



**Second United Nations Conference on
Landlocked Developing Countries**

Vienna, 3-5 November 2014

**Report of the intergovernmental Preparatory Committee
for the second United Nations Conference on Landlocked
Developing Countries on its second session***Rapporteur:* Ms. Cecilia **Piccioni** (Italy)**I. Introduction**

1. The second session of the intergovernmental Preparatory Committee for the second United Nations Conference on Landlocked Developing Countries was held at United Nations Headquarters on 2 and 3 October 2014, pursuant to General Assembly resolution 68/270. The resumed second session was held on 22 October 2014.

II. Organization of work**A. Opening of the session****B. Election of officers**

2. The second session was opened on 2 October 2014 by the Co-Chair, Khiane Phansourivong (Lao People's Democratic Republic).

3. At its 1st plenary meeting, on 2 October, the Preparatory Committee was informed that the Co-Chair of the Committee, Signe Burgstaller (Sweden), had completed her tour of duty with the Permanent Mission of Sweden to the United Nations and could no longer perform the duties of the Co-Chair. The Preparatory Committee then proceeded to elect, by acclamation, Per Thöresson (Sweden) as Co-Chair of the Preparatory Committee.

4. At the same meeting, opening statements were made by the Co-Chairs; the Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States



and Secretary-General of the second United Nations Conference on Landlocked Developing Countries, Gyan Chandra Acharya; the Minister of Transport, Works, Supply and Communications of Zambia, Yamfwa Mukanga, as Chair of the Group of Landlocked Developing Countries; and the Permanent Representative of Austria to the United Nations, Martin Sajdik, as representative of the host country.

5. All statements made during the session are available from the United Nations Web TV site (<http://webtv.un.org>).

C. Adoption of the agenda and programme of work

6. At its 1st plenary meeting, on 2 October, the Preparatory Committee adopted the provisional agenda for its second session ([A/CONF.225/PC/6](#)), as follows:

1. Opening of the session.
2. Adoption of the agenda and organization of work of the second session of the intergovernmental Preparatory Committee.
3. Election of officers.
4. Preparations for the Conference.
5. Approval of the draft outcome document for submission to the Conference.
6. Other matters.
7. Adoption of the report of the intergovernmental Preparatory Committee.

7. At the same meeting, the Preparatory Committee agreed to the proposals by the Co-Chairs that:

(a) The Preparatory Committee convene in an informal setting in order to proceed directly with negotiations on the outcome document;

(b) The Preparatory Committee, taking note of the length of the outcome document and the stage of negotiations so far, formally suspend its work in order to allow the resources allocated to the meeting in the afternoon of 3 October to be directed instead to a plenary meeting on 22 October for the adoption of the report of the Preparatory Committee and any other decisions, including transmittal of the outcome document to the Conference.

8. The Preparatory Committee approved the proposed organization of work contained in [A/CONF.225/PC/6](#), as orally revised, with the understanding that further adjustments would be made as necessary.

D. Preparations for the Conference

9. At its 1st plenary meeting, on 2 October, the Preparatory Committee was informed that an information note for participants to the Conference had been issued as document [A/CONF.225/INF/1](#) and that inscriptions to the list of speakers of the Conference was open.

10. At the same meeting, the Preparatory Committee was informed that a programme of work for the Conference was available on the Conference website

(www.lldc2conference.org). In addition to plenary meetings, the Conference would consist of high-level interactive thematic round tables and a high-level private sector, business and investment forum, as well as a number of side events.

11. Also at that meeting, the attention of the Preparatory Committee was drawn to a note by the Secretariat on the accreditation of private sector and civil society organizations to the second United Nations Conference on Landlocked Developing Countries ([A/CONF.225/PC/7](#) and Add.1), for a final decision on 22 October.

12. At its last plenary meeting, held during the resumed session on 22 October, the Preparatory Committee approved the list of private sector and civil society organizations, contained in documents [A/CONF.225/PC/7](#) and Add.1, that would participate as observers at the second United Nations Conference on Landlocked Developing Countries.

E. Other matters

13. At its 2nd plenary meeting, on 3 October, the Preparatory Committee considered agenda item 6 and heard a statement by the representative of Azerbaijan. Subsequently, the representatives of Armenia and Azerbaijan made statements in the exercise of the right of reply.

III. Recommendations to the Conference

14. At its last plenary meeting, on 22 October, the Preparatory Committee considered agenda item 5.

15. At the same meeting, the Preparatory Committee decided to annex the draft Programme of Action for Landlocked Developing Countries for the Decade 2014-2024, contained in an informal paper, to the report of the session (annex I), with the understanding that delegations would continue to meet informally before the Conference to reach consensus on the text, for finalization by the Conference.

16. Also at the same meeting, the Preparatory Committee agreed to recommend that at the opening plenary meeting of the Conference, to be held on 3 November, consideration be given to all procedural and organizational matters, including the election of the President of the Conference, the adoption of the rules of procedure and the agenda, the election of officers, the establishment of a Committee of the Whole, the appointment of the members of the Credentials Committee and other matters. In addition, while the general powers of the President of the Conference to accord the right to speak were recognized, it was proposed that, at the opening of the Conference, statements be made by the President of the Conference, the Secretary-General of the United Nations, the President of Austria, as representative of the host country, the President of the General Assembly, the President of the Economic and Social Council and the representative of the Republic of Zambia, as Chair of the Group of Landlocked Developing Countries. It was also recommended that the Secretary-General of the Conference, the representative of the European Union, the representative of the United Nations Development Group, the Director General of the World Trade Organization and the Secretary-General of the World Customs Organization also make statements at the opening.

IV. Adoption of the report of the intergovernmental Preparatory Committee

17. At the last plenary meeting, on 22 October, the Rapporteur introduced the draft report of the Preparatory Committee as contained in a conference room paper, available in English only.

18. At the same meeting, the Preparatory Committee adopted the draft report and authorized the Rapporteur to finalize it in the light of the proceedings of the closing plenary meeting.

Annex I

Draft 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 combined population of about 440 million, face special challenges 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 that erode the competitive edge of landlocked developing countries, reduce economic growth and subsequently negatively affect 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. Moreover, 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. Partnership between landlocked developing countries, transit countries and development partners is mutually beneficial for the improvement and constant maintenance of those countries' infrastructure connectivity and technical and administrative arrangements in their transport, customs and logistic systems.

3 bis. A strengthened and renewed partnership with development partners will be crucial for the full and successful implementation of the present Programme of Action.

3 ter. Guided by the spirit of solidarity with landlocked developing countries, developing countries, consistent with their capabilities, will provide support for the effective implementation of the present 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.

4. 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, adopted in 2003, reflected the strong commitment of the international community to address the special development needs and challenges faced by landlocked developing

countries, to forge partnerships to overcome impediments faced by landlocked developing countries and to ensure/promote the full and more effective integration of landlocked developing countries into the global economy, through the implementation of specific actions by all relevant stakeholders 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.

5. There has been an increased visibility and recognition of landlocked developing countries and their special needs at the international level and in the United Nations. The international community recognized the need to address the special challenges of landlocked developing countries in the outcomes of world summits on the Millennium Development Goals, as well as in the outcome document, entitled “The future we want”, of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, in 2012, in which Heads of State and Government called for speeding up further the implementation of the specific actions in the five priorities of the Almaty Programme of Action in a better-coordinated manner, in particular of actions for the construction, maintenance and improvement of transport, storage and other transit-related facilities in landlocked developing countries, including alternative routes, completion of missing links and improved communications and energy infrastructure, so as to support the sustainable development of landlocked developing countries. Although there has been some increase in assistance during the review period, there is a need for further global support to landlocked developing countries in the areas of financial and technical assistance, as those countries have a long way to go in fully benefiting from globalization and achieving sustained and inclusive economic growth, sustainable development, poverty eradication, employment generation and structural transformation.

6. There is therefore an urgent need for a holistic and results-oriented ten-year programme of action that embodies a set of shared policy orientations by the landlocked developing countries and improved and innovative support measures and mechanisms to assist landlocked developing countries and strengthen collaboration between landlocked developing countries, transit countries and their development partners. The present Programme of Action is based on the imperative of equity and solidarity to help the geographically handicapped and economically vulnerable countries to harness benefits from international trade, structurally transform their economies and achieve rapid, 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 those countries in the elaboration of the post-2015 development agenda.

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

7. 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 (GDP) growth rate for landlocked developing countries increased from 4.5 per cent in 2003 to 6.3 per cent in 2013. However, there are wide disparities across the group, with most of the countries showing high vulnerability to external

shocks. Those countries have yet to recover from the 2007-2008 economic and financial crises. High economic growth has not translated into a speedy reduction in extreme poverty. The GDP per capita in two thirds of landlocked developing countries is still well below \$1,000. Despite some progress in social development, half of the landlocked developing countries are still in the lowest ranking of the human development index, and there is still widespread poverty, as well as high levels of food insecurity, high levels of child and maternal mortality and poor sanitation in many landlocked developing countries.

8. Landlocked developing countries are 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 well as flooding, including glacial lake outburst floods, as almost 50 per cent of global drylands are in landlocked developing countries. Of the 29 countries where at least 20 per cent of the population lives on degraded lands, 14 are landlocked developing countries.

9. Landlocked developing countries and transit countries have initiated important policy reforms to address the physical and non-physical aspects of transit transport. They have increased 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, a free trade area and a customs union, have developed a supportive institutional framework, including transport and trade 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 and enhance efficiency and effectiveness and to ensure that the achievements reached are sustained.

10. 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 number of days that landlocked developing countries take to import and export decreased from 57 in 2006 to 47 in 2014 and from 49 in 2006 to 42 in 2014, respectively, it is still almost double that of transit countries.^a The average cost of exporting a container for landlocked developing countries is \$3,204, compared with \$1,268 for transit countries, and \$3,884, compared with \$1,434, respectively, for importing a container. 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 have been, were these countries not landlocked.^b

^a World Bank, *Doing Business 2013* (Washington, D.C., 2013).

^b Calculations of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States using data from the World Bank, the World Trade Organization, the United Nations Conference on Trade and Development and the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat.

11. 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 and poses a major obstacle to utilizing the full trade potential of landlocked developing countries. 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 about 200,000 in 2003 to about 362,800 in 2013. The major challenges faced by landlocked developing countries in 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 value per unit or of a time-sensitive nature, such as documents, pharmaceuticals, fashion garments, electronics consumer goods and perishable agricultural and seafood products.

12. 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.

13. Owing in large part to an increase in world commodity prices, total merchandise exports from landlocked developing countries grew from \$44 billion in 2003 to \$228 billion in 2013. Imports have also increased to some extent. Although the global share of merchandise exports of landlocked developing countries has doubled in the past decade, they still account for a very low proportion of about 1.2 per cent, demonstrating the continued marginalization of landlocked developing countries from the global markets.

14. 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, making them highly vulnerable to commodity price and demand volatility. This situation has caused a growing trade imbalance and a steady decline in their terms of trade. The problem is further exacerbated by the countries' low productive capacities and structural weaknesses, which limit them from meaningfully adding value to their exports or diversifying their exports and markets.

15. Official development assistance (ODA) disbursements to landlocked developing countries more than doubled, from \$12.2 billion in 2003 to \$25.9 billion in 2012, although allocation is uneven. ODA accounts for more than 20 per cent of central government expenditure in 16 landlocked developing countries. Aid for Trade disbursements to landlocked developing countries have grown from \$3.5 billion in 2006 to over \$5.9 billion in 2012. Aid for Trade has helped to improve trade facilitation and trade-related infrastructure development.

16. While there has been some integration of the Almaty Programme of Action into the national development strategies of landlocked developing countries, there is a need for its better integration into development strategies at the national, regional and global levels. The challenges of landlocked developing countries in the new development decade need to be addressed in a holistic manner in order to ensure that those countries can structurally transform their economies and achieve sustainable development. Clear reflection of landlocked developing countries' interests in the global development processes, including the post-2015 development

agenda, is also crucial for their successful implementation and for the attainment of coherence within global processes.

III. Renewed and strengthened partnerships for development

17. The 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 cooperation and triangular cooperation, as well as strengthened partnerships with the relevant international and regional organizations and between the public and private sectors, are also essential.

17 alt. The Programme of Action for Landlocked Developing Countries is based on renewed and strengthened partnerships: (a) between landlocked developing countries and the transit countries; (b) between landlocked developing countries and their development partners; (c) between landlocked developing countries and international and regional organizations, and based on South-South cooperation; (d) based on triangular cooperation; and (e) with the private sector and other relevant stakeholders.

18. Efficient transit transport systems, strong collaborative efforts in multi-modal transport infrastructure development and their interlinkages, 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 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 this partnership. Collaboration must be promoted on the basis of the mutual interests of both landlocked and transit countries. National efforts of landlocked developing countries and transit countries need to be complemented by robust resource mobilization, technical cooperation and technology adaptation, and capacity enhancement together with enhanced and strengthened cooperation from the development partners. Global-level support is crucial, given the enormity of the challenges faced by landlocked developing countries. Regional and subregional cooperation or integration should also play an important role in successfully addressing the specific problems of landlocked developing countries and their potential to join global value chains.

18 alt. The structural transformation, alleviation of poverty and sustainable development of landlocked developing countries depend on efficient transit transport systems, strong collaborative efforts in multi-modal transport infrastructure development and their interlinkages, the promotion of an enabling legal environment and institutional arrangements, and strong national leadership on cooperative arrangements between landlocked developing countries and transit countries. Transparency, good governance and efficient institutional arrangements in landlocked developing countries and transit countries should also play a very important role in promoting this partnership. Collaboration must be promoted on the basis of the mutual interests of both landlocked and transit countries. National efforts of landlocked developing countries and transit countries need to be complemented by robust resource mobilization, technical cooperation and

technology adaptation, and capacity enhancement together with enhanced and strengthened cooperation from the development partners. Global-level support is crucial, given the enormity of the challenges faced by landlocked developing countries. Regional and subregional cooperation or integration should also play an important role in successfully addressing the specific problems of landlocked developing countries and their potential to join global value chains.

19. The international community, including financial and development institutions, multilateral organizations and agencies, donor countries and other new and emerging donors, should/are encouraged to provide financial and technical support to help those countries to deal effectively with their transit transport problems and requirements. Development partners, on their part, will implement the present Programme of Action by integrating it into their respective national cooperation policy frameworks, programmes and activities, as appropriate, to seek to ensure financial and technical support to landlocked developing countries.

19 alt. The international community, including financial and development institutions, multilateral organizations and agencies, donor countries and other potential development partners, should provide financial and technical support to help those countries to deal effectively with their transit transport problems and requirements. Development partners in this context comprise financial and development institutions, multilateral organizations and agencies, and donor countries. Support from other potential development partners should take into full consideration the voluntary and complementary nature of South-South cooperation, in accordance with the Nairobi outcome document of the United Nations Conference on South-South Cooperation.

20. Developing countries, consistent with their capabilities, in the context of South-South cooperation, will support the effective implementation of the present Programme of Action.

20 bis. In this context, development partners shall integrate the present Programme of Action into their respective national cooperation policy frameworks, programmes and activities, as appropriate, to ensure enhanced, predictable and targeted financial and technical support to landlocked developing countries and transit developing countries.

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

22. International and regional organizations, South-South cooperation and triangular cooperation, and other stakeholders should/are encouraged to provide support to help to ensure that landlocked developing countries are able to overcome their challenges and develop capacity to structurally transform their economies. There is a need to improve governance and enhance coherence of the international monetary, financial and trading systems to ensure that the participation of landlocked developing countries in their decision-making processes and in setting international rules and regulations consistent with the aspirations of landlocked developing countries are fully considered.

IV. Objectives

23. Overarching goal:

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 and extreme poverty by bringing the number of people living under \$1.25 to zero by 2024, with the aim of reaching an annual GDP growth rate of at least 7 per cent. 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 promotion of inclusive economic growth and sustainable development to reduce poverty, build resilience, bridge economic and social gaps and ultimately help to transform them into land-linked countries.

24. Specific objectives:

(a) Secure/promote unfettered, efficient and cost-effective access to and from the sea by all means of transport, based on the freedom of transit and other related measures;

(b) Reduce trade transaction costs and transport costs and improve international trade services through the 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) Develop adequate transit transport infrastructure networks and complete missing links connecting landlocked developing countries;

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

(e) 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) Enhance and strengthen international support for landlocked developing countries to address the needs and challenges arising from landlockedness to eradicate poverty and promote sustainable development.

V. Priorities for action

Priority 1: Fundamental transit policy issues

Priority 2: Infrastructure development and maintenance

- Transport infrastructure
- Energy infrastructure
- Information and communications technology infrastructure

Priority 3: International trade and trade facilitation

- International trade
- Trade facilitation

Priority 4: Structural economic transformation, productive capacity development and value addition

Priority 5: Regional integration and cooperation

Priority 6: New and emerging issues

Priority 7: Means of implementation

Priority 1: Fundamental transit policy issues

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

26. 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 (WTO) 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 an 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. The 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 the development and implementation of simplified and harmonized visa systems for drivers involved in international transport (freight and passengers).

27. Suggested targets/objectives:

(a) Improve the average speed on/reduce travel time along corridors with the aim of allowing transit cargo to move 300-400 km per 24 hours by 2024;

(b) Seek to reduce the average time spent on land borders/to export and import by one third by 2024;

(c) By 2024, improve inter-modal connectivity to ensure that efficient transfers from rail to road and vice versa take no more than three days, and transfers from port to rail and/or road take no more than six days.

28. Actions by the landlocked developing countries and transit countries:

Efforts should be made to promote cooperation on the basis of the mutual interests of both landlocked and transit developing countries, such as:

(a) Consider acceding and ratifying/accede and ratify international, regional and subregional conventions and other legal instruments related to transit transport and trade facilitation;

(b) Ensure the 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) Enhance the 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) Create an effective bilateral or regional mechanism, where necessary, to address challenges or bottlenecks in the implementation of bilateral or regional and multilateral agreements and avoid maintaining, seeking or adopting bilateral or regional arrangements establishing quotas or other quantitative restrictions to international transit;

(e) Promote the 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) 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) Promote the 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) Collaborate on exchanging trade and transport data with a view to conducting cross-border transactions faster and more efficiently by reducing the number of days, cost and documentation;

(i) All landlocked developing countries should formulate a national transit policy and promote it with the aim of establishing a national committee that manifests high-level leadership and the participation of all stakeholders.

29. Actions by development partners:

(a) Provide enhanced financial and technical/technical and, where possible, financial support to landlocked and transit developing countries to support the implementation of/implement international conventions and agreements relating to transit facilitation and support initiatives that promote transit cooperation, reduce transit cost and establish smooth logistic arrangements;

(b) Assist landlocked and transit developing countries in establishing 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) Encourage regional and subregional organizations/Regional and subregional organizations should assist with technical and financial support to landlocked developing countries and transit countries to implement initiatives that promote transit cooperation.

Priority 2: Infrastructure development and maintenance

30. Infrastructure development plays a key role in reducing the cost of development for landlocked developing countries. The development and maintenance of transit transport infrastructure, information and communications technology (ICT) and energy infrastructure is crucial for landlocked developing countries to reduce high trading costs, improve their competitiveness and be integrated fully into the global market.

Transport infrastructure

31. Despite an 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. The 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 the other groups on 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 border. The improvement and maintenance of existing facilities is crucial. With regard to multi-modal transport, railways are important for those landlocked developing countries whose exports are usually bulky primary commodities. Railway transport should be promoted where its use is viable and a rail network already exist.

32. The magnitude of the resources required 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 the national budgets; and effectively deploying international development assistance and multilateral financing in the 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 to 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.

33. Suggested targets/objectives:

(a) Significantly and strategically increase/Double the share of the length of national paved roads in landlocked developing countries by 2024;

(b) By 2024, expand and upgrade the railway by at least 20 per cent as a group;

(c) By 2024, aim to complete/achieve 100 per cent completion of missing links in the regional road and railway transit transport networks.

34. Actions by landlocked developing countries and transit developing countries:

(a) 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 infrastructure intersects;

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

(c) Work towards the harmonization of gauges, which facilitates regional connectivity, where feasible, the development of reloading capacities and the expansion of training programmes and inter-railway staff exchange programmes;

(d) Promote a multilateral permit system for road transport and endeavour to implement permit-free bilateral and transit road transport and the expansion of a multilateral quota system between landlocked developing countries and transit countries;

(e) At the bilateral, subregional and regional levels, road transport services should be liberalized, taking into account specific circumstances in landlocked and transit developing countries;

(f) Encourage the development of international logistic hubs;

(g) Allocate a greater share of public investment to the development of infrastructure supported by, as appropriate, financial assistance and investment from development partners and the private sector;

(h) Develop the policies and regulatory frameworks necessary to promote private sector involvement in infrastructure development and promote an enabling environment to attract foreign direct investment (FDI);

(i) Promote public-private partnerships for the development and maintenance of transport infrastructure and its sustainability;

(j) Promote digital bridges to interconnect national backbones so that countries away from the sea cables can also access affordable broadband and are able to expand the telecommunication and related services sector in order to facilitate affordable, accessible and high-quality telecommunications services;

(k) 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 these services along highways and railway networks, thereby creating development corridors along transit highways and railroads.

35. Actions by development partners:

(a) Provide an enhanced level of financial and technical support for infrastructure development and maintenance in line with landlocked developing countries' sectoral and development needs and priorities as transport development remains their fundamental challenge;

(b) Resolve to support landlocked developing countries and transit developing countries in sharing experiences on transit transport development;

(c) Encourage multilateral and regional development banks to provide more support to landlocked developing countries and transit developing countries for investment in transport development, as appropriate;

(d) Provide assistance to landlocked developing countries in the completion of missing links in railroads and road systems.

Energy infrastructure

36. Energy infrastructure is vital for enhancing productive capacity to achieve sustained economic growth and sustainable development. It is also important for modernizing ICT and transit systems and reducing delays. The importance of the United Nations 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 should be supported.

37. Suggested target:

By 2024, expand and upgrade, as appropriate, infrastructure for the supply, transmission and distribution of modern and renewable energy services in rural and urban areas, with a view to doubling primary energy supply per capita for landlocked developing countries.

38. Actions by landlocked developing countries and transit countries:

(a) Enhance their collaboration in promoting cross-border energy trade and energy transit through transmission lines to the 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 and with the aim of ensuring access to energy for all and the transformation of their economies.

39. Actions by development partners:

(a) Provide enhanced financial and technical support to landlocked developing countries to develop the energy sector in accordance with their national priorities;

(b) Facilitate private sector investment and investment from regional and international development banks, including by strengthening the enabling environment for private investment in infrastructure and transfer of technology.

Information and communications technology infrastructure

40. ICT contributes to inclusive economic growth by increasing productivity across all sectors; facilitating market expansion beyond borders to harvest economies of scale; and lowering costs and facilitating access to services and information through global media, such as the Internet, contributing to increased participation in governance, accountability and transparency. However, 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 the submarine communications cables. Because of their small market sizes, the lack of a regionally harmonized regulatory environment is also a serious hindrance to cheaper ICT services and greater geographical coverage.

41. Suggested targets:

(a) All landlocked developing countries should make broadband policy universal by 2024 and harmonize the underlying legal and regulatory frameworks;

(b) Promote open and free access to the Internet for all.

42. Actions by landlocked developing countries and transit countries:

(a) Work together to modernize transit and transport facilities and customs and other border facilities by fully utilizing the capability of ICTs;

(b) Further improve and harmonize legal and regulatory frameworks;

(c) 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;

(d) Landlocked developing countries should strive to develop the services sector through the development of ICT infrastructure and its integration in all relevant areas to promote competitiveness, innovation and inclusion, reduce transit time and cost and modernize their transit and customs facilities.

43. Actions by development partners:

(a) Provide enhanced financial and technical support to landlocked developing countries to promote their national broadband policy and develop the necessary broadband infrastructure, particularly that linking with transit and border facilities;

(b) Provide capacity-building to landlocked developing countries to use modern communications technology, including satellite technology, through affordable means and support the deployment of a terrestrial information superhighway and broadband infrastructure to boost access and affordability;

(c) Support efforts 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;

(d) Promote assistance to landlocked developing countries aimed at addressing the challenges of their remoteness from international markets and lack of infrastructure connectivity.

Priority 3: International trade and trade facilitation

International trade

44. Goods produced by landlocked developing countries face extra transport costs. This decreases competitiveness, reduces the revenues for producers from landlocked developing countries and is normally compensated for by a reduction in the producer's income. The export structure of landlocked developing countries continues to be increasingly characterized by reliance on a limited number of export products, in particular agricultural and mineral resources. Priority should be given to policies and measures with the support of the development partners to diversify the production and export structure of landlocked developing countries and enhance their productivity and competitiveness in order to take full advantage of the multilateral trading system.

45. With the growing interlinkages in 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 and global value chains. Linking into global value chains presents an opportunity for landlocked developing countries to achieve greater integration into world markets, increase their competitiveness and allow them to become important links in the production and distribution chain.

46. 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 in increasing the share of services in their economies and their exports, including through enabling policies.

47. One of the main causes of the marginalization of landlocked developing countries from 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, has been internationally recognized. In accordance with the commitments contained in the Doha Ministerial Declaration, in particular paragraphs 13 and 16 thereof, the WTO rules and the Doha Round trade negotiations, including on market access for agricultural and non-agricultural goods, full attention should be given to the needs and interests of developing countries, including landlocked and transit developing countries. Given the increasing growth of South-South trade, other developing countries present important export destinations for landlocked developing countries' products and sources of critical FDI.

48. The multilateral trading system should continue efforts towards the development of more friendly and market-oriented rules. The Ninth WTO Ministerial Conference, held in Bali, Indonesia, in December 2013, adopted the Agreement on Trade Facilitation, which clarifies and improves articles V, VIII and X of the General Agreement on Tariffs and Trade 1994, with a view to further expediting the movement, release and clearance of goods, including goods in transit. The Agreement also includes important provisions on technical assistance and

capacity-building that will help landlocked developing countries to effectively implement the Agreement. The Agreement is important to promoting trade facilitation for landlocked developing countries and should be implemented as a matter of priority. Therefore, the earliest entry into force of the Agreement on Trade Facilitation on a definitive basis is called for, and all WTO members are urged to ratify the Agreement, with a view to ensuring its entry into force in 2015 and implementing it in accordance with its provisions.

49. Suggested targets:

(a) Significantly increase the share of landlocked developing countries in global trade with the aim of doubling the share of those countries' exports in global exports by 2024;

(b) Significantly increase the value added and manufactured component of landlocked developing countries' exports to diversify export markets and products, with the objective of reducing by half the current market concentration ratios by 2024;

(c) Further strengthen economic and financial ties between landlocked developing countries and their regional neighbours and aim to gradually increase the share of those countries' intraregional trade to 40 per cent of total trade volume by 2024.

50. Actions by landlocked developing countries:

(a) Develop a national trade strategy based on comparative advantage and regional and global opportunities;

(b) Integrate trade policies into national development strategies;

(c) Promote a better business environment to aid domestic firms in integrating into regional and global value chains;

(d) Promote policies to help domestic firms, especially small and medium-sized enterprises, to meet international standards;

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

(f) Pursue effective regulation and development-friendly liberalization of services;

(g) Implement policies and measures to significantly increase economic and export diversification and value addition.

51. Actions by transit developing countries:

(a) Promote investment in landlocked developing countries aimed at promoting the productive and trading capacity of those countries and supporting them in their participation in regional trade arrangements;

(b) Transit countries and landlocked developing countries should carry out studies on logistics competitiveness and logistic costs based on internationally recognized methodologies;

(c) Ensure improved market access for products originating from landlocked developing countries without any non-tariff barriers.

52. Actions by development partners:

(a) Provide an enhanced level of financial and trade-related technical assistance to landlocked developing countries and towards their efforts to diversify their exports, integrate into the global and regional value chains and effectively participate in multilateral trade negotiations and WTO processes and agreements;

(b) Address non-tariff measures and reduce or eliminate arbitrary or unjustified non-tariff barriers, that is, those that are not in conformity with the WTO rules;

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

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

Trade facilitation

53. Non-physical barriers, delays and inefficiencies associated with border crossings and ports, including customs procedures and documentation requirements, uncertainty in logistics services, weak institutions and the widespread lack of human and productive capacities continue to make transport costs high. They are at the core of the continued marginalization of landlocked developing countries. Further streamlining and harmonization of customs and transit procedures and formalities, and transparency, as well as efficient border management and the 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 those countries towards enhancing the competitiveness of their export products and services.

54. Human and institutional capacity-building is not adequate in landlocked developing countries in many areas, including in the customs and border establishments, transit transport agencies and trade negotiations process, leading to a lack of effective implementation. The adequate and predictable provision of technical assistance on a priority basis and the improvement of trade- and transit-related logistic services 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. Special consideration for landlocked developing countries' individual capacities and needs should be made with regard to the provision of technical cooperation and financial assistance for the implementation of the WTO Agreement on Trade Facilitation.

55. Suggested targets:

(a) Simplify and streamline border crossing procedures with the aim of reducing port and border delays by 50 per cent by 2024. In particular, requirements for international transit should be simplified and reduced in order to consolidate the free circulation concept in all stages of the transit procedure;

(b) Reduce the transaction costs by 50 per cent through improved transit facilities and efficiency;

(c) Establish “one-stop border posts” in all transit corridors by the next decade;

(d) Ensure that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the WTO Agreement on Trade Facilitation.

56. Actions by landlocked developing countries:

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

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

(c) Effectively implement an integrated border management system and strive to establish one-stop border posts with neighbouring landlocked and/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 domestic capacity;

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

57. Actions by transit developing countries:

(a) Ensure that trade facilitation initiatives, including the WTO Agreement, are developed and implemented together with landlocked developing countries in all the relevant areas;

(b) Undertake further harmonization, simplification and standardization of rules, documentation and border crossing and customs procedures, enhance collaboration and cooperation among various customs and border-crossing agencies across borders, promote the use of electronic (e-transactions) processes, the pre-arrival submission of customs declarations, risk management inspection systems to reduce physical inspections, and systems allowing authorized persons who meet prescribed criteria to benefit from simplified procedures, improve transparency, predictability and consistency in customs activities, enhance cooperation among customs and other governmental agencies and establish one-stop border posts, joint customs controls and inspection at border sites and other forms of integrated border management at borders with landlocked developing countries;

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

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

(e) 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.

58. Actions by development partners:

(a) Development partners and specialized international organizations should provide financial and technical assistance to landlocked and transit developing countries in the area of trade facilitation in accordance with the WTO Agreement on Trade Facilitation, adopted in Bali, so as to promote effective and speedy implementation of all relevant provisions of the Agreement;

(b) Support activities, including trade facilitation, aimed at simplifying, streamlining, standardizing and harmonizing import, export and customs procedures and related capacity-building of relevant human resources; integrating risk-based-management systems and other border management approaches into border inspections and clearance processes; and supporting the design and implementation of automated systems and technologies to facilitate trade, including e-payment systems, national trade portals, single window systems and national trade facilitation committees;

(c) Encourage the sharing of experiences and best practices related to trade facilitation and facilitate the creation of 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) Enhance human capacity-building, including training programmes for private and public agents, inter alia, in the areas of customs, border clearance and transport. International organizations should also provide support to landlocked developing countries to help them to assess their needs in implementing the WTO Agreement on Trade Facilitation and in implementing relevant trade facilitation measures.

Priority 4: Structural economic transformation, productive capacity development and value addition

59. Landlocked developing countries' value addition from agriculture and manufacturing continues to diminish,^c and they remain reliant on a few export commodities which often have low value addition. It is thus important for landlocked developing countries to undertake measures that can promote structural

^c Value addition from agriculture declined from 23 per cent in 2001 to 18 per cent in 2011. Manufacturing value added declined from a peak of 18 per cent in 1992 to 12 per cent in 2011 (A/68/157, para. 6).

and economic transformation capable of reducing the negative impact of their geographical disadvantages and external shocks, achieve poverty eradication, create jobs and ultimately lead to rapid, inclusive and sustainable growth and development. Increased value addition and economic diversification are essential to structural economic transformation. Institutional capacity-building and human resources development are equally important for landlocked developing countries.

60. Improving landlocked developing countries' manufacturing capacity, 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. Given their geographical handicap, higher-value and low-bulk exports are particularly crucial. In this context, it is important to place proper emphasis on manufacturing, agriculture and services sector development, including tourism, finance and information and communication technologies.

61. Agriculture plays a crucial role in many landlocked developing countries, both in promoting food security and as a major economic activity for much of the population. The development of sustainable agriculture has a direct link to the eradication of poverty and hunger, inclusive development, the empowerment of women, production diversification and agro-processing capacity. The agricultural sector in landlocked developing countries is affected by challenges, including a lack of adequate investment in physical infrastructure (such as roads, communication and irrigation) and technology aimed at addressing their specific geographical circumstances and vulnerabilities. The important role of agriculture in landlocked developing countries and the decline in value addition and food production call for urgent actions, including improving production and marketing systems, access to finance for the rural communities, including rural women, and diffusing innovative technologies.

62. The services sector holds great potential for job creation and economic and export diversification for landlocked developing countries, since it is less sensitive to geographical distance and can contribute to promoting trade and development. Policies aimed at diversifying landlocked developing countries' exports and economies in favour of low-bulk and value-adding products and services such as tourism, ICTs, transport, finance and banking are critical to reducing the costs of trade and vulnerability to shocks, including commodity price fluctuations. Furthermore, the productive services sector has a positive spillover effect on other sectors of the economy, allowing countries to leapfrog several stages of industrialization.

63. Science, technology and innovation play a critical role in alleviating poverty and creating jobs, as well as in the rapid development of landlocked developing countries, particularly for achieving structural transformation, as well as social and economic inclusion. It is important that landlocked developing countries get access to new technology, knowledge transfers and other expertise. Both conducive national policies and international support are necessary in facilitating access to and encouraging the transfer of technologies related to transit transport systems and ICT. FDI and international cooperation play a major role in the transfer and development of such technologies. Landlocked developing countries should promote investment in science, innovation and technology for sustainable development.

64. The private sector, including large, medium-sized, small and microfirms, as well as individuals, contributes to economic growth and poverty reduction through

productive capacity-building, the creation of decent jobs, the promotion of innovation, economic diversification and competition. This would, in turn, generate efficiency and higher productivity, foreign exchange earnings and incomes. 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 it is a source of tax revenue and domestic investment and a partner for FDI. The private sector funds research and development initiatives, nurtures and supports innovation, helps with the adaptation of new technologies and can contribute to structural transformation. Public-private partnerships play an important role in infrastructure development. Small and medium-sized enterprises account for a major proportion of the private sector in landlocked developing countries and are the drivers of the economies of those countries.

65. Suggested targets:

(a) Reverse the decline of value addition in manufacturing and agricultural sectors, with the aim of achieving positive growth by 2024;

(b) Increase economic and export diversification in the coming 10 years.

66. Actions by landlocked developing countries:

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

(b) Encourage innovation, entrepreneurship and the use of technology, as well as the development of effective public and private partnerships that are capable of addressing known constraints to agriculture, service and industrial development;

(c) Build a critical mass of viable and competitive productive capacity in manufacturing, agriculture and services to better harness trade potential and achieve job-rich growth and sustainable economic development;

(d) Promote agricultural productivity through investment in seeds, fertilizer, irrigation and transport infrastructure and markets while at the same time addressing land degradation, drought and desertification;

(e) Focus on the attraction and retention of FDI in sectors that manifest greater value addition, as well as strong backward and forward linkages;

(f) Support pastoral communities and small-scale farmers, including rural women, to undertake a gradual transition towards high-value products, emphasizing access to productive resources, including land, specialized knowledge, technology and financial and technical assistance, while paying attention to, among others, specialization, comparative advantage and market and infrastructure conditions;

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

(h) Promote investments in innovative solutions that are modern, cost-effective and locally adapted technologies, with an emphasis on such sectors as

agriculture, transport, information and communication, finance, energy, health, water and sanitation and education;

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

(j) Prioritize private sector development and, in particular, small and medium-sized enterprises, which are important for job creation, productive sector development, economic empowerment, including of women, and poverty reduction;

(k) Develop an industrial policy to support the strengthening of the private sector, in particular improved access to financial resources, the development of appropriate human capacity and the promotion of investment in a supportive economic infrastructure;

(l) Strengthen, as appropriate, an effective competition policy which supports business activity and further consolidates a supportive legal and regulatory framework, and create macroeconomic conditions and systems that can facilitate the development of the private sector.

67. Actions by development partners:

(a) Provide enhanced financial and technical support to the agriculture, industrial and service sectors, with a view to delivering on commitments made to achieve global food security and sustainable agricultural development, and for value addition and job creation;

(b) Contribute to measures aimed at strengthening national and regional institutions, and in the sharing of innovative technologies, scientific knowledge and technical know-how and best practices;

(c) Support landlocked developing countries' efforts to improve the quality and quantity of their agricultural and industrial output, food and income safety nets, market access, finance, insurance and other risk mitigation tools;

(d) Provide landlocked developing countries with technical support that will enable them to pursue effective partnerships necessary for capacity-building, sustainability and quality enhancement, as well as sectoral development, including tourism. In particular, development partners should provide incentives and policy space that would encourage and support their own firms to establish a business presence in and develop collaborative ties with those in landlocked developing countries;

(e) Provide financial and technical assistance to support landlocked developing countries' efforts to build resilience and develop capacity to respond effectively to external shocks, including social protection measures, product and market diversification and other mitigation strategies;

(f) Support the establishment of technology incubators and research institutions in landlocked developing countries, including the full operationalization of the landlocked developing countries think tank;

(g) Encourage their own firms to develop collaboration with landlocked developing countries to promote and strengthen the development of their services sector;

(h) Support landlocked developing countries in addressing serious concerns on their specific supply-side constraints.

Priority 5: Regional integration and cooperation

68. Close cooperation with the transit countries is sine qua non for improved connectivity in transport, energy and ICT. Infrastructure, trade and regulatory policies and the political stability of neighbouring countries have large repercussions on the external trade of landlocked developing countries. The costs of reaching international markets for landlocked developing countries depend not only on their geography, policies, infrastructures 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 deepen regional markets.

69. There is a need to promote 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, as well as 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 the global markets. This would enhance competitiveness and help to maximize benefits from globalization. The documentation, sharing and dissemination of best practices is important to allow cooperating partners to benefit from each other's experiences.

70. Actions by landlocked developing countries:

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

(b) Promote the harmonization of regional policies to strengthen regional synergy, competitiveness and regional value chains.

71. Actions by transit developing countries:

Contribute to deepening regional integration through a coherent development of regional infrastructure, trade facilitation measures and regional trade agreements, including the establishment of effective and efficient customs guarantee systems, with a view to providing special preferences to landlocked developing countries in overcoming their geographic constraints.

72. Actions by development partners:

(a) Extend financial and technical support, including through regional Aid for Trade programmes, to efforts made by landlocked developing countries and their transit partners in deepening 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) Enhance support towards the ongoing regional integration processes in regions with landlocked developing countries;

(c) Share best practices in promoting regional integration.

Priority 6: New and emerging issues

73. The economic growth and social well-being of landlocked developing countries remain highly vulnerable to external economic shocks and to the multiple challenges faced by the international community.

74. Climate change, desertification, land degradation and drought are challenges of a global dimension that continue to pose serious challenges to the sustainable development of all countries, in particular developing countries, and pose particular challenges for landlocked developing countries. Many landlocked developing countries are located in arid and mountainous regions, where the impacts of climate change, desertification and land degradation are more pronounced.^d The landlocked developing countries are also affected by natural disasters, such as droughts, extreme temperatures and flooding, including glacial lake outburst floods. Landlocked developing countries have minimal potential to adapt to and mitigate the impacts. Increased efforts are needed to reduce disaster risk and losses and to implement the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters and its successor framework.

75. Actions by landlocked developing countries:

(a) Diversify both the markets and products and upgrade productivity to safeguard from extreme vulnerability to fluctuations in global commodity prices;

(b) Share and promote best practices aimed at mitigating the impact of external shocks;

(c) Develop a national strategy and action plans to address climate change, desertification, land degradation and drought, glacial lake outburst floods and disaster risk reduction in a holistic manner, with a view to integrating a land-based approach to adaptation into national development plans;

(d) Promote sustainable land management, sustainable forest management and the restoration of degraded lands in order to combat desertification, land degradation and drought;

(e) Build the resilience of socioeconomic and ecological systems, including through economic diversification, value addition and the sustainable management of natural resources;

(f) Develop sustainable and resilient infrastructure;

(g) Strengthen early warning systems data collection, institutional capacity development and multi-stakeholder approaches to better understand climate change risks and develop resilience at all levels, and enhance regional cooperation to deal with the transboundary implications of disasters and better mitigate and adapt to its impacts;

(h) Encourage the decentralization of responsibility and resources for disaster risk reduction, where appropriate, encourage community participation, voluntary actions, awareness-raising and disaster preparedness, and meet local needs for disaster risk reduction;

^d About 54 per cent of total land in landlocked developing countries is classified as dryland, and 60 per cent of the population in those countries is located in dryland areas (calculated from United Nations Environment Programme data).

(i) Fully utilize the opportunity that the national adaptation plan process presents, and access resources, including the Global Environment Facility, the Green Climate Fund, the Adaptation Fund and the Special Climate Change Fund.

76. Actions by development partners:

(a) Provide financial and technical support to landlocked developing countries' national risk mitigation strategies to strengthen their capacity to respond to the impacts of economic shocks;

(b) Strengthen support for landlocked developing countries in building resilience and ensure broad access to financial facilities for landlocked developing countries towards adaptation, mitigation, land reclamation and disaster risk reduction;

(c) Provide adequate financial and technical support to the landlocked developing countries on a priority basis within the context of the Special Climate Change Fund;

(d) Lend financial and technical support to enable Governments to promote appropriate social protection measures to the vulnerable populations;

(e) Provide scientific and technological support and capacity-building assistance to landlocked developing countries to build resilience.

Priority 7: Means of implementation

77. 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. Predictable and reliable financing resources from all available sources, including domestic capital, ODA and FDI, are required.

78. The development and progress of any country are the primary responsibility of the countries themselves. Despite their efforts to mobilize domestic resources for the development of infrastructure and transit facilities, as well as for overall socioeconomic development, landlocked developing countries face a major gap in financial resources, technical capability and capacity-building. Therefore, landlocked developing countries and their transit neighbours need to effectively mobilize adequate resources, including domestic and external sources.

79. The support of development partners, the United Nations and other international and regional organizations, and financial and development institutions, as well as emerging economies and the private actors, is needed to complement landlocked developing countries' own efforts towards the establishment and maintenance of effective transit transport systems, integration into the world economy, the structural transformation of their economies and the enhancement of their productive capacities, by providing targeted financial and technical assistance.

80. ODA flows remain a major source of external financing for landlocked developing countries. Predictable and reliable assistance from development partners and multilateral organizations has a crucial role to play in supporting landlocked developing countries' efforts towards sustainable development and the reduction of poverty.

81. Aid for Trade plays a key role in assisting with the capacity-building of landlocked developing countries in 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 is also important in linking landlocked developing countries to or moving them up the global and regional value chains.

82. South-South and triangular cooperation has a significant role to play in expanding the growth and development of landlocked developing countries and transit developing countries through its contribution to human and productive capacity-building, financial and technical assistance, more diversified market access and trading opportunities, technology transfer and innovations and sharing of best practices. South-South cooperation should be further strengthened as a complement, rather than a substitute, to North-South cooperation.

83. Private international capital flows, in particular FDI, have a catalytic role to play in spurring sustainable development and the eradication of poverty/economic growth and the reduction of poverty in landlocked developing countries through building and strengthening productive capacity; export growth; technology transfer; diffusion of productive know-how, managerial skill and capital; creation of wealth; opening up new markets for high value added products and services; and employment generation. FDI can also play a key role in building infrastructure that underpins economic activities, freeing scarce government resources for investment in education, health and other basic social services.

84. Landlocked developing countries have capacity development needs in several areas, including but not limited to customs and border management; improved trade facilitation; implementation of agreed bilateral, subregional, regional and international transit and trade facilitation agreements, including the WTO Agreement on Trade Facilitation; transit transport arrangements; addressing supply-side constraints and structural transformation; and building resilience.

85. Suggested targets:

(a) Substantially increase domestic financing for economic transformation and productive capacity, including transit transport infrastructure;

(b) Maintain the upward trend of ODA to landlocked developing countries.

86. Action by landlocked developing countries:

(a) Continue to make efforts to enhance domestic resource mobilization by building the economic base, reforming tax policy and promoting transparent and good governance and institutional development;

(b) Strengthen the membership of landlocked developing countries in bilateral and regional integration frameworks through South-South cooperation and, when appropriate, including through triangular cooperation;

(c) Develop a national policy to attract more diversified FDI through the creation of a conducive environment with the aim of enhancing productive capacity,

transit transport infrastructure and the completion of missing links connecting landlocked developing countries with the regional network;

(d) Identify the priority areas for investment needed to encourage public-private partnerships, particularly for infrastructure development;

(e) Attract an enhanced level of technical assistance on and capacity-building support for education and human skills development, institutional development, entrepreneurship, the capacity enhancement of public agencies and small and medium-sized enterprises, including training, the exchange of experiences and expertise and knowledge transfer;

(f) Utilize the international think tank on landlocked developing countries for the sharing of 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 on establishing the landlocked developing countries international think tank.

87. Actions by development partners:

(a) Provide support to landlocked developing countries in their efforts towards institutional development and the implementation and consolidation of tax policy, administration reforms and regulatory measures to enhance their domestic resources base;

(b) Provide support to landlocked developing countries in improving their productive and trading capacities, utilizing global trade opportunities and establishing smooth and efficient transit facilities, as well as creating economic and export diversification;

(c) Maintain momentum and increase ODA to landlocked developing countries in line with the national priorities of those countries;

(d) Ensure the effective implementation of the commitments reached in the Monterrey Consensus, in particular paragraphs 41 to 43 thereof, with the aim of providing landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants and/or loans on the most concessional terms possible, for the needs identified in the present Programme of Action;

(e) Provide adequate Aid for Trade to landlocked developing countries, including for trade-related infrastructure, which constitutes an integral part of trade facilitation efforts, while supporting the regional nature of Aid for Trade to promote trade integration among landlocked developing countries and transit countries;

(f) Provide specific incentives to encourage firms to invest in landlocked developing countries, through export credits, investment risk protection guarantees, concessional loans, preferential financing programmes, private enterprise funds for investment, venture capital and other lending instruments and initiatives and services, especially for infrastructure projects;

(g) Make efforts to promote synergies with regional partners so as to realize investment projects that are too complex and expensive for one country alone;

(h) Provide technical assistance and capacity-building support to landlocked developing countries in building institutional and human capacities aimed at

improving their ability to attract FDI and enhancing negotiation skills to bring in responsible investment and impact investing;

(i) Assist landlocked developing countries in acceding to relevant international conventions and agreements;

(j) Provide technical assistance and financial support for capacity-building in landlocked developing countries in line with their national priorities. The United Nations system and international, regional and other relevant organizations shall also give due priority to landlocked developing countries in providing support for capacity-building in all the relevant areas of their competence;

(k) Strengthen South-South and triangular cooperation in the areas of transit transport cooperation, development of productive capacity and strengthening the membership of landlocked developing countries in bilateral and regional integration frameworks.

VI. Implementation, follow-up and review

88. Implementation, monitoring and review should be undertaken at the national, subregional, regional and global levels through efficient mechanisms, as appropriate. The monitoring and review mechanism should be a continuous process aimed at reinforcing partnerships and mutual accountability at all levels. Landlocked developing countries and transit developing countries should be mutually responsible for actions, inter alia, to improve transit processes, as well as develop the necessary infrastructure and collaboration for their mutual benefit. Development partners should fulfil their commitment for the effective implementation of the present Programme of Action.

89. At the national level, Governments should mainstream the new Programme of Action into their national and sectoral development strategies for its effective implementation. They should establish national coordination committees, where appropriate. Monitoring and review should be done in partnership with all stakeholders, including the private sector, academia, think tanks, civil society and the media. The United Nations, at the country level, should support the national follow-up and monitoring of the Programme of Action.

90. At the subregional and regional levels, monitoring and review should be undertaken through the intergovernmental processes. Regional and subregional organizations, including regional economic communities and regional development banks, in coordination with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the regional commissions, should mainstream the implementation of the present Programme of Action into their relevant programmes and develop and implement priority projects, inter alia, for infrastructure development to improve connectivity and trade facilitation initiatives. The regional commissions should undertake a biennial review of the implementation of the Programme of Action within their annual session. They are requested to submit analytical and informative reports on progress in the implementation of the Programme of Action. The relevant regional and subregional organizations and the private sector shall be actively involved in the sessions of the regional commissions in this regard.

91. At the global level, the General Assembly should undertake an annual review of the implementation of the present Programme of Action through annual reports of the Secretary-General and biannual plenary interactive thematic dialogues of the Assembly with the active involvement of civil society and the private sector. The Economic and Social Council should undertake a biennial thematic review of key thematic issues to ensure coordinated follow-up to the implementation of the Programme of Action. The high-level political forum of the Council should devote adequate time to the discussion of the sustainable development challenges facing landlocked developing countries with the aim of enhancing engagement and implementing commitments, particularly those agreed upon in the Programme of Action, with the active involvement of civil society and the private sector. The governing bodies of organizations in the United Nations system should mainstream the implementation of the Programme of Action in their programme of work, and sectoral and thematic reviews of the Programme of Action should be undertaken, as appropriate. The private sector should be involved in the global-level reviews.

92. 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 should ensure coordinated follow-up to and effective monitoring and reporting on the implementation of the Programme of Action and undertake advocacy efforts at the national, regional and global levels. The role and capacity of the Office should be further strengthened as the lead agency that ensures the coordinated implementation of the Programme of Action and serves as an authoritative advocate for landlocked developing countries.

93. The implementation of the present Programme of Action would also require individual and concerted efforts by organizations and bodies of the United Nations system and relevant international and regional organizations, including regional commissions, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the International Trade Centre, the International Telecommunication Union, the United Nations Industrial Development Organization, the secretariat of the United Nations Convention to Combat Desertification, the United Nations Environment Programme, the Food and Agriculture Organization of the United Nations, WTO, the World Bank, the World Customs Organization, the International Road Transport Union, the International Chamber of Commerce, the United Nations Office for South-South Cooperation, regional development banks, regional economic communities and other regional and subregional organizations. These organizations are invited to give priority to requests from landlocked developing countries for financial resources, technical assistance and capacity-building support to those countries in the implementation of the present Programme of Action in a well-coordinated and coherent manner within their respective mandates.

94. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, in collaboration with the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat, the UNDP human development index, the World Bank, the Organization for Economic Cooperation and Development, UNCTAD and the regional commissions, should work on developing relevant indicators for measuring the progress in implementing the present Programme of Action in landlocked developing countries, taking into account the differential capacities of different countries. The indicators need to be measurable, clearly

understood and achievable and could be formulated from best practices and lessons learned.

95. The General Assembly is invited to consider conducting a comprehensive high-level midterm review on the implementation of the Programme of Action. The 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 make a comprehensive appraisal of the implementation of the present Programme of Action and to decide on a subsequent action.

Annex II**List of documents considered at the session**

<i>Document symbol</i>	<i>Title</i>
A/CONF.225/PC/6	Provisional agenda
A/CONF.225/PC/7 and Add.1	Note by the Secretariat on the accreditation of private sector and civil society organizations to the second United Nations Conference on Landlocked Developing Countries
A/CONF.225/PC/L.4	Draft Programme of Action for Landlocked Developing Countries for the Decade 2014-2024
A/CONF.225/PC/INF/2	Provisional list of participants
