

Vienna Programme of Action for LLDCs for 2014-2024

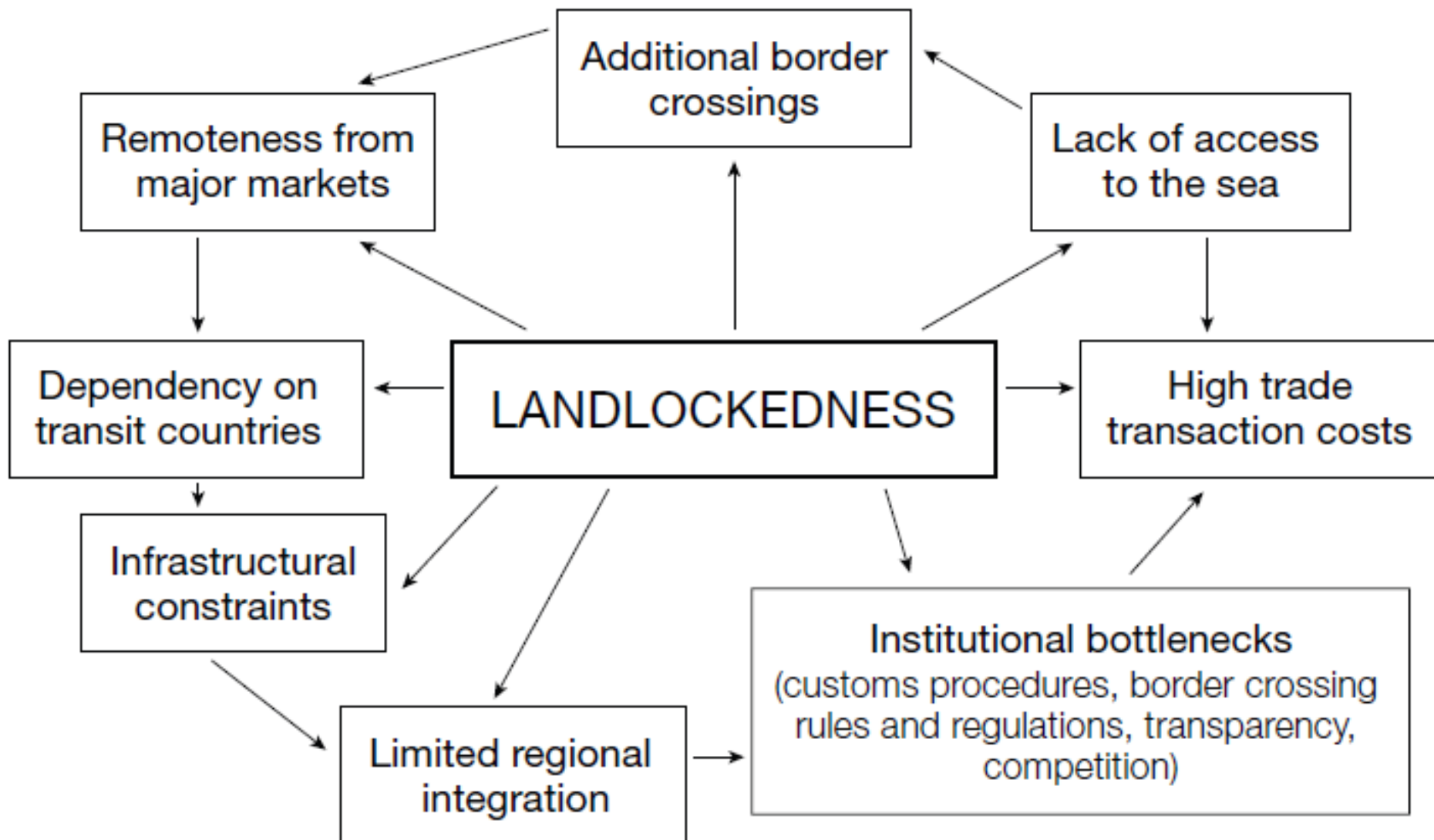
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Development Challenges Linked to Landlockedness



LLDCs trade challenges

UN-OHRLLS study results:

- LLDCs' trade was just 61% of the trade volume of coastal countries
- Transport costs for LLDCs were 45% higher than the representative coastal economy and have increased over time
- The level of development in LLDCs is about 20% lower than what it would be, had they not been landlocked



LLDCs Trade Challenges cont.

		LLDCs 2006	LLDCs 2014	Transit countries 2014
Import	Number of documents	11	10	8
	Number of days	57	49	27
	Cost per container	\$2,689	\$4,344	\$1,599
Export	Number of documents	9	8	7
	Number of days	49	41	22
	Cost per container	\$2,211	\$3,444	\$1,301



Second UN Conference on LLDCs Vienna, 3-5 November 2014



Vienna Programme of Action (VPoA)

- **Holistic, forward looking and results-oriented Programme**
- **Based on renewed and strengthened partnerships between LLDCs, their transit neighbours and their development partners**
- **Overarching goal to address the special development needs and challenges of the LLDCs arising from their landlockedness, remoteness and geographical constraints in a more coherent manner and contribute to enhanced sustainable and inclusive growth and poverty eradication**



Structure of the VPoA



Priority Areas

- 1) Fundamental transit policy issues
- 2) Infrastructure development and maintenance
 - a) Transport Infrastructure
 - b) Energy and ICT infrastructure **NEW**
- 3) International trade and trade facilitation
- 4) Regional integration and cooperation **NEW**
- 5) Structural economic transformation **NEW**
- 6) Means of implementation **NEW**



6 Overarching Goals

- Promote unfettered, efficient and cost-effective access to and from the sea by all means of transport, on the basis of freedom of transit
- Reduce transaction and transport costs and improve international trade services through simplification and standardization of rules and regulations
- Develop adequate transit transport infrastructure networks and complete missing links
- Effectively implement bilateral, regional and international legal instruments
- Promote growth and increased participation in global trade, through structural transformation
- Enhance and strengthen international support for LLDCs



Specific Objectives (examples)

- Significantly improve intermodal connectivity
- Expand and upgrade railway infrastructure, energy infrastructure
- Make broadband policy universal
- Significantly increase participation of LLDCs in global trade
- Significantly simplify border crossing procedures
- Promote regional integration and harmonization of regional policies
- Increase economic and export diversification and value addition in manufacturing and agriculture
- Encourage flow of FDI in high-value added sectors



Regional integration and cooperation in the VPoA

Actions by LLDCs

- Strengthen regional trade, transport, communications and energy networks
- Promote harmonization of regional policies
- Strengthen participation of LLDCs in bilateral and regional integration networks

Actions by transit countries

- Development of regional infrastructure, trade facilitation measures, regional trade agreements, establishment of effective customs guarantee systems

Actions by development partners

- Support regional integration efforts and processes involving LLDCs and transit countries
- Share best practices in promoting regional integration



Regional integration and cooperation – rationale

Close cooperation of LLDCs and transit countries in the region is a necessity for:

- Enhancing connectivity
- Harmonized regional policies
- Improved border cooperation
- Improving competitiveness
- Increasing size of the market
- Greater intra-regional trade
- Reaching international markets
- Growth opportunities and increased FDI flows to the region



Regional integration and cooperation in LLDCs

- Increased participation in RTAs and bilateral and other IIAs
- African LLDCs
 - 30 regional trade agreements, including 8 RECs
 - African Tripartite Free Trade Agreement (including 10 LLDCs) and Continental Free Trade Area
 - Trans-African Highway network
 - Harmonizing policies on trade, transport and border-crossing procedures and promoting border cooperation
- Euro-Asian LLDCs
 - Eurasian Economic Union
 - Trans-Asian Railway and Asian Highway Networks
 - Efforts to harmonize policies
- Latin American LLDCs
 - Regional projects under UNASUR and Initiative for the Integration of Regional Infrastructure in South America (IIRSA)



Challenges for regional integration

- Adequate regional infrastructure and completion of missing links
- Modernization of cross-border management
- Replication of successful trade facilitation initiatives
- Harmonization of documentation of procedures
- Sharing of best practices
- Capacity building
- Limited funding for regional projects



Implementation of VPoA

- **Implementation of VPoA actions would facilitate establishment of efficient transit transport systems and help integrate LLDCs into regional and global trading system**
- **Partnerships and support from transit countries and development partners necessary**
- **Mainstreaming is crucial for effective implementation**
 - At national level (Governments)
 - At regional and subregional level (regional commissions and regional and sub-regional organizations)
 - At global level (UN system)



Mainstreaming VPoA at national level

- **Implementation of the VPoA should be aligned to pre-existing cycles of planning and implementation, as appropriate. Most countries have the following complementary layers of plans:**
 - Long term plans/ visions (outlines long-term priorities or aspirations)
 - Medium term strategies (mostly 3 to 5 year plans), which are foundations for achieving long-term plans
 - Annual budgets
- **LLDCs and transit developing countries should implement legal instruments relating to trade and transport facilitation**
 - Ratification and subsequent implementation of the WTO Trade Facilitation Agreement
 - Domestication of relevant conventions (e.g. Convention on road traffic, Customs Convention on Containers, TIR Convention, Revised Kyoto Customs Convention)



Mainstreaming VPoA at regional and sub-regional level

- **Regional and sub-regional organizations to devote a session during their annual meetings with a view of assessing the implementation of the VPoA** (Where possible, the resolutions on the implementation of the VPoA should be endorsed by the governing body)
- **Regional Economic Communities to incorporate the VPoA when formulating or domesticating relevant protocols/treaties/resolutions**
- **Regional Development Banks to target investment in priority areas as outlined in the VPoA** (e.g. investment in infrastructure, including completion of missing links)
- **Regional and international organizations should provide technical assistance and capacity building support to LLDCs in the implementation of the VPoA, according to their respective mandates.**



Mainstreaming VPoA at global level

- **GA, ECOSOC (HLPF, AMR, DCF), governing bodies of UN Funds and Programmes should incorporate the VPoA implementation and review in their respective agendas**
- **International organizations, including the World Bank, WCO, WTO, ITC, CFC, UNDP & UNCTAD, should integrate the VPoA into their programmes of work and contribute technical and/ or financial resources, in accordance with their mandates**



WTO Trade Facilitation Agreement and LLDCs

WTO trade Facilitation Agreement has potential to bring concrete benefits to LLDCs

- Potential trade cost reduction for developing countries from TFA - > 13-15.5%

TFA articles important for LLDCs

- Article 7: Release and clearance of goods
- Article 9: Border agency cooperation
- Article 10: Formalities for export, import and transit
- Article 11: Freedom of Transit
- Article 12: Customs cooperation
- Support for capacity building

TFA includes regional approaches

=> Early ratification of the TFA is crucial



Thank You

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