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Second United Nations Conference on Landlocked Developing Countries

Vienna, 3-5 November 2014

Agenda item 11

Adoption of the final outcomes of the Conference

Draft resolution submitted by the President

Programme of Action for Landlocked Developing Countries for the Decade 2014-2024

The second United Nations Conference on Landlocked Developing Countries,

Having met in Vienna from 3 to 5 November 2014,

Adopts, as the outcome document of the Conference, the Programme of Action for Landlocked Developing Countries for the Decade 2014-2024, annexed to the present resolution.

Annex

Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024

I. Introduction

1. Thirty-two landlocked developing countries situated in Africa, Asia, Europe and South America with a population of about 440 million, face special challenges that are associated with their lack of direct territorial access to the sea, remoteness and isolation from world markets. Their international trade depends on transit through other countries. Additional border crossings and the long distance from major markets, coupled with cumbersome transit procedures and inadequate infrastructure, substantially increase the total expenses for transport and other transaction costs, which erodes the competitive edge of landlocked developing countries, reduces economic growth and subsequently negatively affects their capacity to promote sustained economic development, human and social progress and environmental sustainability. Landlockedness is a major contributor to the relatively high incidence of extreme poverty and structural constraints in landlocked developing countries. Landlocked developing countries, as a group, are among the poorest of developing countries, and many of them are also least developed countries, with limited capacities and dependence on a very limited number of commodities for their export earnings.

2. In most cases the transit neighbours of landlocked developing countries are themselves developing countries, often of broadly similar economic structures and beset by similar scarcities of resources. The least developed transit countries are in an especially difficult situation. Also, transit developing countries bear additional burdens, deriving from transit transport and its financial, infrastructural and social impacts. Transit developing countries are themselves in need of improvement of technical and administrative arrangements in their transport and customs and administrative systems, to which their landlocked neighbours are expected to link.

3. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries,^a adopted in 2003, reflected the strong commitment of all actors to address the special development needs and challenges faced by landlocked developing countries and to promote their full and more effective integration into the global economy, through the implementation of specific actions in the priority areas of fundamental transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, international support measures and implementation and review.

4. There has been increased visibility and recognition of landlocked developing countries and their special needs at the international level and at the United Nations. The international community has recognized the need to address the special challenges of landlocked developing countries in the outcomes of the 2005 World

^a *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003 (A/CONF.202/3, annex I).*

Summit^b and other high-level meetings on the Millennium Development Goals, as well as in the outcome document of the United Nations Conference on Sustainable Development, held in Rio de Janeiro in 2012, entitled “The future we want”.^c Although there has been some progress in the implementation of the Almaty Programme of Action during the review period, there is a need for further global support for landlocked developing countries, including in the areas of financial and technical assistance, as they have a long way to go to fully benefit from globalization and to achieve sustained and inclusive economic growth, sustainable development, poverty eradication, employment generation and structural transformation.

5. There is therefore an urgent need for an innovative, holistic and results-oriented 10-year programme of action, based on renewed and strengthened partnerships to accompany landlocked developing countries in harnessing benefits from international trade, structurally transforming their economies and achieving more inclusive and sustainable growth. The special challenges and needs of landlocked developing countries are recognized, and there is a need to give appropriate consideration to landlocked developing countries in the formulation of the post-2015 development agenda.

II. Review and assessment of the implementation of the Almaty Programme of Action

6. Economic growth has been accelerated somewhat in landlocked developing countries: since the adoption of the Almaty Programme of Action, landlocked developing countries have achieved moderate economic growth. The gross domestic product growth rate for landlocked developing countries is estimated to have increased from 4.5 per cent in 2003 to 6.3 per cent in 2013.^d However, there are wide disparities among landlocked developing countries with many of them showing high vulnerability to external shocks. High economic growth has not translated into a speedy reduction of extreme poverty. Per capita gross domestic product in two thirds of landlocked developing countries is still well below \$1,000.^e Despite some progress in social development, half of the landlocked developing countries are still in the lowest ranks of the human development index, and there is still widespread poverty, high levels of food insecurity, high levels of child and maternal mortality and poor sanitation in many landlocked developing countries.

7. Landlocked developing countries and transit countries have initiated important policy reforms to address physical and non-physical aspects of transit transport. Landlocked developing countries have increased the harmonization of transport and transit policies, laws, procedures and practices with transit countries. A number of regional and subregional transit facilitation agreements have been concluded and adopted for implementation. Some landlocked developing countries and transit countries, through regional trade agreements, free trade areas and customs unions, have developed supportive institutional frameworks, such as transport and trade

^b General Assembly resolution 60/1.

^c General Assembly resolution 66/288, annex

^d Estimates of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, using data from United Nations Statistical Division.

^e A/69/170.

facilitation bodies or coordination committees, and road funds. Border facilities and procedures have been streamlined and harmonized, leading to increased efficiency and fewer delays. Yet there is a need to deepen the reforms, enhance efficiency and effectiveness and ensure that the achievements reached are sustained.

8. High transport and trade transaction costs remain a major stumbling block in the pursuit of landlocked developing countries to achieve their trade potential. Although the estimated time that landlocked developing countries take to import has decreased from 57 days in 2006 to 47 days in 2014 and to import from 49 to 42 days, that it is still almost twice the time taken by transit countries.^f The average cost of exporting a container for landlocked developing countries is estimated at \$3,204, compared with \$1,268 for transit countries, and similarly \$3,884 compared with \$1,434 for importing a container.^g The establishment of a secure, reliable and efficient transit transport system remains critical for landlocked developing countries to be able to reduce transport costs and enhance the competitiveness of their exports to regional and global markets. Landlockedness, thus, has an enormous negative impact on the overall development of landlocked developing countries. It is estimated that the level of development in landlocked developing countries is on average 20 per cent lower than what it would be were they not landlocked.^h

9. There have been progressive efforts to develop and upgrade road and rail infrastructure and undertake the maintenance of the existing infrastructure at the national, subregional and regional levels. Dry ports and one-stop border crossings are being established in all regions. Despite the progress made, physical infrastructure development is still inadequate, which poses a major obstacle to landlocked developing countries' utilization of their full trade potential. With regard to air transport, cargo airfreight has increased in some landlocked developing countries, and the number of registered flight carrier departures in landlocked developing countries as a group increased from an estimated of 200,000 in 2003 to about 362,800 in 2013.ⁱ The major challenges faced by landlocked developing countries with regard to the air transport industry include the huge resources required for infrastructure investment and the maintenance, rehabilitation and replacement of aged fleet. This limits the shipment by air of goods of high unit value or of a time-sensitive nature, such as documents, pharmaceuticals, fashion garments, electronic consumer goods and perishable agricultural and seafood products.

10. Despite some progress, landlocked developing countries lag behind other developing countries in terms of telecommunication infrastructure, including broadband Internet access, which can play a crucial role in increasing connectivity, boosting enterprises' competitiveness and facilitating international trade.

11. Owing in large part to an increase in world commodity prices, total merchandise exports from landlocked developing countries grew from an estimated \$44 billion in 2003 to \$228 billion in 2013. Imports have also increased to some

^f World Bank, *Doing Business in 2014*.

^g Based on data from World Bank, *Doing Business in 2014*.

^h *The Development Economics of Landlockedness*, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, 2013.

ⁱ World Bank data.

extent. Although the global share of landlocked developing countries' merchandise exports has doubled in the last decade, they still account for a very low proportion, about 1.2 per cent, of such exports.^j

12. Furthermore, many landlocked developing countries rely heavily on a few mineral resources and low-value agricultural products for their exports to a limited number of markets,^k making them highly vulnerable to commodity price and demand volatility. The problem is further exacerbated by their low productive capacities and structural weaknesses, which limit the adding of meaningful value to their exports and the diversification of their exports and markets.

13. Official development assistance disbursements to landlocked developing countries more than doubled between 2003 and 2012, from an estimated \$12.2 billion to \$25.9 billion.^l Official development assistance accounts for more than 20 per cent of central Government expenditure in 16 landlocked developing countries.^m Aid-for-trade disbursements to landlocked developing countries grew from an estimated \$3.5 billion in 2006 to over \$5.9 billion in 2012.^l Aid for trade has helped improve trade facilitation and trade-related infrastructure development.

14. While there has been some integration of the Almaty Programme of Action into the national development strategies of landlocked developing countries, there was a need for its better integration into development strategies at the national, regional and global levels.

15. While climate change was not part of the review of the Almaty Programme of Action, it remains true that landlocked developing countries are also vulnerable to climate change, which is exacerbating desertification and land degradation. Landlocked developing countries remain disproportionately affected by, inter alia, desertification, land degradation and drought as an estimated 54 per cent of their land is classified as dryland.ⁿ Of the 29 countries where at least 20 per cent of the population is estimated to live on degraded lands, 14 are landlocked developing countries.^o Some landlocked developing countries are also affected by flooding, including glacial lake outburst floods. Landlocked developing countries also remain highly vulnerable to external economic shocks and to the multiple other challenges faced by the international community.

III. Renewed and strengthened partnerships for development

16. The present Programme of Action for Landlocked Developing Countries is based on renewed and strengthened partnerships between landlocked developing countries and the transit countries and their development partners. Strengthened partnerships within the context of South-South and triangular cooperation, as well as strengthened partnerships with the relevant international and regional organizations and between public and private sector actors, are also essential.

^j United Nations Conference on Trade and Development, annual statistics on the value and shares of merchandise exports and imports, 1948-2013.

^k A/68/157.

^l Organization for Economic Cooperation and Development international development statistics.

^m World Bank.

ⁿ Calculated from United Nations Environment Programme Global Environment Outlook data.

^o A/67/210.

17. Partnership between landlocked developing countries and transit countries is mutually beneficial for the improvement and constant maintenance of their infrastructure connectivity and of technical and administrative arrangements in their transport, customs and logistic systems. Efficient transit transport systems, strong collaborative efforts in multi-modal transport infrastructure development and interlinkage, the promotion of an enabling legal environment and institutional arrangements, and strong national leadership on cooperative arrangements between landlocked developing countries and transit countries are also crucial for achieving structural transformation and sustainable economic growth and development. Transparency, good governance and efficient institutional arrangements in landlocked developing countries and transit countries should also play a very important role in promoting such partnership. Collaboration must be promoted on the basis of the mutual interests of both landlocked and transit countries.

18. A renewed and strengthened partnership with development partners will be crucial for the full and successful implementation of the present Programme of Action, given the immensity of the challenges faced by landlocked developing countries. The international community, including financial and development institutions, multilateral organizations and agencies and donor countries, is encouraged to provide financial and technical support, as appropriate, to advance the specific objectives listed in this Programme of Action. Regional and subregional cooperation or integration should also play an important role in successfully addressing the specific problems of landlocked developing countries.

19. Support from developing countries should take into full consideration the nature of South-South cooperation, in accordance with the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation.^P Guided by the spirit of solidarity with landlocked developing countries, developing countries, consistent with their capabilities, will provide financial and technical support for the effective implementation of the Programme of Action in mutually agreed areas of cooperation within the framework of South-South cooperation, which is a complement to, but not a substitute for, North-South cooperation.

20. The private sector and civil society are important stakeholders, whose contribution will be critical to the implementation of the Programme of Action, including through transparent, effective and accountable public-private partnerships.

IV. Objectives

21. The overarching goal of the new Programme of Action is to address the special development needs and challenges of landlocked developing countries arising from landlockedness, remoteness and geographical constraints in a more coherent manner and thus contribute to an enhanced rate of sustainable and inclusive growth, which can contribute to the eradication of poverty by moving towards the goal of ending extreme poverty. Particular attention is therefore to be given in the period until 2024 to the development and expansion of efficient transit systems and transport development, enhancement of competitiveness, expansion of trade, structural transformation, regional cooperation, and the promotion of inclusive economic growth and sustainable development to reduce poverty, build resilience, bridge

^P General Assembly resolution 64/222, annex.

economic and social gaps and ultimately help transform those countries into land-linked countries.

22. The specific goals and objectives are:

(a) To promote unfettered, efficient and cost-effective access to and from the sea by all means of transport, on the basis of the freedom of transit, and other related measures, in accordance with applicable rules of international law;

(b) To reduce trade transaction costs and transport costs and improve international trade services through simplification and standardization of rules and regulations, so as to increase the competitiveness of exports of landlocked developing countries and reduce the costs of imports, thereby contributing to the promotion of rapid and inclusive economic development;

(c) To develop adequate transit transport infrastructure networks and complete missing links connecting landlocked developing countries;

(d) To effectively implement bilateral, regional and international legal instruments and strengthen regional integration;

(e) To promote growth and increased participation in global trade, through structural transformation related to enhanced productive capacity development, value addition, diversification and reduction of dependency on commodities;

(f) To enhance and strengthen international support for landlocked developing countries to address the needs and challenges arising from landlockedness in order to eradicate poverty and promote sustainable development.

V. Priorities for action

Priority 1: Fundamental transit policy issues

Priority 2: Infrastructure development and maintenance

(a) Transport infrastructure

(b) Energy and information and communications technology infrastructure

Priority 3: International trade and trade facilitation

(a) International trade

(b) Trade facilitation

Priority 4: Regional integration and cooperation

Priority 5: Structural economic transformation

Priority 6: Means of implementation

Priority 1: Fundamental transit policy issues

23. Freedom of transit and transit facilities play a key role in the overall development of landlocked developing countries. It is important for those countries to have access to and from the sea, in accordance with applicable international law, in order to fully integrate into the global trading system.

24. Harmonization, simplification and standardization of rules and documentation should be promoted, with the full and effective implementation of international conventions on transport and transit and bilateral, subregional and regional agreements. Bilateral provisions should be no less favourable than what is provided for in the international conventions standards and best practices. The World Trade Organization Agreement on Trade Facilitation should further guide the work in this area. Cooperation on fundamental transit policies, laws and regulations between landlocked developing countries and their transit neighbours is crucial for the effective and integrated solution to cross-border trade and transit transport problems. This cooperation should be promoted on the basis of the mutual interests of both landlocked and transit developing countries. Effective participation of key stakeholders, both public and private, is important to improve transit facilitation. It is important to promote free movement of people between landlocked developing countries and their transit neighbours through development and implementation of simplified and harmonized visa systems for drivers involved in international transport (freight and passengers).

25. Specific objectives are:

(a) To reduce travel time along corridors with the aim of allowing transit cargo to move 300-400 kilometres per 24 hours;

(b) To significantly reduce the time spent at land borders;

(c) To significantly improve intermodal connectivity with the aim of ensuring efficient transfers from rail to road and vice versa and from port to rail and/or road and vice versa.

26. Actions by the landlocked developing countries and transit countries are:

(a) To endeavour to accede to and ratify in a timely fashion relevant international, regional and subregional conventions and other legal instruments related to transit transport and trade facilitation;

(b) To ensure effective implementation of international and regional conventions and bilateral agreements on transit transport and trade facilitation as applicable, also with a view to reducing transport prices and time;

(c) To enhance coordination and cooperation of national agencies responsible for border and customs controls and procedures between them and with the respective agencies in transit countries. In this regard, transit countries are encouraged to share information with landlocked developing countries regarding any change in regulations and procedures governing transit policies as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them;

(d) To create an effective bilateral or regional mechanism, as appropriate, to address challenges and bottlenecks in the implementation of bilateral, regional or multilateral agreements and avoid maintaining, seeking or adopting bilateral or regional arrangements establishing quotas or other quantitative restrictions to international transit;

(e) To promote simplification, transparency and harmonization of legal and administrative regulations and requirements related to transit systems by all modes

of transit transport, including border crossings, consular services, customs procedures and removal of internal checkpoints;

(f) To develop effective logistics systems by aligning incentives for efficient transport and transit operations, promoting competition and phasing out anti-competitive practices such as cartels and queuing systems wherever possible;

(g) To promote involvement of road, rail and inland waterway transport business associations in public-private partnership projects, exchange knowledge and implement transit cooperation initiatives and practices that have worked well in various regions around the world;

(h) To collaborate on exchanging trade and transport data with a view to conducting cross-border transactions faster and more efficiently;

(i) All landlocked developing countries should formulate national transit policies and establish appropriate national mechanisms with the participation of all relevant stakeholders.

27. Actions by development partners are:

(a) To support landlocked and transit developing countries in the implementation of international conventions and agreements relating to transit facilitation and initiatives that promote transit cooperation, reduce transit costs and establish smooth logistic arrangements;

(b) To assist landlocked and transit developing countries to establish multilateral sustainable and efficient transit transport regimes involving public and private stakeholders and encourage and support the sharing of best practices related to experiences, policies and initiatives;

(c) To encourage regional and subregional organizations to assist with technical and financial support to the landlocked developing countries and transit countries to implement initiatives that promote transit cooperation.

Priority 2: Infrastructure development and maintenance

28. Infrastructure development plays a key role in reducing the cost of development for landlocked developing countries. Development and maintenance of transit transport infrastructure, information and communications technology and energy infrastructure are crucial for landlocked developing countries to reduce the high trading costs, improve their competitiveness and become fully integrated in the global market.

Transport infrastructure

29. Despite improvement in transport infrastructure in landlocked developing countries, poor quality and gaps in physical infrastructure are still major obstacles to developing viable and predictable transit transport systems. There is inadequate physical infrastructure in rail transport, road transport, dry ports, inland waterways, pipelines and air transport in many landlocked developing countries, as well as few harmonized rules and procedures and limited cross-border investment and private-sector participation. Physical links of landlocked developing countries to the regional transport infrastructure network fall well short of expectations. Landlocked developing countries have a lower logistics performance than other groups in the

area of transport-related infrastructure. Missing links need to be addressed urgently, and roads, railways and inland waterways need to be upgraded to a level that can establish seamless and efficient transport infrastructure networks within the country and across the borders. The improvement and maintenance of existing facilities is crucial. With regard to multi-modal transport, railways are important for the landlocked developing countries whose exports are usually bulky primary commodities. Railway transport should be promoted where its use is viable and rail networks already exist.

30. The magnitude of the required resources to invest in infrastructure development and maintenance remains a major challenge. It requires forging international, regional, subregional and bilateral cooperation on infrastructure projects, allocating more from national budgets, effectively deploying international development assistance and multilateral financing in development and maintenance of infrastructure, and strengthening the role of the private sector. At the same time, it also requires a substantial investment in capacity-building and legal, regulatory and policy reform to create an environment supportive of greater public and private investments in infrastructure. It is important to help landlocked developing countries develop the capacity to prepare bankable, large-scale infrastructure projects and to explore innovative financing mechanisms for those projects, including public-private partnerships, where appropriate.

31. Specific objectives are:

(a) To significantly increase the quality of roads, including increasing the share of paved roads, by nationally appropriate standards;

(b) To expand and upgrade the railway infrastructure in landlocked developing countries, where applicable;

(c) To complete missing links in the regional road and railway transit transport networks.

32. Actions by landlocked developing countries and transit developing countries are:

(a) To develop and implement comprehensive national policies for infrastructure development and maintenance encompassing all modes of transportation and ensure that they are well coordinated with the transit countries in the areas where transit infrastructures intersect;

(b) To collaborate to promote sustainable and resilient transit systems through, inter alia, regular upgrading and maintenance, development of corridors along transit highways, developing border-crossing mechanisms, including one-stop border crossings, as appropriate, and promoting economies of scale for transport systems through intermodal transport development, dry ports or inland container depots, trans-shipment facilities and similar logistic hubs;

(c) To work towards the harmonization of gauges to facilitate regional connectivity, where feasible, the development of reloading capacities, the expansion of training programmes and inter-railway staff exchange programmes;

(d) To promote multilateral and regional permit systems for road transport and endeavour to implement permit-free bilateral and transit road transport and the

expansion of a multilateral quota system among landlocked developing countries and transit countries;

(e) To endeavour, at the bilateral, subregional and regional levels, to gradually liberalize road transport services, taking into account specific circumstances in landlocked and transit developing countries;

(f) To encourage the development of international logistic hubs;

(g) To develop the necessary policies and regulatory frameworks to promote private sector involvement in infrastructure development and promote enabling environment to attract foreign direct investment;

(h) To promote public-private partnerships for the development and maintenance of transport infrastructure and their sustainability;

(i) To develop inland transport networks including ancillary infrastructure such as all-weather road, rail and riverside support infrastructure that ensures road and rail safety and involves local businesses in those services along highways and railway networks, thereby creating development corridors along transit highways and railroads.

33. Actions by development partners are:

(a) To support efforts by landlocked developing countries in the field of infrastructure development and maintenance and support landlocked developing countries and transit developing countries in sharing experiences on transit transport development;

(b) To encourage multilateral and regional development banks to provide more support to landlocked developing countries and transit developing countries for investment in transport development, in accordance with their respective mandate;

(c) To continue assisting landlocked developing countries in the completion of missing links in railroads and road systems, as appropriate.

Energy and information and communications technology infrastructure

34. Energy infrastructure and access to affordable, reliable and renewable energy and related technologies, on mutually agreed terms, are critically important in modernizing information and communications technology and transit systems, reducing delays and enhancing productive capacity to achieve sustained economic growth and sustainable development. The importance of the Secretary-General's Sustainable Energy for All Initiative is stressed. In this context, regional efforts, including the creation of networks of regional renewable energy and energy efficiency centres, will be important and need support.

35. Information and communications technology can contribute to sustainable and inclusive growth by increasing productivity across all sectors; facilitating market expansion beyond borders to take advantage of economies of scale; and lowering costs and facilitating access to services, including access to broadband infrastructure, and information via global media such as the Internet, contributing to increased participation in governance, accountability and transparency. However, many landlocked developing countries face severe challenges in keeping up with the

necessary infrastructure deployment and concomitant evolution of policy frameworks. Broadband costs, as a share of gross national income, are much higher in landlocked developing countries than in coastal countries that are located close to submarine communications cables. Because of their small market sizes, the lack of a regionally harmonized regulatory environment is also a serious hindrance to cheaper information and communications technology services and greater geographical coverage.

36. Specific objectives are:

(a) To expand and upgrade, as appropriate, infrastructure for supply, transmission and distribution of modern and renewable energy services in rural and urban areas;

(b) All landlocked developing countries should make broadband policy universal;

(c) To promote open and affordable access to Internet for all;

(d) Landlocked developing countries should actively engage to address the digital divide.

37. Actions by landlocked developing countries and transit developing countries are:

(a) To enhance their collaboration in promoting cross-border energy trade and energy transit through transmission lines to third countries;

(b) Landlocked developing countries should develop a national energy policy to promote modern, reliable and renewable energy with a view to significantly enhancing capacities in production, trade and distribution, with the aim of ensuring access of energy to all and transformation of their economies;

(c) To work together to modernize transit and transport facilities and customs and other border facilities by fully utilizing the capability of information and communications technologies;

(d) To further improve and harmonize legal and regulatory frameworks;

(e) Landlocked developing countries should develop a national broadband policy with a view to improving access to international high-capacity fibre optic cables and high-bandwidth backbone networks;

(f) Landlocked developing countries should strive to develop the service sector through the development of information and communications technology infrastructure and their integration in all the relevant areas to promote competitiveness, innovation and inclusion, in order to reduce transit time and cost and modernize their transit and customs facilities;

(g) To promote digital bridges to interconnect national backbones so that countries far from the sea cables also have access to affordable broadband and are able to expand telecommunications and related services sector in order to facilitate affordable, accessible and high-quality telecommunications services.

38. Actions by development partners are:

(a) To support efforts by landlocked developing countries to develop their energy and information and communications technology sectors;

(b) To promote energy efficient investment in landlocked developing countries and facilitate the green economic transformation;

(c) To support landlocked developing countries in promoting their national broadband policy and developing necessary broadband infrastructure;

(d) To provide capacity-building to landlocked developing countries for use of modern and affordable communications technology;

(e) To continue to support efforts of landlocked developing countries with the respective transit developing countries to facilitate access to information and communications technologies and the transfer of relevant skills, knowledge and technology, on mutually agreed terms, for the development, maintenance and sustainability of infrastructure.

Priority 3: International trade and trade facilitation

International trade

39. Greater integration of landlocked developing countries into world trade and global value chains is vital for increasing their competitiveness and ensuring their economic development. Exporting goods produced in landlocked developing countries incurs additional transport costs, which may decrease competitiveness and reduce revenue for producers from those countries. The export structure of many landlocked developing countries continues to be increasingly characterized by reliance on the export of a limited number of products, in particular agricultural products and mineral resources. Priority should be given to policies and measures, with the support of development partners, to diversify the production and export structures of landlocked developing countries and to enhance their productivity and competitiveness in order to take full advantage of the multilateral trading system.

40. With the growing interlinkages between world trade, investment and production, global value chains account for a rising share of international trade. Landlocked developing countries have not been able to fully participate in regional or global value chains. Linking into global value chains presents an opportunity for landlocked developing countries to achieve greater integration within world markets, increase their competitiveness and become important links in production and distribution chains.

41. Services are important enablers of trade in goods and effective participation in international trade and global value chains. Efficient services enhance productivity, reduce the cost of doing business and promote job creation. Landlocked developing countries should be supported so as to increase the share of services in their economies and exports, including through enabling policies.

42. One of the main causes of marginalization of landlocked developing countries in the international trading system is high trade transaction costs. The importance of enhanced and predictable access to all markets for the exports of developing countries, including landlocked developing countries, was recognized in the Monterrey Consensus of the International Conference on Financing for

Development.^q In accordance with the commitments contained in the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization^r and the rules of the World Trade Organization, full attention should be given in the Doha Development Round of trade negotiations to the needs and interests of developing countries, including landlocked and transit developing countries. Given the increasing growth in South-South trade, other developing countries could be important export destinations for the products of landlocked developing countries and sources of critical foreign direct investment.

43. Trade ministers at the Ninth Ministerial Conference of the World Trade Organization, held in Bali, Indonesia, in December 2013, agreed by consensus to the Bali package, including the Agreement on Trade Facilitation, which clarifies and improves articles V, VIII and X of the General Agreement on Tariffs and Trade of 1994, with a view to further expediting the movement, release and clearance of goods, including goods in transit. The Agreement on Trade Facilitation and its timely implementation in the context of the Bali package are important so as to facilitate trade for landlocked developing countries. The Agreement includes important provisions on technical assistance and capacity-building to help landlocked developing countries to implement it effectively.

44. Specific objectives are:

(a) To significantly increase the participation of landlocked developing countries in global trade, with a focus on substantially increasing exports;

(b) To significantly increase the value added and manufactured component, as appropriate, of the exports of landlocked developing countries, with the objective of substantially diversifying their markets and products;

(c) To further strengthen economic and financial ties between landlocked developing countries and other countries in the same region so as to gradually and consistently increase the share of landlocked developing countries in intraregional trade;

(d) To invite Member States to consider the specific needs and challenges of landlocked developing countries in all international trade negotiations.

45. Actions by landlocked developing countries include:

(a) To develop a national trade strategy based on comparative advantages and regional and global opportunities;

(b) To integrate trade policies into national development strategies;

(c) To promote a better business environment so as to assist national firms to integrate into regional and global value chains;

(d) To promote policies to help national firms, especially small and medium-sized enterprises, to participate better in international trade;

^q *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

^r See A/C.2/56/7, annex.

(e) To fully leverage bilateral and regional preferential trading arrangements with a view to broadening regional and global integration;

(f) To implement policies and measures that will significantly increase economic and export diversification and value added.

46. Actions by transit developing countries include:

(a) To promote investment in landlocked developing countries with the aim of promoting their productive and trading capacity and supporting them in their participation in regional trade arrangements;

(b) To improve market access for products originating from landlocked developing countries, without arbitrary or unjustified non-tariff barriers that are not in conformity with the rules of the World Trade Organization;

(c) Transit countries and landlocked developing countries should carry out studies on logistical competitiveness and logistical costs based on internationally recognized methodologies.

47. Actions by development partners include:

(a) To support efforts by landlocked developing countries to diversify exports, integrate into global and regional value chains and effectively participate in multilateral trade negotiations;

(b) To address non-tariff measures and reduce or eliminate arbitrary or unjustified non-tariff barriers, that is, those that are not in conformity with the rules of the World Trade Organization;

(c) Landlocked developing countries and development partners should promote better integration of small and medium-sized enterprises within international trade by, when appropriate, strengthening institutions that support trade, fostering trade competitiveness, building spaces for private-public dialogue, fostering technical and vocational education and training and capacity-building, and creating market linkages through business-to-business platforms;

(d) To promote the diffusion and uptake of appropriate and environmentally sound technologies on mutually agreed terms and conditions, including through investment or cooperation projects to promote economic diversification and sustainable development, as appropriate;

(e) To offer appropriate technical assistance and capacity-building to landlocked developing countries to complete the process of their accession to the World Trade Organization, fulfil their commitments and integrate into the multilateral trading system;

(f) To continue to provide aid for trade to landlocked developing countries, consistent with WTO guidelines.

Trade facilitation

48. Non-physical barriers, delays and inefficiencies associated with border crossings and ports, including customs procedures and documentation requirements, uncertainty in logistical services, weak institutions and widespread lack of human and productive capacities, continue to make transport costs high. They are at the

core of the continued marginalization of many landlocked developing countries. Further streamlining and harmonization of customs and transit procedures and formalities and transparent and efficient border management and coordination of agencies involved in border clearance, should have a concrete and direct impact on reducing the cost of doing trade and stimulating faster and competitive trade for landlocked developing countries. Such improved trade facilitation would help landlocked developing countries towards enhancing the competitiveness of their export products and services.

49. In many landlocked developing countries, human and institutional capacities are not adequate in many areas, including in customs and border entities, transit transport agencies, the trade negotiation process and implementation of transit and trade facilitation agreements, including the World Trade Organization Agreement on Trade Facilitation, leading to a lack of effective implementation. Technical assistance and improvement of trade- and transit-related logistics are crucial in enabling landlocked developing countries to fully participate in and benefit from multilateral trade negotiations, effectively implement policies and regulations aimed at facilitating transport and trade, and diversify their export base.

50. Specific objectives are:

(a) To significantly simplify and streamline border crossing procedures with the aim of reducing port and border delays;

(b) To improve transit facilities and their efficiency with the aim of reducing transaction costs;

(c) To ensure that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the World Trade Organization Agreement on Trade Facilitation.

51. Actions by landlocked developing countries include:

(a) To establish or strengthen, as appropriate, national committees on trade facilitation, with the involvement of all relevant stakeholders, including the private sector;

(b) To scale up and implement trade facilitation initiatives such as single-stop inspections, single windows for documentation, electronic payment, and transparency and modernization of border posts and customs services, among others;

(c) To effectively implement integrated border management systems and strive to establish one-stop border posts, where appropriate, with neighbouring landlocked or transit developing countries that allow for joint processing of legal and regulatory requirements, with a view to reducing clearance times at borders, while fully utilizing the tools for trade facilitation developed by international organizations to build national capacity;

(d) To ensure full and inclusive representation of the private sector, including public-private partnerships and transport business associations, in trade facilitation initiatives and policy, and to develop the necessary policies and regulatory framework to promote private sector involvement.

52. Actions by transit developing countries include:

(a) To ensure that trade facilitation initiatives, including the World Trade Organization Agreement on Trade Facilitation, are developed and implemented together with landlocked developing countries in all the relevant areas;

(b) To undertake further harmonization, simplification and standardization of rules, documentation requirements and border crossing and customs procedures; to enhance collaboration and cooperation among various customs and border-crossing agencies across borders; to promote the use of electronic (e-transaction) processes, the pre-arrival submission of customs declarations, risk management inspection systems and authorized economic operator systems; to improve transparency, predictability and consistency in customs activities; and to establish one-stop border posts, as appropriate, joint customs controls and inspection at border sites and other forms of integrated border management at borders with landlocked developing countries;

(c) Sharing best practices in customs, border and corridor management and in the implementation of trade facilitation policies should be encouraged at the global, regional, subregional and South-South levels, including among the private sector;

(d) To fully utilize the tools for trade facilitation developed by international organizations to build national capacity and ensure secure and reliable transport across borders by, inter alia, effectively implementing existing international standards and best practices for customs transit and safety and security of transport chains;

(e) To ensure transparency in border crossings, customs and transit transport rules, regulations, fees and charges and accord non-discriminatory treatment so that the freedom of transit of goods is guaranteed to landlocked developing countries.

53. Actions by development partners include:

(a) To support landlocked and transit developing countries in the area of trade facilitation in accordance with the World Trade Organization Agreement on Trade Facilitation, which was agreed by consensus at Bali, Indonesia, and to encourage international organizations to help landlocked developing countries to assess their needs in implementing that Agreement and relevant trade facilitation measures;

(b) To support activities, including trade facilitation, aimed at simplifying, streamlining, standardizing and harmonizing import, export and customs procedures;

(c) To encourage sharing information on experiences and best practices related to trade facilitation with a view to creating an environment that allows for the implementation of multi-country customs transit guarantee regimes, through the implementation of either international transit agreements or functional regional agreements;

(d) To support capacity-building, including training programmes, in the areas of customs, border clearance and transport;

(e) To encourage regional aid for trade so as to promote trade integration among landlocked developing countries and transit countries.

Priority 4: Regional integration and cooperation

54. Close cooperation with the transit countries is a sine qua non for improved connectivity in transport, energy, and information and communications technology. Infrastructure, trade and regulatory policies, together with political stability of neighbouring countries, have significant repercussions for the external trade of landlocked developing countries. The costs of reaching international markets for landlocked developing countries do not depend only on their geography, policies, infrastructure and administration procedures, but also on those of neighbouring countries. Thus, regional integration and coherent and harmonized regional policies provide an opportunity to improve transit transport connectivity and ensure greater intraregional trade, common regulatory policies, border agency cooperation and harmonized customs procedures to expand regional markets.

55. There is a need to promote meaningful regional integration to encompass cooperation among countries in a broader range of areas than just trade and trade facilitation, to include investment, research and development, and policies aimed at accelerating regional industrial development and regional connectivity. This approach is aimed at fostering structural change and economic growth in landlocked developing countries as a goal, and also as a means of collectively linking regions to global markets. This would enhance competitiveness and help to maximize benefits from globalization. Documentation of and the sharing and dissemination of best practices is important to allow cooperating partners to benefit from each other's experience.

56. Actions by landlocked developing countries include:

(a) To promote regional integration by strengthening regional trade, transport, communication and energy networks;

(b) To promote harmonization of regional policies so as to strengthen regional synergy, competitiveness and regional value chains;

(c) To strengthen participation of landlocked developing countries in bilateral and regional integration frameworks.

57. Actions by transit developing countries include to contribute to deepening regional integration through the coherent development of regional infrastructure, trade facilitation measures and regional trade agreements, including the establishment of effective and efficient customs guarantee systems to help landlocked developing countries overcome constraints resulting from their landlockedness.

58. Actions by development partners include:

(a) To support efforts made by landlocked developing countries and their transit partners to deepen regional integration, through the development and implementation of key regional transport projects and regional transport agreements for facilitating the cross-border movement of goods and passengers;

(b) To support ongoing regional integration processes involving landlocked developing countries;

- (c) To share best practices in promoting regional integration.

Priority 5: Structural economic transformation

59. Many landlocked developing countries remain reliant on a few export commodities, which often have low value addition. In order for landlocked developing countries to fully utilize their export and trade potential, it is important to undertake measures that could promote structural economic transformation capable of reducing the negative impact of their geographical disadvantages and external shocks, creating jobs and ultimately leading to poverty eradication and inclusive and sustainable growth and development. Increased value addition and economic diversification are key to such structural economic transformation. Institutional capacity-building and human resources development are equally important for landlocked developing countries.

60. Improving the manufacturing capacity of landlocked developing countries — including their contribution to regional and global value chains — can achieve the triple objective of creating better-paying jobs, increasing revenue and reducing the bulk of their primary exports. Higher-value and low-bulk exports are particularly crucial for landlocked developing countries. In this context, it is important to place proper emphasis on the development of manufacturing, agriculture and the services sector, including finance, information and communication technologies and tourism, as appropriate to national circumstances. Tourism can play an important role in building the economic sector, providing employment and generating foreign exchange.

61. Science, technology and innovation play a critical role in achieving structural economic transformation, productive capacity development and value addition. Conducive national policies, international support and foreign direct investment are necessary to facilitate access to science, technology and innovation, and landlocked developing countries should promote investment in science, technology and innovation for sustainable development.

62. The private sector contributes to economic growth and poverty eradication through the building of productive capacity, creation of decent jobs, promotion of innovation, economic diversification and competition. In landlocked developing countries, the private sector is actively involved in activities related to transit and trade facilitation, including as traders, freight forwarders, insurance providers and transporters, and the sector is a source of tax revenue and domestic investment and is a partner for foreign direct investment. Public-private partnerships can play an important role in infrastructure development.

63. Specific objectives are:

- (a) To increase value addition in the manufacturing and agricultural sectors, with the aim of achieving inclusive growth and sustainable development;
- (b) To increase economic and export diversification;
- (c) To promote service-based growth, including from tourism, with a view to increasing its contribution to the national economy;
- (d) To encourage the inflow of foreign direct investment in high-value added sectors.

64. Actions by landlocked developing countries include:

(a) To develop a structural transformation strategy aimed at improving science, technology and innovation, export diversification, productivity, efficiency and competitiveness in the agriculture, manufacturing and service sectors, including tourism;

(b) To encourage innovative solutions, entrepreneurship and the use of modern, cost-effective and locally adapted technologies with an emphasis on sectors such as agriculture, transport, information and communication, finance, energy, health, water and sanitation, and education, as well as the development of effective public and private partnerships;

(c) To build a critical mass of viable and competitive productive capacity in manufacturing, agriculture and services;

(d) To promote the attraction of more diversified foreign direct investment through the creation of a conducive environment, with the aim of enhancing value addition, productive capacity, transit transport infrastructure and completion of missing links connecting landlocked developing countries within the regional network;

(e) To undertake measures to modernize the services sector by strengthening links between and among financial intermediaries, creative industries and business, and legal and technical services;

(f) To create industrial clusters, such as export-processing zones and regional centres of excellence, with the aim of fostering knowledge networks and connectedness among companies;

(g) To prioritize private sector development, in particular small and medium-sized enterprises;

(h) To develop an industrial policy that takes into account the need for improved access to financial resources, development of appropriate human capacity and investment in supportive economic infrastructure as a way to further strengthen the private sector;

(i) To strengthen, as appropriate, an effective competition policy that supports business activity and further consolidates a supportive legal and regulatory framework, and to create macroeconomic conditions and systems that can facilitate the development of the private sector;

(j) To utilize the International Think Tank for Landlocked Developing Countries for sharing experiences, know-how, research and other resources on issues related to trade, transit, transport and capacity-building among landlocked developing countries. Landlocked developing countries that have not yet done so should ratify the Multilateral Agreement for the Establishment of an International Think Tank for Landlocked Developing Countries.

65. Actions by development partners include:

(a) To support the efforts of landlocked developing countries to improve their productive capacities and create economic diversification;

(b) To contribute to the efforts of landlocked developing countries to share innovative technologies, scientific knowledge and technical know-how, and best practices;

(c) To support the efforts of landlocked developing countries to increase the value addition of their agricultural and industrial output;

(d) To support landlocked developing countries in building institutional and human capacities aimed at improving their ability to attract foreign direct investment in high-value added sectors and to enhance negotiation skills for bringing in responsible investment;

(e) To support landlocked developing countries to enable them to pursue the effective partnerships necessary for capacity-building, sustainability and quality enhancement, as well as for sectoral development, including of tourism;

(f) To support landlocked developing countries in building resilience, developing capacity to respond effectively to external shocks and addressing their specific supply-side constraints.

Priority 6: Means of implementation

66. The development and progress of any country is the primary responsibility of that country itself. Landlocked developing countries have made efforts to mobilize domestic resources for the development of infrastructure and transit facilities, as well as for overall socioeconomic development. However, lack of adequate financial resources and capacity constraints are some of the biggest challenges facing landlocked developing countries in their efforts to achieve sustained growth and sustainable development. Landlocked developing countries and their transit neighbours need to effectively mobilize adequate domestic and external resources for the effective implementation of the present Programme of Action.

67. The support of development partners is needed to complement the efforts of landlocked developing countries to establish and maintain effective transit transport systems, integration into the world economy, structural transformation of their economies and enhancement of their productive capacities. Development partners are therefore encouraged to provide targeted technical and financial support, as appropriate, towards the implementation of the specific actions listed in the present Programme of Action. Development partners should also encourage private sector investment in landlocked developing countries that are implementing this Programme of Action.

68. Official development assistance flows remain a major source of external financing for many landlocked developing countries. It is important to urgently fulfil existing official development assistance commitments, and such assistance to landlocked developing countries should fully take into account the specific situation of each country. Development partners and multilateral organizations have a crucial role to play in supporting the efforts of landlocked developing countries to achieve sustainable development and the eradication of poverty.

69. Aid for trade plays a key role in assisting capacity-building for landlocked developing countries on the formulation of trade policies, the implementation of trade facilitation measures and the development of trade-related infrastructure, with a view to increasing the competitiveness of their products in export markets. Aid for

trade, in combination with complementary policies, has contributed to lower trade costs, with additional infrastructure, better border institutions and regulatory procedures and enhanced capacities. Aid for trade, along with the commitment of landlocked developing countries to necessary reforms, is also important in linking to or moving up landlocked developing countries in the global and regional value chains.

70. South-South cooperation is not a substitute for, but rather a complement to North-South cooperation. South-South and triangular cooperation also have a role to play in increasing the growth and development of landlocked developing countries, as well as transit developing countries through their contribution, as appropriate, to the sharing of best practices, human and productive capacity-building, financial and technical assistance and technology transfer on mutually agreed terms.

71. The implementation of the present Programme of Action would also require individual and concerted efforts by the organizations and bodies of the United Nations system, relevant international organizations, such as the World Bank, the regional development banks, the World Trade Organization, the World Customs Organization, the common funds for commodities, regional economic integration organizations and other relevant regional and subregional organizations. These organizations are invited to give priority to requests for technical assistance and capacity-building support from landlocked developing countries in the implementation of the present Programme of Action in a well-coordinated and coherent manner, within their respective mandates.

72. The private sector, including through foreign direct investment, also has a critical role to play in the implementation of the present Programme of Action, for example through building and strengthening productive capacity, export growth, technology transfer on mutually agreed terms, diffusion of productive know-how, managerial skill and capital, creation of wealth, the opening up of new markets for high-value added products and services and employment generation. Foreign direct investment can also play a key role in building the infrastructure that underpins economic activities.

VI. Implementation, follow-up and review

73. Implementation, follow-up and review should be undertaken at the national, subregional, regional and global levels. Follow-up and review should be a continuous process aimed at reinforcing partnerships and mutual accountability at all levels and by all actors.

74. At the national level, Governments are invited to mainstream the present Programme of Action into their national and sectoral development strategies for its effective implementation. Landlocked developing countries and transit developing countries are encouraged to establish national coordination mechanisms, where appropriate. Monitoring and review should involve all relevant stakeholders, as appropriate.

75. At the subregional and regional levels, monitoring and review should be undertaken through existing intergovernmental processes. Regional and subregional organizations, including regional economic communities and regional development banks, are invited to mainstream the implementation of the present Programme of Action into their relevant programmes, in coordination with the Office of the High

Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, within their existing mandates, and the regional commissions. The regional commissions are encouraged to submit analytical reports on the implementation of the present Programme of Action. The relevant regional and subregional organizations and the private sector should be actively involved in the sessions of the regional commissions in that regard.

76. At the global level, the General Assembly should continue to undertake reviews of the implementation of the present Programme of Action through reports of the Secretary-General. The governing bodies of organizations in the United Nations system are invited to mainstream the implementation of this Programme of Action into their programme of work, and to conduct sectoral and thematic reviews of the Programme, as appropriate. The private sector should be involved in the reviews at the global level.

77. In accordance with the mandate given by the General Assembly, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States will ensure coordinated follow-up to and effective monitoring of and reporting on the implementation of the Programme of Action, and will undertake advocacy efforts at the national, regional and global levels. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, in collaboration with other relevant stakeholders, should work on developing relevant indicators for measuring the progress on implementing the present Programme of Action in landlocked developing countries, within their existing mandates.

78. The General Assembly is invited to consider conducting a comprehensive high-level midterm review on the implementation of the present Programme of Action. The General Assembly, towards the end of the decade, is also invited to consider holding a third United Nations Conference on Landlocked Developing Countries, in order to undertake a comprehensive appraisal of the implementation of this Programme of Action and to decide on subsequent action.
