DRAFT CONCEPT NOTE

Experts Group Meeting on Improving transit cooperation and trade facilitation for further integration of LLDCs in global trade.

17-18 September 2019

Venue: World Trade Organization, Geneva

Background

Due to their geographical location LLDCs are isolated from major markets and are therefore faced with high trade costs. High trade costs are largely a result of long distances from the nearest seaports, multiple border crossings, complex administrative transit and border procedures and weak institutional and human capacities. The high trade costs affect the LLDCs’ competitiveness in international trade as well as their overall socio-economic development. The 32 LLDCs therefore remain marginalized from global trade as they account for less than 1% of global merchandise exports. Their exports remain undiversified and comprise of primary commodities.

The WTO Trade Facilitation Agreement (TFA) is expected to reduce global trade costs by an average of 14.3 per cent (WTO, 2015) and the reduction is expected to be even higher in LLDCs. The implementation of the TFA by LLDCs as well as by their transit counterparts is therefore fundamental. Addressing the high trade costs requires addressing transit systems, including physical infrastructure, soft infrastructure that includes the legal framework and institutions, and procedures serving trade corridors. LLDCs however still lag behind most countries in these key aspects.

The VPoA, under its priority areas on fundamental transit policy issues and on trade facilitation, 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 reduce the time spent at land borders; improve 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; reduce transaction costs; and ensure that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the TFA. According to the 2019 Secretary General’s report on the implementation of the VPoA (A/74/113), more still need to be done to achieve these objectives. The VPoA recognizes that LLDCs are faced with inadequate capacities, including in customs and border entities, transit transport agencies, as well as in the implementation of transit and trade facilitation agreements, including the TFA. It is therefore important to identify the major
achievements and obstacles, identify best practices and provide recommendations to enhance trade facilitation and improved transit for accelerated integration of LLDCs into global trade.

The implementation of the TFA is essential in achieving the objectives set out in the VPoA. The TFA contains 36 measures aimed at expediting the movement, release and clearance of goods, including goods in transit. The ease of implementation and the degree of impact of trade facilitation measures in reducing trade costs and achieving efficiency differs given country’s unique circumstances. The LLDCs have unique challenges that include crossing multiple borders and changing transport modes as well as inadequate transit transport infrastructure. Given their unique challenges, these countries require unique and accelerated approach to trade facilitation and efficient transit cooperation. Addressing transit challenge is also fundamental. It is therefore necessary to assess and identify measures that can have a significant impact in addressing high trade costs and transit challenges faced by the LLDCs and prioritize these in their implementation plans and for support.

In its resolution 72/232, the General Assembly of the United Nations decided to convene a comprehensive high-level midterm review on the implementation of the VPoA, to be held on 5 and 6 December 2019 in New York. The midterm review will analyze the status of implementation of all aspects of the Programme and identify best practices and lessons learnt as well as obstacles and constraints encountered, and actions needed to accelerate the implementation of the VPoA.

It is in this context that OHRLLS is organizing the Expert Group Meeting. A report from this meeting will serve as a background document for the comprehensive high-level midterm review.

Objectives of the meeting

The meeting will review progress by LLDCs in the implementation of the TFA and identify constraints faced by LLDCs in achieving efficient transit and reducing the persistent high trade costs. The meeting will also consider trade facilitation measures with a view to identifying measures that can have significant impact in addressing high trade costs faced by LLDCs and will make recommendations on measures that can be prioritized for implementation by LLDCs and for support. Recommendations from the meeting will feed into the preparations of the Midterm Review of the VPoA for the LLDCs.

Expected outcome

Concrete recommendations on how to achieve efficient transit as well as how to achieve maximum and accelerated impact from the implementation of the TFA for further integration of these countries into global trade will be made, that are important for the accelerated implementation of the Vienna Programme of Action in the remaining five years of its implementation. The recommendations from the meeting will feed into the the midterm review on the implementation of the Vienna Programme of Action.

Format of the meeting

The meeting will consist of several sessions focused on discussing the key issues. For each session, there will be a panel of experts that will make brief presentations to kick start the
interactive discussion. The panel presentations will be followed by an interactive dialogue with members of the audience.

**Working Language**

The Expert Group Meeting will be conducted in WTO working languages.

**Organizers**

The meeting will be organized by UN-OHRLLS and WTO.

**Participants**

Participants invited to attend the event will include technical experts from the UN, international and regional organisations, as well as experts from LLDCs, transit countries and other Member States, civil society, private sector and academia.

**Background Documents**

- Vienna Programme of Action for Landlocked Countries for the Decade 201-2024
- WTO Trade Facilitation Agreement (TFA)
- Global Survey on Trade Facilitation and Paperless Trade Implementation