

High-Level Euro-Asia Regional Meeting on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development

Date: 7 to 9 March 2017

**Sheraton Hanoi Hotel
Hanoi, Vietnam**

Concept Note

Context of the meeting

Effective co-operation of the landlocked developing countries (LLDCs) and transit developing countries is crucial for their effective participation in international and regional trade and sustainable development. UN resolutions¹ emphasize the importance of cooperation between LLDCs and transit developing countries in particular on transit transport and trade related issues. The 32 LLDCs face development challenges owing to their geographical disadvantage of lacking direct territorial access to the sea and their remoteness and isolation from world markets. There are 34 transit developing countries that provide transit services to the LLDCs that also have the major seaports that are used by the LLDCs. At the same time the LLDCs are also very important to the transit countries as they provide transit corridors important for connecting the transit countries to other countries in the region. For example, the Lao PDR provide important transit corridor for Vietnam to Thailand and Myanmar. However, the LLDCs face high trade costs due to longer transport distances to seaports and other transaction costs as a result of the additional border crossings and it affects their overall sustainable development potential. In most cases, the transit neighbours of the LLDCs are themselves developing countries, often with broadly similar economic structures and beset by similar scarcities of resources.

Reducing these high costs and improving the export competitiveness of the LLDCs requires that the LLDCs and transit countries work together to improve the transit issues. Adequate transport infrastructure facilities and efficient border crossing procedures will improve export competitiveness of the LLDCs and the transit countries. This involves LLDCs and transit countries working together to develop the hard physical infrastructure such as roads, bridges, railroads, seaports, and airports that act as the necessary landing docks for the business of doing trade. It also involves them working together to improve the soft infrastructure that includes the legal framework (international transit treaties, and regional, sub-regional and bilateral agreements), customs and border procedures, automation of processes, transparent and consistent fees and charges, regulatory consistency in how rules at the border are applied, harmonization of relevant policies, and strengthening of the institutions involved including in the transport sector, customs, immigration and others. The transit countries are responsible for developing infrastructure that is utilized by the LLDCs.

¹ Resolutions: 58/201 of 23 December 2003, 60/208 of 22 December 2005, 61/212 of 20 December 2006, 62/204 of 19 December 2007, 63/228 of 19 December 2008, 64/214 of 21 December 2009, 65/172 of 20 December 2010, 66/214 of 22 December 2011 and 67/222 of 21 December 2012, 69/137 adopted December 2014, 69/232 of December 2014, and 70/217 of December 2015.

Over the years the LLDCs and transit countries worldwide have initiated important policy reforms to address physical and non-physical aspects of transit transport. Together they have increased the harmonization of transport and transit policies, laws, procedures and practices with transit countries. A number of regional and subregional transit facilitation agreements have been concluded and adopted for implementation. Some LLDCs and transit countries, through regional trade agreements, free trade areas and customs unions, have developed supportive institutional frameworks, such as transport and trade facilitation bodies or coordination committees, and road funds. Border facilities and procedures have been streamlined and harmonized, leading to increased efficiency and fewer delays. However despite these improvements, much more is needed to deepen the reforms, enhance efficiency and effectiveness and ensure that the achievements reached are sustained. Furthermore, in order to address the transit issues in a holistic and sustainable manner, it is important to: develop ancillary infrastructure along the transit corridors to properly spur growth and development; explore investment options to support development in transit infrastructure; and promote increased trade. This is critical for achieving sustainable development in both the LLDCs and transit countries.

The Vienna Programme of Action (VPoA) for the LLDCs for the decade 2014 to 2024 underscores the importance of partnerships between LLDCs and transit countries for the improvement and constant maintenance of their infrastructure connectivity and of technical and administrative arrangements in their transport, customs and logistic systems while also stressing the importance of promoting enabling legal environments and institutional arrangements. The VPoA stresses the need to promote harmonization, simplification and standardization of rules and documentation, including the full and effective implementation of international conventions on transport and transit and bilateral, sub-regional and regional agreements. The VPoA also underlines that it is important to promote free movement of people between LLDCs and their transit neighbours through development and implementation of simplified and harmonized visa systems for drivers involved in international transport (freight and passengers).

The VPoA stresses that partnerships between LLDCs and transit countries is mutually beneficial for the improvement and constant maintenance of their infrastructure connectivity and of technical and administrative arrangements in their transport, customs and logistic systems. Efficient transit transport systems, strong collaborative efforts in multimodal transport infrastructure development and interlinkage, the promotion of an enabling legal environment and institutional arrangements and strong national leadership on cooperative arrangements between LLDCs and transit countries are crucial for achieving structural transformation and sustainable economic growth and development. The VPoA also underscores that collaboration must be promoted on the basis of the mutual interests of both landlocked and transit countries.

The VPoA, under its priority area on fundamental transit policy issues, sets specific, ambitious objectives of reducing travel time along corridors with the aim of allowing transit cargo to move 300-400 kilometres per 24 hours; significantly reducing the time spent at land borders; and improving intermodal connectivity so as to ensure efficient transfers from rail to road and vice versa and from port to rail and/or road and vice versa. In order to achieve these specific goals within the ten years of implementing the VPoA, it is important to improve transit cooperation between the LLDCs and the transit countries.

With regard to infrastructure development, the VPoA reiterates the importance of physical infrastructure in reducing trade costs and stresses the importance of the development and maintenance of transit transport infrastructure in both LLDCs and transit countries and also that the development of information and communication technology (ICT) and energy infrastructure is also crucial and should be given priority attention. It also emphasizes the need to raise adequate finance to expand and upgrade the transport, energy and ICT infrastructure. Transit cooperation is very important for raising the required resources for infrastructure development.

On trade facilitation, the specific objectives of the VPoA are: to further simplify, harmonize and streamline border crossing and transit procedures; to improve transit facilities and their efficiency with the aims of reducing port and border delays and transaction costs for LLDCs, respectively; and to ensure that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). Achievement of these specific objectives will depend on improved transit cooperation between the LLDCs and the transit developing countries.

The VPoA stresses the importance of the implementation of the WTO Trade Facilitation Agreement which has a great impact on effective transit procedures and if fully implemented will be beneficial to both the LLDCs and the transit countries. The Trade Facilitation Agreement marked a milestone achievement by the as it aims at further expediting the movement, release and clearance of goods, including goods in transit and thereby significantly cut the costs of trade. Early ratification and subsequent implementation of the WTO Trade Facilitation Agreement is very important. There has been progress in the ratification of the agreement. As of 30 August 2016, 92 countries had ratified the Agreement, including 10 landlocked developing countries and 15 transit countries. It is important to encourage countries in the region to ratify the agreement so as to enable the agreement to come into force as soon as possible. Furthermore, the LLDCs and transit developing countries should make greater use of the Trade Facilitation Agreement by filing necessary notifications to get technical assistance.

The 2030 Agenda for Sustainable development adopted in 2015, has transformative Sustainable Development Goals and targets that can help all countries including LLDCs and transit countries to achieve sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner. In the 2030 Agenda for Sustainable Development world leaders pledged that no one should be left behind and also indicated their wish to see the Goals and targets met for all nations and peoples and for all segments of society. The SDGs include important thematic areas where progress should be achieved including on: poverty, hunger, health, gender equality, water and sanitation, economic growth, employment, infrastructure, industrialization, climate change and others. The Addis Ababa Action Agenda reaffirms the need to help developing countries to structurally transform their economies, and to harness benefits from international trade.

The 2030 Agenda recognizes that the LLDCs face specific challenges and deserve special attention. The Agenda reaffirms that international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development. Cooperation between the LLDCs and the transit countries is win-win since through cooperation they will be able to improve their transport infrastructure, improve trade and economic growth. This is necessary for helping both the LLDCs and transit countries in achieving the SDGs.

Both the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda support the implementation of the Vienna Programme of Action for LLDCs. World leaders at the summit also observed that the implementation and realization of the Vienna Programme of Action is integral to the 2030 Agenda. The successful implementation of the Vienna Programme of Action will require strengthened partnerships between LLDCs, transit countries and development partners, and enhanced support and partnership efforts with relevant international and regional organizations, between private and public sectors and stronger and widened North-South and South-South cooperation.

In the Euro-Asia region, LLDCs and their transit partners have made some progress in infrastructure development and regional connectivity, bringing their trade closer to international markets. With support from their development partners, they have stepped up investments in new roads, railways and dry ports and transport logistics systems and participated more actively in transport/economic/development corridors. ESCAP's Asian Highway Network, Trans-Asian Railway Network and the Intergovernmental Agreement on Dry Ports, and Asian Development Banks's Central Asian Regional Cooperation (CAREC) Programme and Greater Mekong Subregion (GMS) have made significant contribution in facilitating transit cooperation and transit trade and connecting the LLDCs with major Asian and European markets. But much remains to be done.

It is against this background that the Government of Vietnam an important transit country in the Asian region, has offered to host a high-level meeting on Improving Cooperation between LLDCs and Transit Countries on Transit, Trade Facilitation and the implementation of the 2030 Agenda for Sustainable Development. The meeting will be organized jointly by the Government of Vietnam, and UN-OHRLLS, in close collaboration with WCO, IRU, UNCTAD, UNESCAP, WTO and UNECE and other stakeholders. The meeting is funded by the Government of Vietnam, UN-OHRLLS, WCO and IRU.

Objectives of the meeting

The main objectives of the Meeting include:

- To analyze and assess the key issues in transit cooperation, trade and trade facilitation in the Euro-Asia region;
- To share ideas, lessons, good practices, future policies, programmes and initiatives on how to improve transit cooperation, trade and trade facilitation and customs procedures between the transit countries and the LLDCs;
- To offer recommendations on how to improve transit issues for increased trade potential of both the LLDCs and the transit countries; and
- To exchange views and identify recommendations for cooperation between the transit countries and the LLDCs for the successful implementation of the 2030 Agenda for Sustainable Development in particular on SDGs to be reviewed by the fifth High-level Political Forum on Sustainable Development (HLPF) which include SDGs 1; 2; 3; 5; 9; 14 and 17.

Expected outcome

1. Increased awareness of the officials on the VPoA, 2030 Agenda, the WTO TFA, and their implementation.
2. The policy recommendations to LLDCs and transit countries on how to improve transit cooperation.
3. Enhanced knowledge of the LLDCs and transit countries of good practices on transit procedures.
4. Recommendations for cooperation between the transit countries and the LLDCs for the successful implementation of the 2030 Agenda for Sustainable Development.
5. The report of the meeting will provide a tool for lobbying and advocacy on the transit issues for the LLDCs from the region.

Format of the meeting

The meeting will be held over the period of three days in Vietnam. The meeting will consist of several sessions focused on discussing the key transit, customs and trade facilitation issues in the region and the implementation of the 2030 Agenda for Sustainable Development. For each session there will be a keynote presentation or some brief presentations by invited panelists to kick off discussions. The presentations or statements will focus either on reviewing the current situation in the LLDCs and transit countries or showcasing best practices, experiences on transit procedures and strategies for effective implementation.

Co-organizers

The meeting will be organized jointly by the Government of Vietnam, and UN-OHRLLS, in close collaboration with WCO, IRU, UNCTAD, UNESCAP, WTO and UNECE and other stakeholders. The meeting is funded by the Government of Vietnam, UN-OHRLLS, WCO and IRU.

Participants

The meeting will bring together senior officials from: Landlocked developing countries; Transit developing countries; Development partners, including donor countries; UN system departments, agencies, funds and programmes; International organisations; Regional and sub-regional; Private sector; and NGOs.

The language of the meeting will be English, with Russian interpretation.

Background documents

- i) The Vienna Programme of Action for the LLDCs for the Decade 2014-2024.
- ii) Transforming our world: the 2030 Agenda for Sustainable Development;
- iii) The Addis Ababa Action Agenda;
- iv) The WTO Agreement on Trade Facilitation
- v) Draft WCO Transit Guidelines
- vi) OHRLLS study “The Development Economics of Landlockedness: Understanding the development costs of being landlocked”

- vii) OHRLLS Global Report - Improving transit cooperation, trade and trade facilitation for the benefit of the LLDCs: Current status and policy implications
- viii) World Bank document “Improving Trade and Transport for Landlocked Developing Countries”.
- ix) Joint World Bank/OHRLLS 2014 publication on LLDCs - Improving Trade and Transport for Landlocked Developing Countries