution calls for two Intergovernmental Preparatory Committee meetings in New York; 12-13 June 2014, and 2-3 October 2014. In addition, the General Assembly also decided in the same resolution that the Intergovernmental Preparatory Committee shall have a bureau consisting of two members from each of the regional groups, with the host Country, Austria, and the Chair of the LLDC group, Zambia, serving as ex-officio members of the bureau.
19. In concluding his remarks, Mr. Acharya said that the 2014 Conference was a historic opportunity for the international community to formulate an ambitious, forward-looking, results-oriented partnership framework that comprehensively addresses the special development challenges of the world's 32 landlocked developing countries. He expressed his gratefulness for the generosity shown by the Federal Government of Austria to host the Conference. He added that many LLDCs will find inspiration in Austria's own development path that has effectively turned the challenges of landlockedness into opportunities, from being a landlocked country to a land-linked one. He also outlined the programme and agenda for the day.
20. In his statement, Ambassador and Permanent Representative of Austria to the United Nations, Mr. Martin Sajdik began by noting that as a landlocked country with a relatively small economy, Austria understands quite well many of the challenges that confront the LLDCs. He said that Austria had quite successfully managed to address many of the challenges related to landlockedness, and was ready to share its lessons and experiences with other landlocked countries as a matter of solidarity. It is for this reason that the Austrian Federal Government offered to host the Second United Nations conference on landlocked developing countries.
21. Ambassador Sadjik said that it was clear that landlocked developing countries face greater impediments than most countries, and as such, would require and deserve the support of the international community. He paid tribute to the Secretary-General, saying that he was effective in advocating and highlighting challenges that confront LLDCs. To illustrate the point, the Ambassador referenced the Report of the Secretary General on the Implementation of APoA (A/68/157).
22. Ambassador Sadjik highlighted the following five messages from that report. First, that lack of direct territorial access to the sea, remoteness and isolation from major international markets makes LLDCs highly dependent on transit countries for seaborne trade. Second, LLDCs face additional border crossings, cumbersome transit procedures, inefficient logistics systems, weak institutions and poor infrastructure, all of which increase the total costs of transport services and other trade transaction costs. These high costs create a trade-reducing effect that has a direct negative impact on the countries' economic growth and their capacity to promote social development and environmental sustainability. Third, trade volume of the landlocked developing countries was just 61 per cent of the trade volume of coastal countries in 2010, while the transport costs of the landlocked developing countries were 45 per cent higher than those of a representative coastal economy.

23. The fourth point the Ambassador observed was that LLDCs were experiencing declining productivity in agriculture, manufacturing and exports. His fifth and final observation was that the report indicated that as a result of these problems, a 2013 UN-OHRLLS study found that due to landlockedness, the level of development in the landlocked developing countries was, on average, 20 per cent lower than what it would be if these countries were not landlocked.
24. The Austrian Ambassador said that an important distinction between landlocked countries that are developed and those that were developing was the distance from the nearest seaport and major economies. He said that high income and economically developed landlocked countries, like their own, were fortunate to be located at the heart of, or closer to other advanced economies and seaport. On the other hand, the average distance to the nearest seaport for LLDCs was 1,370 km. He said that Kazakhstan faces additional cost and delays since goods to and from that country travel some 3,750 km to the closest port. While physical distance and remoteness could not be erased, Ambassador Sadjik noted that many of the challenges related to landlockedness could be successfully addressed.
25. He said that their own experience, as a landlocked developing country at one point, had shown the following measures to be most important in addressing landlockedness. First, the promotion of bilateral as well as regional cooperation and integration guarantees LLDCs an access to the seaport, enables them to discover and pursue strategic activities that are most profitable, hold comparative advantage possibilities, and create economies of scale.
26. Second, it was important to make adequate investment in the development and maintenance of critical transit transport infrastructure – including sea and airports, road and rail networks. He said such investments should be pursued at local, national, sub-regional and regional levels. Investment in hard and soft infrastructure should be undertaken to address inefficiencies, missing links, promote development corridors and interconnectivity of markets.
27. Third, trade facilitation measures are particularly crucial for countries that suffer economic and structural impediments – such as LLDCs. Ambassador Sadjik applauded the first comprehensive trade agreement reached by WTO Members last December. That deal, which seeks to promote cross-border business and improve duty-free access for goods from the LLDCs, was estimated to have the potential to boost world trade by about USD 1 trillion. He called on LLDCs to take advantage of this great new opportunity.
28. The fourth point he raised was that international support measures, such as adequate, predictable and effective ODA, FDI, Aid-for-trade, worker remittances, South-South and triangular cooperation, and other multi-lateral and bi-lateral development frameworks were indispensable, and represented other avenues through which LLDCs could achieve economic growth that was sustainable, faster, inclusive and equitable.
29. Finally, he said that LLDCs must look inwards for what was required to achieve desired progress. He said that they must pursue measures that promote good governance, the rule of law, efficient public and private sectors, human resource development, domestic resource mobilization, and sound macroeconomic policies – especially with respect to tax recovery, inflation and fiscal stewardship.
30. In his concluding remark, the Permanent Representative said that the Austrian Federal Government was committed to the success of the Conference, noting that the Vienna International Centre would be the site for the Second UN Conference on the LLDCs. He shared his assurances that the conference would succeed in achieving a strong and comprehensive outcome.
31. In her statement, Ambassador Dr. Mwaba Patricia Kasese-Bota noted that the LLDCs were confronted with structural challenges that are directly related to their geography and that predisposes them to perform less than other developing countries that have easier access to the global markets. She indicated that the Almaty Programme of Action was the first comprehensive UN framework aimed at addressing the special needs and challenges faced by the LLDCs. She pointed out that although considerable progress had been achieved in its implementation over the past decade she stressed that

there remained much more work to be done in order to fully address their special needs and problems as well as the many emerging global challenges including the financial and economic crises and the impact of climate change, desertification and land degradation.

32. Ambassador Kasese-Bota highlighted some of the key priorities of the LLDCs. First there is need to establish efficient transit systems through the development of the necessary physical infrastructure and soft infrastructure in order to reduce the trade transaction costs of the LLDCs. Infrastructural investment especially on roads and air would be very important to land-link and air-link the LLDCs. Second, she noted that regional integration was very important for the LLDCs. However there was need to support the LLDCs and transit countries to ratify and effectively implement agreements and conventions that could facilitate transit and trade.
33. Third she stressed that there was need to enhance the productive capacities of the LLDCs and stop the heavy dependence on single and primary commodities. Fourth, there was need to build the resilience of the LLDCs to internal and external shocks including among many, the global economic and financial shocks, conflicts, climate change and desertification. Fifth the LLDCs still experienced widespread poverty, food insecurity and malnutrition, low education levels and high child and maternal mortality. She stressed that support should be provided towards poverty eradication and reducing economic and social disparities so that no one is left behind. Sixth adequate means of implementation was important for the LLDCs to achieve sustainable and inclusive development.
34. Ambassador Bota noted that the WTO Trade Facilitation Agreement approved last year would yield great benefits to LLDCs. In concluding her remarks, she indicated that the outcome of the Conference should open the door to a strengthened, results-oriented partnership framework that would eradicate poverty and ensure a better future to the more than 400 million people living in the 32 LLDCs. She also hoped that the post-2015 development agenda will take into full account the special needs of the LLDCs.



# Introduction on the Overall Expectations and Approach to the New Programme of Action and Infrastructure Development and Transit Cooperation

35. In this session, representatives of OHRLLS and the World Bank made presentations. In her presentation, Ms. Heidi Schroderus-Fox, Director, OHRLLS, highlighted that the major challenges faced by the LLDCs include: high costs of trading, transit issues, poor infrastructure, poor productive capacities, low level of industrialization, dependency on primary commodities, vulnerability to internal and external shocks, and the impact of climate change, desertification and land degradation. She stressed that without an effective international response these challenges will only heighten the vulnerability of LLDCs and prevent them from making significant progress towards attaining rapid and inclusive sustainable development.
36. She noted that after a decade of implementing the Almaty Programme, it was now clear that the development needs of the LLDCs have to be tackled in a broader context – going beyond transport, transit and trade issues alone. She highlighted some of the key deliverables for the LLDCs that have emerged from the preparatory process. She noted that trade which needed to be enhanced for the LLDCs as it had the potential to transform their economies. In this regard, the LLDCs needed support to increase their market access, trade facilitation, address supply side constraints, and promote value addition and diversification.
37. The presenter's second point is the need to address transit issues. She stressed that ratification and effective implementation of the relevant international conventions and agreements on transit cooperation by both LLDCs and transit countries is necessary and needs to be addressed. The third key is infrastructure. She emphasized that investment into hard or physical transport infrastructure in landlocked and transit developing countries is necessary in order to achieve efficient transit systems. The fourth issue that she indicated is regional integration. She stressed that deepened regional integration has the potential to enhance competitiveness of LLDCs and maximize the benefits from globalization.
38. The presenter's fifth issue is resilience building. She indicated that it is important that the conference comes up with support mechanisms that can take into account the particular vulnerabilities of the LLDCs including vulnerability to internal and external shocks and the impact of climate change, desertification and land degradation. The sixth issue is structural transformation. She underscored that the LLDCs should aim to structurally transform their economies towards lowering commodity dependence and higher value addition in production and trade, greater integration into regional and global value chains and overall building of enhanced domestic productive capacities.
39. In concluding her presentation, the presenter stressed that the means of implementation or international support measures are very important for achieving meaningful results on the ground. She underscored that ODA remains very critical and increased support for trade, investment, technology transfer, south-south cooperation, debt relief and domestic resources were important to build the internal capacity required to generate growth that can be sustained. She also added that the new development framework has to come up with innovative forms of international support.
40. In his presentation, Mr. Marc Juhel, Sector Manager, Transport, Water, Information and Communication Technologies, World Bank, highlighted that the World Bank recently adopted two development goals that guide its work which include: ending extreme poverty; and promoting shared prosperity. He underscored that the goals must be achieved in an environmentally, socially, and fiscally sustainable manner. He stressed that the World Bank remains committed to APoA objectives because of their practical focus and their coincidence with its two goals.

41. The presenter highlighted that the two main strategies that guide the World Bank's work in implementing the APoA include: (a) Transport Strategy with the following priorities: increased support for transport investment and governance; deeper engagement in roads and highways; diversifying engagement in transport for trade; transport and climate change; and control emissions and mitigate impact; and (b) Trade Strategy with the following pillars: trade competitiveness and diversification; trade policy and trade in services; trade facilitation, transport logistics and trade finance (reduce costs of moving goods, enhance performance of trade corridors); market access and international trade cooperation; and managing shocks and promoting greater inclusion.
42. With regard to projects, he stated that there are many projects that relate to transport and development corridors, which go beyond investment in the transport infrastructure. He noted that about 60% of Bank lending on Transport in Fiscal year 2013 was on highways and inter-urban roads while 8% of the Bank's lending was on trade facilitation and logistics. He indicated that about \$2bn in Fiscal year 2013 went to LLDCs or their transit neighbors. He indicated that their main objective is to improve infrastructure and services for traders through road and rail corridors, regional integration and connectivity, customs and border management, agro-supply chains, technical assistance and capacity building. He indicated that data collection and diagnostics have improved through the work on the logistics performance index conducted since 2007, trade costs dataset being undertaken in collaboration with UNESCAP, the doing business and other studies. He highlighted that the Bank is developing knowledge, guides and toolkits for example on Border Management, 43. The presenter noted that the LPI 2014 data show that the LLDCs have lower logistics performance compared to other countries. He however pointed out that some of the countries showing big improvements in logistics performance are LLDCs. Nevertheless investments in infrastructure and policy reforms are still needed in most countries. He stressed that it is very important to make sure that the soft infrastructure is also functioning well because in low income countries infrastructure and border management reforms are key to improving logistics performance. He also stressed that maintenance of the infrastructure is very important and should be prioritized.
44. The presenter underscored that multimodal systems have potential but face serious challenges. Railways in particular have great potential which is presently not fully exploited by LLDCs, however they face significant challenges including small volumes of traffic – lack economies of scale, stiff competition from road transport and poor infrastructure in many countries, significant investments are needed. He pointed out that revival of railways is possible through concessions and also linking to greenfield developments. The presenter emphasized that as hard infrastructure has improved, other major contributors to costs have become more pronounced. For example, large delays in ports and in transit countries and at border posts were still evident. He indicated that improving the soft infrastructure can help reduce the delays. He gave an example of Malaba border post between Uganda and Kenya where the border time has been reduced from 24 hours to 4 hour.
45. In concluding his presentation, he noted that the aims of the Almaty Programme remain valid. Infrastructure quality is a chief driver of progress in logistics performance across countries but needs to be accompanied with improvements in transport and other services, customs and border management, etc. He noted that countries that perform well in logistics have put together resources and commitment over time and carried out targeted reforms to improve the efficiency across several areas including asset creation and maintenance, deeper regional integration (especially on seamless transit regimes), operational performance of services, capacity enhancement of public agencies and the private sector. He also underscored that coherent strategies and cooperation across borders are needed to improve connectivity and it is important to nurture and improve partnerships at all levels (national, regional, international).

## Discussion

46. In the discussion that followed, the meeting underscored that infrastructure development and maintenance were important for both the LLDCs and the transit countries. Participants underscored the importance of mobilising resources towards infrastructure development and maintenance. The meeting noted the importance of the role of the private sector. They noted that although it had its own challenges, it was important that they play an active role in investing into the physical transport infrastructure through the public private partnerships and into the soft infrastructure as well. They also emphasised that it is important to let the private sector be knowledgeable of the actions they should take. The example of the Northern Corridor in Africa was given where the private sector is involved in the activities of the corridor and the private sector has made its contribution.
47. The meeting emphasized the critical role of regional integration and transit cooperation at bilateral and sub-regional levels. Referring to examples of sub-regional cooperation such as the ASEAN, participants noted that most LLDCs and transit countries are party to transit transport agreements; however the major challenge is the effective implementation of the agreements. The meeting recommended that next programme should ensure that effective implementation of the legal framework is achieved through support from the international community including technical assistance and financial resources. The meeting also noted that it was important to analyse the transit agreements and come up with recommendations on how to ensure that they can be most helpful and effective in addressing the transit problems.
48. The meeting also agreed and stressed that physical infrastructure development alone was not enough, there was need to improve trade facilitation. Participants shared experiences, for example, how the one stop border centres had helped reduce delays at the borders of Kenya and Uganda and Uganda and Rwanda and the advantages of the use of single windows.
49. With regard to multi-modal transport, the meeting noted that the railways are important for the LLDCs whose exports are usually bulky primary commodities. It was noted that where use of railways are viable and an existing network is already available, the use of railways should be promoted. However, expansion of new railway networks is difficult based on user cost basis. Participants also suggested that use of air transport would be beneficial to LLDCs as it will help attract investors.
50. The participants highlighted that the challenges of the LLDCs need to be addressed in a holistic manner. They stressed that besides transport and transit issues, the LLDCs' needed to improve their productive capacities including energy, value-addition, diversification, industrialisation, science and technology and services sector. They indicated that they need support towards education, skills development and entrepreneurship. The World Bank clarified that transport accounts for 23% of the Bank's total lending portfolio and of that about 60% is towards roads. The Bank also indicated that they were working on other development issues besides transport, trade and trade facilitation.

# Structural Transformation of LLDCs economies, Productive Capacities, Science, Technology and Innovation for the LLDCs and Private Sector Development in LLDCs

51. In this session, a panel comprising of UNCTAD, UNIDO, and the International Chamber of Commerce introduced the key issues.
52. Mr. Taffere Tesfachew, Director of the Division for Africa, LDCs and Special Programmes, UNCTAD, presented on the structural transformation of the LLDCs' economies. The speaker began the presentation by acknowledging that the decade of the Almaty Programme of Action, was a decade of growth. He noted that the growth rate attained in this decade, averaging 7.3 per cent over 7 years, was exceptional and unprecedented in the recent history of these countries; adding that if countries grow for 7 per cent for ten years they will double their GDP. However, this growth was without structural transformation and he emphasised that the next programme of action should be focused on growth with structural transformation.
53. The presenter summarised 5 key aspects of the type of growth that the previous decade had seen that should be addressed in the next programme of action. First, he introduced the poverty issue, explaining that though poverty was reduced, the pace of reduction was slow. He explained that there was growth that generates more inclusiveness and reduction of poverty and that this was the type of growth the next decade should focus on. Second, the previous decade was a commodity exports driven growth. The presenter highlighted the risks of commodity exports driven growth and how the intensification of dependency on commodities is reversing the diversification of economies.
54. Third, the presenter raised the issue of dependence on external finance and how it raises the problem of predictability. He explained that growth expectations should not be based on FDI and emphasised the importance of domestic resource mobilisation. Fourth, the presenter noted that the growth of the previous decade did not create many jobs. He explained that 35 million youths would be joining the labour market in LLDCs by the end of the decade, which is approximately 6 million a year and hence growth for the next decade must consider the job factor.
55. The fifth area that the presenter highlighted was structural transformation. He presented data that showed an increase in mining and decrease in manufacturing in LLDCs between 2000 and 2011, and explained that this indicated that the economies experienced de-industrialisation. The speaker emphasised that no country has ever moved up the development ladder without structural transformation, reiterating the necessity of structural transformation for development.
56. The presenter outlined two different approaches of structural change: positive – a change across different sectors – and normative – change from low to high productivity, low to high value and limited to increased possibilities for innovation. He explained that structural transformation can happen across sectors but also within sectors, as long as there is value addition and a move into new technologies.
57. The presenter asserted that productivity is absolutely critical and that this is where many LLDCs have a problem. He explained that if productivity is not improving, countries are confined to producing the same type of products and profitability will suffer. He added that manufacturing has the traits that enable productivity improvement to happen faster.
58. The presenter highlighted the importance of engaging people in productive activities and proposed a three-pronged approach of agriculture, non-tradable sector and tradable goods. The presenter went on to explain three elements of productive capacity – factors of production, skills and knowledge to transform inputs into outputs and productive linkages – and explained that these three elements determine what kinds of goods and services a country produces. As LLDCs face structural challenges, what a country produces and exports is highly important. Finally, the presenter addressed the question of financing by emphasising the importance of public finance and that public investment needs to lead to encourage private investments.

59. Mr. Paul Maseli, Director and UNIDO Representative to the United Nations presented on the topic of productive capacities, science, technology and innovation for LLDCs. The presenter began by stressing the need for a paradigm shift to deal with economic issues. While funds are quick to mobilise in times of crises, investment for preventive measures, such as building productive economies, is insufficient.
60. The presenter showed data taken from pre and post Almaty that showed a decline in the agricultural sector. However, there was not a decline in the share of people employed in this sector, which means there was a decline in productivity. The decline in productivity was also evident in manufacturing and the presenter explained that this was a sign of de-industrialisation.
61. The second graph the presenter showed represented export concentration, indicating the lack of diversification of LLDCs economies and the generally low technology content of exports. From this information, the presenter drew the following conclusions on the challenges faced by LLDC: a high dependence on export of natural resources and commodities; low levels of industrialisation; special challenges linked to the geographical challenges and the dependency of LLDCs' economic performance on the situation of neighbouring countries.
62. The presenter emphasised the need for LLDCs to focus on structural transformation by promoting competitive industries and export structures that produce higher value added products. The presenter then went on to identify cornerstones that LLDCs need to focus their attention on in order to develop their productive capacities and initiate a process of structural change.
63. First, the presenter highlighted the importance of industrial policies. He advised that governments in consultation with the private sector and main stakeholders need to develop a clear industrial vision such as specialisation within the regional context, developing production and trade systems that are less dependent on transport and increasing domestic value-added content of natural resources.
64. Second, the presenter emphasised the significance of infrastructure development. While transport and transit infrastructure is most important to LLDCs for reducing production and trade costs, access to affordable energy is also a key requirement for productive capacities. Third, the presenter reiterated the importance of access to investment. LLDCs still receive FDI at a lower rate and hence LLDCs need to promote an enabling environment to attract investments. The presenter also advised that other forms of financing should be considered, such as remittances.
65. Fourth, the presenter highlighted that a vibrant domestic private sector is critical for economic growth and hence, LLDCs will have to focus on the development of a strong private sector by improving the general business environment. The presenter also stressed the importance of public-private partnerships, particularly in the area of science and technology.
66. Fifth, the presenter also advised on the need to invest in new technology for productivity growth. Sixth, the presenter underscored the importance of increasing investment in human capital to increase productivity, innovation and competitiveness. Finally the presenter highlighted the significance of South-South cooperation since such cooperation usually takes place in a regional context and can thus promote regional integration while also facilitating an exchange of knowledge, experience, technology, and investment.
67. Dr. Louise Kantrow, the U.N. Representative of International Chamber of Commerce spoke on the topic of private sector development in LLDCs. She agreed that most of the key issues had already been covered and the question was how things should be handled differently, going forward. She said that the participation of ICC at this retreat signified something new and different.
68. The speaker advised the participants of the retreat that the private sector steering committee had been established in July 2013 to act as a platform for building business consensus on the common position of the private sector and had been holding regular conference calls and also participating in pre-conference events of the preparatory process of the Almaty

review conference. ICC had put together a draft synthesis of the feedback from the private sector steering committee, as an input into the preparation of the zero draft of the outcome document.

69. The speaker informed the participants that the concerns of the private sector echo the issues that have already been raised in preconference events but there was also a call to address the issues in a more holistic matter. The speaker reiterated the need for a paradigm shift and asserted that as part of the paradigm shift there needs to be an effort to see the private sector as a nascent driver of change. She highlighted the importance of the private sector by saying that 90% of jobs would be created by the private sector and that private sector could provide revenue for public investments.
70. The presenter spoke on the need for dialogue between governments and private sector to help remove obstacles that are currently stopping the private sector from becoming an engine of growth. She stated that the private sector acknowledges the need for smart regulations and that public and private sectors now have come to an understanding that they need each other. She ended by reiterating that public private dialogue would need to be held before establishing public private partnerships.

## **Discussion**

71. In the discussion that followed, participants referred to the development difficulties of LLDCs as a form of sickness and advised that since the disease has been diagnosed, the prescription for the cure is clear. The question of the matter was how to fund the medicine to cure the disease. Opinions on whether there has been an overdose of prescription were also shared.
72. Further discussion was also shared on natural resources in LLDCs. Questions were raised on what could be done to expose undiscovered natural resources and information was shared that the World Bank was compiling a database of such information. Participants were also interested in discussing the issue of beneficiation and several participants came together to say that a paradigm shift was needed not only by governments but also by multinational corporations in order to support value addition and structural transformation. Furthermore, the need for a common understanding between governments and the private sector on economic diversification and value addition was also stressed.
73. Many participants expressed their support for the participation of the private sector. Views on the importance of small and medium enterprises were also raised and how it was necessary to build an environment to enable the creation and sustenance of SMEs given their impact on the majority of the LLDC population. The need for a legal framework in view of the activities of the private sector was agreed on from both government and private sector representatives. Several participants called for sharing of best practices in the areas of involvement of the private sector and sustaining industrialisation and competition.
74. The topic of the decline in industrialisation was also addressed and its possible impacts from external factors. Participants stressed the need for innovative ideas on areas to focus on to bring transformation on the ground and create a supply chain in job sectors.
75. Data revealing that manufacturing constituted 40 per cent of intra-African trade was also shared indicating that economic diversification was happening more on a regional context in comparison to the global context. Participants echoed the need for more focus on the issues of diversification and industrialisation in the next programme of action and that such discussions needed to identify what should be exported and transported. Participants also emphasised the need for support from the international community.

# LLDCs and International Trade and Trade Facilitation and Regional Integration

76. In this session, a panel comprising of the LLDC Group Coordinator on Trade and Development, OHRRLLS, the World Bank and the African Union introduced the key issues.
77. H.E. Ambassador Juan Esteban Aguirre Martinez, Permanent Representative of Paraguay to the United Nations in Geneva, and LLDC Group Coordinator on Trade and Development started by saying that the progress and achievement made under the preparatory process of APoA have been reported to WTO Trade and Development Committee, and the General Council with the view of generating awareness within WTO.
78. Trade is an important tool to boost growth, create jobs and eradicate poverty. Economic growth, in turn contributes to social development and improvement in the quality of life. For LLDCs to fully benefit from trade, there is a need for concerted efforts both at the national (internal) as well as international level (external). The later aspect calls for trade openness, access to markets of goods and services. Access to markets must be complemented by strong domestic policies and, well-regulated international regimes.
79. Using data to illustrate the foregoing, Ambassador Martinez said that in the last 10 years, trade volume from LLDCs had increased four times. GDP growth has been strong. Growth in individual countries has ranged from 1% to 15%. The group-wide poverty rate has decreased from 50 percent to 38 percent. These figures demonstrate the existence of positive relationship between trade and development.
80. LLDCs manifest small underdeveloped markets, a heavy concentration in commodities, and little value addition. In addition, they face greater costs of transport. How and what should be the priority of the LLDCs? First, they must increase South-to-South trade, for there exists an unexplored market niche. There are a number of important aspects that should be a priority. These include: market access; increasing productivity; diversification of product and markets; creativity; human capacity to absorb new technologies; competitive national policy; transparency; a good regulatory framework; capacity development; national commitment to produce quality goods and services that take into account the rights of consumers.
81. For this to happen, there is a need for targeted support so that LLDCs can increase their participation in international trade. High concentration and bulk-content of exports, coupled with high transport costs create greater vulnerabilities to market volatility. Against this background, WTO should support LLDCs to increase trade participation and diversification.
82. The Ambassador noted that many LLDCs have access to preferential treatment but only a few are able to benefit. This is because many countries lack the production capacity and capacity to export and face non-tariff barriers. To address this problem, there is a need for them to focus on sectors that boost their participation in value chains, trade facilitation, and service promotion.
83. He applauded the LLDCs for tremendous efforts in the Bali negotiations. He added that Aid-for-Trade (AfT) was essential and called on the LLDCs to take advantage of the assistance. He explained that according to the WTO Agreement, AfT would be available for at least two years for countries implementing it. He also added that the essential elements of AfT should stay, in addition to the support in capacity building and trade facilitation. AfT provided for implementation must be offered as additional funding guaranteed upon applying for the implementation on the measures. This should not affect the regular AfT disbursements.
84. Other things that the Ambassador emphasized include the need to build on measures being implemented and should not allow any questioning of the right of freedom to transit. The well-known elements of AfT that should be retained include



support for capacity building for SMEs, and global value chains. This is important because LLDCs can only develop through a holistic approach that takes into account economic and production transformation.

85. Ambassador Martinez recalled a recent OECD study that showed that a bulk of global trade was taking place around global value chains, and intermediary goods. Unfortunately, a majority of LLDCs trade in primary commodities, and for that reason remain on the margins of the global trade. For this to change, he said LLDCs should aim at creating business confidence among investors through pursuing reliable regulatory regimes and integrated national policy framework on trade so that investors can undertake activities to add value to their products.
86. One way of cutting transport costs is for the LLDCs to increase their commodities' value by simply going up one level. However, the presenter observed that this was not happening because; (a) technical capacity was lacking; (b) there was a large undeveloped service sector that could add value; and (c) prevailing international regimes do not support value-addition on the part of the LLDCs. LLDCs must thus, show consistency in pursuing an international trade agenda, such as trade facilitation that promote competitiveness. In order to pursue full implementation of the Bali Agreement, there was a need for the LLDCs to identify difficulties and request for technical assistance and capacity building. Additionally, he emphasized that its implementation should be accompanied by cooperation between LLDCs and transit countries
87. Ambassador Martinez further said that the implementation of the Agreement will provide legal means for compliance. It would also foster partnership which will deliver mutual benefit to transit neighbours within regional and sub-regional integration framework. He reiterated the need to develop the service sector, noting that it is an option to circumventing landlockedness since it was insensitive to distance. This sector could also support production of goods, diversification and commercialisation. In particular, he said LLDCs must invest in education and human skills development.
88. Market waivers to explore markets in developed countries exist for LLDCs. Ambassador Martinez said that LLDCs need to invest in the service sectors-related to trade facilitation and infrastructure – such as banking, insurance, transportation, and telecommunication. He recalled a presentation by the Secretary General of UNCTAD, in which LLDCs were urged to promote the enhancement of the private sector in attaining job creation, innovation and diversification of products. In this context, SMEs participation in international trade was necessary so as to attain diversification and creativity.
89. In order to strengthen the SMEs, he called for LLDCs to be involved in both soft and hard infrastructure development through PPP arrangements. He added that this would create a virtual cycle making SMEs self-sufficient, and capable of attracting FDI and other resources.
90. He also noted that active participation of LLDCs in the strengthening of multilateral regulatory framework was very important for small economies like LLDCs. This was critical if such economies were to attract FDI for national investments. Such framework would create and promote transparency, predictability and consistency. Additionally, market access should be complemented with the elimination of any kind of distortions.
91. Ambassador Martinez also informed the meeting that UNCTAD had been requested to strengthen the voice of LLDCs in the negotiation process through capacity building. He further said six LLDCs were in accession process to WTO. He commended these accession efforts, saying that the certainty and predictability of doing business with a country that holds itself accountable to agreed rules, regulations and procedures were a priceless commodity. This, he added, was invaluable for LLDCs who were in lower value chain.
92. Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, Monitoring and Reporting Services, UN-OHRLS made a presentation on the Implications of the WTO Agreement on Trade Facilitation. He began by noting that WTO Trade Facilitation Agreement was concluded in December 2013 at the Bali Ministerial Conference. He added that the decision was established on the basis of three Articles of the General Agreement on Tariffs and Trade (GATT) of 1994. First, Article V that deals with Freedom of transit; Second, Article VIII on fees and formalities; and Article X, on the Publication and administration of trade regulations. This Agreement will come into force once two-thirds of the WTO Members ratify it.



93. The presenter enumerated a number of potential benefits that LLDCs could reap once this Agreement goes into force. These benefits include but not limited to: the speeding up of customs procedures; it would make trade easier, faster and cheaper; it would provide clarity, efficiency and transparency; it would lead to a reduction in bureaucracy and corruption; it will promote use of technological advances; it will also contribute to an improvement in the movement of goods in transit; and finally, LLDCs will receive technical assistance to update their infrastructure, train customs officials, and/or for any other cost associated with implementing the Agreement.
94. On Article 11 that deals with the Freedom of Transit, the presenter noted that the Article states that first any regulations and formalities shall not (i) Be maintained if circumstances/objectives no longer exist; and (ii) Constitute a disguised restriction on trade. Second, traffic in transit shall not be conditioned on collection of fees (except cost based, transport and administrative expenses).
95. Third, there was a prohibition on voluntary restraints on traffic in transit. Fourth, it ensures that a non-discrimination principle is strengthened with Most Favored Nation (MFN) and National Treatment to all transit goods. Fifth, separate infrastructure for traffic in transit encouraged; sixth, formalities, documents and controls shall not be more cumbersome than necessary; seven, no charges, delays or restrictions once goods were cleared for transit; eight, no application of Technical Barriers to Trade (TBT) measures to transit goods; nine, advance filing and processing of transit documentation to be allowed and provided; ten, promptly terminate transit operation once exit point is reached. Eleven, the Article has the following guarantees; (a) Discharged without delay; (b) Allow multiple transaction or renewal; (c) Publish information used to set guarantees, and (d) Convoys or escorts only in high risk cases. Twelve, an endeavour to cooperate so as to enhance transit.
96. On fees and formalities, the presenter said that the aim of Article 6 is to limit the size of fees and charges to the approximate cost of the services rendered. Article 7 aims to expedite the release and clearance of goods, specifies certain measures that Members will need to adopt (e.g. Pre-arrival processing, electronic payment, expedited shipments). Article 8 promotes border cooperation in order to facilitate trade (e.g. One stop border post). Article 10 aims at harmonizing and simplifying transit formalities and documentation. (e.g. Single window); and Article 12 aims to improve multilateral customs cooperation and exchange of relevant information.
97. On Transparency, the presenter stated that the Agreement calls for the publication of a wide range of information related to procedures for clearing of goods for import/export. In particular, Article 1 covers publication and availability of information; Article 2: on prior publication and consultation; Article 5: on other measures needed to enhance impartiality, non-discrimination and transparency.
98. The presenter noted the following regarding General Principles in the agreement. First, assistance and support for capacity building should be provided to help developing and LDC country members implement. Second, the extent and the timing of implementation will be related to the implementation capacities. Third, implementation will not be required until capacity has been acquired. Fourth, LDC Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs.
99. The following Categories of Provisions exists: Category A – Implemented upon entry into force (developing countries) or within one year after entry into force (LDCs); Category B where implementation happens after a transitional period of time; Category C where provisions requiring the acquisition of implementation capacity through Technical Assistance and Capacity Building in Trade Facilitation.
100. Finally, the presenter said that this agreement holds enormous benefits for the LLDCs, however, it is important that the following takes place. There is a need to encourage ratification of the agreement by WTO members, and that LLDCs need to assess their technical assistance and capacity building support needs and priorities to implement the agreement. A decision on the work programme on small economies was taken in Bali in 2013 and this could be of relevance to some of the LLDCs.

In addition, it is important for the WTO to launch a dedicated Work Programme for the LLDCs – assist LLDCs address their special needs -Trade Facilitation, Aid for Trade, Services, Electronic Commerce and WTO accessions

101. Mr. Charles Kunaka, Senior Trade Specialist, World Bank started by saying that the participation of the LLDCs in the global value chains was important. He observed that global trends are in favour of the production and distribution of components of products. Thus, modern production systems involve the movement of components across borders. Sufficient logistics and transportation systems were required to ensure that LLDCs are not excluded from such production networks. In this context, it was necessary to focus on supply chains and address constraints to supply chain integration, especially for LLDCs.
102. Three main constraints prevent LLDCs from pursuing the foregoing; the presenter identified them as: inadequate infrastructure: logistic constraints exist within ports in coastal countries, and as a result, there are delays in the movement of cargo after oceanic shipping; and inefficient border posts. In order to address these problems, measures were needed to minimize / reduce costs between modes and nodes in the systems and linkages between those modes and nodes in a networked environment. There were opportunities for doing this. It could support in raising the profile of logistics and trade facilitation, fast-track acceptance to deal with these issues. It could also lead to the use of modern IT systems.
103. LLDCs must, thus, examine the links between nodes. Road transport was a major mode of transport used in international trade. It has been observed, he noted, that when roads are constructed and maintained well, they often reduce operation cost which contributes to a reduction in the overall production costs (though not always the case). In this context, the presenter outlined the following issues that needed to be addressed: (a) The structure of trucking markets in LLDCs was very informal, manifesting greater inefficiencies in operating the systems. He recalled the World Bank efforts that focus on regularizing trucking services by working closely with the private sector. (b) Checkpoints and road blocks contribute in inefficiencies and impact on the ability of the transport sector to offer reduced prices. Practices such as queuing systems at the border create additional costs. He noted that movement of goods in coastal countries were spending at least 20 days in ports.
104. While customs and border management are automated in most countries, the presenter noted that the regulatory agencies involved in the clearance process were not, which impacts on how fast cargo moves through the border posts. He highlighted some World Bank initiatives to address this problem. The modernization of the Kenya/Uganda Malaba border has led to clearance time of cargo falling from 1 day to 4 hours. World Bank project at Malaba Border, is aimed at addressing administrative challenges and it involved modernization and other reforms, such as a requirement for pre-arrival of documents at the border to fast track the clearance process of cargo. In order to deal with delays caused by drivers who choose not to proceed once their trucks have been cleared at the border, he said that Ugandan Authority was using an electronic tracking device, and penalized drivers and truckers spending more than six hours at the border after, being cleared.
105. Transit systems have always been a problematic area since it involves many parties. That notwithstanding, the presenter noted a few examples of good practice in the area of transit regime, such as a prevailing one in Central America that is modelled on the TIR. He added that IT was clearly driving reforms rather than the other way round. However, IT could not be used as a substitute for real reform, advising that countries must first streamline the processes before developing and implementing an optimal IT design.
106. He underscored the complexity of transit issues using the East Africa Trade and Transport Facilitation project, another project of the World Bank. In designing this project, he noted that it wasn't just small actions but rather a large number of activities that needed to be implemented at the same time. This World Bank project, costing US\$ 200 million and involving 4 countries delivered estimated returns of a magnitude of up to 4 times – from just soft interventions. Those interventions included: one-stop-border posts at several locations; electronic cargo tracking systems; port security; weigh bridges and railway concessions.

107. H.E. Mr. Tété António, Ambassador and Permanent Observer of the African Union (AU) to the United Nations began by saying that since African countries were weak, there was a need for them to unite. Such unity, he said, should follow a political vision to have the continent freed from colonial or apartheid domination and secondly economic liberation of the continent. Mr. Tete stated that regional economic integration should be the building block for the AU, and be an avenue to tackle the problems of inadequate productive capacity and infrastructure in the LLDCs.
108. While integration was crucial, Africa faces the problem of a multiplicity of regional economic communities, where some countries were overstretched in 2 or 3 regional economic communities, making it difficult for such countries to balance and discharge their responsibility to all those communities. In this context, he stated that there was a need to streamline regional economic integration, a measure that the AU had already started. The AU was in the process of harmonizing its 8 existing regional economic communities.
109. The African continent was growing despite the global economic crises. Mr. Tete said that GDP growth rate was steady at around 5%, with 2014 projections showing that growth will be at 4.7%. He underscored the fact that regional economic integration was playing a great role in this growth, including, the productive capacity of a number of African countries.
110. An overarching goal of the continent was to realize a broader African regional economic community (AU Abuja Treaty, 1991). Such a measure would allow individual countries to take advantage of a political umbrella to foster a political environment that was conducive for eventual economic integration in the continent. In the meantime, there were collective tools needed to address some of the prevailing challenges. Such tools include common policies on the exploitation of materials – taking into account political and economic aspects of each region. In addition, he said, there was a need to further strengthen regional integration across Africa. AU is spearheading a mineral mine vision that will transform the mining industry across the continent. AU has also developed a common action plan to promote a continent wide industrial development. There are also measures in place that seek to address tariff and non-tariff barriers.
111. Ambassador Tete emphasized the need to harmonize policies of the regional economic communities and highlighted the example of the COMESA, EAC and SADC tripartite that covers a market of 600 million people. He called for infrastructural development in the context of regional integration. In this context African countries need to assess infrastructural inconsistencies internally and address them before taking on regional challenges. Against this background there are a number of projects in Africa that are promoting infrastructural development. AU's Program Infrastructure Development for Africa (PIDA) aims to liberalize the transport sector and promote efficiency in air transport. This is especially urgent given that major air routes in Africa are a product of colonial legacy.
112. While intra-African trade was still low, it was more diversified than Africa's trade with the rest of the world. Unfortunately, he said, data does not capture this scenario adequately. Informal trade accounts for 30-40 % of interregional trade. In Uganda for instance, 83% of its trade is with DRC, Rwanda, Burundi, Tanzania, South Sudan and Kenya. Indeed, Kenya's trading partner is Uganda.
113. In conclusion, the presenter said that in order to undertake all these necessary reforms there is a need for strong political will. In the East African region the countries of Uganda, Kenya and Rwanda launched a single visa for tourists. Ambassador Tete highlighted that as an example of how a strong political will can strengthen integration.

## **Discussion**

114. In the ensuing discussion, it was emphasized that Trade Facilitation Agreement, especially transit-related provisions should be of great concern to the LLDCs. In this context, the next development programme should strongly reflect this aspect. There is a need for the full implementation of Article 11 by both LLDCs and their transit partners.

115. With reference to the Southern African region that is dependent on sugar cane the discussion touched on bringing efficiency in the transport sector, especially, in fleet management. It was observed that while cane farmers were earning inadequate returns, truckers, on the other hand, were charging more than fair price. It became necessary therefore to re-look at the harmonization of policies and regulations pertaining to the trucking industry. Given that many of LLDCs are resource poor and they face unsustainably high cost of fuel, there were suggestions for OHRLLS to explore ways on how OPEC could assist them. The development of air links is an important priority for LLDCs when it comes to perishables such as cut flowers. That notwithstanding, it was observed that the air industry was underdeveloped because airlines respond to profit opportunities.

# International Support Measures and Special Attention to LLDCs

116. In this session representatives of OHRLLS and the Delegation of the European Union to the United Nations gave presentations to introduce the key issues.
117. In her presentation, Ms. Gladys Mutangadura, Economic Affairs Officer, OHRLLS pointed out that some of the special needs of the LLDCs that require international support include hard infrastructure to close the infrastructure gap, soft infrastructure, structural transformation, productive capacities, enhancing trade – value addition, diversification, global value chains, human and institutional capacity building, resilience building and regional integration. She highlighted that the development finance landscape has been changing over the last decade with increased attention being paid to ways of financing development beyond traditional aid. FDI and other private capital flows have been increasing since the beginning of the millennium. However, she noted that although the international development financing landscape was changing, ODA still remains the main source of external financing for many LLDCs. She indicated that international support to the new programme of action for the LLDCs should adopt a three-pronged approach including: increasing the impact of resources, mobilisation of additional resources and equitable distribution of the resources.
118. The presenter noted that ODA flows to the LLDCs more than doubled between 2003 and 2012. However, the allocation was very uneven across LLDCs, and two recipients accounted for more than 40% of the group's total. She noted that 16 LLDCs relied on ODA for at least 20 per cent of their central Government expenditure. She also noted that Aid for Trade flows to LLDCs had increased since 2003, with the majority of that aid going towards economic infrastructure and building productive capacity. However, the allocation of Aid for Trade was also very uneven across LLDCs, and there was a need to enhance the quantity, quality and impact of both ODA and Aid for Trade for LLDCs.
119. The presenter noted that FDI had increased to US\$ 34.6 billion in 2012, from 8.9 billion in 2003. She pointed out that most of the FDI was concentrated in a few LLDCs (4 LLDCs almost 70% of group's total) and the majority of the FDI to LLDCs is in extractive industries. She stressed that in order to attract FDI, it is important to have an enabling environment in the LLDCs as well as in the international system. She also indicated that it was important to strengthen capacity of the LLDCs to negotiate with multinationals.
120. The presenter highlighted that South-South cooperation had increased over the review period and it was important to foster it through sharing best practices and experiences and knowledge, increased investment and transfer of appropriate technologies. United Nations organizations, RECs, multilateral institutions including WTO and the World Bank, donors, regional development banks, and some sub-regional organizations had supported LLDCs through technical assistance, capacity-building, advocacy and resource mobilization. That support needed to be continued and increased.
121. The presenter noted that innovative sources of funding should be explored including regional infrastructure funds, infrastructure PPPs, diaspora bonds and currency transaction tax. She also pointed out that remittances have experienced a ten-fold jump from \$2.3 billion (2001) to \$22.9 billion (2012) and estimated to be \$25.5 (2013). She indicated that there was need to channel remittances into productive use for example to SMES, entrepreneurship, and infrastructure development. In concluding her presentation she stressed that there was need to support and encourage FDI flows to LLDCs to nature a paradigm shift, the international community to consider establishing a preferential market access scheme for LLDCs exports and the need for statistical capacity building.
122. In his presentation, Mr. Americo Beviglia Zampetti, Head of the Economic, Trade and Sustainable Development Section, Delegation of the European Union to the United Nations underscored the importance that the EU places in supporting the LLDCs as part of its comprehensive approach to development, as outlined in the Agenda for Change which focuses on countries most in need. He emphasized that the development cooperation focus of the EU is on partnership. He indicated that the EU and the LLDCs were working in partnership. He indicated that the way they work with the LLDCs was within

the framework of bilateral and regional partnership or agreements with countries. The bi-lateral and regional partnership of the EU with its partner LLDCs covers political dimension, economic and trade cooperation, and technical and financial cooperation. He emphasized that the principle of ownership of the country concerned was followed in all their work. In that respect, all the priorities were decided in the countries themselves. He pointed out that the EU was concentrating its efforts on key issues for which the partnership has the highest leverage.

123. The presenter informed the meeting that the EU was working on its programmes for the period 2014-2020. He highlighted that some of the programmes they were working on with their partner LLDCs include: trade facilitation, trade infrastructure, economic diversification, and regional integration. He gave some examples of some of the specific programmes that they were supporting including: in Uganda the Northern Corridor road improvement project Mbaraba-Ntugamo-Katuma, in Zambia the rehabilitation of the Great East Road, in Ethiopia the Trade enhancement and facilitation programme and the support to regional programmes.
124. In concluding his presentation he indicated that in the context of implementation, monitoring and review, the outcome of the conference should address the issues that are very specific to the LLDCs. The programme should provide internationally agreed orientation action at national, regional and global levels. It is important that the programme focuses on the areas with the highest impact so that international support can be channelled to those areas.

## **Discussion**

125. During the general discussion session held after the presentations, the meeting noted that although remittances to the LLDCs had improved, channelling remittances to the productive sectors is a problem since it is privately owned and most of it is directed towards consumption. Participants suggested that it was important for the LLDCs to introduce education and literacy programmes to help assist the recipients to be able to manage the remittances in a productive way. They also noted that it was important to reduce the number of intermediaries and transaction costs and to undertake measures that can improve the flow of remittances the LLDCs.
126. On ODA, participants noted that ODA and partnerships with the international community were very important for the LLDCs. This had made the LLDCs be able to make progress in implementing their national plans and the APoA. Continued ODA was important for the LLDCs to sustain the progress that had been made thus far and should therefore be enhanced. Participants also noted that ODA had been uneven and irregular. They suggested that ODA should be increased and be predictable.
127. Participants also indicated that other international support measures including science and technology transfer, including ICTs and capacity building were very important for the LLDCs to be able to structurally transform their economies. They stressed that the development partners should enhance their support in these areas to the LLDCs.
128. The meeting underscored that the role of the national level resource mobilisation was of paramount importance. Although ODA was still important, the LLDCs needed to strengthen their national mechanisms of raising domestic resources. They suggested that there was need to include a peer review mechanism to help the LLDCs see how they were performing and make improvements. Participants underscored the importance of capacity building for information and data collection for monitoring the New Programme of Action. They stressed that it was important for countries to be up-to-date with information and data on their countries.
129. With regard to FDI, the meeting noted that FDI on its own was not an international support measure as it was profit driven. It was important to identify international measures that could encourage FDI flows to LLDCs such as home country incentives.
130. Participants underscored the importance of the support of the EU to the LLDCs and regional organisations as it had positive impact on the LLDCs. They encouraged the EU to go into partnership with those LLDCs that they are not yet in partnership.

131. Participants also made suggestions to the contents of the new programme of action including the need to take a holistic approach and to include the impact of climate change, desertification and land degradation, science, technology and innovation measures and increasing competitiveness. They also suggested that the international measures should be action oriented clearly indicating the actions by all the stakeholders.
132. In this session, a representative of OHRLLS gave a presentation on the implementation, monitoring and review of the new PoA.
133. Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, Monitoring and Reporting Services, UN-OHRLLS informed the meeting that implementation, monitoring and review needed to be undertaken at all levels, including national, sub-regional, regional and global. The monitoring and review mechanism was a continuously evolving process aimed at reinforcing partnerships and mutual accountability at all levels. LLDCs and transit developing countries had to be mutually accountable for actions to improve transit processes. At the national level, LLDC Governments should mainstream the new programme of action in their national and sectoral development strategies, and implement and conduct regular reviews. He also suggested that LLDCs would need to establish national institutional mechanisms for coordinating the national level implementation, monitoring and review such as national coordination committees.
134. Bi-lateral and sub-regional levels were important for implementation, monitoring and review. At sub-regional level, organizations should mainstream the implementation of the programme of action into their relevant programmes and develop and implement priority projects for infrastructure development to improve connectivity and trade facilitation initiatives and undertake reviews. At sub-regional level, they should also strengthen coordination mechanisms such as regional monitoring committees. At regional level, the relevant United Nations RECs should undertake periodic reviews, involving regional organizations, development banks and regional United Nations organizations. The new PoA should be mainstreamed in development assistance and funding. He emphasised the private sector involvement.
135. At the global level, the presenter noted that implementation of the new programme of action would undergo an annual review at global level by the United Nations General Assembly, involving annual reports of the Secretary-General, assessment of indicators to measure the progress of achievements, and biannual General Assembly plenary interactive thematic dialogue. The governing bodies of organizations in the United Nations system should mainstream the implementation of the new PoA in their programmes of work, and sectoral and thematic reviews of the Programme should be undertaken. He also noted the importance of private sector involvement at the regional level. The role of OHRLLS was to assist the United Nations Secretary-General in ensuring the full mobilization and coordination of the United Nations system in the implementation, follow-up, monitoring and review; to provide coordinated support to General Assembly reviews; to mobilize international support and resources; and to monitor and report.

## **Discussion**

136. In the ensuing discussion, participants noted that mainstreaming of the programme of action into the governing bodies of the United Nations was very important. They also stressed that the new programme of action should be mainstreamed into national development strategies, sub-regional, regional and global programmes. They also suggested that at the national level, the United Nations should coordinate the implementation, follow up and monitoring of the programme of action.
137. Participants indicated that the goal of the new programme is to ultimately improve the wellbeing of the people of the LLDC as embodied in the Rio+20 Outcome Document, the Future We Want. In that context it is important to evaluate the extent of: poverty eradication, changing unsustainable and instead promoting sustainable patterns of consumption and production, protecting the environment and managing the natural resource base of economic and social development for sustainable development, creating greater opportunities for all, reducing inequalities, raising basic standards of living, developing disaster risk preparedness, reduction, mitigation and overall reconstruction following disasters, rule of law, good governance, and overall commitment to just and democratic societies for development. The meeting noted that a criteria



and indicators would need to be developed in each of the areas, taking into account the differential capacities of different countries. The indicators need to be measurable, clearly understood and achievable and could be formulated from the best practices and lessons learnt from the UN Bureau of Statistics, UNDP Human Development Index, World Bank, OECD, UNCTAD.

138. The meeting noted that timing of the review process should be periodical, sufficient time to enable governments to take measures, and show tangible results, and yet sufficient to make modifications. The monitoring process should be in partnerships with all stakeholders – private sector, academia, scientific institutes, think tanks, civil society and the media. All institutions, engaged in either advancing development or in the monitoring process at all levels, be effective, transparent, accountable and democratic. Participants stressed the need to keep national information and data current.
139. The meeting noted that there was need to strengthen mutual accountability and transparency. Both the LLDCs and their development partners should be more accountable to their actions.



# Effective Monitoring, Review and Follow-Up Mechanism

132. In this session, a representative of OHRLLS gave a presentation on the implementation, monitoring and review of the new PoA.
133. Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, Monitoring and Reporting Services, UN-OHRLLS informed the meeting that implementation, monitoring and review needed to be undertaken at all levels, including national, sub-regional, regional and global. The monitoring and review mechanism was a continuously evolving process aimed at reinforcing partnerships and mutual accountability at all levels. LLDCs and transit developing countries had to be mutually accountable for actions to improve transit processes. At the national level, LLDC Governments should mainstream the new programme of action in their national and sectoral development strategies, and implement and conduct regular reviews. He also suggested that LLDCs would need to establish national institutional mechanisms for coordinating the national level implementation, monitoring and review such as national coordination committees.
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135. At the global level, the presenter noted that implementation of the new programme of action would undergo an annual review at global level by the United Nations General Assembly, involving annual reports of the Secretary-General, assessment of indicators to measure the progress of achievements, and biannual General Assembly plenary interactive thematic dialogue. The governing bodies of organizations in the United Nations system should mainstream the implementation of the new PoA in their programmes of work, and sectoral and thematic reviews of the Programme should be undertaken. He also noted the importance of private sector involvement at the regional level. The role of OHRLLS was to assist the United Nations Secretary-General in ensuring the full mobilization and coordination of the United Nations system in the implementation, follow-up, monitoring and review; to provide coordinated support to General Assembly reviews; to mobilize international support and resources; and to monitor and report.

## Discussion

136. In the ensuing discussion, participants noted that mainstreaming of the programme of action into the governing bodies of the United Nations was very important. They also stressed that the new programme of action should be mainstreamed into national development strategies, sub-regional, regional and global programmes. They also suggested that at the national level, the United Nations should coordinate the implementation, follow up and monitoring of the programme of action.
137. Participants indicated that the goal of the new programme is to ultimately improve the wellbeing of the people of the LLDC as embodied in the Rio+20 Outcome Document, the Future We Want. In that context it is important to evaluate the extent of: poverty eradication, changing unsustainable and instead promoting sustainable patterns of consumption and production, protecting the environment and managing the natural resource base of economic and social development for sustainable development, creating greater opportunities for all, reducing inequalities, raising basic standards of living, developing disaster risk preparedness, reduction, mitigation and overall reconstruction following disasters, rule of law, good governance, and overall commitment to just and democratic societies for development. The meeting noted that a criteria

and indicators would need to be developed in each of the areas, taking into account the differential capacities of different countries. The indicators need to be measurable, clearly understood and achievable and could be formulated from the best practices and lessons learnt from the UN Bureau of Statistics, UNDP Human Development Index, World Bank, OECD, UNCTAD.

138. The meeting noted that timing of the review process should be periodical, sufficient time to enable governments to take measures, and show tangible results, and yet sufficient to make modifications. The monitoring process should be in partnerships with all stakeholders – private sector, academia, scientific institutes, think tanks, civil society and the media. All institutions, engaged in either advancing development or in the monitoring process at all levels, be effective, transparent, accountable and democratic. Participants stressed the need to keep national information and data current.
139. The meeting noted that there was need to strengthen mutual accountability and transparency. Both the LLDCs and their development partners should be more accountable to their actions.

## Closing and Way Forward

140. In his closing remarks, Mr. Gyan Chandra Acharya, Secretary-General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative thanked the participants for their dedication and valuable contribution. He indicated that the discussions had shown that both a bird's eye's view and a worm's eye's view were important in formulating strategies to address the special needs of the LLDCs. He stressed that the LLDC group should follow what Mark Caine said – Success is when you refuse to be a captive of the environment that you are in. The LLDCs should not be a captive of the landlocked environment that they are in, instead success lies in how they can get out of it and grow beyond it.
141. He indicated that with substantive material from the national reports, regional reviews, various pre-conference events and the discussions from the retreat there is a solid basis for drafting a holistic but results oriented and focused Programme of Action for the Second UN Conference on the LLDCs. He indicated that the discussions held in the retreat had raised some core elements of a new Programme of Action.
142. Mr. Acharya highlighted some of the key issues that keep coming up again with more reinforcement. These include: (i) The role of infrastructure development and the gap in the infrastructure investment that we have in LLDCs. (ii) Transit issues – how to share the best practices and experiences between the different regions and develop a good dialogue mechanism between the LLDCs, transit countries and development partners to develop a best transit arrangement that can create a win-win situation for all, determining the facilitative measures and legal arrangements, practical implications and implementation on the ground to support the transformation of the LLDCs. (iii) Structural transformation, enhancing productive capacities, value-addition, diversification, and linking up into the global value chains and trade in services. (iv) Fostering the role and contribution of the private sector and supporting the SMEs. The need for the capacity building of the LLDCs to have the private sector work in a manner that it is sustainable; it is inclusive; and contributory to the progress and economic development in these countries. (v) Regional integration and how to bring it further. (vi) Building resilience of the LLDCs to external shocks including the climate change impact. (vii) The need for a strong national strategy for developing the relevant policies for example industrial policies or transit issues. (viii) International support ODA, FDI, facilitative measures to market access, better transit facilities, reducing non-tariff barriers to trade, innovative sources of funding, and remittances will be important.
143. Mr. Acharya underscored the need for strong linkages with the global processes in particular the Post 2015 Development Agenda so that no one is left behind. He also stressed that the objective was to achieve life and dignity for all.
144. Looking ahead, he informed the meeting that the first meeting of the Intergovernmental Preparatory Committee meeting will be held on 12 and 13 June. The main mandate of the meeting is to prepare the outcome document of the conference. He urged all the LLDCs to provide strong support to the conference in Vienna and to ensure high level participation so as to attract high level participation from development partners and transit countries.



## ANNEX 1 – LIST OF 55 PARTICIPANTS

### LANDLOCKED DEVELOPING COUNTRIES

#### ARMENIA

**Mr. Nikolay Sahakov**

First Secretary, Permanent Mission of Armenia to the United Nations  
*niksaret@hotmail.com*

#### BHUTAN

**Mrs. Kunzang C. Namgyel**

Permanent Representative, Permanent Mission of Bhutan to the United Nations  
*chadorpmb@yahoo.com*

#### BOLIVIA

**Mrs. Pamela G. Luna Tudela**

Minister Counsellor, Permanent Mission of Bolivia to the United Nations  
*lunatudela@gmail.com*

#### BOTSWANA

**Mr. Nkoloi Nkoloi**

Deputy Permanent Representative, Permanent Mission of Botswana to the United Nations  
*botswana@un.int*

#### BURKINA FASO

**Mr. Der Kogda**

Permanent Representative, Permanent Mission of Burkina Faso to the United Nations  
*bfapm@un.int*

#### CHAD

**Mr. Papouri Tchingtonbé Patchanné**

First Counsellor, Permanent Mission of Chad to the United Nations  
*papouri1959@yahoo.fr*

#### ETHIOPIA

**Mr. Aman Hassen Bame**

Deputy Permanent Representative, Permanent Mission of Ethiopia to the United Nations  
*ethiopia@un.int*

**Mrs. Fortuna Dibaco**

Minister Counsellor, Permanent Mission of Ethiopia to the United Nations  
*dibacof@yahoo.com*

#### KAZAKHSTAN

**Mr. Kairat Abdrakhmanov**

Permanent Representative, Permanent Mission of Kazakhstan to the United Nations  
*kazakhstan@un.int*

#### LAO PDR

**Dr. Khiane Phansourivong**

Permanent Representative, Permanent Mission of Lao People's Democratic Republic to the United Nations  
*lao@un.int*

#### LESOTHO

**Mr. Kelebone Maope**

Permanent Representative, Permanent Mission of Lesotho to the United Nations  
*lesotho@un.int*

#### MACEDONIA

**H.E. Mr. Vasile Andonoski**

Permanent Representative, Permanent Mission of Macedonia to the United Nations  
*newyork@mfa.gov.mk*

#### MALAWI

**Mr. Charles P. Msosa**

Permanent Representative, Permanent Mission of Malawi to the United Nations  
*MalawiNewyork@aol.com*

#### MALI

**Mr. Matiné Coulibaly**

Third Counsellor, Permanent Mission of Mali to the United Nations  
*matiso72@yahoo.fr*

#### MONGOLIA

**Mr. Och Od**

Permanent Representative, Permanent Mission of Mongolia to the United Nations  
*mongolianmission@twcmetrobiz.com*

#### NEPAL

**Mr. Durga Prasad Bhattarai**

Permanent Representative, Permanent Mission of Nepal to the United Nations  
*nepal@un.int*

#### NIGER

**Mr. Boubacar Boureima**

Permanent Representative, Permanent Mission of Niger to the United Nations  
*nigermission@ymail.com*

## ANNEX 1 – LIST OF 55 PARTICIPANTS

### LANDLOCKED DEVELOPING COUNTRIES

#### PARAGUAY

**Mr. Juan Esteban Aguirre Martinez**

Permanent Representative and Coordinator of LLDCs on Trade and Development, Permanent Mission of Paraguay to the United Nations Office at Geneva

*info@misionparaguay.ch*

**Mr. Marcial Espinola**

Secretary, Permanent Mission of Paraguay to the United Nations Office at Geneva

*mespinola@misionparaguay.ch*

**Mr Octavio Ferreira**

Director of Multilateral Economic Organisations, Ministry of Foreign Affairs of Paraguay

*oferreira@mre.gov.py*

**Mr. Enrique Carillo Gomez**

Second Secretary, Permanent Mission of Paraguay to the United Nations

*enri.nyc@gmail.com*

#### RWANDA

**Mr. Jeanne d’Arc Byaje**

Minister Counsellor and Deputy Permanent Representative, Permanent Mission of Rwanda to the United Nations

*ambanewyork@minaffet.gov.rw*

#### SWAZILAND

**Mr. Zwelethu Mnisi**

Permanent Representative, Permanent Mission of Swaziland to the United Nations

*swaziland@un.int*

#### CHINA

**Mr. Liu Ming Ming**

First Secretary, Permanent Mission of China to the United Nations

*liumingm@mofcom.gov.cn*

#### KENYA

**Mr. Evans Maturu**

Second Counsellor, Permanent Mission of Kenya to the United Nations

*vnsmaturu@yahoo.com*

#### RUSSIA

**Mr. Dmitry Maksimych**

Deputy Permanent Representative, Permanent Mission of Russia to the United Nations

*press@russiaun.ru*

#### SENEGAL

**Mr. Mame Omar Thiaw**

First Counsellor, Permanent Mission of Senegal to the United Nations

*mamthiaw@hotmail.com*

#### UGANDA

**Dr. Richard Nduhuura**

Permanent Representative, Permanent Mission of Uganda to the United Nations

*ugandaunny@un.int*

#### ZAMBIA

**Dr. Mwaba Patricia Kasese-Bota**

Permanent Representative and Chair of the Group of LLDCs, Permanent Mission of Zambia to the United Nations

*zambia@un.int*

**Ms. Christine Kalamwina**

Minister Counsellor and Deputy Permanent Representative, Permanent Mission of Zambia to the United Nations

*zambia@un.int*

**Mrs. Theresa Chanda**

Counsellor, Permanent Mission of Zambia to the United Nations

*theresachanda01@gmail.com*

**Mr. Kaswamu Katota**

First Secretary, Permanent Mission of Zambia to the United Nations

*chriskatota@yahoo.com*

#### ZIMBABWE

Mr. Onismo Chigejo

Counsellor, Permanent Mission of Zimbabwe to the United Nations

*ochigejo@gmail.com*

#### SOUTH AFRICA

**Mr. Xolani Malawana**

First Secretary, Permanent Mission of South Africa to the United Nations

*malawanax@dirco.gov.za*

#### TANZANIA

**Mr. Ramadhan M. Mwinyi**

Deputy Permanent Representative, Permanent Mission of Tanzania to the United Nations

*tzrepny@aol.com*

#### TURKEY

**Mr. Yavuz Cubukcu**

First Secretary, Permanent Mission of Turkey to the United Nations

*ycubukcu@mfa.gov.tr*

## ANNEX 1 – LIST OF 55 PARTICIPANTS

### DEVELOPMENT PARTNERS

#### AUSTRIA

**Mr. Martin Sadjik**

Permanent Representative, Permanent Mission of Austria to the United Nations  
*new-york-ov@bmeia.gv.at*

**Mr. Hannes Machor**

Counsellor, Permanent Mission of Austria to the United Nations  
*hannes.machor@bmeia.gv.at*

#### EUROPEAN UNION

**Mr. Americo Beviglia Zampetti**

Counsellor and Head of the Economic, Trade and Sustainable Development, Delegation of the European Union to the United Nations  
*americo.beviglia-zampetti@eeas.europa.eu*

**Mr. Philippe Latriche**

Counsellor, Delegation of the European Union to the United Nations  
*philippe.latriche@eeas.europa.eu*

#### JAPAN

**Mr. Yoshiyuki Mikami**

First Secretary, Permanent Mission of Japan to the United Nations  
*yoshiyuki.mikami@mofa.go.jp*

#### UNITED STATES

**Ms. Kyla Brooke**

Adviser, Permanent Mission of United States of America to the United Nations  
*brookekl@state.gov*

### ORGANISATIONS

#### AFRICAN UNION

**Mr. Tete Antonio**

Permanent Observer, Permanent Mission of the African Union to the United Nations  
*aumission\_ny@Yahoo.com*

#### INTERNATIONAL CHAMBER OF COMMERCE

**Dr. Louise Kantrow**

Permanent Representative, Permanent Mission of the International Chamber of Commerce to the United Nations  
*louise.kantrow@iccwbo.org*

#### UNCTAD

**Mr. Taffere Tesfachew**

Director, Division for Africa, LDCs and Special Programs, United Nations Conference on Trade and Development  
*taffere.tesfachew@unctad.org*

#### UNIDO

**Mr. Paul Maseli**

Director and Representative of UNIDO to the UN and other International Organisations, United Nations Industrial Development Organisation  
*maseli@un.org*

#### WORLD BANK

**Mr. Marc Juhel**

Sector Manager, Transport, World Bank  
*mjuhel@worldbank.org*

**Mr. Charles Kunaka**

Senior Trade Specialist, World Bank  
*ckunaka@worldbank.org*

#### UN-OHRLLS / SECRETARIAT

**H.E. Mr. Gyan Chandra Acharya**

Under-Secretary-General and High Representative for LDCs, LLDCs and SIDS, OHRLLS  
*acharyag@un.org*

**Ms. Heidi Schroderus-Fox**

Director, OHRLLS  
*schroderus-fox@un.org*

**Mr. Erdenebileg Sandagdorj**

Chief, Policy Development, Coordination, Monitoring and Reporting Service, OHRLLS  
*erdenebileg@un.org*

**Ms. Gladys Mutangadura**

Economic Affairs Officer, OHRLLS  
*mutangadura@un.org*

**Mr. Kennedy Chesoli**

Economic Affairs Officer, OHRLLS  
*chesoli@un.org*

**Ms. Louise Stoddard,**

Public Information Officer, OHRLLS  
*stoddard@un.org*

**Ms. Esther Haerim Heo**

Associate Expert, OHRLLS  
*heoe@un.org*

## **ANNEX 2 – Programme of Work for the Retreat of Ambassadors in preparation of the Second United Nations Conference on LLDCs held at Glen Cove Mansion Hotel and Conference Center, 200 Dosoris Lane, Glen Cove, New York**

Friday, 9 May 2014

20:00

### **Dinner**

#### **Welcome remarks to the retreat**

Mr. Gyan Chandra Acharya, Under Secretary-General and High Representative

Saturday, 10 May 2014

09:00 - 09:40

### **Session 1. The Development Challenges of LLDCs, the Need for Holistic Approach, Post 2015 Development Agenda, and Policy Dialogue on How to Address Their Special needs**

Remarks by Mr. Gyan Chandra Acharya, Under Secretary-General, and High representative

Remarks by H.E. Mr. Martin Sajdik, Permanent Representative of Austria to the United Nations, the host country of the Second United Nations Conference on LLDCs

Remarks by H.E. Dr. Mwaba Patricia Kasese-Bota, Permanent Representative of Zambia to the United Nations and the Chair of the global coordination bureau of LLDCs

09:40 – 10:50

### **Session 2. Core elements of a new Programme of Action**

#### **Introduction on the overall expectations and approach to the new Programme of Action**

Ms. Heidi Schroderus-Fox, Director, OHRLLS.

#### **Infrastructure Development and Transit Cooperation**

Mr. Marc Juhel, Sector Manager, Transport, Water, Information and Communication Technologies, World Bank

*Followed by interactive discussions*

10:50 – 11:00

Coffee Break

11:00 – 13:00

### **3. Structural transformation of LLDCs economies**

Mr. Taffere Tesfachew, Director of the Division for Africa, LDCs and Special Programmes, UNCTAD

### **4. Productive Capacities, Science, technology and innovation for the LLDCs**

Mr. Paul Maseli, Director and UNIDO Representative to the UN

### **5. Private Sector Development in LLDCs**

Dr. Louise Kantrow, U.N. Representative of International Chamber of Commerce

*Followed by interactive discussions*

13:00 – 14:30

Lunch Break



## ANNEX 2

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14:30 – 15:30	<p><b>6. LLDCs and International Trade and Trade Facilitation</b></p> <p>H.E. Ambassador Juan Esteban Aguirre Martinez, Permanent Representative of Paraguay to the United Nations in Geneva, and LLDC Group Coordinator on Trade and Development</p> <p>Mr. Sandagdorj Erdenebileg, Chief, Policy Development, Coordination, Monitoring and Reporting Service, OHRLLS</p> <p>Mr. Charles Kunaka, Senior Trade Specialist, World Bank</p> <p><b>7. Regional Integration</b></p> <p>H.E. Mr. Tété António, Ambassador and Permanent Observer of the African Union to the United Nations</p> <p><i>Followed by interactive discussions.</i></p>
15:30 – 15:40	Coffee Break
15:40 – 16:30	<p><b>Session 3. International support measures and special attention to LLDCs</b></p> <p>Ms. Gladys Mutangadura, Economic Affairs Officer, OHRLLS</p> <p>Mr. Americo Beviglia Zampetti, Head of the Economic, Trade and Sustainable Development Section, Delegation of the European Union to the United Nations</p> <p><i>Followed by interactive discussions.</i></p>
16:30 – 17:30	<p><b>Session 4. Effective monitoring, review and follow-up mechanism</b></p> <p>Mr. Sandagdorj Erdenebileg, Chief, Policy Development, Coordination, Monitoring and Reporting Service, OHRLLS</p> <p><i>Followed by interactive discussions</i></p>
17:30 – 18:00	<p><b>Closing Statement on The Way Forward</b></p> <p>Mr. Gyan Chandra Acharya, Under-Secretary-General And High Representative for The Least Developed Countries, Landlocked Developing Countries and Small Island Developing States</p>
18:30	Departure from Glen Cove Mansion

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