



## SECOND UNITED NATIONS CONFERENCE ON LANDLOCKED DEVELOPING COUNTRIES

3-5 NOVEMBER 2014, VIENNA, AUSTRIA

### HIGH-LEVEL THEMATIC ROUNDTABLE ON:

## **“Harnessing International Trade and Investment Opportunities for LLDCs’ Development”**, Wednesday, 5 November 2014, 10am – 1pm

### Summary of Discussions

1. Landlocked Developing Countries (LLDCs) face special challenges that are associated with their lack of direct territorial access to the sea and remoteness and isolation from world markets. Their seaborne trade unavoidably depends on transit through other countries thereby making them dependent on the political stability, infrastructure and institutional quality of coastal transit 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 the transport services and other transaction costs that erode the competitive edge of landlocked developing countries. As a result the LLDCs are disadvantaged from fully utilizing trade for their development.
2. Greater integration of LLDCs in world trade and into global value chains is vital for increasing their competitiveness and ensuring their economic development. The export structure of LLDCs continues to be increasingly characterized by reliance on a limited number of export products, in particular agricultural and mineral resources. More efforts are needed to diversify the production and export structure of LLDCs, and enhance their productivity in order to take advantage of the multilateral trading system and enhance competitiveness of LLDC exports through improved market access. With the growing inter-linkages in world trade, investment and production, global value chains account for a rising share of international trade, offering new opportunities for many developing countries. LLDCs have not been able to fully participate in regional and global value chains. Linking into global value chains presents an opportunity for LLDC to achieve greater integration into world markets and allow them to become important links in the production and distribution chain. There is a need for doubling the share of LLDC exports in world trade, by promoting their competitiveness and reducing the barriers to trade.
3. Participants were expected to discuss the following issues:
  - Review domestic and external factors that affect LLDCs, including supply-side constraints and market and non-market access barriers that limit LLDCs` capacity to trade. For LLDCs to meaningfully benefit from trade and make trade a real vehicle for LLDCs` long-term structural transformation is necessary to lead to durable and sustained growth and development.
  - Make recommendations on how to address supply-side constraints. LLDCs need to diversify and move up the value-chain of production, including by engaging in manufacture and services trade; developing key infrastructure services including in transport, telecommunications, energy and finance; supporting trade facilitation efforts undertaken at the international level and mainstreaming trade in their national development plans; developing their human resources (skills, technology, technical know-how and training);

developing and engaging the private sector; and reforming institutions and setting-up appropriate regulatory frameworks.

- Make recommendations on best ways to utilize maximize the benefits that other mechanisms/avenues to trade afford, such as unilateral preference schemes, regional integration initiatives and South-South cooperation
4. **The Roundtable** was chaired by H.E. Honourable Gervais RUFYIKIRI, Second Vice-President of the Republic of Burundi. **Keynote speakers** comprised: H.E M. Sunil Bahadur Thapa, Deputy Prime Minister and Minister of Commerce and Supplies of NEPAL, and H.E. Valentine Sendanyoye Rugwabiza, Minister of the East African Community of Rwanda. **Panelists** comprised: Ms Shamshad Akhtar, Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Mr. Yonov Frederick Agah, Deputy Director General of the World Trade Organization, Mr. Petko Draganov, Deputy Secretary-General of UNCTAD, Dr Ratnakar Adhikari, Executive Director of the Enhanced Integrated Framework (EIF), Ms. Dorothy Tembo, Deputy Executive Director of the International Trade Centre (ITC), and Ms Mona Haddad, Sector Manager of the World Bank's Trade Department.
  5. In his introductory remarks, H.E. Gervais RUFYIKIRI highlighted the key development challenges faced by landlocked developing countries, in particular high costs of transport, high dependence on primary goods, border-crossing barriers which affect seriously their capacity to trade. He further indicated that those countries are also vulnerable to the effects of climate change, economic and financial shocks, political instability and conflicts. He underlined that over the period 2007-2009, it has been noticed a downturn in Official Development Assistance and Foreign Direct Investment. Gervais Ruffyikiri underlined that during the period 2003-2013, LLDCs have undertaken major economic reforms with regard to trade and trade facilitation, at national, sub-regional, regional and global levels, harmonisation of trade policies, enabling a conducive environment for doing business, which generated commendable results. Nevertheless, he indicated that challenges remained and needed to be addressed with the support of the international community. Therefore, he called upon participants to the Roundtable to formulate pertinent recommendations on the way forward, in particular, on the way to structurally transform LLDC economies, better allocation of resources and strengthening of productive capacity.
  6. Keynote speakers and panellists made presentations (see annex).

#### **Key recommendations of the Roundtable**

7. The meeting recognized the need to diversify the export structures of LLDCs, increase value-added and manufactured component of their exports, strengthen intra-regional linkages and trade and enhance their productivity and competitiveness, in order to take full advantage of the multilateral trading system and achieve greater integration into world markets. Given the growing linkages between trade, investment and production, linking into global value chains presents a particular opportunity for LLDCs to achieve greater trade and economic integration. Furthermore, services are recognized as important enablers of trade and effective participation in trade and value chains as well as reduction in the cost of doing business and enhancing productivity.
8. It further recognized the importance of enhanced and predictable market access for the exports from all developing countries, including LLDCs, and that full attention should be given to the needs and interests of these countries in the Doha Development Round of trade negotiations, in accordance with existing commitments.
9. It highlighted four specific objectives related to international trade. First, to significantly increase participation of LLDCs in global trade, with focus on substantially increasing exports; second, to significantly increase the value added and manufactured component of LLDC exports; third, to strengthen economic and financial ties between LLDCs and other countries in the same region so as to increase the share of LLDCs in intraregional trade; and fourth, invite Member States to consider the specific challenges and needs of LLDCs in international trade negotiations.
10. Actions by LLDCs include developing national trade strategy and promoting national policies and measures that would increase export diversification and value-addition, fully leverage bilateral

and regional preferential trading arrangements, and assist national firms to integrate into global and regional value chains and participate better in international trade.

11. The role of other developing countries, as export destinations for LLDCs' products, was also underlined, with improved market access and without non-tariff barriers. Transit developing countries also committed to promote investment in LLDCs with the aim of promoting LLDCs' productive and trading capacity and supporting them in their participation in regional trade arrangements.
12. Support by development partners focusing on addressing non-tariff measures and reducing or eliminating non-tariff barriers that are not in conformity with WTO rules, promoting integration of LLDC SMEs within international trade, promoting diffusion and uptake of appropriate technologies on mutually agreed terms, and supporting LLDCs' own efforts in diversifying their exports and achieving better integration into the multilateral trading system.
13. **On trade facilitation**, the meeting recognized that the specific objectives of the new Programme of action are to further simplify, harmonize and streamline border crossing and transit procedures and improve transit facilities and their efficiency with the aims of reducing port and border delays and transaction costs for LLDCs, respectively. The third objective on trade facilitation is to ensure that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the WTO Trade Facilitation Agreement.
14. In order to achieve the objectives, actions to be undertaken by landlocked and transit developing countries, supported by development partners, will include scaling up and implementing trade facilitation initiatives; effectively implementing integrated border management systems and striving to establish one-stop border posts; further harmonizing, simplifying and standardizing border crossing and customs rules and procedures and documentation requirements; enhancing collaboration and cooperation among various customs and border-crossing agencies; fully utilizing the tools for trade facilitation developed by international organizations to build national capacity; and encouraging sharing of experiences and best practices related to trade facilitation at all levels.
15. LLDCs also committed to establish or strengthen national committees on trade facilitation, ensure full and inclusive representation of the private sector in trade facilitation policy and initiatives and develop necessary regulatory framework to promote private sector involvement. On their part, transit developing countries committed to ensuring transparency and accord non-discriminatory treatment so that freedom of transit of goods to LLDCs is guaranteed.
16. Under the trade and trade facilitation priority, the meeting also took note of the importance of the WTO Agreement on Trade Facilitation and its timely implementation in the context of the Bali package for facilitating trade for LLDCs. Development partners agreed to support landlocked and transit developing countries in the area of trade facilitation in accordance with the Agreement, and to encourage international organizations to help LLDCs to assess their needs in terms of implementing the Agreement.
17. Furthermore, it recognized that human and institutional capacities in LLDCs are not adequate in many areas. Development partners committed to offer appropriate technical and capacity building assistance to LLDCs to complete their WTO accession process, fulfill their commitments and integrate into the multilateral trading system, to support capacity-building in the areas of customs, border clearance and transport, as well as to continue to provide aid for trade to LLDCs, consistent with WTO guidelines, while encouraging its regional nature.

## ANNEX 1: Chair/Keynote Speakers/Panelists

### **Chair**



**H.E. Gervais Rufyikiri** is the Second Vice President of Burundi since August 2010. From 2005 to 2010, he served as the President of the Burundian Senate. Rufyikiri holds a doctorate (PhD) in Biological, Agricultural and Environmental Engineering Sciences from the Belgian university (Université Catholique de Louvain). He also served as lecturer at the University of Burundi and undertakes research activities.

### **Keynote Speakers**



**H.E. M. Sunil Bahadur Thapa**, is the Deputy Prime Minister and Minister of Commerce and Supplies of NEPAL since 2013 elections. Thapa served more than 22 years in various 11 conflict-ridden countries before joining politics recently. Until 2011, he<sup>1</sup> was serving in the United Nations High Commission for Refugee in Sudan and resigned from the UN Service to join Rastriya Prajatantra Party(RPP). He was elected in the Central Committee of RPP in 2012. He is a director of Himalayan Bank in Nepal. Sunil is the only son of the former Prime Minister Surya Bahadur Thapa.



**H.E. Valentine Sendanyoye Rugwabiza** is serving as Minister of the East African Community of Rwanda since July 2014. Before that, she has been the Chief Executive Officer of Rwanda Development Board since October 2013. From 2005 to 2013, She served as Deputy Director General at World Trade Organization. Before joining the public service, Ms Rugwabiza had a long career in the private sector, at national and international level, where she occupied several senior management positions, including in a Swiss multinational where she worked for eight years. Ms Rugwabiza was a member of the Economic and Social Council of Rwanda and is a Founding Member of the Rwandese Private Sector Federation, the Rwanda Women Entrepreneurs' Organization and the Rwandese Women Leaders' Caucus. As Ambassador in Geneva, she served as Coordinator of the African Group in the WTO. She obtained both her Degree and Master's Degree in Sciences from the National University of Zaire (now RDC) respectively in 1985 and 1988.

### **Panelists**



**Shamshad Akhtar of Pakistan** was appointed as the Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in December 2013. Since 2012, she was serving as the Secretary-General's Senior Adviser on Economic Development and Finance and Assistant Secretary-General, Department of Economic and Social Affairs. She previously served as Governor of the Central Bank of Pakistan (2006-2009), holding the rank of Federal Minister. In the multinational arena, Ms. Akhtar served at the World Bank as Vice-President for the Middle East and North Africa (2009-2011) and the Asian Development Bank as Special Senior Adviser to the President (2009), Director and Deputy Director General, South East Asia (2002-2005), as well as Director, Governance, Finance and Trade Division, concurrently heading the secretariat of APEC (1998-2002). Born in 1954, Ms. Akhtar holds a Postdoctoral Fellow and United States Fulbright Scholarship at the Department of Economics, Harvard University (1986-1987); PhD in economics, scholarship and degree from the United Kingdom Government Council of National Academic Awards (1978-1980); and a PhD, University of Paisley. She further holds a Master of Arts in development economics, University of Sussex (1977); Master of Science in economics, University of Islamabad (1975); and a Bachelor of Arts in economics, University of the Punjab (1972-1974).



**Yonov Frederick Agah of Nigeria** is currently the Deputy Director General of the World Trade Organization since September 2013. He was appointed as Nigeria's Ambassador to the WTO in 2005. In that capacity, he served as the Alternate Chief Negotiator for the Doha Round and Head of Nigeria's Trade Office to the WTO in the Permanent Mission of Nigeria to the United Nations Office in Geneva. Mr Agah has previously worked as a lecturer at Kaduna Polytechnic, Kaduna (1979-81), senior features writer/circulation manager, Benue Printing and Publishing Corporation (1982-84), Sales Manager, Benue Bottling Company Limited (1984-87), Field Manager, UTC Nigeria PLC (1990-91), Deputy Director (multilateral) (1991-2001) and Director (external trade) (2002-05). Mr Agah holds a Bachelor of Science and Master of Science in Economics from Ahmadu Bello University, Zaria, Nigeria. He obtained a Master of Business Administration and Doctor of Philosophy in Economics (International Trade) from the University of Jos, Nigeria, in 1989 and 2007 respectively. His doctoral dissertation was on "Trade Policy Reform and Economic Growth in Nigeria Since 1986". Mr Agah also obtained a Bachelor of Laws from the University of Abuja, Nigeria, in 2009. He has contributed to various books and journals.



**Petko Draganov, from Bulgaria**, assumed his functions as Deputy Secretary-General of UNCTAD on 1 May 2009, following his appointment by the United Nations Secretary-General. He began his diplomatic career in the Information Department of the Bulgarian Ministry of Foreign Affairs. From 1985 to 1998 he worked largely on African affairs, serving in the Bulgarian embassies in Ghana and Zimbabwe and in the African Department of the Foreign Ministry. From 1993 to 1998 he was Ambassador to South Africa, Namibia and Botswana. In 1998, Mr. Draganov was appointed Permanent Representative of Bulgaria to the United Nations and Other International Organizations in Geneva. From 2001 to 2005, Mr. Draganov held the position of First Deputy Minister of Foreign Affairs of Bulgaria. He also served as Chairman of the National Commission on UNESCO, Alternate Representative of the Republic of Bulgaria to the United Nations Security Council, and Special Representative of the Chairman-in-Office of the Organization for Security and Cooperation in Europe (OSCE) to the Republic of Moldova. In 2008, he was President of UNCTAD's Trade and Development Board. Born on 25 January 1958 in Cairo, Egypt, Mr. Draganov attended the English Language School in Sofia. He received his MA in International Law at the Moscow State Institute for International Relations. He is married and has a daughter and a son.



**Dr Ratnakar Adhikari, of Nepal**, was appointed Executive Director of the Enhanced Integrated Framework (EIF) in October 2013. Dr Adhikari has served in a number of capacities both in the private and public sectors within and outside of Nepal with his latest posting being Chief Executive Director of the South Asia Watch on Trade, Economics and Environment (SAWTEE) in Nepal. He holds a Doctorate obtained from the University of Warwick in the United Kingdom. He also holds a Masters of International Law and Economics obtained from the World Trade Institute in Berne, Switzerland and a Masters of Commerce obtained from the University of Delhi, India.



**Ms. Dorothy Tembo**, of Zambia, has been appointed Deputy Executive Director of the International Trade Centre (ITC) in June 2014. She served previously as the Executive Director of the multi-donor funded Enhanced Integrated Framework Programme (EIF) based at the World Trade Organization from October 2008 to 2013. From 2004 to 2008, she served as Chief Trade Negotiator and Director of Foreign Trade in the Ministry of Commerce, Trade and Industry of Zambia. From 2003 to June 2004, Ms. Tembo served as a Trade and Investment Advisor on the USAID Zambia Trade and Investment Enhancement Project (ZAMTIE) in Lusaka, providing support to the Ministry of Commerce, Trade and Industry and the private sector. Between 2000 and 2003, Ms. Tembo served as Deputy Team Leader on the USAID RAPID project in Botswana, which was assisting 14 Southern African Development Community (SADC) countries in the implementation of the SADC Trade Protocol, after having served in various positions in the Ministry of Commerce, Trade and Industry, and Zambia's National Commission for Development Planning. Ms Tembo holds a degree in Economics from the University of Zambia.



**Ms Mona Haddad** is the Sector Manager of the World Bank's Trade Department. In this capacity she manages the group responsible for supporting the development and implementation of trade-related activities at both country and regional levels. These include trade policy analysis, competitiveness, trade facilitation, and standards. Prior to joining the then-Trade Department, Mona was the Regional Trade Coordinator for the East Asia Region, where she worked on trade issues in various countries, including Indonesia, China, Laos, and Vietnam.

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