



**United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States**

**(UN-OHRLLS)**

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**Report of the Fourth Inter-Agency Consultative Group Meeting on the Preparatory Process for the Second UN Conference on LLDCs held in Geneva on 20 February 2014**

## **A. Introduction**

The Fourth Inter-Agency Consultative Group (IACG) Meeting on the Preparatory Process for the Second United Nations Conference was held in Geneva on 20 February 2014. The meeting was organized by the United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS). The objective of the IACG was to update each other on the status of preparations and co-ordinate preparatory activities to be held before the conference and at the conference.

The meeting was chaired by UN-OHRLLS and opened by Mr. Gyan Chandra Acharya, Secretary-General of the Second UN Conference on LLDCs, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Ambassador Thongphane Savanphet, Permanent Representative of the Lao People's Democratic Republic to the United Nations in Geneva, and Global Chair of the LLDC Group and Ambassador Juan Esteban Aguirre, Permanent Representative of Paraguay to the United Nations in Geneva, and LLDC Group Coordinator on Trade and Development participated in the opening session. The meeting was attended by 22 different institutions as shown in the participant list in annex 1. The meeting followed the programme of work presented in annex 2.

## **B. Opening Session**

Mr. Gyan Chandra Acharya, Ambassador Thongphane Savanphet and Ambassador Juan Esteban Aguirre presented statements in the opening session.

In his statement, **Mr. Gyan Chandra Acharya** expressed gratitude to all the agencies for their contribution to the preparatory process. He informed the meeting that the preparations for the Conference were going on very well. Fourteen thematic pre-conference events had so far been organized and that the outcomes of these events formed important substantive input to the preparation of the draft outcome document. He indicated that all the regional review meetings were successfully held in collaboration with ESCAP and ECE for Euro-Asia region in Laos; ECA for Africa in Ethiopia; and ECLAC for Latin America. The regional reviews came up with priorities at the regional level that will feed into the global review process. He indicated that some LLDCs had prepared and submitted national reports on the implementation of the Almaty Programme of Action that will help enrich the regional and global discussions.

Mr. Acharya informed the meeting that the Government of Austria offered to host the Conference in Vienna and that a modalities resolution was currently under negotiations for adoption by the General Assembly, which proposes to hold the Conference from 3 to 5 November 2014, preceded by two sessions of the intergovernmental preparatory committee to be held, in June, and September.

The High Representative pointed out that in all the preparatory events that have been held so far LLDCs have been asking for key deliverables in basically 5 areas. These are trade; transit; infrastructure development – both the soft and hard; regional integration; and resilience building. He also stressed that in the current discussions on the post 2015, there

is emphasis that economic growth has to have linkages with inclusiveness and environmental sustainability. He challenged the meeting participants to find out ways of making sure that the concerns of the LLDCs can be taken forward through the sustainable development goals including the relevant specific goals and indicators that can be used. He underscored that the outcome of the LLDC conference to be held in Austria could feed into the post 2015 development process. He indicated that the WTO trade facilitation agreement is a major opportunity for the LLDCs that could potentially bring in a lot of benefits and stressed the need to implement the agreement.

In concluding his statement, he stressed the need for the Conference in Austria to come up with strategies to address the fundamental challenges of the LLDCs including issues of market access, product and market diversification, increased connectivity, improved services sector, and integration into the global value chains. The High Representative called on the participants not only to focus on updating each other on the status of the preparations for the conference, but to identify key deliverables that can be included in the outcome document that can really change the structure of the economies of the LLDCs. He informed the meeting that he will convene another inter-agency meeting in New York closer to the time of the Conference.

In his statement, **H.E. Ambassador Thongphane Savanphet** expressed his appreciation to the Government of Austria for its generous offer to host the Comprehensive Ten-Year Review Conference in Vienna later this year and called upon the UN inter agency group to enhance their support to the LLDC Group, and actively contribute to the preparatory process and participate in the conference. He stressed that although considerable progress has been made in the implementation of the Almaty Programme of Action over the past decade, especially in the establishment of efficient transit transport systems, there remains much more work to be done in order to address LLDCs' special needs as well as the many challenges of the world today.

Ambassador Savanphet pointed out that over the past decade, challenges and opportunities have arisen for the LLDCs that were not yet visible at the time of preparing the Almaty Program of Action that need to be considered in the Second UN Conference in order to ensure a renewed development partnership framework for the next decade. Areas such as transit transport infrastructure development, trade policy and trade facilitation and productive capacity building should remain important and require further effort and action. In addition, the issues related to climate change, land degradation, desertification and deforestation, should also be thoroughly discussed and addressed in the context of the next Program of Action. He stressed that the renewed partnership should not be reflected only at the political level but also its actual implementation on the ground.

In his remarks, **H.E. Ambassador Juan Esteban Aguirre** expressed his appreciation to the agencies for their support towards promotion of sustainable development in the LLDCs. Referring to the 50<sup>th</sup> anniversary of UNCTAD, Ambassador Aguirre noted that the LLDCs had come a long way on their development trajectory and had made some progress. He informed the meeting that the LLDC Group in Geneva was involved in the

negotiation of the trade facilitation agreement at the WTO and put special emphasis on transit issues. He noted that the approval of the agreement at the last Ministerial meeting in Bali was a major achievement for the LLDCs. The agreement has solid text on transit issues. He pointed out that the agreement strengthens and reaffirms principles stated in GATT Art. 5 which contains provisions to: enhance transparency and streamline cumbersome formalities; establish treatment no less favorable for goods in transit than those originating in the country of transit itself; not to subject goods in transit to charges or unnecessary delays or restrictions once and while in transit. He expressed his hope that implementation of the commitments will be done as soon as possible.

Ambassador Aguirre informed the meeting that the Ministers of Trade from LLDCs met in Bali in the sidelines of the WTO Meeting and concluded that a special programme that addresses the special needs of the Group at the WTO, comprising of transit issues, aid for trade and services is needed. He stressed that the group would be desirable and may help strengthen their negotiating position. He concluded his statement by emphasizing that the new development agenda of the LLDCs should be broader encompassing issues such as increased services sector, greater diversification and value addition to exports, expansion of information and telecommunication technologies and addressing the impacts of climate change and desertification.

### **C. Consultations on the substantive and organizational preparations for the Second UN Conference on LLDCs**

In this session, **Ms. Heidi Schroderus-Fox, Director of UN-OHRLLS** provided an update on the status of preparations, followed by interventions by the UN Regional Commissions and other participating organization.

The Director first provided some highlights on the new features from the General Assembly Resolution 68/225 on the Specific actions related to the particular needs and problems of LLDCs that was adopted by the General Assembly in December 2013. She indicated that the resolution requested the Secretary-General to submit: (a) to the second UN conference on LLDCs a report on the 10-year Review of the Implementation of the Almaty Programme of Action; and (b) to the General Assembly at its sixty-ninth session a report on the outcome of the Conference.

Ms. Schroderus-Fox also noted that the General Assembly requested the Secretary-General to prepare a note on the organizational aspects of the conference. She highlighted that the Secretary-General's note A/68/708, contains proposals that have been incorporated into the conference modalities resolution that the General Assembly is expected to adopt within the next few weeks. The proposed conference dates are 3 to 5 November 2014 in Austria. The Conference will be preceded by two sessions of the intergovernmental preparatory committee for the Conference to be held on 12 and 13 June 2014, and 11 and 12 September 2014, both at the UN Headquarters in New York. She also indicated that a bureau, with equitable geographical representation, will be established to conduct the sessions of the intergovernmental preparatory committee and informal consultations.

The Director highlighted that a high-level private sector business and investment forum will be organized on the side lines of the Conference and a number of high-level interactive thematic round tables and side events would be organized to facilitate exchange of views and build consensus on special needs and priorities of landlocked developing countries in key development areas, as well as to announce specific deliverables and initiatives in favour of LLDCs.

With regard to the thematic pre-conference activities, she indicated that since our last inter-agency meeting in June, OHRLLS had organized an ECOSOC side event on Renewing Global Partnerships for Connecting LLDCs to the World Markets held on 3 July 2013; and in collaboration with the UN Office for South-South Cooperation, a launching of the pilot South-South Technology Transfer Facility for LLDCs on 31<sup>st</sup> October 2013.

With regard to upcoming pre-conference events, she noted the following events: the General Assembly and ECOSOC Partnerships Forum to be held in New York on 9 and 10 April 2014 on the role of partnerships in the implementation of the post-2015 development agenda; a retreat in New York for key negotiators planned for 3 May 2014 where ambassadors from the LLDCs, transit countries and donors, as well as limited number of representatives of UN and other agencies will be invited to informally discuss the key substantive elements for the outcome document; a pre-conference event on enhancing international support and financing for LLDCs; a high-level international meeting on trade facilitation to be organized with the Government of Mongolia and the International Think Tank for LLDCs to be held on 2-3 June in Ulaanbaatar, Mongolia; and an event on assessing the vulnerability of LLDCs to external shocks and developing vulnerability indicators for early warning purposes in LLDCs.

## **Presentations by IACG Partners**

The representative of UN ECE, **Ms. Eva Molnar**, informed the meeting that good managers have to repeat the same key message so as to achieve some set objectives. In the same vein she indicated that it is important to repeat the same message to the LLDCs to join the different UN conventions so that they can achieve the needed legal and regulatory framework in particular the harmonization convention. She stressed that the LLDCs themselves should do their part. She indicated that it will be important to have at least 90% of the LLDCs to have acceded by the Conference date in November.

Ms. Molnar indicated that they are now trying to operationalize the Europe Asia Transport Links (EATL) Project. She indicated that a matchmaking meeting was held in September where EATL countries presented their ideas and were matched with the financing institutions. In this regard focus of their analytical work for 2014 is financing transport development. The draft of the analytical work will be available by the time of the conference. With regards to capacity building, the border crossing trade facilitation publication was translated and it's a resource book for capacity building. She indicated that they had launched a global project on customs facilitation involving digitalization in

all the 5 UN regions. Under this project they will pilot out electronic communication across the regions.

Ms. Molnar also informed the meeting that they published a new Handbook on TIR that is on ECE's website. She noted that the inland transport committee was meeting the following week which will discuss among others how to implement the Trade Facilitation Agreement. She also informed the meeting about the possibility of having a photo exhibition of the highway E40 (that connects France and Kazakhstan) at the conference in Vienna. ECE in corporation with partners is now updating and scaling up to global level a study on transport for sustainable development in ECE region (in particular access, affordability, safety and security and environmental sustainability) and it will be ready by May/June 2014 and will be available as a resource for the conference. She also indicated that they were finalizing the status quo of the LLDCs in the Europe region and the report will be available for the conference.

The representative of **ECA, Ms. Marie Therese Guiebo** informed the meeting that ECA in collaboration with OHRLLS had prepared a study on the Status of Implementation of the Almaty Programme of Action in Africa which was used as the background report for the African Regional Review Meeting on the Implementation of the Almaty Programme of Action that was held from 16 to 18 July 2013 in Addis Ababa, Ethiopia. She also pointed out that a pre-conference event - Expert Group Meeting to assess the status of implementation of trade and transport facilitation instruments and measures in Africa - was held prior to the African Regional Review Meeting.

Ms. Guiebo indicated that the regional review meeting adopted recommendations on the following issues: investment in infrastructure development; enhancing accession and effective implementation of relevant conventions; investment in transit cooperation and trade facilitation; trade negotiations and enhanced trade; WTO accession; structural transformation, diversification, value addition and industrialization; regional integration and cooperation; free movement of persons and goods; enhancing the role of the private sector; implementation and review; post-2015 development agenda; and follow-up. The report of the regional review meeting will be included in the agenda of the 3rd African Union Conference of African Ministers of Transport to be held in Malabo, Equatorial Guinea, on 7-11 April 2014.

Ms. Guiebo also noted that ECA in collaboration with other UN agencies has undertaken other activities that are relevant to APoA. For example in collaboration with UNCTAD ECE undertook capacity building activities for stakeholders of the Central Corridor in the use of corridor management methodologies. The AUC and ECA, jointly with OHRLLS and SSATP, finalized the draft intergovernmental agreement on the development of the Trans-African Highways which will be submitted to the forthcoming transport ministerial conference. ECA in collaboration with the UN agencies is involved in a project to build the capacity of African regional organization to design bankable projects. ECA also provided technical support to the African Group in Geneva in the preparation for the Bali ministerial conference in December 2013 through an analytical study and a retreat of the key negotiators.

A representative of **UN ESCAP, Mr Tengfei Wang**, updated the meeting on the activities that ESCAP's trade programme has undertaken. He indicated that ESCAP initiated development of a bilateral trade cost database in 2010 in an effort to increase understanding of the cost of trading between countries in Asia and the Pacific and beyond including all LLDCs in the region. In late 2011, ESCAP and the World Bank joined hands to develop a common standard methodology for calculating comprehensive international trade costs and issued the ESCAP-World Bank Trade Cost Database in December 2012 which now includes data from 1995 to 2011 for over 180 countries.

Mr. Wang pointed out that ESCAP and ADB have jointly developed a tool to help the countries including LLDCs to put sustainable trade and transport facilitation monitoring mechanism in place (<http://www.unescap.org/tid/publication/tipub2683.asp>) and the tool will be implemented in Bhutan and Nepal in 2014<sup>1</sup>. In addition technical assistance and relevant data and information for building capacity for inclusive and sustainable trade-led development were rendered to LLDCs which are either recently acceded members of the WTO (e.g. Lao PDR, Tajikistan) or 'soon-to-be' WTO (Kazakhstan, Afghanistan, Azerbaijan, etc) or are undertaking significant domestic regulatory and other reforms aiming to integrate more intensively in regional and global economy (e.g. Mongolia).

Furthermore, ESCAP had undertaken capacity building training to LLDCs in the region on paperless trade and Single Window and on how to remove regulatory and procedural barriers to trade, including through enhanced capacity to negotiate and implement preferential trade and investment agreements and on negotiations and preparation for services liberalization. The Global Trade Facilitation Conference 2013 held in Bangkok in November 2013 was attended by government and private sector representatives from nine LLDCs in the region. ESCAP is analyzing the information and finalizing a first version of the database on transit agreements, expected to be released by May 2014. An initial analysis of the trade facilitation potential of selected Asian transit agreements in the context of the WTO trade facilitation negotiations was released in January 2014. Recognizing the important role that regional integration can play in development of a country, ESCAP provided technical support and advisory work to Mongolia in its accession to Asia Pacific Trade Agreement, which is now pending ratification.

**Mr. Nikolay Pomoshchnikov, Head of ESCAP Subregional Office** for North and Central Asia based in Almaty highlighted that the 18th session of the SPECA Project Working Group on Transport and Border Crossing was held on 2-3 May 2013 in Almaty, Kazakhstan. The meeting invited those SPECA countries that had not yet done so, to take measures towards the acceptance, approval or ratification of the Intergovernmental Agreement on the Asian Highway network and the Intergovernmental Agreement on the Trans-Asian Railway network. He also indicated that the eighth session of the SPECA Project Working Group on Trade was held on 9 October 2013 in Dushanbe, Tajikistan and it suggested the development of a strategy for regional trade development and facilitation in Central Asia, in order to affirm the countries' commitment to deepen the development of a regional market in the SPECA region. He also briefed the meeting on

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<sup>1</sup> It will also be implemented in Bangladesh.

the fifth Session of the SPECA Project Working Group on Knowledge-Based Development that was held on 4 December 2013, in Baku, Azerbaijan which discussed the issues of Asian Information Superhighway.

Representative of **UN ECLAC, Mr. Ricardo Sanchez**, informed the meeting that the main focus for ECLAC is on logistic costs that are affecting the LLDCs in Latin America. **Mr. Gordon Wilmsmeier of ECLAC** gave a presentation on the research on the transport and logistics of LLDCs in the ECLAC region (Bolivia and Paraguay) and their transit countries (Argentina, Brazil, Chile, Peru and Uruguay). He indicated that the results of the research were presented and discussed at the regional review meeting in Paraguay in November 2013. He indicated that the study shows that the contribution of international freight to the total costs of import is clearly higher in the LLDCs than in the transit countries. In-depth analysis of the logistics chains for LLDCs main imports and exports illustrated significant and costly logistics inefficiencies amounting up to 30 percent of costs overruns. There is a positive trend towards reducing logistics inefficiencies, but more still needs to be done both at national and international level.

Mr Wilmsmeier indicated the following recommendations for the study under Priority 1 on fundamental transit policy issues: reviewing and adjusting the transit regulatory frameworks, facilitating progressive and coordinated introduction of intelligent transport systems, promoting phytosanitary regulations to facilitate border crossings, and training police officials on international transit protocols and agreements. On priority 2: Infrastructure development and maintenance the recommendations include: promoting increase in public investment intended for the creation of new infrastructure, and programmes for transport infrastructure maintenance, facilitating compliance with transit rules related to compliance with maximum axle weight for international transport operators, improving and maintaining railway infrastructure (tracks and rolling stock) to ensure compliance with the international agreements in force, and improving the navigability of inland water routes, including signalling, maintenance and channel-widening projects.

Under priority 3: International trade and trade facilitation the recommendations include: providing institutional reinforcement for international, regional, sub regional and bilateral instruments (conventions and agreements) on trade and trade facilitation, and facilitating definition and dissemination of integrated policies to remove barriers to the smooth flow of goods. Under priority 4: International support measures the recommendations are: continuing technical assistance and capacity-building activities for landlocked countries, giving special attention to the establishment of institutional capacities related to logistics and institutional development and supporting actions that are part of an integrated development plan, rather than a set of isolated individual efforts.

The representative of the **UNCCD, Mr. Mohamadou Mansour N’Diaye** informed the meeting that UNCCD in collaboration with UNFCCC and UN-OHRLLS organized a pre-conference event on “Building the Resilience of Landlocked Developing Countries to the Impacts of Climate Change, Desertification, Land Degradation and Drought” that was held in the context of UNCCD’s 11<sup>th</sup> session of Conference of Parties (COP 11) on

Wednesday 18 September 2013 in Windhoek, Namibia. He noted that the side event came up with recommendations for building the resilience of LLDCs to climate change, desertification and land degradation.

Mr. N'Diaye indicated that there is need to continue to provide support to LLDCs on 3 pillars. The first pillar is on adaptation measures to address climate change, desertification, land degradation and drought. The machinery is already there – the NAPs and NAPAs and there is need to ensure that these action plans are implemented in a coordinated manner. The second pillar relates to the Rio+20 outcome “The future we want” which called for a land degradation neutral world. There is need to start with a small group of LLDCs to help them to put in place policies that will help prevent further land degradation and to rehabilitate land that are already degraded. He informed the meeting that they are consulting with donors that are working in the LLDCs to bring in support for them to achieve land degradation neutrality. The third point relates to how the knowledge, technologies and practices that are known to have worked well could be brought to the conference. In this regards he stressed that it will be important to bring 1 or 2 grass roots people representatives who are working on practices that have been shown to be effective so that they can tell their story to the policy makers at the conference. He indicated that UNCCD would be ready to help identify the individuals concerned. He also indicated that UNCCD is putting together a knowledge management portal for sharing of experiences on good/effective practices on sustainable land management.

The representative of the **International Road Transport Union (IRU)**, **Mr. Jens Hügel** indicated that since the opening of the IRU office in New York, the cooperation and partnership with UN-OHRLLS has intensified and a dedicated focus is put on the Establishment of a Sustainable Development Goal on Transport; The importance of the WTO Bali Agreement for LLDCs; and The Almaty Programme of Action. He also indicated that the dates of the conference coincided with IRU’s statutory meetings, but the IRU will do its utmost to ensure that the conference will be a success.

A representative of **UNCTAD**, **Mr. José Maria Rubiato**, Head Trade Logistics Branch, recalled the long standing commitment and well recognized expertise of UNCTAD in matters relating to transit transport issues faced by LLDCs. He then mentioned the activities carried out in 2013, in research, consensus building and technical cooperation in the field. With reference to the proposal contained in the Chapter 6 of the 2013 issue of the Review of Maritime Transport which suggests a different thinking in the design of transport operations<sup>2</sup>, Mr. Rubiato explained that the concept proposed builds on the need to secure a continuous flow of goods between transit seaports and inland destinations through a type of conveyor belt of land transport services. He indicated that UNCTAD organized a pre-conference event the Multiyear expert meeting session held in October 2013<sup>3</sup>, in which, among other conclusions, experts had signaled out the best practice experiences in transit corridor management in Africa that could benefit other regions. Finally on technical cooperation matters, the speaker made reference to various activities

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<sup>2</sup> [http://unctad.org/en/PublicationChapters/rmt2013ch6\\_en.pdf](http://unctad.org/en/PublicationChapters/rmt2013ch6_en.pdf)

<sup>3</sup> Transport and logistics innovation towards the review of the Almaty Programme of Action in 2014  
<http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=211>

in the field, notably in the context of needs assessments and implementation plans for the WTO trade facilitation agreement in which LLDCs and transit countries were facing difficulties in determining their full compliance of, at that time, future rules applying to Freedom of transit.

In relation to forthcoming activities of relevance to the Almaty review process, Mr. Rubiato made reference to the trade facilitation week to begin on 30 June 2014 with the annual meeting of the Global Facilitation Partnership (<http://www.gfptt.org/>) organized by UNCTAD in 2014 in Geneva, followed on 1-3 July 2014 by the 2<sup>nd</sup> session of the Multiyear Expert Meeting on Transport, Trade Logistics and Trade Facilitation, specially devoted to the implementation of the Trade Facilitation Agreement recently adopted at WTO, and concluding on 4 of July 2014 with ad hoc meeting on the establishment and operation of national trade facilitation committees. The Head of Trade Logistics Branch also reaffirmed the willingness of UNCTAD to support and contribute as possible to some pre- conference events to be conducted by OHRLLs in 2014, in particular the "Partnership session on LLDCs on sustainable transit transportation at the Joint GA/ECOSOC Partnership Event - 10 April 2014, UNHQ, New York - and the "High-Level International meeting on "WTO Agreement on Trade Facilitation: Implications for LLDCs", on 2-3 June 2014 in Ulaanbaatar, Mongolia.

**Mr. Gunter Fischer of UNCTAD** briefed the meeting that the UNCTAD proposal to strengthen capacities of LLDCs in the area of statistics made at last year's Global Services Forum was taking shape. UNCTAD and the West African Economic and Monetary Union (UEMOA) had signed an agreement on a technical assistance project to assist UEMOA member states, including Burkina Faso, Mali and Niger, in strengthening their capacities for collecting and preparing national statistics on international trade in services. The project will be executed over a period of 30 months and project costs are estimated at about USD 3.4 million. Furthermore, UNCTAD, in cooperation with WTO, had prepared an E-Learning Course on Statistics of Trade in Services. This e-learning course will be a supplement to the Manual on Statistics of International Trade in Services (MSITS) 2010 adopted by the UN Statistical Commission and the Compiler's Manual. Burkina Faso, Mali and Niger and other LLDCs will also benefit from this E-Learning Course.

Mr. Gunter also indicated that within the context of the World Investment Forum 2014, UNCTAD will organize a High-level Forum on Investment in LLDCs. The Forum will bring together high-level Government representatives from LLDCs, CEOs and other business leaders, as well as experts and international investment practitioners. He indicated that the issues to be addressed include: The mobilization of FDI for structural transformation, diversification and economic re-specialization in LLDCs with a view to reaching sustainable development goals; Strengthening regional integration to facilitate the attraction of FDI; and Promoting FDI in LLDCs in light of the Bali Agreement on Trade Facilitation.

The representative of the **International Trade Centre (ITC)**, **Mr. Anders Aeroe** highlighted the work that the ITC is undertaking to improve competitiveness of SMEs in

4 areas including; addressing burdensome Non-tariff Measures (NTM), promoting trade facilitation, efficient business services and meeting private standards. On addressing burdensome NTMs, he indicated that ITC has undertaken large-scale company surveys that indicate that companies in LLDCs are strongly affected by Non-tariff barriers and procedural obstacles. On trade facilitation, ITC published a “Business Guide on Trade Facilitation” to help countries and their SMEs to better understand the opportunities that the multilateral agreement has to offer following the 9th Ministerial Conference in Bali, end of last year.

With regard to efficient business services, Mr. Aeroe said that ITC supports the engagement of the private sector in evidence based public-private dialogues on such crucial services sectors like transport, logistics, telecommunications, or education and health and have worked on these issues in Ethiopia, Lao PDR, Tajikistan and most recently since 2013 in Afghanistan. In addition, ITC has recently published a book: “Mobilizing Business for Trade in Services” which helps government and business to collaborate effectively in this area. On meeting private standards, he said that ITC's Trade for Sustainable Development programme had produced a database on standards, which allows users to analyze and compare over 130 private standards and had launched a new version of their standards' database which is freely accessible online. He indicated that ITC also builds capacities of SMEs directly in meeting standards requirements.

The representative of **International Telecommunications Union (ITU), Ms. Gisa Fuatai Purcell**, Head of LLDC division informed the meeting that ITU is already working on implementing the Almaty Programme of Action through its' programme 5 for LLDC and countries in transit. ITU provides telecommunication and information and communication technology (ICT) support to LLDCs including developing the telecommunication and ICT industry reform through assisting LLDCs on relevant policy and legislation to promote the liberalization and telecommunication competition especially in the mobile market. Provides concentrated financial assistance very year on activities requested by LLDCs. ITU is also working in partnerships with LLDCs that request assistance in using ICTs for early warning systems and other adaptation strategies for climate change.

Ms. Purcell also informed the meeting that ITU collaborated with ORHRLLS to organize a pre-conference event on LLDCs held in Nairobi in October 2013. In the meeting, participants from LLDCs agreed that telecommunications and ICTs is an enabler of sustainable development. It was also noted that the main reason for LLDCs lagging behind in telecommunications and ICT development such as access to international optical fiber networks and the laying of optical fiber across transit countries, are not indicated in the infrastructure development and maintenance priorities in the Almaty Programme of Action. ITU is conducting a review of the current situation in terms of telecommunication and ICT development in LLDCs in the last 10 years which will be published and launched during the LLDC meeting in Austria. Participants urged OHRLLS to include telecommunication and ICT development in the post 2015 Programme of Action for LLDC.

The representative of **UNIDO, Mr. Conde Bashir**, indicated that UNIDO is organizing a pre-conference event on Enhancing productive capacities of LLDCs jointly with OHRLLS and UNCTAD to be held on 30 April in Vienna. This One-day event is expected to result in concrete recommendations on deliverables for enhancing productive capacities of LLDC. Background papers are being prepared. UNIDO approach towards productive capacities involves promotion of inclusive and sustainable industrial development which focuses on the fact that partnerships and environmental safeguarding are essential to growth. The approach advocates for entire packages looking also at transportation, communication, and energy as primordial issues to be regarded for all countries if they want to achieve enhance productive capacity in a sustainable manner to be effective enough to boost these countries' economies. He also indicated that with regard to the Vienna Conference UNIDO stands ready to assist both in the organization or co-organization of a side event, symposium or what is deemed necessary by Member state and/ OHRLLS.

The representative of **UNWTO, Mr. Samiti Siv** highlighted the importance of the tourism sector for LLDCs and suggested that there is need to include the item in their new development agenda. He indicated that tourism is cross-cutting across the 3 pillars of sustainable development. Tourism has forward and backward linkages to the global economy, which provides numerous opportunities for addressing development objectives, including poverty eradication, job creation, social inclusion and equality. He further noted that at the global level there were more than 1 billion international arrivals across international borders that amounted to more than 1.3 trillion US dollars and accounted for 9% of global GDP and 30% of world's export of services and accounts for about one-in-every-eleven jobs worldwide. He recalled that in the context of the trade discussions, that tourism is in fact classified as a "trade in service" under the GATS [WTO's General Agreement on Trade in Services]. He informed the meeting about the joint publication entitled, *Aid for Trade and Value Chains in Tourism*, launched at WTO's 4<sup>th</sup> Global Review on Aid for Trade last year.

Mr. Siv also informed the meeting about some of UNWTO's initiatives including: Tourism Satellite Account capacity building aimed at measuring the impact of tourism; Sustainable Tourism-Eliminating Poverty (ST-EP) initiative – technical assistance for reducing poverty; Silk Road Heritage Corridors programme – over 31 members, along Silk Road – one of the oldest trading routes, linking east to west – designed to improve management of destination, enhance visitor and local experience, product promotion and branding, etc; and Travel and visa facilitation, also linked to security and resilience issues. Regarding the outcome document, UNWTO had participated in the Vientiane Regional Prep. meeting in early 2013 and had made input to the Vientiane Consensus and they are committed to continue to input ideas and issues. Also, UNWTO will play a big role in the SIDS conference, and will cooperate with OHRLLS office.

The **UNDP** representative **Ms. Luisa Bernal** informed the meeting that UNDP has been supporting countries to effectively benefit from the Enhanced Integrated Framework and the Aid for Trade initiatives. In particular, UNDP supported the elaboration of Diagnostic Trade Integration Studies, in a number of LLDCs including Chad, South Sudan and

Central African Republic. Since the last Inter-agency meeting Chad's DTIS has been completed and validated by national authorities. The report provides extensive analysis of the transport infrastructure in the country, reviews customs operations and makes recommendations for reform in this area; analyzes the current status of ICT services in Chad, etc. She also pointed out that UNDP has been providing support to institutional strengthening and capacity development of trade-related institutions in a number of LLDCs including, Burkina Faso, Chad, Lesotho and Malawi. The organization has been implementing pro-poor interventions under various UNDP's poverty reduction, private sector and environment programmes in all LLDCs. UNDP implements for example the Wider Europe Aid for Trade Initiative for Central Asia, South Caucasus and Western Europe, funded by Finland

She also noted that over the years, UNDP has provided support to the Government of Mongolia to operationalize the International Think Tank for Landlocked Developing Countries (ITT-LLDC). In this context, UNDP representative informed the meeting that on January 2014 UNDP and the Government of Mongolia signed a three-year project aimed at institutional strengthening of the Think-tank. Some of the priority activities include the formulation of a three research papers that had already been identify by the LLDC countries themselves. She underlined that one of the papers focuses on the trade facilitation negotiations at the WTO which features prominently in the preparatory activities of the Second review Conference.

With respect to the preparatory meetings for the Conference, she reported that UNDP is interested in being associated with the meeting in June 2014 in Ulaanbataar on trade facilitation given the support being provided to the LLDCs Think-tank. She also stated UNDP was open to discuss with the OHRLLS the possibility of organizing a side-event during the Conference to showcase on-going research on Trade and Human Development in Central Asia.

The representative of the **World Customs Organization (WCO) Ms. Harumi Chikada** indicated that one of the main objectives of the WCO is to help improve the efficiency and effectiveness of customs administrations by harmonizing and simplifying customs procedures, which promotes trade facilitation which is a top priority of the Almaty Programme of Action. She pointed out that the WCO has been working on the area of trade facilitation for a long time.

Ms. Chikada noted that the key legal instrument related to trade facilitation in Customs context is the Revised Kyoto Convention, adopted in 1999 which is supplemented by a large portfolio of WCO instruments and tools. She indicated that in 2012 the WCO adopted the Economic Competitiveness Package which assists WCO Members with implementation of trade facilitation standards and thus measures to boost economic competitiveness. Other instruments and tools include the Risk Management Compendium, the Single Window Compendium, the Coordinated Border Management Compendium, etc. The WCO is mobilizing its Committees and Working Groups to further enhance such instruments and tools to support Members' trade facilitation efforts. She further explained that the WCO also supports Members' reform and modernization

efforts, by delivering extensive capacity building and technical assistance to Members, including for the streamlining of Customs procedures and trade facilitation.

The representative of the **Organization for Security and Co-operation in Europe (OSCE)**, **Mr. Alexey Stukalo**, noted that the topic of developing vulnerability indicators for LLDCs is an area of interest to OSCE's as it is close to their security agenda. He indicated that other issues that are of importance to OSCE include integrity, corruption, and public procurement which are all important for financing infrastructure projects. He indicated that OSCE was collaborating with partners to offer regional workshops in Dushanbe, Tajikistan on risk management in customs and trade facilitation. He indicated that the OSCE-UNECE handbook on border-crossing procedures had been translated recently to Macedonian and Serbian languages.

The representative of **United Nations environment programme (UNEP)**, **Mr. Jochem Zoetelief** indicated that UNEP is ready to cooperate and for instance provide language on climate change which has emerged as an important challenge to the LLDCs. He mentioned that while the major themes of the conference will include trade and transport, environment and natural resources are important in underpinning socio-economic development in LLDCs. He also indicated the readiness of UNEP to support the organization of the side events noting that the event on commodities could also incorporate green economy approached.

The representative of the **Common Fund for Commodities (CFC)**, **Mr. Andrey Kuleshov** informed the meeting that the CFC had set aside \$330,000 for the purpose of financing of factual and practical information to be used for the high-level event on commodities for LLDCs that will take place in preparation for the ten year review Conference including participation of the LLDCs to the event. He indicated that the CFC estimates that some 23 countries out of 31 in the LLDC category also fall into the category of commodity dependent developing countries, with primary commodity exports accounting for 70% or more of national exports. As with other commodity dependent countries, reliance on export commodity sector is an indication of the failure of countries to develop a comparative advantage in production and export of higher added value products and in the case of LLDCs the link to the global economy through commodity export and trade is further complicated by the transportation costs and the economic situation in transit countries. This curtails the capacity of LLDCs to generate income and employment driven by the global economic growth.

Mr. Kuleshov indicated that the case studies will be focused on the experiences of commodity dependent LLDCs, addressing, in particular, the following: identification of commodity value chains facing constraints for LLDCs; promotion of investment in improved transport corridors for the key commodity value chains; building capacity for domestic food and energy security; and measures to address socioeconomic vulnerability of commodity dependent regions. An agreement to implement these studies has been made with UNCTAD. In particular, they expected the following deliverables: (1) Analytical report, containing policy recommendations, and learning points for commodity dependent LLDCs. (2) proposed measures to assist commodity dependent

LLDCs to prioritize their development activities. (3) Case studies of successful investment promotion on commodity sector in LLDCs, leading to recommendations on the policies that commodity dependent LLDCs should adopt to meet their investment needs.

He also noted that the key outcome of the analysis would concern the recommendations addressing vulnerability of commodity dependent LLDCs in relation to global markets. The goal remains to identify and implement measures to resolve case specific challenges preventing LLDCs from gaining their fair share of income generated in the global commodity markets. The work will conclude with a high level event on the role that commodity sector could play in the developing countries. Now that the time and dates for the Conference had been set, the date and place will be set accordingly.

The Representative of **UN OSAA, Mr. Kavazeua Katjomuise**, noted that since 15 out of the LLDCs are in Africa, LLDCs issues are important elements in OSAA's programme of work. As such OSAA pays particular attention to the Almaty Programme of Action (APoA). The Office will be represented at the highest level at the Ten-Year Review Conference. Furthermore the management of OSAA is currently exploring options of how best to substantively contribute to the conference, including through joint organization of side events at the conference or participation in High-level thematic round tables at the Conference just as they did for the preparatory process for UN LDC IV Conference in 2011.

#### **D. Update on the private sector track**

In this session, **Ms. Heidi Schroderus-Fox, Director of UN-OHRLLS** provided an update on the status of preparations under the private sector track. She indicated that the objective of the private sector track for the Conference is to ensure that specific arrangements are set in place to involve and engage private sector representatives during all stages of the preparatory process and at the Conference itself. She noted that a private sector Steering Committee consisting of about 15 members from Chambers of Commerce, business committees, business representatives of transport service providers, and national and international investors from LLDCs, transit developing countries and donor countries, as well as representatives from international organizations had been set up. The committee has held five conference calls since its inception (21 January 2014, 17 December 2013, 12 November, 3 October, 19 July), to discuss the pertinent substantive issues to the private sector, and to prepare private sector participation in upcoming meetings.

The aim of the steering committee is to serve as a platform for building consensus and common position of the private sector, and ultimately coordinate and represent private sector's input to the zero draft of the outcome document of the conference. To this end, ICC had prepared and shared a questionnaire with the committee members in order to gather inputs and recommendations on issues such as infrastructure, trade and trade facilitation, business environment, international support, finance, and resource mobilization, from the perspective of the private sector that will be used to the preparation of the joint private sector input to the Conference. She noted that OHRLLS

and ICC were organizing a high-level private sector event on the side lines of the first Preparatory Committee in New York. Several panelists will be invited, consisting of several members of the steering committee, including high-level representatives from Chambers of Commerce, investors and CEOs of large companies operating in LLDCs and other high-level business representatives. Leading up to the Conference, either immediately before or on the first day of the Conference, a Global Investment and Business Partnership Forum will be held.

### **E. Briefing by WTO on the outcome of the Trade Facilitation Agreement and its implications for the LLDCs**

The Representative of the **World Trade (WTO)**, **Mr. Raul Torres** gave a presentation on the outcome of the trade facilitation agreement and its implications for the LLDCs. He noted that trade facilitation is important for LLDCs because it lowers trade transaction costs, improves efficiency and competitiveness and easier integration into global value chains, and eliminates time as a trade barrier. Below is a summary of his presentation.

The Ministerial Decision of 7 December 2013- Bali Ministerial Conference concluded the negotiations of the Trade Facilitation Agreement (TFA). It establishes a Preparatory Committee mandated with follow-up work. The Preparatory Committee will function as a normal WTO Committee. Its immediate tasks were to perform a legal review (no changes of substance), draft a Protocol of Amendment to include the TFA in Annex 1A of the WTO Agreement and receive notifications of category A commitments. The Committee is chaired by Philippines. Members need to go through their internal treaty ratification process and notify acceptance of protocol to WTO by 31 July 2015. The Agreement will enter into force once 2/3 of the WTO Members ratify it.

The structure of the TFA includes a preamble, section I on trade facilitation disciplines (Articles 1-11), Customs Cooperation (Article 12) and -Institutional Arrangements (Article 13), Section II on Special and Differential Treatment, Final Provisions and an Annex 1 on Donor technical assistance notification format.

Examples of trade facilitation provisions in the agreement that are of interest to LLDCs include; Expedited Shipments: imposes on members to expedite the release of air cargo; Use of International Standards: Harmonization of trade practices and rules; Single Window: submission of documentation for import/export should be to a single electronic point; Authorized operators: lower documentation and inspections, rapid release, deferred payments, etc; Customs Cooperation: Multilateral customs cooperation and exchange of relevant information; Publication: publish a wide range of info related to procedures for clearing of goods for import/export; Advance rulings: binding decisions by Customs, on request, on classification/origin; Appeal: provides for the right of appeal or review on a decision made by Customs; Risk Management: focus on high-risk consignments to expedite release and clearance of low-risk goods; and Border Agency Cooperation: ensure cooperation and coordination between authorities and agencies responsible for border controls to facilitate trade. The TFA suggests the following for cooperation with *other* Members: Alignment of working days/hours and procedures/formalities; Joint

controls and sharing of common facilities; and Establishment of one stop border post control.

Article 11 on Freedom of Transit has the following provisions most of them in binding language: (i) Any regulations and formalities shall not: Be maintained if circumstances/objectives no longer exist; and Constitute a disguised restriction on trade; (ii) Traffic in transit shall not be conditioned on collection of fees (except cost based, transport and administrative expenses); (iii) Prohibition on voluntary restraints on traffic in transit; (iv) Non-discrimination principle expanded and strengthened; (v) Separate infrastructure for traffic in transit encouraged; (vi) Formalities, documents and controls shall not be more cumbersome than necessary; (vii) No charges, delays or restrictions once goods cleared for transit; (viii) No application of technical barriers to trade (TBT) measures to transit goods; (ix) Advance filing and processing of transit documentation to be allowed and provided; (x) Promptly terminate transit operation once exit point is reached; (xi) Guarantees: Limited to ensuring requirements are fulfilled, Discharged without delay, Allow multiple transaction or renewal, Publish information used to set guarantees, Convoys or escorts only in high risk cases, (xii) Endeavour to cooperate to enhance transit; and (xiii) Endeavour to appoint national transit coordinator

Section II of the TFA on Special and Differential Treatment (SDT) is guided by the following general principles: Section I will be implemented by developing countries and LDCs in accordance with Section II; Technical assistance and capacity building should be provided to help implementation; The extent and the timing of implementation will be related to the implementation capacities; Implementation will not be required until capacity has been acquired; Assistance and support for capacity building should be provided to help developing and LDC country Members implement; The extent and the timing of implementation will be related to the implementation capacities; Implementation will not be required until capacity has been acquired; LDC Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs.

There are three categories of provisions: Category A contains provisions that a developing country Member or a LDC Member designates for implementation upon entry into force of the TFA, or in the case of a LDC Member within one year after entry into force. Notifications by developing countries on the measures they will put in category A are due by 31 July 2014. Category B contains provisions that a developing country Member or a LDC Member designates for implementation on a date after a transitional period of time following the entry into force of the TFA. Category C contains provisions that a developing country Member or a LDC Member designates for implementation on a date after a transitional period of time following the entry into force of the TFA and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building.

The TFA also has an Early Warning Mechanism. If a Member experiences difficulties implementing by the definitive dates it established, it should notify the Committee: the developing countries: no later than 120 days before the expiration date and LDCs: no

later than 90 days before the expiration date. The Member State should notify new dates and indicate reasons for delay. Automatic extension will be granted if it is the first request and for less than 1.5 years (developing) or 3 years (LDCs). Subsequent extensions will be submitted to the Committee.

The TFA also stipulates establishment of an Expert Group. Where an extension has not been granted or there are unforeseen circumstances and a Member self-assesses its lack of capacity to implement, the trade facilitation committee will establish an Expert Group (composed of 5 independent persons). The expert group will examine the issue and make a recommendation within 120 days of its composition. No Dispute Settlement Understanding recourse will be done from the time of notification until: first meeting of the Committee after the recommendation (developing countries); or the committee makes a decision (LDCs). Members can shift provisions between Category B and C but must provide information on assistance required to build capacity. The Dispute Settlement Understanding Grace Period is stipulated 2 years for Category A for developing countries; and 6 years for Category A for LDCs and 8 years for Category B and C for LDCs.

Donor Members agree to facilitate the provision of assistance and support for capacity building to developing country and LDC Members, on mutually agreed terms and either bilaterally or through the appropriate international organizations. For transparency purposes, Donor Members assisting developing and LDC Members will inform the Committee, at entry into force and annually thereafter, the technical assistance and capacity building that was given. This includes amounts, agencies involved, description of assistance and procedures.

The Trade Facilitation Committee will at least have one dedicated session per year to: discuss problems regarding implementation, review progress in provision of technical assistance and capacity building support, share experiences and information, and review donor notifications. Trade facilitation Needs Assessment help countries determine measures that can be put into the different categories - new requests have been received in 2014 from Moldova, Niger, Nepal and Burkina Faso. Ethiopia and Malawi were awaiting scheduling for their needs assessments. In 2013 trade facilitation assessment was done in 12 LLDCs including Lesotho, Central African Republic, Kyrgyz Republic, Tajikistan, Swaziland, Zimbabwe, Mali, Chad, Zambia, Laos, Paraguay and Mali. Members can also do self assessment and the WTO has published a guide to assist Members to assess their technical assistance and capacity building support needs and priorities to implement the TFA ref. TN/TF/W/143/Rev.7

## **F. Key elements for a new Programme of Action for LLDCs emerged from substantive pre-conference discussions**

In this session, **Mr. Sandagdorj Erdenebileg, Chief, Policy Development, Coordination, Monitoring and Reporting Service, OHRLLS** indicated that he was presenting preliminary key elements for the priority areas for an outcome document of the Second UN Conference on LLDCs based on substantive discussions and recommendations from the regional review meetings (Euro-Asia, Africa, Latin America), the inter-agency

meetings, and the pre-conference activities, (International trade, trade facilitation and aid for trade; Road and rail financing Conference; Euro-Asian transport links Ministerial Conference; Brainstorming meeting; Global services forum; Transport development and trade facilitation; Renewing global partnerships for connecting LLDCs to markets; EGM on implementation of trade and transport facilitation measures in Africa; H-L Conference on Road Transport; Building resilience of LLDCs to impacts of climate changes; EGM on Transport and Logistics Innovations in LLDCs; South-South Facility for LLDCs launch, Enhancing ICT development and connectivity; Development, logistical costs and situation of LLDCs in Latin America). It was also based on annual reports of the Secretary-General, national reports and relevant analytical work on LLDCs done by the UN system and international organizations.

He said that his presentation was a snapshot of the priority areas for action. He indicated that there were major conclusions coming from the preparatory events that need to be reflected in the key elements. The following is a summary of his presentation. The detailed framework of the preliminary key elements and possible actions is presented in annex III. Mr. Erdenebileg requested for the inputs of the agencies on the draft key elements by mid May.

**(i) The need for broadening the LLDC agenda**

Landlockedness has a huge impact on the overall development of the LLDCs and there is an overwhelming view that the outcome document should therefore take a broader approach to addressing the development needs of the LLDCs. According to the report of the Secretary General, the development of LLDCs on average is 20% lower than that of the transit developing countries. The development effects of landlockedness can be transmitted through various channels, including international trade, but also quality of institutions, income, and the stage of economic as well as social development. A comprehensive approach to the development needs of LLDCs is needed that identifies policy actions that, combined with conventional trade facilitation, trade promotion and transport infrastructure development, can help LLDCs to fulfill their development potential.

Furthermore, the LLDCs manifest a fragile, low and declining level of industrialization and manufacturing employment. The manufacturing value added has declined 36 per cent from a peak of 18.1 per cent in 1992 to 11.5 per cent in 2011. Besides slowing down economic diversification, deindustrialization undermines the productive capacities, engenders joblessness and reverses structural transformation, isolating the LLDCs further. In addition, the export structure of LLDCs continues to be increasingly characterized by reliance on limited number of export products, in particular raw agricultural and mining commodities. By 2011, just three export products represented over 70 per cent of exports of eleven LLDCs. The issues of structural transformation including the value addition, export diversification, improving the productive capacities which will have a huge impact on development in LLDCs need to be reflected in the new development agenda. Another issue is strengthening of the services sector which has an important impact on LLDCs. With the growing inter-linkages in world trade, investment and production, global value chains account for a rising share of international trade.

Linking into global value chains presents an opportunity for LLDC to achieve greater integration into world markets and allow them to become important links in the production and distribution chain.

**(ii) Transit issues should remain priority of the new Programme of Action**

Transit issues should remain priority of the new Programme of Action, as the most severe impacts of landlockedness are transmitted principally through international trade and transit transport. The establishment of a secure, reliable and efficient transit transport system remains critical for LLDCs to be able to reduce transport costs and enhance the competitiveness of their exports on regional and global markets. Ratification and effective implementation of relevant international conventions and agreements on transit transport and border crossing by LLDCs and transit countries is necessary for simplifying, harmonizing and standardizing transit operations and therefore they play a significant role in reducing transit delays and costs. Given the high trade costs, trade facilitation has become for many LLDCs the most important trade policy instrument to achieve gains from international trade. The Agreement on Trade Facilitation has important provisions that could improve trade facilitation in LLDCs and it is crucial to fully implement the agreement.

**(iii) Regional cooperation**

Close cooperation with the transit countries is important for improved connectivity. There is need to strengthen efforts towards regional economic integration, as it has potential of increasing intra-regional trade and intra-regional foreign direct investment flows, increasing the size of markets, improving connectivity through transport, energy and ICT networks, increasing border agency cooperation and harmonizing customs procedures, as well as deepening of regional markets. Deepened regional integration has the potential to enhance competitiveness of LLDCs and maximize the benefits from globalization.

**(iv) Emerging challenges and opportunities**

The preparatory meetings have also noted that during the implementation of the APoA, new challenges have emerged that are affecting LLDCs such as climate change, desertification, degradation and food insecurity. Building resilience of LLDCs to these external shocks, including the effects of climate change and economic crises, has been highlighted as one of the new priorities for the Programme of Action.

**(v) International support measures**

Financial, technical and capacity building support from traditional donors, as well emerging donors and transit countries, will be crucial to assist LLDCs in implementing the new Programme of Action. The international environment has been changing and is now characterized by greater austerity measures, while new and emerging economies are playing a bigger role in international trade, investment and policy making. While this presents challenges for the LLDCs in terms of traditional development financing, it also presents opportunities to build South-South cooperation and partnerships.

## G. Consultations on possible side events during the Conference

In this session, **Mr. Sandagdorj Erdenebileg, Chief, Policy Development, Coordination, Monitoring and Reporting Service, OHRLLS** gave a presentation. He indicated that based on the Note of Secretary-General on the “Proposed organizational aspects of the 10-year Review Conference on the Implementation of the Almaty Programme of Action (second United Nations conference on landlocked developing countries)” (A/68/708), interactive thematic round tables and side events will be held on the side lines of the Conference. The themes of these events would be determined through inter-agency consultations and in consultations with relevant Member States and international organizations.

He indicated that interactive thematic round tables will be organized to facilitate exchange of views and build common understanding on the special needs of LLDCs and their development priorities. The thematic round tables are envisioned to discuss LLDC issues in a broader development context. They should be very high-level events, with several high-level keynote speakers and plenary discussions. OHRLLS will be the coordinator and suggests 4 thematic round tables as shown in the table below.

### Suggested high-level interactive thematic round tables

Title		Suggested sponsors
1	Achieving structural transformation of LLDC economies	UN-OHRLLS, UNCTAD, UNIDO, UNCCD, ...
2	Harnessing international trade and investment for LLDCs’ development and facilitating transit transport	WTO, ITC, UNCTAD, UN-OHRLLS, ...
3	Priorities for the LLDCs in the post-2015 development framework	UN-OHRLLS, ...
4	Regional integration and transit cooperation - perspectives for the LLDCs	UN-OHRLLS, ECA, ESCAP, ECLAC, World Bank, UNCTAD.....

With regard to side events, Mr. Erdenebileg indicated that they will be organized and sponsored by the UN system, other international organizations, or member states. They should serve as platforms for the announcement of specific deliverables and initiatives and focus on specific key priority issues for LLDCs. The side events will not take place in parallel to plenary sessions and OHRLLS will provide guidelines and template for submission of side event proposals. He shared a table with suggested side events for the participants to review and provide feedback.

### Suggested side events

	Theme	Suggested Sponsor Agencies
1.	Linking LLDCs to regional infrastructure networks	ECE, ESCAP, ECA, ECLAC, IRU, ITU, ...

2.	Harvesting benefits of trade facilitation for LLDCs and assistance in implementing the WTO Trade Facilitation Agreement	WTO, ITC, UNCTAD, UNDP, ...
3.	Funding for transit transport infrastructure	World Bank, regional development banks, ...
4.	Strengthening international and regional legal frameworks to improve transit operations	ECE, World Bank, WCO, ...
5.	Improving competitiveness and trade promotion in LLDCs	ITC, ...
6.	Enhancing productive capacities and the role of private sector in LLDCs	UNCTAD, UNIDO, ICC, ...
7.	Launch of a joint World Bank and UN-OHRLLS publication on improving infrastructure and trade facilitation for greater integration of LLDCs to world markets	World Bank, UN-OHRLLS
8.	Turning commodity dependence into sustainable, inclusive and equitable economic growth for the LLDCs	CFC, ...
9.	Business and Investment Forum	ICC, Global Compact, private sector, ...

He indicated that the proposed list should be finalized by mid May. All members will be requested to provide information to the elements of the outcome document, and to provide input to the 10-year review report of the secretary general.

## H. Interactive discussion

In the ensuing interactive discussion following the three presentations, participants made some observations and remarks. In opening the discussion, the **Under Secretary General, Mr. Acharya** stressed that the expectations for 10-year review conference include; the need for each agency to participate at a high-level, and to contribute and commit to the organization of the thematic round tables and side events. In order for LLDCs to get support from the international committee, he encouraged the agencies to plan to announce any specific initiatives or programs targeted to benefit the LLDCs at the conference.

**Mr. Rubiato** asked the USG to clarify whether the two preparatory committee meetings to be held in, June and September 2014, if these will define the initiatives and concrete deliverables of the outcomes of Vienna Conference or whether they will be circulated before that date. In this regard he inquired if the planning of the side events could only be done after these meetings. **Mr. Zoetelief** requested for the list of side events and roundtables to be circulated to all participants.

In response **Mr. Acharya** indicated that there are many processes that are bringing out key elements that would be used for the development of the draft outcome. In particular he indicated that inputs are being obtained from the pre-conference events, regional review meetings, the discussions in the inter agency meetings, national reports, studies, the brainstorming sessions and others. He indicated that a draft will be prepared as an input to the member states. To what extent the member states will take it forward depends on them. The side events or thematic roundtables can be planned now, and there was no need to wait for the draft outcome document that the member states would have considered in order to plan the side events. He therefore urged the agencies to propose the side events, thematic roundtables and other deliverables now based on the broad parameters emerging from the preparatory processes so that the inputs can be accepted by member states.

**Mr. Erdenebileg** added that for the side events and thematic roundtables, OHRLLS will finalize the list with the proposed co-sponsoring organizations and will send to the agencies for their input. Thereafter OHRLLS will inform the first preparatory committee on the agreed proposed events. He also indicated that he will revise his presentations and will circulate the key elements for the outcome document.

**Mr. N'Diaye** indicated that UNCCD is willing to confirm or to provide inputs on the side events or thematic events if the list is circulated to all the members of the inter agency group so that they can make input. With regards to the key elements of the draft programme of action he said that the list that has a large number of actions mentioned by Mr. Erdenebileg is very important and should be circulated so that all members can input into it. He fully supports the discussion about the deliverables and stressed that the outcome document should clearly define the actionable measures and expected outcomes which countries should undertake, so they will be in a better position to measure whether they are on track. He suggested that the UNCCD is ready to contribute to the side events or roundtable events. Also, he suggested that in addition to the traditionally designated delegates, the conference can include some individuals that are working on the ground to share their experiences at the conference in the official agenda or at least in the side events.

**Mr. Kuleshov** asked if there is any shared inter-agency public communication program or plan to reach out to the member states so that it comes out as a coherent action instead of a series of press releases by different agencies.

The representative of the **UN Department of Public Information (DPI), Ms. Gisella Lomax** indicated that with regards to a joint shared communication strategy, she will convey the question to DPI NY and also to the director of communication in UN information center in Vienna who will handle communication at that time of the conference.

**Ms. Harumi Chikada** of WCO requested for clarification on the relationship between the outcome document in Vienna and the draft resolution submitted to the 68<sup>th</sup> session,

second committee in December 2014. It was clarified that the resolution forms part of the input to the outcome document in Vienna.

**Mr. Torres** indicated that their organization will try to participate in the pre-conference events, thematic roundtables and side events. They are looking to go to the Mongolia meeting on the trade facilitation agreement and the LLDCs. He also raised the question on how to elevate the profile of the LLDCs in the WTO. In this regard he suggested the possibility to have a specific work program on LLDCs in WTO in a similar way that the specific work program for LDCs and small economies that was launched in Doha. It is important to include language on having a work programme on LLDCs at WTO in the draft outcome document. The proposal on the work programme after Vienna would be brought for consideration and launched at the WTO Ministerial conference towards the end of 2015. Particular issues that could be included in the LLDC work programme could be trade facilitation, aid for trade, trade in services, electronic commerce, and accession to the WTO which are of interest to the LLDCs.

**Ms. Purcell** indicated that the LLDCs need broadband to successfully integrate into the global economy including gaining from trade and tourism. She emphasized that the request of the LLDCs to improve their access to broadband should be fully included in the outcome document of the LLDC conference and the Post 2015 Development Agenda. Every agency should cooperate to make sure that the strength of partnerships will help carry forward the needs of the LLDCs into the post-2015. Finally, she asked about the dates of the preparatory committee meetings and assured the Under Secretary General that ITU will participate and that they were also planning to have side events at the conference in Austria. In response **Mr. Erdenebileg** gave the dates of the preparatory committee meetings and also indicated that there will be inter-session meetings. He explained that with regard to side events it is important that agencies work in a coherent way to deliver events that are beneficial to the LLDCs.

**Mr. Acharya** also added that there will a website on the conference which will provide unified public information on the conference activities such as pre-conference events, side events, thematic roundtables, reports of the regional reviews and other documents. OHRLLS is waiting for the General Assembly to adopt the modalities resolution so that the website can be launched.

**Mr. Aeroe** indicated ITC's commitment to attend and organize the side events and round table events where required from the perspectives of the private sector and connectivity. They will support operationalization of the trade facilitation agreement through talking to the private sector about the advantages of this agreement and how to get the best out of it.

**Mr. Rubiato** recalled that the commitments of WTO members are individual ones and while they constitute obligations for each member they do not determine rights for other members. Such a fundamental principle has to be kept in mind when analyzing Article 11 on freedom of transit and other provisions of the WTO Trade Facilitation Agreement which will have to be implemented by transit countries as applicable to transit operations.

He also indicated that there is need to include some indicators in the outcome document in order to ensure that the deliverables are actually delivered.

**Mr. Torres** stated that it's a complicated question considering the flexibilities that the developing countries have. There is no limitation as to how many commitments a country can put into category C or B as opposed to A which might have them bound in a short term. He urged ITC, and UNDP who work on the ground to urge the member states to take as much commitments as possible in the trade facilitation needs assessment. For example, for those countries which already have single-window systems, there is no point putting them in category B when they have already complied with. They should put into category A and indicate that they will continue to provide that measure.

**Mr. Acharya** stressed transit is still a big challenge for LLDCs. He indicated that it was agreed in 1925 in Barcelona convention that transit must be provided to LLDCs, which has also been documented in many articles and WTO documents. However it is important to turn those agreed norms about transit into reality for LLDCs. The upcoming conference in Vienna involving all stakeholders the LLDCs, transit countries, development partners and the UN and international organizations will help figure out a way to clear the obstacles involved with transit issues.

**Mr. Erdenebileg** emphasized that “transit issues” are not easy to understand for the negotiators, and there might be some misunderstandings and confusions. He therefore encouraged other organizations, such as WTO, WCO, UNCTAD, ITC and others to stand by and provide explanation, clarification and alternative language when the negotiations for the outcome of the LLDC conference begin.

## **I. Closing remarks and way forward**

In closing, Mr. Acharya, thanked all for their participation and to their strong contribution to the preparation for the conference thus far and expressed his hope for closer collaboration in the future. He said that the conference should be successful for the people in LLDCs resulting in the achievement of sustainable development and that this can only be achieved if the development issues of the LLDCs are addressed in a holistic manner. He indicated that the discussions in the meeting had called for specific inputs like trade, transit, infrastructure, regional integration, resilience building etc that could help in the achievement of the broader development agenda.

He also indicated that discussions in the meeting also came up with some key deliverables that can be followed up and there is need for the agencies to package them as deliverables. Examples include ratification and implementation of international conventions, the LLDC work programme, resilience building, national action plans, diversification of the products, automation of the customs, and others. He indicated that these key deliverables should be measurable and member states should be able to clearly follow up and assess the progress made in delivering the key elements. He looked forward to the outcome document coming up with specific deliverables like what was done in the Fourth UN Conference for LDCs.

The Under Secretary General called upon the organization's inputs to the preparation of the report by the Secretary General on the ten-year review of the Almaty programme of Action that will be submitted to the conference. He called for their submissions of proposed side and thematic round table events that they would like to be involved at the conference. He appreciated the attendance of members and their commitment to the side events, pre-conferences and the conference. He reiterated the need for the high level participation of the agencies at the conference.

## 1. Annex I: List of Participants

### **Common Fund for Commodity (CFC)**

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### **International Road Union (IRU)**

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## Annex II: Programme of Work

### Fourth Inter-Agency Consultative Group Meeting on the Preparatory Process for the Second UN Conference on LLDCs

20 February 2014

Room XXVII, Palais des Nations, Geneva

#### *Agenda*

<b>10:00 – 10:30</b>	Opening session <ul style="list-style-type: none"><li>- Opening statement by Mr. Gyan Chandra Acharya, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States</li><li>- Remarks by LLDC Group Chair, H.E. Mr. Thongphane Savanphet, Permanent Representatives of Lao PDR in Geneva</li><li>- Remarks by LLDC Group Coordinator on Trade and Development, H.E. Mr. Juan Esteban Aguirre, Permanent Representative of Paraguay in Geneva</li></ul>
<b>10:30 – 13:00</b>	Consultations on the substantive and organizational preparations for the Second UN Conference on LLDCs <ul style="list-style-type: none"><li>- UN-OHRLLS presentation on the current status of the preparations for the Conference, including the latest UN GA resolution on Specific actions related to the particular needs and problems of LLDCs and modalities of the Conference</li><li>- Presentations by agencies on events held and activities since last IACG meeting<ul style="list-style-type: none"><li>- ECE, ECA, ECLAC, ESCAP, WTO, IRU, ITU, UNCCD, UNCTAD, ITC, World Bank, and others</li></ul></li><li>- Presentations by agencies on upcoming events<ul style="list-style-type: none"><li>- UNCTAD, UNIDO, CFC, UNDP, and others</li></ul></li><li>- UN-OHRLLS presentation on the private sector track</li></ul>
<b>13:00 – 15:00</b>	<b>Lunch break</b>
<b>15:00 – 15:30</b>	Briefing by WTO on the outcome of the Trade Facilitation Agreement and its implications for the LLDCs
<b>15:30 – 16:30</b>	Consultations on the substantive elements for the outcome document for the Conference <ul style="list-style-type: none"><li>- <b>Presentation by UN-OHRLLS on the key elements for the outcome document</b></li></ul>

	- <b>Comments by agencies and discussion</b>
<b>16:30 – 17:30</b>	Consultations on side events at the Conference - <b>Proposals on the planned events on the sidelines of the Conference by UN-OHRLLS</b> - <b>Comments by agencies and discussion</b>
<b>17:30 – 18:00</b>	Summary of the consultations and recommendations on way forward - <b>Concluding remarks by UN-OHRLLS</b>

### **Annex III. Key elements for a new Programme of Action for LLDCs emerged from substantive pre-conference discussions**

These elements are based on substantive discussions and recommendations from pre-conference activities, including: Thematic pre-conference events (International trade, trade facilitation and aid for trade; Road and rail financing Conference; Euro-Asian transport links Ministerial Conference; Brainstorming meeting; Global services forum; Transport development and trade facilitation; Renewing global partnerships for connecting LLDCs to markets; EGM on implementation of trade and transport facilitation measures in Africa; H-L Conference on Road Transport; Building resilience of LLDCs to impacts of climate changes; EGM on Transport and Logistics Innovations in LLDCs; South-South Facility for LLDCs launch, Enhancing ICT development and connectivity; Development, logistical costs and situation of LLDCs in Latin America); Regional review meetings (Euro-Asia, Africa, Latin America); Inter-agency meetings; Annual reports of the Secretary-General; Relevant analytical work on LLDCs done by the UN system and international organizations.

Consultations from other forthcoming activities and events will further enrich these suggested elements: Outstanding pre-conference events (GA/ECOSOC partnerships session on LLDCs; Enhancing productive capacities; Retreat of key negotiators; Enhancing international support to LLDCs; Assessing vulnerability of LLDCs to external shocks; High Level meeting on trade facilitation; dedicated session to LLDCs at World Investment Forum), National reports in the implementation of the APoA and Others.

This is not a complete final list of suggested actions for LLDCs, transit countries and development partners for the next decade; rather it gives an overview of the thematic areas and actions that the new Programme of Action could focus on. The outcome document will identify several priority areas, each one with its own broad overarching objectives and then sets of specific actions to be undertaken by LLDCs, transit developing countries and development partners.

The fundamental development objectives of the new programme of action for LLDCs include increased trade, economic growth and integration into world economy, poverty reduction and sustainable development. The outcome of the LLDC Conference will feed into the deliberations of the post-2015 development framework.

#### **The need for broadening the LLDC agenda**

There has been an overwhelming view that the outcome document should take a broader approach to addressing the development needs of LLDCs. What the pre-conference activities highlighted is that while the transit transport sector is definitely important for improving trade and the greater integration of LLDCs into the international market, there is a need to address LLDCs issues in a more coherent and holistic manner, ensuring that broader aspects of development are also addressed.

The recent OHRLLS study ‘The Development Economics of Landlockedness’ revealed that landlockedness is an effective obstacle to development and impacts both economic

and non-economic dimensions of development. The study found that the level of development in LLDCs is on average 20% lower than what it would have been were the countries not landlocked. The development effects of landlockedness can be transmitted through various channels, including of course international trade, but also quality of institutions, income, and the stage of economic as well as social development. Lack of technological innovation, deficient communication infrastructure and conflict are also likely to have negative development impact on LLDCs.

The policy implication of this finding is that a policy approach that focuses on trade promotion and trade facilitation alone cannot eliminate the entire development gap of LLDCs. Rather, a comprehensive approach to the development needs of LLDCs is needed that identifies policy actions that, combined with conventional trade facilitation, trade promotion and transport infrastructure development, can help LLDCs to fulfil their development potential.

### **Structural transformation of LLDC economies and productive capacity building**

Therefore efforts to improve the transit transport infrastructure and trade facilitation in LLDCs need to be accompanied by efforts to build productive capacity, improve market access, promote value addition, industrialization and diversification of economies, technology transfer, greater regional integration, increased use of information and communication technologies, and others.

In particular, LLDCs should aim to structurally transform their economies towards lowering commodity dependence and higher diversification of their economies and trade, higher value addition in production and trade, greater integration into regional and global value chains and overall building of enhanced domestic productive capacities.

To successfully confront the multi-faceted constraints related to the lack of territorial access to the sea, LLDCs need structural transformation - a process that creates new areas of activities through shifting resources from low-value to high-value goods and activities, and from low-technology and low-productivity to high-technology and higher-productivity activities.

LLDCs manifest a fragile, low and declining level of industrialization and manufacturing employment. The manufacturing value added (MVA) – a basic indicator of the contribution of the entire manufacturing sector to GDP – has declined 36 per cent from a peak of 18.1 per cent in 1992 to 11.5 per cent in 2011. Besides slowing down economic diversification, deindustrialization undermines the productive capacities, engenders joblessness and reverses structural transformation, isolating the LLDCs further.

Building a critical mass of viable and competitive productive capacity in manufacturing, agriculture and services is essential if landlocked developing countries are to better harness their trade potential, achieve high and sustainable economic growth, economic diversification, poverty reduction, rising incomes and the strengthening of resiliency from external shocks.

In addition, the export structure of LLDCs continues to be increasingly characterized by reliance on limited number of export products, in particular raw agricultural and mining commodities. By 2011, just three export products represented over 70 per cent of exports of eleven LLDCs. More efforts are needed to diversify the production and export structure of LLDCs, in particular moving from low-value high-bulk commodities to high-value low-bulk, in order to take full potential of the benefits of the multilateral trading system and enhance competitiveness of LLDC exports.

The services sector also holds great potential for economic diversification for LLDCs since it is less affected by geographical constraints. The value added share of the services sector in LLDCs' GDP has increased from 36 per cent in 1992 to 43 per cent in 2011. Exports of services have also been on an upward trend in most LLDCs. This trend should be continue and the services trade should be effectively harnessed as an enabler to access markets and to improving LLDCs' export competitiveness and achieving diversification. Improvements in the domestic provision of services require investment in human resources development as well as the effective applications of technology, and in particular ICTs, to the production of services. The lack of reliable statistics on services, a major constraint in formulating relevant policies on the services sector, also needs to be addressed.

With the growing inter-linkages in world trade, investment and production, global value chains account for a rising share of international trade. Linking into global value chains presents an opportunity for LLDC to achieve greater integration into world markets and allow them to become important links in the production and distribution chain. Available evidence indicates that increased participation in global value chains is also associated with faster growth, productivity and employment creation and can be an important avenue for building productive capacities through technology and skill transfer.

**At the same time, the focused nature of the LLDC Programme of Action on developing efficient transit transport systems should not be lost**

Transit issues should remain priority of the new Programme of Action, as the most severe impacts of landlockedness are transmitted principally through international trade and transit transport. The establishment of a secure, reliable and efficient transit transport system remains critical for LLDCs to be able to reduce transport costs and enhance the competitiveness of their exports on regional and global markets. On average, LLDCs' trade was just 61% of the trade volume of coastal countries. Similarly, LLDCs face transport costs that are up to 45% higher than the representative coastal economy. Reducing these high costs requires investment into hard and soft infrastructure, both of which depend on effective transit transport cooperation between the LLDCs, the transit neighbours and the development partners.

Ratification and effective implementation of relevant international conventions and agreements on transit transport and border crossing by LLDCs and transit countries is necessary for simplifying, harmonizing and standardising transit operations and therefore they play a significant role in reducing transit delays and costs.

Given the high trade costs, trade facilitation has become for many LLDCs the most important trade policy instrument to achieve gains from international trade. Many LLDCs have made efforts to enhance trade facilitation, including through harmonisation of customs procedures, rules and documentation; introduction of modern electronic techniques; introduction of one stop border posts and single windows; removal of roadblocks; and others. At the global level, on 7 December 2013 at the WTO's Bali Ministerial Conference, after more than ten years without any agreement on the Doha Round of trade negotiations, WTO members reached an agreement on the so-called Bali package. This package includes an Agreement on Trade Facilitation, which clarified and further improved aspects of relevant articles of GATT 1994, namely freedom of transit (Article V), fees and formalities connected with importation and exportation (Article VIII), and publication and administration of trade regulations (Article X).

The trade facilitation decision is the most significant for global commerce, as it is a multilateral deal to simplify customs procedures by reducing costs and improving their speed and efficiency, while also aiming to enhance technical assistance and support for capacity building in this area. According to the OECD, the Agreement could reduce LLDC trade costs by over 16%. The Trade Facilitation Agreement will become a legally binding agreement and is seen as one of the biggest reforms of the WTO since its establishment in 1995. The UN system and other relevant international organizations will need to support LLDC in implementing the Agreement, including through provision of technical and capacity-building assistance.

At the same time, development and maintenance of transport infrastructure in LLDCs and transit countries, remains crucial for establishing efficient transit transport systems and connecting LLDCs to world markets.

### **Regional cooperation**

Close cooperation with the transit countries is a sine qua non for improved connectivity. There are significant opportunities for greater exploitation of the potential of regional economic integration, especially in terms of increasing intra-regional trade and intra-regional foreign direct investment flows, increasing the size of markets, improving connectivity through transport, energy and ICT networks, increasing border agency cooperation and harmonizing customs procedures, as well as deepening of regional markets. Deepened regional integration has the potential to enhance competitiveness of LLDCs and maximize the benefits from globalization.

It is also important to promote the concept of 'development regionalism', which encompasses cooperation among countries in a broader range of areas than just trade and trade facilitation, to include for example investment, research and development as well as policies aimed at accelerating regional industrial development and regional infrastructure. This approach is aimed at fostering structural change and economic growth in LLDCs as a goal per se and as a means of collectively linking regions to the global markets.

## **Emerging challenges and opportunities**

The preparatory meetings have also noted that during the implementation of the APoA, new challenges have emerged that are affecting LLDCs such as climate change, desertification, degradation and food insecurity. Building resilience of LLDCs to these external shocks, including the effects of climate change and economic crises, has been highlighted as one of the new priorities for the Programme of Action.

In addition, the international environment has been changing and is now characterized by greater austerity measures, while new and emerging economies are playing a bigger role in international trade, investment and policy making. While this presents challenges for the LLDCs in terms of traditional development financing, it also presents opportunities to build South-South cooperation and partnerships.

Financial, technical and capacity building support from traditional donors, as well emerging donors and transit countries, will of course be crucial to assist LLDCs in implementing the new Programme of Action.

A snapshot of the priority areas for action is presented below.

## **Priorities for action**

### **A. Structural Transformation of LLDCs economies and productive capacity development**

- Ensure structural transformation towards higher productivity, diversification, value-addition and industrialization
  - Invest in human and technological capacities
  - The private sector should play a role in building productive capacity
1. Industrial sector development
    - Develop robust industrialization policy
  2. Agriculture, food and nutritional security and rural development
    - Enhance development of agricultural sector
    - Strengthen institutions to boost food production, agricultural productivity and sustainable agricultural practices
    - Promote change in production from low-value to high-value agricultural products
    - Establish or strengthen safety nets such as access to agricultural finance, insurance and other risk-mitigation tools, and food assistance programmes
  3. Private sector development
    - Provide supportive business and institutional environment to SMEs and entrepreneurs
    - Ensure effective competition policy
    - Ensure participation of private sector in policy dialogue
    - Promote PPPs
  4. Services sector development
    - Create governance mechanism and regulations to govern the services sector

- Pursue domestic policy reforms to promote growth in the services sector and remove domestic restrictions
  - Increase investment in tourism sector and promote sustainable tourism
  - Increase trade in services
5. Sciences, technologies and innovation
- Promote transfer of technologies, innovations and know-how to LLDCs and sharing of best practices
  - Promote investment in innovative cost-effective solutions and technologies
  - Consider establishing an LLDC technology bank and/or high-level technological centres
  - Provide assistance to support LLDC research and development and consider provision of concessional start-up financing for LLDC firms which invest in new technologies
  - Eliminate tariff and customs duties on technologies

## **B. Infrastructure Development and Transit Cooperation**

1. Transport infrastructure
- Improve transit transport infrastructure development and maintenance
  - Close all missing links
  - Promote intermodal transport development
  - Mobilize resources, including innovative funding and private sector, to support infrastructure development
  - Promote multi-stakeholder transit transport frameworks, including promoting involvement of the private sector
  - Design sustainable and resilient transit transport systems
  - Development partners to provide financial and technical assistance for infrastructure development
  - International and regional banks should finance regional infrastructure projects
2. Energy
- Enhance capacities in energy production, trade and distribution with the aim of ensuring a reliable, adequate and affordable supply and access in LLDCs
  - Expand power infrastructure
  - Invest into reliable and affordable energy infrastructure
  - Improve efficiency in generation, transmission and distribution of energy and sustainable use of energy
  - Development partners to provide financial and technical assistance and to facilitate transfer of appropriate and affordable technologies for development of clean and renewable energy technologies
3. ICT
- Develop ICT infrastructure
  - Improve access of LLDCs to international optical fibre networks
  - Lower the cost of broadband
  - Facilitate access of technologies and know-how on ICTs
  - Develop national plans and strategies on ICT, including broadband

- Promote e-business, e-government, e-banking, e-trading, etc.
  - Improve ICT governance and affordability
  - Increase investments from the private sector
  - Enhance regional ICT connectivity and cooperation
  - Improve ICT use to promote trade facilitation and to support broader economic development
  - Increase capacity-building programmes to increase ICT literacy
4. Transit cooperation
- Accession of LLDCs and transit countries to international UN agreements and conventions, regional and sub-regional agreements and other legal instruments on trade facilitation and transport and ensure their effective implementation
  - Mainstream conventions and agreements into national plans
  - Improved cooperation between LLDCs and transit countries to reduce transit costs and delays
  - Develop efficient logistics systems
  - Promote transit transport liberalization
  - Development partners to provide financial and technical assistance, to support transit cooperation, scaling up, and on ratification and implementation of conventions and agreements
  - International organizations to develop guidelines for transit agreements

### **C. International Trade**

- Significantly increase the share of LLDCs' trade in world trade
- Increase competitiveness, value-addition and diversification of LLDCs exports and their ability to join global and regional value chains
- Expand trade in services and to new non-traditional markets
- Improve LLDCs ability to deal with non-tariff barriers
- Improve documentation and the sharing and dissemination of compilation of experiences and guidelines on WTO accession
- Development partners to provide technical and capacity-building assistance to enhance capacities of LLDCs to participate in and understand trade negotiations and implement commitments
- Facilitate and accelerate accession of LLDCs to the WTO and provide technical and capacity building assistance prior to, during and in the follow-up to the accession process
- Rapid conclusion of the negotiations on the full Doha Development Agenda with development-related outcomes that take fully into account the trade and development needs, challenges and priorities of LLDCs
- Ensure enhanced and predictable market access for all products from LLDCs, with simple transparent and harmonized rules of origin
- Deepen regional and sub-regional integration, by increasing intra-regional trade

## **D. Trade Facilitation**

- All LLDCs and transit developing countries to fully implement the provisions in the WTO Agreement on Trade Facilitation
- Further simplify and harmonize customs and border-crossing rules, procedures and documentation in LLDCs and transit countries, with the aim of facilitating faster and cheaper trade
- Establish or strengthen national committees on trade facilitation, with involvement of all major stakeholders
- Implement or scale-up trade facilitation initiatives and instruments, such as single window, one stop border posts, advance processing of documentation, minimal physical inspections, use of risk management systems, authorized economic operators programmes, etc.
- Increase the use of ICT for customs and border procedures
- Promote implementation of permit-free transit transport
- Enhance coordination of agencies responsible for customs and border controls and procedures, within LLDCs as well as with transit countries
- Ensure full and inclusive representation of private sector in trade facilitation
- More effectively monitor progress in facilitating trade
- Enhance financial, technical and capacity-building assistance to LLDCs

## **E. Emerging challenges for LLDCs**

1. Climate change, DLDD and environmental sustainability
  - Develop national action plans to addressing climate change and DLDD and integrate them into national planning
  - Fully utilize and strengthen existing climate resources, funds and facilities towards adaptation, mitigation and land reclamation. Consider establishing special financing facility for LLDCs.
  - Strengthen sustainable land and resource management and invest in climate-smart agriculture
  - Promote sharing of experiences and good practices
  - Build productive capacities and diversify economies in order to achieve sustainable economic growth
  - Promote regional cooperation to address climate change and DLDD
  - Strengthen early warning systems
  - Strengthen generation and analysis of data and information related to climate change and DLDD and its impact, and strengthen monitoring
  - International community to provide technological and capacity building assistance to LLDCs
2. Disaster risk reduction
  - Promote coherence between disaster risk reduction and climate change adaptation policies and programmes
  - Development partners to provide financial and technical assistance to LLDCs to support disaster risk reduction, emergency preparedness and post-disaster reconstruction and strengthen sharing of knowledge and transfer of technology

- Development partners to support LLDCs to strengthen capacity to reduce vulnerability to natural disasters and to benefit from early warning systems

## **F. International support and financial flows to LLDCs**

1. ODA and Aid for Trade
  - Ensure enhanced ODA resources are channeled to LLDCs, including Aid for Trade, on a more equitable basis, based on country-specific needs and priorities
  - Identify national needs and priorities for ODA and Aid for Trade and integrate ODA with national plans
  - Strive to mobilize domestic resources
  - Engage private sector in aid for trade initiatives
  - Promote regional aid and aid for trade projects
  - Enhance the quality of ODA
  - Explore innovative sources of financing
2. Foreign Direct Investment
  - Attract increased and more diversified FDI in LLDCs, especially with the aim of enhancing productive capacity, support value addition, transit transport infrastructure and trade facilitation
  - Ensure conducive national and international regulatory environment for attracting FDI flows to LLDCs
  - Encourage PPPs
  - Boost productive capacities in LLDCs to improve their abilities to attract FDI
3. Remittances
  - Harness the development impact of remittances and ensure greater proportion is available for development-oriented use such as building productive capacities
  - Reduce the transaction cost of remittances, including by improving domestic and international financial and banking services and removing unnecessary restrictions
  - Engage diasporas and diaspora knowledge networks to attract remittances and knowledge transfer
4. South-South Cooperation
  - Enhance and harness South-South and triangular cooperation, in areas such as transfer of technology and innovations, investment, capacity building, provision of market access, and sharing of knowledge and best practices.
  - Emerging partners should enhance their ODA-like and other financial flows to LLDCs.
  - Develop national frameworks and plans for South-South and triangular cooperation.
  - Increase South-South and intra-regional trade.
5. Support of the international community
  - The UN system, other international, regional, sub-regional organization, regional financial institutions and other relevant organizations should continue and scale up their financial and technical support to LLDCs]

### **G. Regional Integration**

- Deepen regional integration in order to enhance competitiveness and maximise benefits from globalization
- Develop regional infrastructure networks, widen regional cooperation frameworks and aim to increase intra-regional trade
- Promote harmonized regional policies and connect and participate in existing regional agreements and frameworks and transport corridors

### **H. Implementation, monitoring and review**