



NOTE

This publication contains background papers and the proceedings of the LLDCs Ministerial Meeting on Trade and Transport that was held on 16 and 17 May 2018 in Astana, Kazakhstan.

The Government of Kazakhstan hosted and provided generous funding to support the organization of the Ministerial Meeting.

The views expressed therein are those of the presenters and do not necessarily reflect the views of the United Nations.



The thirty-two Landlocked Developing Countries (LLDCs) with a population of more than 500 million face unique challenges resulting from their disadvantaged geographical location which, combined with critical infrastructure deficiencies and poor trade facilitation, result in high transport and overall trade costs that erode their competitive edge and pose hurdles on their sustainable development pathway. Many LLDCs find themselves marginalized from the world economy, cut-off from the global flows of knowledge, technology, capital and innovations, and unable to benefit sub



ACMA African Corridor Management Alliance
ACP Africa, Caribbean, Pacific
ADR United Nations European Agreement concerning the
International Carriage of Dangerous Goods by Road





10. We stress the critical importance of industrial development for LLDCs, an important source of economic growth,



1. BACKGROUND

Lack of territorial access to the sea, isolation and remoteness from world markets and high transport and transit costs impose serious constraints on the overall socio-economic development and trade competitiveness of the 32 landlocked developing countries (LLDCs). LLDCs have to pay more than double what coastal countries incur as well as require about double the time taken by transit countries to export and import their goods. The high trade costs erode the competitive edge of the LLDCs as well as the trade volumes resulting in an enormous negative impact on their overall sustainable development. They are also not able





I. STRENGTHENING TRANSPORT CONNECTIVITY FOR THE LLDCs

1. Introduction

Transport connectivity is a key issue for the LLDCs who lack direct



The LLDCs in Asia are working on different projects to modernize and upgrade sections of the Asian Highway that fall in their territories in order to improve connectivity and several countries commissioned road highway projects.

In Africa, the Trans-African Highway, which is at the heart of regional connectivity for the continent has a total length of 54,120 km distributed along nine corridors. However, it is characterized by missing links and poor maintenance in some key segments. The percentage of paved roads is still low in sub-Saharan Africa where most of the LLDCs are located -it was estimated to be about 13% in 2015. To provide a meaningful level of continental connectivity, between 60,000 and 100,000 km of regional roads are required. Efforts to improve the road network in Africa include the implementation of the Programme for Infrastructure Development in Africa (PIDA) that provides a long-term vision for Africa's infrastructure development as well as a platform for African countries to engage with investors and development



only limited number of flights a week, and costs of air travel per passenger are disproportionately high. The other challenges faced in improving air connectivity include: high scale of investment that is needed for infrastructure development, maintenance, rehabilitation and replacement of aged fleet, and upgrading of airports and terminals and need for skilled manpower, new technologies and capacity building.

With the global air traffic projected to double by 2030, the pressure on existing aviation infrastructure will increase in LLD (r c)- (o)D5-51.1 004A3.1004E (n)-0.6g65451.1 004A55A>60.7 .3 (U)-6.l iu4nesy i8ref airto (e



systems, including for the promotion of green transport, to ensure sustainable transport and assist to achieve of the SDGs.

3. Progress in improving soft infrastructure for transport connectivity



Table 1:



specific objective is available only for some corridors that will be



In the Asian region several sources of infrastructure funding including the following: the Asian Development Bank; the Asian



This indicates that LLDCs are experiencing premature de-industrialization. Their share of manufacturing seems to have peaked at an earlier stage in their development than today's advanced economies, removing the main channel through which productivity benefits and rapid growth have taken place in the past. Their limited level of industrialization can also be observed in the low share of employment in industry, which the International Labour Organization estimates to be 11%, as compared to 21% in developing countries overall. The fact that agriculture accounts for around 50% of employment in the LLDCs, according to the FAO, but its value-added share in the economy is less than 20% suggests low relative levels of productivity of agric



Not only are LLDC exports focused on primary commodities, they are also concentrated in a limited number of products. LLDC exports became more concentrated in a fewer products in the 2000s, as measured by the concentration index (Herfindahl-Hirschmann Index)³, which reached a high of 0.38 in 2013. Since then, the index has fallen to 0.22 in 2016, but it



The structural economic challenges faced by LLDCs can be



III. PROMOTING INTERNATIONAL TRADE IN THE LLDCs AND ENHANCING THE IMPLEMENTATION OF THE WTO TRADE FACILITATION AGREEMENT

1. Introduction

International trade drives inclusive growth and poverty reduction. The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda (AAAA) underscore the importance of international trade as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the Sustainable Development Goals (SDGs). By connecting developing-country producers and consumers to global markets trade provides a critical channel for the flow of finance, technology and services needed to further improve productive capacity in



and India. In all, transit countries share of merchandise trade was around 23% in 2016 and when China was excluded, the share of these countries stood at 9.5%.



Regional integration and cooperation is important for the development of landlocked developing countries through improved connectivity, enhanced competitiveness and trading capacity, market expansion and upgrading of value chains. The deeper integration of regional markets can reduce trade and operating costs as it reduces the distance to markets. According to the OHRLLS' Global Report on Improving transit cooperation, trade and trade facilitation in the LLDCs (2017), the LLDCs overall participation in the intra-regional trade, was less than 5% in 2015 having declined from 7.3% in 1995. It remains important that the LLDCs are integrated into the regional markets and regional value chains to address the high trade costs they face as well as to diversify their markets. Addressing the infrastructure



5. Digitalization and international trade

The ongoing digital revolution represents far-reaching gains in innovation, competitiveness and growth, all of which offer new opportunities for the LLDCs to integrate into the world trade and value chains. The WTO/OECD 2017: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development identifies several main ones: firstly, e-commerce is associated with reduced transaction costs, shorter customs clearance times and better supply chain management which offers firms the possibility of reaching new markets and new customers, enhanced productivity, increased inclusiveness, and greater consumer choice. E-commerce therefore has the potential to boost firms and countries' participation in regional and global trade. This potential is said to be even greater for the LLDCs which face additional constraints, including among others geographical



great progress in the implementation of the TFA, some are still lagging behind as demonstrated by the proportion of measures notified under category-A. Only seven LLDCs have notified over



7. Trade Facilitation Performance of the LLDCs



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8. Transparency and Trade Facilitation

Transparency is one of the key features of the TFA. Members are mandated to make public various information to help traders. Members must submit/notify the WTO Trade Facilitation Committee of this information. These notifications refer to the publication of information for governments and traders on Art.1.4 (import, export and transit procedures), Art.10.4.3 (the operation of the single window), Art.10.6.2 (the use of customs brokers) and Art.12.2.2 (contact points for the exchange of information). The notification for these measures remain low. Only three (3) transit countries: Argentina (all), Brazil (1.4) and China (1.4, 10.6.2) had submitted notifications and only four LLDCs submitted their notifications: Kazakhstan (1.4, 10.4.3, 10.6.2), Kyrgyzstan (all), Malawi (1.4) and Macedonia (1.4).

9. Key recommendations for enhancing implementation of the TFA in LLDCs

While some of the measures in the TFA might be relatively easy and straightforward to implement, there are those that may be more complicated and or costly for the LLDCs to implement.






issues of transit policy it sets ambitious goals to reduce travel time along corridors, significantly reducing the time spent at land borders, and improving multimodal connectivity.

In addition, the Vienna Programme of Action reiterates the importance of physical infrastructure for reducing commercial costs, and emphasizes its development and maintenance, both in landlocked developing countries and in transit countries. On the other hand, we must not forget the importance of promoting the development of information technology and energy infrastructure.

For all these reasons, I believe that this meeting is taking place very timely, as it will give us momentum to begin with the mid-term review process of the Vienna Programme of Action, scheduled for 2019. In that context, the issues that have been carefully selected to be discussed today represent all the edges that we need to strengthen to achieve the objectives set in Vienna, such as trade facilitation and connectivity.

Finally, I would like to highlight that less than a month ago, at the ECOSOC meeting on the occasion of the Follow-up Forum of the



The LLDCs share in global trade declined from about 1.2 per cent in 2013 to an estimated 0.9 per cent in 2017. The LLDCs share of exports is negligible. Exports are concentrated on a few commodities, mostly natural resources, exported at low value addition and low technology content. I do not need to tell you that this makes the LLDCs highly vulnerable to external shocks and limits their competitiveness. We certainly must take a close look at what it will take to support governments in fostering structural economic transformation and in the shift of productive resources towards higher value added and high-productivity sectors. What support is needed for the LLDCs to improve productive capacities through innovation, technology transfer, experience sharing and encouraging FDI in high-value added production lines?

A key issue related to this question is the issue of trade and transport infrastructure. The trade performance of the LLDCs is severely hampered by excessive trade costs. The high costs are a result of long distances from seaports, poorly developed transport and transit systems and cumbersome border procedures. In short, the transport infrastructure is characterized by missing links in all of the modes of transport.

Infrastructure development and maintenance remain a top priority and are high on the agenda of the LLDCs. Needs cannot be addressed through domestic resources alone. The Addis Ababa Action Agenda estimates the annual infrastructure gap in developing countries at about \$1 trillion to \$1.5 trillion.

We must support the LLDCs' domestic efforts and mobilize resources for infrastructure development and maintenance and partnerships to address capacity constraints. We must look much more into this. Let us be inspired by Kazakhstan's success story on transforming from being landlocked to being land linked. We all must work together, as partners on this from public to private actors, from multilateral to regional development banks, and other financial institutions- the key is working together and partnership!

I come to my final two areas of concern: trade facilitation and regional cooperation. Excellent hard infrastructure alone will not suffice. It is a pre-condition but not the sole determining factor. Soft infrastructure as I call it is as important. This means we must look at how we can support improvement in administrative procedures for the more efficient movement of goods.

How can we strengthen transport and trade facilitation measures? How can we accelerate ratification and effective implementation of international and regional conventions? How can we simplify, harmonize and standardize procedures that facilitate efficient movement of goods?

The WTO Trade Facilitation Agreement (TFA) provides an opportunity to improve administrative procedures connected to importation and exportation. The agreement has the potential to facilitate transit by the LLDCs.

I am heartened to see that to date twenty-one LLDCs and twenty-five transit developing countries have ratified the TFA. The implementation of the TFA is expected to reduce trade costs by around 15% in LLDCs and help address transit challenges.

But- and there always is a BUT- the overall implementation of the TFA by the LLDCs and transit developing countries remains low. We must look at the causes for this. We must look at the support we ought to extend. I also wish to encourage the LLDCs to submit the technical assistance needs to the WTO to facilitate acquisition of assistance for implementation of the TFA.

Regional cooperation is another key area for action. I am highly encouraged by the regional integration efforts made in all regions with LLDCs. Again, let us build on that momentum and be partners! I wish to encourage development partners, multilateral and regional development banks, and financial institutions to enhance support towards regional initiatives that can link the LLDCs to regional and global markets.

In concluding, I must once more stress how important the High-level Midterm Review of the *Agenda for Africa*





services for poor consumers, including foodstuffs. For all these reasons, trade and the WTO will continue to play a key role in the achievement of SDG:1 on ending poverty, as well as SDG:8 on decent work and sustainable economic growth.


Given the importance of trade in achieving the SDGs, the WTO has recently issued a publication entitled "Mainstreaming trade to attain the SDGs", which looks at how engaging in international trade can help countries gain access to new markets and new investments, thereby boosting growth, raising living standards and promoting sustainable development.

The report presents a very comprehensive analysis on various aspects of how trade can contribute to the cardinal objective of reducing poverty through economic expansion. It also outlines how countries can get organized to mainstream trade to expand economic opportunities for poverty reduction. This is very important because trade has cross-cutting effects in the economy and significant linkages to other sectors. So, in order for countries to fully reap the benefits of trade, it is necessary for governments to adopt approaches which aim to mainstream trade into their national sustainable development strategies.

The booklet looks at the SDGs from the economic, social and environmental perspectives; and outlines how trade is contributing to making progress in each of these areas, including through reducing poverty, improving health and tackling environmental degradation. It also looks ahead: and attempts to identify those emerging issues that require the attention of the international community. These include keeping up with the evolving character of international trade, and ensuring access to technology for ICT enabled trade.

Finally, the publication concludes by outlining a number of steps directed at both developed and developing countries, which would help to ensure that international trade contributes to accelerating progress in achieving the SDGs. These include the following: Mainstream trade into national, regional and sector development strategies; strengthen the multilateral trading system so that it can continue supporting inclusive growth, jobs and poverty reduction; continue reducing trade costs, including through full implementation of the WTO's Trade Facilitation Agreement, build supply-side capacity and trade-related infrastructure in developing countries and LDCs; focus on export diversification and value addition; enhance the services sector.

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of the SASEC project, the National Transport and Trade Facilitation Committee was instituted in 2013, which now serves as an important body for coordination of trade and transport related matters in the country.

Some of the notable projects geared towards improving connectivity and facilitating cross border trade under SASEC include construction of the country's first Mini dry port facility and a land customs station near our most important Industrial Estate bordering India. Several entry/exit land customs stations have been opened in the last few years to ease the flow of trade between Bhutan and India, and Bhutan and the rest of the world through India.

On the Air Transport Connectivity, three new domestic airports have been established in central, eastern and southern parts of the country. Initiatives to improve infrastructure including runway asphalt overlay, all-weather access roads, security infrastructure, food protection, terminal expansion, hillside leveling and runway strip drainage repairs have been undertaken at all the airports. We have expanded direct air routes to several Indian cities, to Bangkok in Thailand, to Dhaka in Bangladesh, to Mangmar, to Singapore, to Kathmandu in Nepal, and we have signed air service agreements with other countries.

Several other Road Network Projects were also initiated which includes construction and improvement of national highway sections, bypasses and also feeder roads for communities to be accessible to motorized transports. During this 5-year plan period, the Government focused on connecting regions, districts and the previously unconnected, through road network spreading across all over the country.

In addition, there are several feasibility studies and the related analytical studies for improving trade and transport. Moreover, with the mainstreaming of trade into the national development agenda, trade facilitation programme is now reflected as an annual plan of action under all relevant Departments and Ministries.

Statement by Honourable Michael Chakanaka Bimha, Minister of Industry, Commerce and Enterprise Development of the Republic of Zimbabwe

Zimbabwe as you are aware, is landlocked and has faced challenges like all landlocked countries. This conference therefore is very important for us as we share experiences and ways of improving the movement of trade and persons. Let me give a brief on what steps Zimbabwe is taking in implementing various initiatives that assist our business people and those transiting through our country.

Transport connectivity and trade facilitation in Zimbabwe is being implemented as a bundle of solutions targeted to respond to the needs of our traders' profile, to ensure that trade is inclusive and its benefits are shared among large and small-to-medium enterprises (SMEs) and vulnerable groups that include women and youth in both urban and rural areas. Public good, quasi-public good and

non-reciprocity characteristics of transport connectivity and trade facilitation interventions are being exploited to engender deep integration and manipulate trade to be inclusive and amenable to 9H018GW0\$



- We are piloting Single Payment System at Beitbridge border post. The ultimate intention is to do the same with other borders throughout the country.
- The Country is finalising its Trade Facilitation Roadmap (2018-2022). This will help in ensuring a systematic and planned manner in the way Category B and C Commitments are implemented.
- Government rolled out the Authorised Economic Operators programme to promote self-regulation and expedite clearance and release of goods at the ports of entry and exit.
- Border modernisation and establishment of One Stop Border Posts to improve border facilities and streamline border crossing procedures and formalities are work in progress.
- Rapid Result Initiatives are being undertaken to ensure legislation affecting business operations are reviewed. This will make Doing Business easy, promote exports and economic growth.

Zimbabwe has also launched a Trade Information Portal that provides comprehensive, single-point access to market



development partners, the UN system, international organizations and private sector while LLDCs and transit neighboring countries should commit themselves with stronger political will in order to achieve the SDGs.

Statement by Mr. Sakhil Saifnazarov, Deputy Minister of Foreign Trade of the Republic of Uzbekistan


My statement today is devoted to the ongoing work in Uzbekistan on further integration of the country into regional transport and transit systems with the aim of facilitating trade procedures.

The Republic of Uzbekistan has taken a course towards further liberalization of the economy in recent years, development of cooperation and strengthening of good-neighborly relations in the Central Asian region which are among the priorities of the country's foreign policy. An important area is the improvement of transport infrastructure and the establishment of optimal transport communication routes.

In particular, the formation of the "Uzbekistan-Turkmenistan-Iran-Oman" transport corridor (under the Ashgabat Agreement) was completed. It is the most economically efficient corridor for the countries in the region, due to the short distance to the sea, availability of tariff preferences, as well as the minimum delivery times for goods (7-10 days). To this end, Turkmenistan has opened a new rail and road bridge "Turkmenabat-Farab" over the Amu Darya river, which constitutes an important section of the corridor.

Along with the existing Transport Corridor Europe Caucasus Asia (TRACECA) "T q aur most"

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transportation cost. When it comes to Nepal, she suffers from a narrow production base, low productivity, insufficient or poor state of connectivity and high transportation cost, which collectively ostracize the country's trade perspectives in the domestic, regional and global markets. This also has resulted in a relatively high cost syndrome in doing business as compared to our coastal neighbors.

Internationally agreed development roadmaps, such as VPoA, IPoA and TFA, are placed to take care of the special needs of the LLDCs. However, many LLDCs like Nepal are still hungry for better physical and non-physical infrastructures as well as procedural changes to be carried out in the involvement of concerned transit country.

A secure, reliable and efficient transit and transport system reduces transaction cost on the one side and enhances value addition of



Finally, we emphasize that the ministerial meeting would be productive to deliver the recommendations on the areas of



fundamental transit policy issues; and regional integration and trade facilitation, that are important for reducing trade costs.

Road networks

For the road networks, the Asian Highway network has gained a lot of achievements. However, 8% of the network does not yet meet the minimum desirable standards. Regarding the Trans-African Highway in Africa whose total length is 54,120 km, it still has missing links and poor maintenance in some key segments. The percentage of paved roads in sub-Saharan Africa is low. There was only 13% in 2015. In Latin America, efforts are underway to improve the road network, and both Paraguay and Bolivia are working on road transport infrastructure development projects.

There is some progress made for the sub-regional corridor development, including; the TRACECA; Euro-Asian Transport Links (EATL), CAREC corridors, Greater Mekong Subregion (GMS); ECO Corridors, Northern Corridor Transit Agreement; Central Corridor; Maputo Corridor; Trans Kalahari and others. However, there are also challenges, that include poor maintenance, missing links, huge infrastructure gap, and limited capacity to develop bankable projects.

Rail networks


The Trans-Asian Railway networks cover more than 118,000 kilometres, and progress has been made in closing some of the missing links. For the African railway network, 74,775 km has very low density mostly in North Africa and Southern Africa. There are more than 26,362 km of the missing links in the rail network. Latin America, Bolivia and Paraguay signed MOU in 2017 for the rail project that will connect the two countries. Meanwhile, there are also challenges, such as the poor maintenance, aging track, obsolete equipment. The missing links that the total investment required in Asia estimated at \$75.6 billion. There is also a huge infrastructure gap and limited capacity to develop bankable projects, which needs to harmonize different infrastructure standards, including railway gauges.

Air transport

The Volume of passenger traffic transported by air from LLDCs rose from 11.2 million to 30 million between 2000 and 2015, which represents just 0.9% share of the world's passenger volume. The volume of airfreight has also increased in some LLDCs. High scale of investment is needed for infrastructure development, maintenance, rehabilitation and renovation.



Improving Transport Connectivity for the LLDCs: Experiences from the Aviation sector, By Mr. Mitchell A. Fox, Chief Strategic Planning and Regional Affairs Coordination Strategic Planning, Coordination and Partnerships Office of the Secretary General International Civil Aviation Organization (ICAO)



facilitation instruments; enhancing the productive capacity in LLDCs and promoting enabling environment for private sector participation; building capacity at key national, corridor and regional levels; and implementing strategies that accelerates economic and social growth along the Corridor while ensuring environmental sustainability for the populations.

Improving transport connectivity in the UNECE region, By Mr. Roel Janssens, Economic Affairs Officer, Transport Facilitation and Economics Section, Sustainable Transport Division, UNECE

UNECE's role in the transport sector

The United Nations Economic Commission for Europe (UNECE) Sustainable Transport Division¹¹ works to promote sustainable inland transport which is safe, clean and competitive. The Division is the secretariat to twelve working parties that meet regularly to update and amend the UN legal instruments under their responsibility. The 58 UN conventions, agreements and other legal instruments under the purview of the Inland Transport Committee shape the international legal framework for inland transport. This includes road, rail, inland waterway, intermodal transport, as well as transport of dangerous goods and vehicle regulations. The Division pursues these goals through three pillars of work: administration and maintenance of the regulatory framework; analytical work; and advisory services and technical assistance.

Latest Developments in the UNECE context in support of the Vienna Programme of Action

Transport infrastructure

In the field of transport infrastructure, UNECE is currently responsible for the development of several transport infrastructure Master Plans, including the Trans-European Motorways (TEM) and Trans-European Railway (TER) masterplans; the Pan-European Cycling Infrast



comprehensive and 'bankable' way. The Observatory is devised as an online platform where (a) governments find the data to prepare, benchmark and present their transport infrastructure projects



To keep up with the latest developments in the transport sector



More information and case studies regarding the use of e-CMR and other digitalised transport documents is available in a recent UNECE publication entitled *Railways Role in Intermodality and the Digitalization of Transport Documents* (UNECE, July 2018, p.p. 55-62).

C. Towards unified railway law in the Pan-European region and along Euro-Asian transport corridors

Railway shipments from West to East and vice versa frequently travel thousands of kilometres, crossing through many countries, borders and language regimes and thus inter-operability challenges are plentiful. The bottlenecks faced by the railway sector are two-fold. On the physical side, the lack of interoperability puts the railway sector at a significant disadvantage to road and other modes, increasing the cost of transport when trains need to go through gauge changing facilities or goods need to be moved from one train to another at national borders. Lack of interoperability is a significant comparative disadvantage leading to increases in both costs and travel times

Nevertheless, progress is being made when it comes to administrative railway interoperability. In Western and Central Europe, a uniform law applies to rail transport referred to as CIM¹⁶, whereas in Eastern Europe, Russian Federation, China and parts of Asia another law applies referred to as SMGS¹⁷. The creation

16 - "Appendix B" to the Convention concerning International Carriage by Rail (COTIF)– Uniform Rules Concerning the Contract of International Carriage of Goods by Rail





through landlocked countries in Central Asia. The effects of TIR implementation are high in most cases; sometimes they can be measured. For example, in accordance with a scientific study on the benefits of TIR in UNESCAP countries, implementing TIR can save over \$35 billion in transit costs over a five-year period. In investigated countries, the economic benefit of implementing TIR is between 0.14% and 1.31% of the national GDP. TIR, being harmonized and standardized under global UN convention, together with eTIR and the TIR model, can provide better access for LLDCs, reduce transport costs, facilitate trade and improve connectivity, transforming landlocked countries into landlinked countries.

Summary of Discussion under Improving Transport Connectivity for the LLDCs

In the ensuing discussion, participants noted that capacity building was important for the successful implementation of the TIR. In this regard participants requested for capacity building support for the LLDCs. The meeting was informed that Afghanistan was talking with Turkey and Iran to sign a bilateral transit agreement and in the meantime, are implementing TIR. The representative of Afghanistan requested for support. He also shared their experience regarding air corridors. He indicated that Afghanistan had opened an air corridor to Mumbai, India and to Kazakhstan.



higher value added and high-productivity sectors. This can include manufacturing, technologically sophisticated production or even using industrial methods for agri-business and agro-processing to add value to their products. The services sector also presents another opportunity for the LLDCs to diversify their economies.

Keynote speech by Mr. Mukhisa Kituyi, Secretary-General of



address a range of constraints to private sector development,



At the regional level, ADB supports development of these countries through three regional cooperation and integration programs, the



chains has limited these countries to producing commodities as their principle export. However, commodity production can provide an opportunity for industrialisation and diversification at different levels with the proper support.

This strategy was implemented in Zimbabwe. The ITC helped Zimbabweans in some sectors to reach new markets with transformed, value added products. This success was achieved through the Zimbabweans increased access to trade information in addition to an improved understanding of trading procedures and branding. ITC has also developed export management guides for selected sectors and target markets and trained SMEs to comply with them to access regional and global markets. Recently, ITC implemented a project in Asian LDCs (many of them LLDCs such as Nepal, Laos, Afghanistan) to enhance their capacities to export to China. ITC selected sectors with most potential in the Chinese markets and developed guides to document all export and import procedures. As a next step, B2B events were held to connect suppliers from Asian LDCs with buyers from China and other countries.

Non-tariff measures

As tariffs have continued to fall and LLDCs benefit from preferential schemes, the key to unlocking value-added regional and global markets is by addressing the non-tariff trade barriers such as rigorous requirements, red tape, time spent at customs, certification procedures, arbitrary behaviour of officials or informal payments. These add an added and unnecessary cost for businesses and hurts their competitiveness against regional and global competitors. These are particularly harmful for SMEs as they lack the resources to navigate the complex web of procedures and prefer to focus on the domestic markets only.

ITC has conducted NTM business surveys in over 30 countries, many of which are landlocked developing countries (including Burkina Faso, Kazakhstan, Paraguay, Uganda, Mali, Malawi, Nepal, Kyrgyzstan among others) which included over 15,000 interviews with exporters of varying sizes and from different sectors. The key challenges reported by exporters in these countries are related to quality requirements (conformity assessment in agriculture and rules of origin and manufacturing), supporting compliance infrastructure such as laboratories and regulations, and trade facilitation issues in domestic and transit countries (such as long delays at borders, complex documentation, informal payments etc.). ITC is implementing a number of current and forthcoming projects to improve the business (and investment) climate and address NTMs. These include projects such as CEFTA, Lao PDR, EAC, PIGA.

Regional integration



The WTO Trade Facilitation Agreement Facility is designed to specifically address LLDCs trade needs, such as specific simplified



Logistics services


Finally, trade facilitation measures will only bear fruit if complementary efforts are made to improve the logistics services sector as well. International agencies should support a comprehensive reform agenda to open the sector in LLDCs and make it sustainable. This includes the coordination and coherence of approaches and methods among public and private actors. In many countries, international disciplines and agencies guide and support reform. This typically requires liberalizing the sector, opening it up for foreign investment, reducing discrimination against foreign services providers and increasing transparency.

To improve competitiveness, ITC's four-step methodology encourages reform of the logistics regulatory environments. It calls for an enhanced public-private sector dialogue and stronger organization of private-sector associations. ITC helps developing countries design and execute effective reform of the logistics sector by mapping regulatory barriers; creating a menu of policy options for each country; helping build capacity for effective regulation; and helping implement reform through new regulations and monitoring progress.

Summary of Discussion under Promotion of Structural Transformation, Diversification and Value-Addition in LLDCs

In the ensuing discussion, participants discussed how LLDCs can create and sustain competitive industries and promote deeper integration into the global economy. The meeting noted that one of the biggest challenges for industrializing LLDCs is the cost of importing manufacturing inputs, which adds to the already high





happens. The most visible phenomena is the growing number of small parcels being shipped around the globe due to e-commerce of goods so this brings new challenges for the administrations to address, and we always have to consider these issues from a national perspective.

WCO launched a program called the Mercator Programme to respond to the needs of capacity building technical assistance support for the implementation of the Trade Facilitation Agreement. It was launched in 2014 immediately after the agreement and have been deploying the programme since then. The programme has two pillars. The first is sharing information, raising awareness, identifying good practices, developing tools and



as procedures for appeal or review, post clearance orders, temporary admission of goods inward and outward processing, use of customs brokers and other provisions. In category B, members reflected the provisions which will be implemented after a transitional period following the entry into force of the agreement. For example, Kazakhstan has taken a transitional period of 6 years for such articles as information available for internet, advanced rulings, electronic payments and others. In category C, members notify provisions that will be implemented on the date after the transitional period following the entry into force of the agreement and at the same time, requiring the acquisition of implementation capacity through assistance and support for capacity building. Kazakhstan needs assistance in areas such as the establishment and publication of average release times, use of international standards, single window where capacity building and workshops are required.

In February 2016, Kazakhstan submitted its notification of category A commitments. Prior to the submission of category A commitments, Kazakhstan conducted a survey that involved a number of relevant government agencies and businesses on the readiness of Kazakhstan to implement the provisions of the TFA, using methodology and questionnaires provided by the United Na d





Figure 3 shows the key steps in implementing trade facilitation reforms. The process first begins with setting up institutional arrangements, which are needed to prioritize and coordinate implementation of measures. The next step is to make trade processes more transparent, by sharing information on existing laws, regulations and procedures, but also consulting with stakeholders when developing new ones. Designing and

implementing more efficient trade formalities is a third step, the fourth step can be re-engineering and streamlining of processes



FIGURE 1 Trade facilitation ladder towards seamless international supply chains




Key challenges for making further progress in Asia and the Pacific

The survey asked respondents to indicate the three greatest challenges that their countries were facing in implementing trade facilitation measures. Total responses were received for 20 countries and limited resource capacity was identified as the most severe challenge faced by the LDCs and LLDCs. The second was financial constraints. Having no clearly designated lead agencies was also identified as a constrain.

World Bank Group Support to LLDCs, By Ms. Violane Konar-Leacy, Senior Private Sector Specialist, Trade and Competitiveness Practice, World Bank Group

The World Bank Group has provided trade facilitation or customs and border management, technical assistance and financing for many years. The overall portfolio both in lending and advisory work is about \$7 billion. The World Bank Group assistance includes technical assistance, analysis and diagnostics, financing of major trade infrastructure and institutional reform projects, research and data products (LPI/Doing Business), and public-private partnerships. The World Bank Group has implemented more than 120 customs, border management and trade facilitation projects over the past 20 years that have resulted in major improvements in terms of reduced time to clear goods as well as better transparency, predictability, and reduced costs for traders.



Together with the WTO and in the wake of the trade facilitation development, the World Bank Group, together with nine donors, created a trust fund called the Trade Facilitation Support Program. At the moment, this fund holds just under forty million dollars. It is housed at the World Bank Group. It is open to all developing countries that seek further alignment to the TFA and need technical assistance and advisory services. It is demand based. Assistance is also provided to category A measures.



ITU published a report on Bolivia and Paraguay showing that their international Internet bandwidth is lower compared to two other LLDCs and the rest of South America. Just recently ITU and OHRLLS published a report on internet access and connectivity in the least developed countries and these included 14 of the LLDCs. Some key recommendations of the report include the need to increase ICT access and use by increasing competition. Countries need to look at coverage obligations and universal service funds to make sure that not just the urban areas but also that the remote and rural areas are connected. There is need to rationalize taxation as it often adds to the price and makes ICT services a lot more expensive. The report also recommends that it is important to look at digital literacy and skills. It recognizes that for people to be able to take advantage and use the potential of the internet, they also need the digital skills which is often lacking in these countries. Achieving gender parity was identified as being key as there are still more men than women using the internet in many countries. Institutional strengthening particularly of those institutions that oversee ICT policy development and building core infrastructure and the need for better data were also some of the recommendations. Sufficient data is necessary to make informed policy decisions.

As part of the publication by ITU and OHRLLS, ITU developed a three-dimensional framework (see image below) to guide policymakers. This framework considers the availability of access, affordability and skills. All countries were classified into three categories depending on how well they were doing in these areas of access affordability and skills and to help guide policymakers by pointing to those areas where countries remain weak, and where the most human and financial resources should be going. For example, in the case of Rwanda, it has high access to information and communication technologies, and ICT services are relatively affordable, but people do not have the necessary skills to really take advantage of the ICT infrastructure.

Driving e-commerce

In terms of e-commerce, this has been driven and promoted by the internet but also mobile telephone and mobile commerce, e-payments, and internet banking. E-commerce can become a powerful driver of economic growth, inclusive trade and job creation. Although many countries have been able to really take advantage of e-commerce, there are very few people who order goods or services. This is highlighted by the chart below.

What is important is not the percentage of the population but the percentage of internet users that purchase or order goods or services and what is quite interesting is that even some countries that have relatively high levels of ICT development, have very low



The UNCTAD-led initiative entitled "eTrade for all", which ITU is a part of, aims to raise awareness of a country's unique e-commerce opportunities, mobilize and rationalize financial and human resources and also to strengthen coherence and synergies among different stakeholders.

Finally, data on users and non-users is very important. ITU will be collecting new data for new indicators from 2019 and the data will be collected through household surveys. The data will include the type of goods and services that people purchase online, and information on payment channels. It will also include questions on why people do not use online services, which is important to identify barriers. The survey will include information on the method of delivery. This will provide good information on the transportation system. The new indicators are expected to be very helpful in advising appropriate policies in the future.

Trends in Aid for Trade to LLDCs and Way Forward, by Ms. Karin Fallman, Senior Civil Society Specialist in the Foresiaopleofa (dhS(S)5ta wid 1tF

20 - Other official flows (OOF) are defined as official sector transactions that do not meet official development assistance criteria and include: grants to developing countries for representational or essentially commercial purposes; official bilateral transactions intended to promote development but having a grant element of less than 25%; and, official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose



Aid for Trade Priorities

The 2017 Global Aid for Trade Review showed that trade facilitation and trade related infrastructure are among the highest priorities for



Private Finance Mobilized by Official Interventions Sectorial Allocation (LLDCs)

Between 2012 and 2015 OECD found that official interventions mobilized more than US\$ 6 billion in private funding. Most of this private investment could be categorized as aid for trade. The LLDCs only receive a small share of the private finance, most of the investments is concentrated on the middle-income countries.

Moving forward

What: The ways to emulate best practices include improving infrastructure, improving logistics services, expanding ICT solutions, coordinating border management and using regional approaches.

How: The private sector is crucial to improve competitiveness and the public private partnerships are key to managing trade related programs. The role of the public sector is important to provide good quality and reliable infrastructure and an enabling regulatory framework.

Summary of the discussions under Promotion of International Trade in LLDCs and enhancing the implementation of the WTO Trade Facilitation Agreement

The participants underscored the importance of implementing the WTO Trade Facilitation Agreement by the LLDCs and the high number of the LLDCs that have ratified the Agreement was recognized and commended. To facilitate the implementation.



SECTION 6: BRIEFING ON THE WTO TRADE FACILITATION AGREEMENT AND ON DEVELOPMENTS IN THE TRADE ARENA AFTER THE 11TH WTO MINISTERIAL CONFERENCE

Statement by Mr. Yonov Frederick Agah, Deputy Director-General of the World Trade Organization

WTO's Ministerial Conference

Starting with MC11. There was a very good level of engagement before and during MC11, resulting in important progress in some areas of multilateral trade negotiations such as fisheries subsidies, in the area of intellectual property, and an extension for 2 years of the exception of electronic transmissions from customs duties.

However, in most areas, despite serious effort from all Members,



steadily. As of today, 136 Members have ratified the TFA, this is around 83% of the membership.

Progress has also been made in notifications. As of now, 112 developing and least-developed Members, including 24 LLDCs, have notified the provisions they are currently implementing—the so-called Category A commitments. Sixty-two Members, including 16 LLDCs, have also indicated which provisions require additional time to be implemented—the Category B commitments. 52 Members, including 15 LLDCs, notified the provisions for which they need capacity building support—the Category C commitments.

Based on these notifications, the provisions that currently have the highest rate of implementation in developing and least developed countries are: 1) movement of goods between national customs offices within a territory; 2) the non-use of pre-shipment inspection for customs procedures; 3) and the requirement to notify the importer when his goods are being detained.

The provisions that currently have the lowest implementation rate in developing and LDCs are: 1) single window; 2) authorised operators; and 3) the provision allowing importers the possibility of having a second chance to appeal a customs decision. The implementation rate of these provisions is 56% in the commitment.

Statistics 2

Implementation

Provisions

1) Movement of goods between national customs offices within a territory

2) Non-use of pre-shipment inspection for customs procedures

3) Requirement to notify the importer when his goods are being detained

4) Single window

5) Authorised operators

6) Provision allowing importers the possibility of having a second chance to appeal a customs decision



implemenataion. It was noted that the Nairobi Decision on the Rules of Origin has simplif ed the Rules of Origin in favour of the LDCs but also granted flexibilities to the developed countries to provide preferences on at least 97% of tariff lines.

The participants raised concern over the limited assistance provided to developing countries and the LDCs to facilitate the implementation of measures classif ed as category C measures. They emphasized the need to mobilize aid for trade to facilitate the implementation of the TFA. Members were encouraged to notify their category C measures to the WTO to be able to obtain assistance. Participants were also informed about the WTO Trade facilitation facility that was aimed to complement existing efforts by regional and multilateral agencies, bilateral donors, and other stakeholders to provide Trade Facilitation-related technical assistance and capacity-building support. Participants were also advised to approach donors in their capitals for assistance and that the WTO Secretariat was also available to help Members match their needs with available assistance.

It was also emphasized that it is important for Members to establ o



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