Concept note

National workshop on the mainstreaming of the Vienna Programme of Action for LLDCs
Ulaanbaatar, Mongolia
27-28 April 2016

Background and rationale

The Second UN Conference on Landlocked Developing Countries (LLDCs) was held from 3 to 5 November 2014 in Vienna, Austria. At its conclusion, Member States adopted the Vienna Programme of Action for the LLDCs for the Decade 2014-2024 (VPoA). The VPoA is a comprehensive and action-oriented development agenda, with an overarching goal to address the special needs and challenges of LLDCs in a more coherent manner and thus contribute to sustainable development and poverty eradication. It underscores the commitment of the international community to support the world’s 32 LLDCs in dealing with challenges related to landlockedness, remoteness and geographical isolation through implementation of six priority areas that include: (i) Fundamental Transit Policy Issues, (ii) Infrastructure Development and Maintenance, (iii) International Trade and Trade Facilitation, (iv) Regional Integration and Cooperation, (v) Structural Economic Transformation, and (vi) Means of Implementation. The VPoA demonstrates the renewed and strengthened partnerships between LLDCs, their transit neighbours and their development partners, while also calling for strengthened partnerships within the context of South-South and triangular cooperation and partnerships with private sector.

The full and effective implementation of the goals and specific objectives and actions in the six priority areas agreed upon in the Vienna Programme of Action will not only facilitate the establishment of efficient transit transport systems in landlocked and transit developing countries, which are inevitably required if landlocked developing countries are to be effectively integrated into the international trading system, but also help them to build their productive capacities, diversify their exports, structurally transform their economies, integrate into the global and regional value chains and achieve more sustained economic growth. Governments are invited to mainstream the VPoA into their national and sectoral development strategies for its effective implementation. While the national implementation of the VPoA is the primary responsibility of that country itself, the supportive and facilitative role of development partners, including from the region, is critical to the effective implementation of the agreed priorities.

The Addis Ababa Action Agenda was adopted by Member States at the Third International Conference on Financing for Development in 16 July 2015. The outcome document Transforming Our World: The 2030 Agenda for Sustainable Development was adopted at the UN Summit on the post-2015 development agenda on 27 September 2015. Both documents specifically recognize the importance of
addressing the special needs and challenges faced by landlocked developing and support the effective implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (VPoA). The implementation of the VPoA goes hand in hand with the implementation of the 2030 agenda and the Addis Ababa Action Agenda and coherence needs to be ensured amongst these implementation and monitoring processes.

Mainstreaming of the VPoA in the context of Mongolia’s national priorities

Mainstreaming the VPoA into national planning

In the context of the VPoA, mainstreaming would mean that the VPoA is systematically integrated at all levels of planning, implementation and review, as appropriate, for the purpose of addressing the special development needs and challenges of LLDCs and subsequently contributing towards an enhanced rate of sustainable and inclusive growth. Given the holistic nature of the VPoA, mainstreaming will require coordinated and coherent efforts across various levels. Mainstreaming of the VPoA at national level could be conducted at two levels, through national plans and budgets and through legal documents.

In terms of national plans, most countries have a three-tier planning system: long-term plans or aspirations; medium-term plans, such as, national development plans or Poverty Reduction Strategy Papers (PRSPs) and; annual budgets. Mongolia’s long-term development plan is the MDG-based Comprehensive National Development Strategy of Mongolia for 2007-2021. The objective of the strategy is to “protect and strengthen Mongolia’s sovereignty, and develop it into a middle income country through achieving its Millennium Development Goals attaching high priority to promoting private sector-led dynamic economic growth, human development in Mongolia including education, healthcare, as well as sustainable development of science, technology and environment, strengthening intellectual development and human capacity; creating a knowledge-based economy sustained by high technology, which respects environmentally friendly production and services; fostering a democratic system of governance, which serves its citizens, protects human rights and freedoms, and is free from corruption and red tape”. The National Development Strategy has two phases. First phase, 2007-2015, aims to achieve the MDGs and intensive development of its economy. Second phase, 2016-2021, aims to make a transition to knowledge-based economy.

The strategy has six priority areas:

1) Achieve the Millennium Development Goals and provide for an all-round development of Mongolian people
2) Intensively develop export-oriented, private sector-led, high technology-driven manufacturing and services, with particular focus on information, communication development, promoting bio and nanotechnology, transit transportation, logistics, financial mediation services, deeper processing of agricultural products, and create a sustainable, knowledge-based economy
3) Exploit mineral deposits of strategic importance, generate and accumulate savings, ensure intensive and high economic growth, and develop modern processing industry
4) Ensure intensive development of the country’s regions, their infrastructure, and reduce urban-rural development disparities
5) Create a sustainable environment for development by promoting capacities and measures on adaptation to climate change, halting imbalances in the country’s ecosystems and protecting them
6) Consolidate further political democracy, foster a transparent, accountable, just system free from corruption and red tape.
Under each of the priority areas, the National Development Strategy includes specific strategic objectives and policy actions in relevant sub-areas. Mongolia’s focus under priorities 2, 3 and 4 is in large part aligned with the focus of the VPoA. To promote its economic growth and development, Mongolia chooses “a strategy focused on developing export-oriented manufacturing and services led by the private sector”. It focuses on improving competitiveness; supporting export-oriented production and services and development of the private sector. The industrial policy development focuses on exploiting mineral deposits and improving economic specialization and developing SMEs, modern agricultural sector and accelerated tourism sector development.

For Mongolia value addition and retention in the economy of its mineral resources wealth is critical. As with many LLDCs that are rich in natural resources, the case for diversification and structural economic transformation remains more persuasive for Mongolia today than ever before. This is particularly due to the fact that diversification and sophistication of exports will significantly reduce transit-transport costs to Mongolia, thereby improving the export competitiveness of the country. In that context it is critical for LLDCs such as Mongolia constantly explore ways and means for connecting into regional and global commodity value chains.

Mongolia’s infrastructure development policy is aimed at encouraging private sector participation in infrastructure development and on regional transport as a bridge connecting Asia and Europe. ICT is viewed as main accelerator of Mongolia’s social and economic development, while energy sector development policy focuses on profitability and efficiency of the energy sector and energy exports.

Mainstreaming the VPoA at the long to medium term level would require fully integrating the specific VPoA priorities, objectives and actions in the relevant sector visions or broad strategies for achieving the priorities of the National Development Strategy. This would include, for example, the national programme on infrastructure. In the medium term, currently Mongolia has the Government Action Program 2012-2016. The Government therefore has an opportunity to fully integrate the priorities and actions of the VPoA in the next Action Program. Similarly, there is an opportunity to incorporate the implementation of the SDGs in the next phase of government medium term planning.

In addition, Governments need to mainstream the VPoA into annual national budgets. Mainstreaming at this level should be very precise as this is the stage where priorities and strategies are put into action. Furthermore, there is need to ensure there is adequate technical and financial (both domestic and international) resources allocated towards the implementation of VPoA related activities and programs. As the implementation of the VPoA requires cross-sectoral involvement, sectors responsible for specific priorities of the VPoA should ensure implementable activities/projects are integrated in the sector budget.

*Ratification of international conventions and agreements on trade and transport*

Another important element of mainstreaming of the VPoA is through acceding to and ratifying key international conventions and agreements related to transit, transport and trade facilitation, with the view to significantly reduce transaction costs and facilitate trade. There are over 50 UN conventions on international transport and trade facilitation. Seven of them are especially relevant as they provide at least the minimum level of international harmonization to transit trade and border crossing for LLDCs, as identified by UNESCAP in its resolution 48/11. Mongolia has, as of February 2016, ratified 5 of these conventions, as well as the Revised Kyoto Customs Convention.

As a matter of priority, LLDCs should also urgently undertake the necessary measures to domestically ratify and subsequently implement the WTO Trade Facilitation Agreement. The main objective of the TFA is to expedite the flow, release and clearance of goods through borders and reduce trade costs.
transaction costs. Its implementation can greatly facilitate the implementation of the VPoA and has the ability to reduce trade costs by an average of 15.4 per cent for LLDCs. Mongolia is yet to domestically ratify the Trade Facilitation Agreement.

An important element of implementing the Agreement is expeditiously identifying and notifying the WTO of the trade facilitation measures under category A, B and C, depending on the national capacities for implementation. It is important that Mongolia understands its own capacity and the technical assistance required, as well as the opportunities for acquiring capacity-building assistance. Establishing or strengthening a national committee on trade facilitation or designating an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement are also recommended.

**Mainstreaming the VPoA at the regional level**
Regional economic organizations serve as important frameworks for assisting LLDCs in, inter alia, trade, transport infrastructure, economic transformation and regional integration. Regional and sub-regional organizations, including regional economic communities and regional development banks, should mainstream the implementation of the VPoA into their relevant programmes, as called for in the VPoA.

**Monitoring and review at the national level**
Monitoring and review of the implementation of the VPoA is critical for its effective implementation. Monitoring and review needs to be carried out at all level, including at the national level. It is therefore critical that appropriate indicators for monitoring the implementation of the VPoA at national level are identified. Given that VPoA is seen as integral to the 2030 Agenda and in order to ensure efficient national level monitoring, coherence needs to be ensured between the indicators for monitoring the 2030 Agenda, the Addis Ababa Action Agenda and the VPoA. Accordingly, the capacities for national data collection and monitoring of the VPoA need to be enhanced.

Furthermore, paragraph 74 of the VPoA encourages LLDCs, where appropriate, to establish national coordination mechanism. Its purpose would be to:

- Assess national plans on the extent to which aspects of the VPoA are incorporated
- Provide a platform for sensitisation, capacity building, advocacy and dialogue on VPoA and its’ implementation
- Stimulate commitment to implement the VPoA
- Inform OHRLLS of activities and their outcomes, as deemed necessary by the coordination mechanism

**Expected outcome the workshop**

It is in this context that the Government of Mongolia has decided to undertake a national stakeholder sensitization workshop on the VPoA in Ulaanbaatar, Mongolia on 27-28 April 2016. The overall goal of the Workshop is to enhance the capacity of key stakeholders, including Government officials, civil society and private sector, to effectively implement the Vienna Programme of Action and mainstream it at the national level.

The workshop will aim to achieve the following specific objectives:

- Sensitize national stakeholder on the VPoA
- Identify achievements, obstacles, challenges and opportunities by Mongolia in implementing and mainstreaming the VPoA
- Improve knowledge amongst key national stakeholders about how to effectively implement and mainstream the VPoA into national planning, in coherence with the implementation of the 2030 Agenda for Sustainable Development
- Enhance understanding amongst national stakeholders of the technical assistance required and explore what tools and capacity-building assistance international organizations can offer
- Formulate policy recommendations and priority actions to facilitate the implementation and mainstreaming of the VPoA at the national level, in line with the implementation of the 2030 Agenda for Sustainable Development

At the end of the workshop, participants are expected to endorse the conclusions and recommendations with specific actions for mainstreaming the VPoA into national development planning.

**Format of the workshop**

The workshop will be conducted over the period of two days. It will consist of a number of sessions, organized as panel sessions, with presentations by a number of speakers/experts from the Government of Mongolia and selected UN and other international organizations, followed by interactive discussion and exchange of views.

**Participation**

The Workshop will bring together a select number of national stakeholders from the Governments, NGOs, the private sector and international experts. It is expected that about 50 participants will attend the workshop, including national government officials, policy makers and experts from Ministries in charge of Trade, Transport, Industry, Energy, Agriculture, Tourism, Mining, Economic Cooperation etc.; Civil Society representatives; representatives from national development organizations; representatives from non-governmental organizations and think tanks; representatives of regional organizations, private sector representatives, including Chamber of Commerce and Industry; selected representatives from the UN and other international organizations with relevance at the country level.