



TETĀNGUÉRA NDIVE
JOKUPYTYRĀ
Motenondeha
Ministerio de
RELACIONES
EXTERIORES



High-Level Latin America Regional Review Meeting of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024

27-28 July 2023 – Asuncion, Paraguay

Concept Note

Introduction

The United Nations General Assembly (UNGA), in its resolutions 76/217 and 77/246, decided to convene the Third United Nations Conference on Landlocked Developing Countries (LLDCs) in 2024. The Conference aims to undertake a comprehensive review of the implementation of the Vienna Programme of Action for LLDCs for the Decade 2014-2024 (VPoA) and to formulate and adopt a renewed framework for international support to address the special needs of LLDCs and to strengthen partnerships between the LLDCs and transit countries and their development partners.

The General Assembly also decided that the Conference shall be preceded by national and regional-level reviews, as well as thematic preparations. In line with the decision of the General Assembly, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), jointly with the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) and the Government of the Republic of Paraguay are organizing the High-level Latin America Regional Review Meeting of the VPoA to be held on 27 and 28 July in Asuncion, Paraguay. The outcomes of the Regional Review Meeting will feed into the preparatory process of the Third United Nations Conference on LLDCs.

Background on the Vienna Programme of Action

Adopted in 2014 by the International Community, the Vienna Programme of Action consists of a set of six priority areas of interventions (Fundamental Transit Policy Issues; Infrastructure Development and Maintenance; International Trade and Trade Facilitation; Regional Integration and Cooperation, Structural Economic Transformation, and Means of Implementation) intended as a holistic approach to the peculiar challenges faced by LLDCs that have, over the years, impeded their economic transformation, as well as inclusive and sustainable growth.

Latin America is home to 2 LLDCs that grapple with a unique set of development challenges, largely influenced by their geographical location. Due to a lack of direct territorial access to the sea and their remoteness, these two countries find themselves battling with the ramifications of being significantly distant from world markets. They contend with a number of obstacles including high transport and trade costs compared to their transit neighbours, inadequate transport infrastructure, productivity constraints, and undiversified economies and export markets.



ECLAC



TETĀNGUÉRA NDIVE
JOKUPYTŶRĀ
Motenondeha
Ministerio de
RELACIONES
EXTERIORES



This complexity is exacerbated by logistical hurdles, such as border delays, bureaucratic bottlenecks related to customs procedures and border-crossing regulations, all resulting from their landlockedness. Further, country-specific structural challenges act as roadblocks, hindering these LLDCs from fully tapping into the benefits of investment, finance, technology and services, needed to further improve productive capacity across vital sectors including agriculture, industry, and services that are needed for higher trade exchanges and the structural transformation of their economies, in order to achieve social, cultural and human development, including greater access to healthcare services, education and data. This overall situation often require LLDCs to make additional and differentiated efforts to stimulate their development, such as additional tax relief to attract investment and external capital, which has an impact in the fiscal and policy space needed to achieve development.

In an increasingly interconnected global landscape, these LLDCs have also had to endure external shocks, each of which has amplified their inherent structural challenges. The COVID-19 pandemic, the effects of climate change, and the prevailing geopolitical and global macroeconomic conditions are examples of such adverse external shocks. These additional stressors have underscored the importance of strengthening support and facilitating meaningful collaborations to ensure these LLDCs can overcome their unique challenges and step onto the path of sustainable development.

Progress on the implementation of the Vienna Programme of Action in Latin America

Over the last nine years, progress towards meeting the goals and specific objectives of the VPoA has been mixed. The midterm review of the implementation of the VPoA held in 2019 revealed that some progress had been achieved in some areas in the implementation of the VPoA; however, more needed to be done by various stakeholders to enhance the prospects of fulfilling the objectives of the programme. The assessment done in 2022 indicated that progress had been stalled or in some cases reversed by external shocks, such as the COVID-19 pandemic, the effects of climate change, such as droughts and floods, and sovereign debt crises.

The real growth in gross domestic product for all the LLDCs bounced to 4.1% in 2021 from -2.6% in 2020, a year marked by the COVID-19 pandemic. Both LLDCs in the Latin America region, the Plurinational State of Bolivia and Paraguay performed better than the global average of LLDCs at 5.2% and 4.6%, respectively. Preliminary data for 2022 shows that the Plurinational State of Bolivia grew at a slower rate, 3.5%, while Paraguay suffered the consequences of the inadequate weather conditions for agriculture and inflationary pressures that resulted in a growth rate of 0.1%. ECLAC projections for 2023 anticipate that both the Plurinational State of Bolivia with 2.0% and Paraguay with 4.2% would outperform the projection of GDP growth for the Latin America region, which is estimated at 1.2%¹.

¹ [Halfway to 2030 in Latin America and the Caribbean: progress and recommendations for acceleration \(cepal.org\) and Official Statistics \(ECLAC\).](#)



ECLAC



TETĀNGUÉRA NDIVE
JOKUPYTYRĀ
Motenondeha
Ministerio de
RELACIONES
EXTERIORES



Whilst international trade remains important for LLDCs' economies, their participation in global trade remained low for the duration of the implementation of the VPoA. LLDCs' share of global merchandise exports decreased from 1.2% in 2014 to 0.98% in 2021. In 2022, the developing economies (excluding China) share of global exports was 30.88%. All LLDCs accounted for a 1.12% of the global merchandise trade, while the Plurinational State of Bolivia accounted for 0.06% and Paraguay accounted for 0.04%².

Commendable progress has been made in some countries, particularly on both LLDCs in the Latin American region. Improvements in inland water transport infrastructure along the Paraguay-Paraná Waterway have also taken place, leading to a rise in the number of ports and the size of the available merchant fleet. Despite this progress, certain challenges persist along shared international watercourses, most notably because of domestic regulations and the need of coordination between landlocked developing countries (LLDCs) and transit countries, in addition to the natural restrictions on navigation.

In general, transport infrastructure in most LLDCs remains of poor quality, fraught with missing links on key points within and among different modes both within and in transit countries. Adequate and efficient economic infrastructure (transport, ICT and energy) is central in enhancing the productivity and competitiveness of LLDCs through the effective reduction of production and transaction costs. Events such as COVID-19, and the geopolitical tensions impacted transport logistics and trade facilitation causing supply chain disruptions and inflation which in turn deepened the structural weakness that LLDCs experience.

Whilst most LLDCs have ratified the WTO Trade Facilitation Agreement, their implementation of the Agreement lags behind in general. However, in Latin America, according to the Trade Facilitation Agreement Facility tracker, TFA implementation in the Plurinational State of Bolivia stands at 73.5% and implementation in Paraguay reaches 96.2%³. The importance of fully implementing the TFA is fundamentally linked to the expedition of movement, release and clearance of goods, including goods in transit, as well as effective cooperation measures with transit countries, from which LLDCs can truly benefit.

The LLDCs have become more active participants in regional trade agreements and economic blocks, contributing to positive prospects for their further integration into regional trade. On structural economic transformation, there has been limited progress as demonstrated by the relatively low value-added contribution of the manufacturing sector in the LLDCs.

Means of implementation, in particular Official Development Assistance (ODA), including the Aid for Trade support, and FDI flows to LLDCs remain important sources of financing for the LLDCs, however, they remain concentrated in just a handful of LLDCs and are insufficient to fully

² [Beyond 20/20 WDS - Table view - Merchandise: Total trade and share, annual \(unctad.org\)](#)

³ [Member Profiles | TFAD - Trade Facilitation Agreement Database \(tfadatabase.org\)](#)



ECLAC



TETĀNGUÉRA NDIVE
JOKUPYTYRĀ
Motenondeha
Ministerio de
RELACIONES
EXTERIORES



address the needs of the LLDCs. In 2020, LLDCs collectively received 21.99% of total ODA flows to developing countries, while the two Latin American LLDCs, namely Plurinational State of Bolivia and Paraguay received only 0.27% and 0.23%, respectively⁴.

In terms of FDI, the two Latin American LLDCs were the two countries that received the least FDI in South America in 2021. The Plurinational State of Bolivia received \$ 599 million and Paraguay \$ 122 million, out of a total of 89.6 billions of dollars in FDI received by South America⁵. Taking into account their structural particularities in addition to their landlockedness, require LLDCs to make additional efforts to stimulate their development, which affects their fiscal space, which in turn, impacts on their policy space, necessary for adequate development. This situation creates a bottleneck in the financing of development and requires responses and solutions adapted to the particularities of these countries.

During the COVID-19 pandemic, the world witnessed an increase in e-commerce, especially in developed countries. Whilst e-commerce could play an instrumental role in helping developing economies including LLDCs to further integrate into global trade and value chains, these countries lag behind. LLDCs face fundamental challenges, including inadequate infrastructure, limited internet access, high cost of broadband, inadequate digital skills and regulatory and data policies, and a weak enabling policy environment to support e-commerce and the digital economy.

Furthermore, LLDCs are disproportionately affected by the negative impacts of climate change. LLDCs' great reliance on climate-sensitive sectors such as agriculture has increased their vulnerability to climate change, desertification, land degradation, droughts, floods, glacial lake outflow flooding, and landslides. These natural disasters decrease and disrupt agriculture productivity, which is the key part of the economic sector in the LLDCs, damage infrastructure and other assets, and causes loss of biodiversity. In the Latin American region, both LLDCs are the only countries from South America considered to be in extreme risk by CAF's climate change vulnerability index⁶.

Overall, as the implementation period of the VPoA draws to a close, LLDCs continue to face high transport costs, have unmet infrastructure needs and are not yet fully integrated into regional and global trade. The regional review meeting is a unique opportunity to take stock, galvanize political attention and identify actions to accelerate the sustainable development of LLDCs to ensure that they are not left behind.

⁴ [statistical_annex_vpoa_2022_final.pdf \(un.org\)](#)

⁵ [Foreign Direct Investment in Latin America and the Caribbean 2022 \(cepal.org\)](#)

⁶ [caf-vulnerability-index-climate-change.pdf](#)



TETĀNGUÉRA NDIVE
JOKUPYTYRĀ
Motenondeha

Ministerio de
RELACIONES
EXTERIORES



Objectives

The objectives of the Latin America regional review meeting of the VPoA are to:

- Undertake a comprehensive review of the implementation of the Vienna Programme of Action in Latin America, including identification of the achievements, constraints, emerging challenges and opportunities for achieving sustainable development and the SDGs in LLDCs;
- Identify alternative and innovative sources of finance (including trade finance) that could be leveraged and used for implementation of VPoA and provide guidance on how the LLDCs can mobilise adequate resources, as well as have access to enhanced technical assistance and capacity building on a sustainable basis;
- Share best practices, experiences and innovative approaches for tackling external shocks, such as the COVID-19 pandemic, the effects of climate change and debt crisis and achieving sustainable development on LLDCs, and
- Identify appropriate policy measures and concrete action-oriented recommendations at the national, regional and global levels necessary for making the next programme of action for LLDCs a truly transformative one, especially for contributing to the acceleration of the achievement of the SDGs in Latin American LLDCs.

The meeting will adopt an outcome document with recommendations that will form substantive inputs into the preparations of the Third United Nations Conference for LLDCs and will serve as an important background for the Preparatory Committee Meetings to be held in New York in early 2024.

Participation

The meeting will bring together ministers and senior government officials from Ministries dealing directly with the implementation of the VPoA and issues related to its six priorities for action, from the Latin American LLDCs, as well as representatives of transit countries from the region and development partners. The UN system, relevant regional and sub-regional organizations, other international organizations, regional and international financial institutions; and the private sector will also be invited to attend.

Format

The meeting will take place over two days, consisting of an opening session, interactive thematic sessions and a closing session. At its conclusion, the meeting will adopt an outcome document that will form input into the review of the VPoA.



ECLAC



TETĀNGUÉRA NDIVE
JOKUPYTYRĀ
Motenondeha
Ministerio de
RELACIONES
EXTERIORES



Background Documentation

[Vienna Programme of Action for the Landlocked Developing Countries for the Decade 2014-2024](#)

[Report of the Secretary-General on the Implementation of the Vienna Programme of Action](#)

[Halfway to 2030 in Latin America and the Caribbean: Progress and recommendations for acceleration](#)

[Status of implementation in South America of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024](#)

[The impact of COVID-19 on transport and logistics connectivity in the landlocked countries of South America](#)

[GA resolution A/RES/76/217 on the Follow-up to the second United Nations Conference on LLDCs](#)

[GA resolution A/res/77/246 on the Follow-up to the Second UN Conference on LLDCs](#)

[Scaling Up Renewables in Landlocked Developing Countries \(LLDCs\)](#)

[Global Report on Improving Transport Connectivity for LLDCs](#)

[Impact of COVID-19 and responses in LLDCs](#)

[Effective Transit Transport Corridor Development and Management: Report on Best Practices](#)