MID-TERM REVIEW OF THE VIENNA PROGRAMME OF ACTION FOR LANDLOCKED DEVELOPING COUNTRIES FOR THE DECADE 2014-2024

ASSESSING PROGRESS IN LATIN AMERICA
Overview of the VPoA Mid-term Review Report for Latin America

1. Guiding frameworks and principles to achieve sustainable development in landlocked developing countries

2. The status of implementation of the VPoA in Bolivia and Paraguay
   - Priority 1: Fundamental transit policy issues
   - Priority 2: Infrastructure development and maintenance
     - Transport Infrastructure
       - Review of transport connectivity in the Plurinational State of Bolivia
       - Review of transport connectivity in Paraguay
       - Primary funds to develop and maintain economic and services infrastructure
         - Energy and ICTs

3. Conclusions and Recommendations: the way forward
   - Priority 3: International trade and trade facilitation
   - Priority 4: Regional Integration and Cooperation
   - Priority 5: Structural economic transformation
   - Priority 6: Means of Implementation
Guiding Frameworks for Sustainable Development: The 2030 Agenda for Sustainable Development

Impacto ECONÓMICO
(Reducción de costos logísticos y mejor uso de factor de producción)

1. Fin a la pobreza
2. Fin al hambre, mayor seguridad alimentaria, agricultura sostenible
8. Crecimiento económico sostenido, inclusivo y sostenible, el empleo pleno y productivo y el trabajo decente
9. Infraestructuras resilientes, la industrialización inclusiva y sostenible y la innovación
12. Consumo y producción sostenibles

Impacto AMBIENTAL
(Reducción de impacto ambiental y uso de energía)

3. Vida sana y bienestar para todos
6. Disponibilidad de agua, su gestión sostenible y el saneamiento
13. Cambio climático
14. Uso sostenible de los océanos, los mares y los recursos marinos
15. Uso sostenible de los ecosistemas terrestres

Impacto SOCIAL
(Accesibilidad y conexión, reducción de la desigualdad)

4. Educación inclusiva, equitativa y de calidad
5. Igualdad entre los géneros
7. Acceso a una energía asequible, segura, sostenible y moderna
10. Reducir la desigualdad en y entre los países
11. Las ciudades inclusivas, seguras, resilientes y sostenibles
16. Sociedades pacíficas e inclusivas y acceso a la justicia
17. Medios de ejecución y revitalizar la Alianza Mundial
Bolivia and Paraguay have developed the following National Development Plans that are largely aligned with the Sustainable Development Goals and the priorities of the VPoA.

**Bolivia**
- The Economic and Social Development Plan 2016-2020 (PDES), and
- The Bolivia Patriotic Agenda 2025 defines the transport sector as a priority for growth and sustainable development.

**Paraguay**
- The National Development Plan “Paraguay 2030” (PND 2030),
- The Transport Master Plan 2011-2031 (PMT),
- National Logistics Plan Paraguay 2013, and
- The updated Master Plan for Transport Infrastructure and Services Paraguay in November 2018.
Priority 1 – Fundamental Transit Policy Issues

Bolivia and Paraguay are signatories to the Paraguay-Paraná Waterway Agreement.

They have also ratified the World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA).

Both countries participate in the World Custom Organization’s Customs Cooperation Council.

They are able to leverage the benefits of harmonized customs agreements including:

- ALADI (Bolivia and Paraguay)
- MERCOSUR (Paraguay)
- The Andean Community of Nations (Bolivia)

Several efforts to harmonize customs, particularly information exchange mechanisms, have been implemented. They include:

- Authorized Economic Operators - Bolivia and Paraguay
- International Customs Transit Computerized System (SINTIA) - Mercosur
- Integrated Control Areas (ICA) - Mercosur
- Automated System for Customs Data (SIDUNEA++) - Bolivia
- Fiscal Organization of Customs Levies (SOFIA) - Paraguay
- Exporter’s Single Window (VUE) - Paraguay
- Customs Modernization System (SUMA) - Bolivia
- CEBAF -Andean Community of Nations
- Single Customs Document (DUA) - Andean Community of Nations

Improving infrastructure, customs performance, and the competitiveness of logistics services is essential.
### Priority 1 – Fundamental Transit Policy Issues

#### Logistics Performance Index (LPI)

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<tr>
<th>Country</th>
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Priority 2 – Development & Maintenance of Transport Infrastructure
Investment in Transport and Services Infrastructure

Total Public and Private Investment in Infrastructure (% of GDP)

<table>
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<tr>
<th>Year</th>
<th>Water</th>
<th>Energy</th>
<th>Telecommunications</th>
<th>Transport</th>
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<td>2014</td>
<td>7.68</td>
<td>8.43</td>
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<td>11.04</td>
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<td>2015</td>
<td>6.73</td>
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<td>10.1</td>
<td>592.64</td>
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Source: Elaborated by the authors on the basis of data obtained from INFRALATAM (http://infralatam.info/), 2019
Priority 2 — Development & Maintenance of Transport Infrastructure
Transport Connectivity in Bolivia

Achievements

Total investment reached US$ 581 million or 6.18% of GDP in 2016, as compared to 4.97% in 2014.

Road transport: 2,758km of additional roads built between 2014-2016. Construction of tunnels and two way highway in strategic location (el Sillar) along the Santa Cruz – Cochabamba highway.

Inland water transport: Construction of Puerto Jennefer, and Puerto Busch Freight Terminal.

Rail transport: Construction of the Montero-Bulo Bulo segment (to urea and ammonia plants). Discussion surrounding construction of: Bi-Oceanic railway corridor; Eastern and Western railway network connection; Motacucito-Mutún- Puerto Busch feeder line; C-15 feeder line between Argentina’s Belgrano and Bolivia’s Eastern Network.

Air transport: 245,418 m² of platforms and 160,201 m² of airport buildings constructed between 2014 and 2017.

Pipeline transport: Construction of two gas pipelines towards Paraguay and Peru. Inauguration of virtual gas pipeline that has a liquefied natural gas plant, a fleet of cryogenic cisterns, mobile regasification stations and regasification satellite stations.

Challenges and Bottlenecks

Topographical reality paired with poor road surface quality (only 8.5% of the roads are paved) means slower transit, higher transport costs, higher infrastructure investment costs, and limited territorial access during the rainy season.

Lack of dredging and beaconing along the Paraguay-Paraná Waterway (PPW) slows transport and creates waiting times for transshipment operations.

Eastern and Western railway networks are not connected with one another.

Adequate financing has yet to be identified for the Viru-Viru airport hub project.

Occasional disruptions in pipeline service due to external factors such as river overflows, mudslides or negligence of truck drivers and heavy machine operators.

Joint efforts must be made with other countries to solve some of the limitations and challenges, thus requiring coordination and agreement among multiple stakeholders.
Achievements

Total investment reached US$ 706.89 million or 2.86% of GDP in 2014.

Road transport: 42,913 km of additional roads built between 2013 and 2017.

Inland water transport: Five new private ports built. In 2018, Paraguay’s merchant fleet had 2,294 equipped units for transport along the PPW, meeting the demands of national and regional cargo (Bolivia and Brazil).

Rail transport: Reactivation of rail company FEPASA is under discussion, as are the rehabilitation of certain segments and potential construction of a segment to connect to the Bi-Oceanic Railway Corridor project.

Air transport: Teniente Amín Ayub airport in Encarnación became an international airport. Paraguay’s airport network has a 98% operation rate.

Challenges and Bottlenecks

Road network is primarily composed of dirt and gravel roads, with only 9% of the total network that is paved. As a result transit and accessibility are significantly impacted during the rainy season.

Lack of depth and signalization along the Paraguay and Paraná Waterway limits navigation and affects costs and transport time.

Complexity in public-private investment landscape for railway rehabilitation.

Structural improvements in airports are needed to meet demand of expected growth.

Joint efforts must be made with other countries to solve some of the limitations and challenges, thus requiring coordination and agreement among multiple stakeholders.
Bolivia and Paraguay place importance on strategic integration projects:

- Between 2012 and 2017, projects that involved Bolivia and/or Paraguay increased on average by 3.75 billion dollars per year (65% pertained to Bolivia, and 35% to Paraguay);
- In 2017, Bolivia was in the process of implementing 52 infrastructure projects, and Paraguay 64 infrastructure projects under the IIRSA COSIPLAN portfolio.

Technical assistance and capacity building is needed to help transition complex projects from the pre-execution to the execution phase.

2017 Data: IIRSA/COSIPLAN Project Portfolio 2017
## Priority 2 – Development & Maintenance of Energy and ICT Infrastructure

### Energy

<table>
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<th>2014</th>
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<tr>
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<td>99</td>
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<td>99.06</td>
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<td><strong>Bolivia</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td>85.8</td>
<td>87.6</td>
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<tr>
<td><strong>Rural</strong></td>
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<td>96.7</td>
<td>97.2</td>
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</table>

### Electric coverage (% of population)

Source: Elaborated by authors on the basis of OLADE data
Priority 2 – Development & Maintenance of Energy and ICT Infrastructure Information and Communication Technologies

E-commerce in initial stages of development. Main challenges:

- Lack of information;
- Fear of individuals and business regarding online transaction fraud;
- Broadening the limited supply of goods and services to stimulate limited demand;
  Improving distribution and delivery logistics.

Source: Elaborated by the authors on the basis of data from https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx
Priority 3 – International Trade and Trade Facilitation
Evolution of cost overruns due to inefficiencies

**Bolivia:** cost inefficiencies as % of total costs

<table>
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<tr>
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<th>Soybean cakes by inland water transport</th>
<th>Soybean cakes by road transport</th>
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<td>2016</td>
<td>14.5</td>
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**Paraguay:** cost inefficiencies as % of total costs

<table>
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<tr>
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<th>Soybeans by inland water transport</th>
<th>Soybeans by road transport</th>
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<td>2016</td>
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Conclusions and Recommendations
THANK YOU

QUESTIONS?