



3 May 2019

ORIGINAL: ENGLISH

19-00329

Midterm review meeting of Latin American countries
preparatory to the comprehensive midterm review of
the Vienna Programme of Action for Landlocked
Developing Countries for the Decade 2014–2024

Santiago, 11–12 June 2019

CONCEPT NOTE

BACKGROUND

Lack of direct territorial access to the sea, remoteness and isolation from world markets impose constraints on the trade competitiveness of the world's 32 landlocked developing countries (LLDCs) and their overall socioeconomic development. In addition to the geographical impediments, LLDCs face challenges linked to high trade and transport costs, limited or low-quality infrastructure, delays at borders, bottlenecks related to customs procedures and border crossing regulations, and productivity constraints. They are also not able to fully tap into the benefits of trade, including in areas such as investment, finance, technology and services needed to further improve productive capacity in the sectors (agriculture, industry and services) that are needed for the structural transformation of their economies.

To address the challenges of the LLDCs, the international community adopted in 2014 the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024. The Programme of Action, which is also an integral part of the 2030 Agenda for Sustainable Development, offers a holistic approach to improving the integration of LLDCs into the global economy through actions in the following priority areas: fundamental transit policy issues; infrastructure development and maintenance; international trade and trade facilitation; regional integration and cooperation, structural economic transformation; and means of implementation.

As they approach the halfway point in the implementation of the Programme of Action, the results of LLDC actions to achieve its priorities have been mixed. Real growth in the gross domestic product (GDP) of all LLDCs declined to 2.8% in 2016, down from 3.49% in 2015. In Latin America, growth in the Plurinational State of Bolivia was 4.26% in 2016, down from 4.86% in 2015, while in Paraguay it increased to 3.96% in 2016 from 2.96 % in 2015. The GDP of these two countries is clearly above the group average, however this highlights disparities in growth both within the LLDC group and within the region.

At the global level, all LLDCs continue to account for less than 1% of the global merchandise trade and their exports remain undiversified, comprising mainly commodities. In 2017, transit countries' share of global exports was 22.63%, while that of the Plurinational State of Bolivia was 0.044% and Paraguay 0.049 %. The shares of both countries are lower than the LLDC average of 0.907%.

Despite continued efforts to expand and upgrade transport infrastructure, physical infrastructure remains inadequate and is of poor quality. Access to electricity in LLDCs has increased but is still below the world average and ICT service costs remain high in these countries. While most LLDCs have ratified the World Trade Organization (WTO) Agreement on Trade Facilitation, they are lagging behind in terms of the implementation of the Agreement. Nevertheless, these countries have become more active participants in regional trade agreements and economic blocs, offering positive prospects for their further integration into regional trade.

Progress on structural economic transformation has been limited, as demonstrated by the relatively low value added contribution of the manufacturing sector in LLDCs.

With regard to means of implementation, official development assistance (ODA) and foreign direct investment (FDI) flows remain important sources of financing for LLDCs, however they are concentrated in just a handful of LLDCs and are insufficient to address these countries' needs fully. Landlocked developing countries collectively received 16.45% of total ODA flows to developing countries in 2016, while the two Latin American LLDCs, Paraguay and the Plurinational State of Bolivia, received just 0.05% each. Meanwhile, the two Latin American LLDCs received US\$ 1.1 billion in FDI (the Plurinational State

of Bolivia received US\$ 0.72 billion, while Paraguay received just US\$ 0.35 billion), while all 32 LLDCs received a total of US\$ 22 billion compared to flows of US\$ 330 billion secured by transit countries in 2017. Domestic resource mobilization efforts, including in the area of widening the tax base in LLDCs, continue to yield results, albeit mixed.

In its resolution 72/232, the General Assembly of the United Nations decided to convene a comprehensive high-level midterm review on the implementation of the Vienna Programme of Action for the Decade 2014–2024, to be held no later than December 2019. The comprehensive high-level midterm review shall review progress made in the implementation of the Vienna Programme of Action and shall be a forum to share best practices and lessons learned, identify obstacles and constraints encountered and actions and initiatives needed to overcome them, as well as new challenges and emerging issues, in order to further accelerate the implementation of the Vienna Programme of Action. The high-level midterm review shall adopt an intergovernmentally negotiated and agreed outcome in the form of a political declaration.

The General Assembly also decided that the high-level midterm review shall be preceded by regional preparatory meetings. The outcome of the regional midterm review meeting of the Latin American countries, alongside those of other regions, will therefore feed into the global preparations for and the outcome of the high-level midterm review. The regional commissions, as well as all relevant United Nations system organizations and other relevant organizations were invited to provide support to the review process.

At the global level, substantive preparations for the midterm review are already underway, with important recommendations emanating from several high-level pre-conference meetings. The Ministerial Meeting of Landlocked Developing Countries on Trade and Transport, held in Nur-Sultan (formerly known as Astana) in May 2018, marked the launch of the preparatory process and saw the adoption of the Astana Ministerial Declaration. Ministers at the Inaugural Conference of the International Think Tank for Landlocked Developing Countries, which took place in Ulaanbaatar in June 2018, adopted the Ulaanbaatar Declaration of the Inaugural Conference of the International Think Tank for LLDCs.

The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), in collaboration with partners, also organized events on climate migration in LLDCs (New York, May 2018); on connecting cities in LLDCs through sustainable aviation and on accelerating energy transition in LLDCs (New York, July 2018); and on transit and on promoting foreign investment in LLDCs (Geneva, October 2018).

It is in this context, the midterm review meeting of Latin American countries preparatory to the comprehensive midterm review of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 will be held at the headquarters of the Economic Commission for Latin America and the Caribbean (ECLAC), in Santiago, on 11 and 12 June 2019.

OBJECTIVES

The objectives of the regional midterm review meeting of the Vienna Programme of Action are to:

- Review and take stock of implementation of the Programme of Action in Latin America, including identifying major achievements, constraints, emerging challenges and opportunities;

- Identify and share best practices, experiences and innovative approaches to accelerate implementation of the Programme of Action and achievement of the Sustainable Development Goals (SDGs) in the region;
- Formulate appropriate policy measures and action-oriented recommendations aimed at sustainably overcoming the special problems of LLDCs and accelerating implementation of the Programme of Action and achievement of the SDGs.

The conclusions and recommendations of the midterm review meeting of Latin American countries are expected to form substantive input that will feed into deliberations at the comprehensive high-level midterm review on the implementation of the Vienna Programme of Action for the Decade 2014–2024.

PARTICIPATION

The meeting will bring together senior government officials, particularly those from ministries from Latin American LLDCs responsible for implementing the Vienna Programme of Action and related issues of transit, trade, transport, structural economic transformation and finance, as well as representatives of transit countries in the region and development partners. Representatives of relevant United Nations system organizations, regional and subregional organizations, of other international organizations, of regional and international financial institutions, and of the private sector will also be invited to attend.

FORMAT

The meeting will take place over a period of two days, consisting of an opening session, interactive thematic sessions and a closing session. The conclusions and recommendations of the meeting will serve as input for the comprehensive high-level midterm review of the Vienna Programme of Action.

BACKGROUND DOCUMENTATION

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