Ministerial Transport Conference for Landlocked Developing Countries

Theme: Ashgabat Process: Financing for Better Connectivity

Concept Note

Awaza, Turkmenistan

26 – 27 March 2020

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 to fully tap on the benefits of trade such as investment finance, technology and services needed to further improve productive capacity in agriculture, industry and services that are needed for structural transformation of economies. As a result, the level of development in LLDCs is, on average, 20% lower than what it would be were they not landlocked.

Given their geographical location, enhancing connectivity is a critical objective for the LLDCs in order to reap the benefits of globalization. Effective, efficient and sustainable transport systems are becoming increasingly important for enhanced connectivity, allowing access to markets and enabling countries to benefit from global trade. Reducing the high costs of transport and improving the export competitiveness of the LLDCs requires improving the “hard” physical infrastructure such as roads, railways and addressing the “soft” infrastructure that involves the transit issues between the LLDCs and the transit countries such as enhancing the legal framework; simplification of customs and border procedures; automation of processes; transparent and consistent fees and charges; harmonization of policies between the LLDCs and transit countries and between the institutions involved and the private sector.
The Vienna Programme of Action (VPoA) for LLDCs for the Decade 2014-2024 was adopted in 2014 as a successor programme of the Almaty Programme of Action to address special needs and challenges faced by the landlocked developing countries in achieving their development goals. The VPoA identifies fundamental transit policy issues, infrastructure development, international trade and trade facilitation, regional integration, structural economic transformation and means of implementation as its key priority areas.

With regard to transport 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, including corridors, in both LLDCs and transit countries, completion of missing links, facilitating regional connectivity and enhancing the role of private sector involvement in infrastructure development.

Under its priority area on fundamental transit policy issues, the VPoA 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. The VPoA also calls for further simplification, harmonization and streamlining of border crossing and transit procedures and improvement of transit facilities and their efficiency with the aim of reducing port and border delays and transaction costs for LLDCs. 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 2030 Agenda for Sustainable Development underscores the importance of sustainable transport as an enabler to achieve the Sustainable Development Goals (SDGs). VPoA is an integral part of the 2030 Agenda for Sustainable Development. Sustainable transport is crucial for the achievement of all the SDGs and is specifically noted in SDG 3 on health; SDG 9 on resilient infrastructure and industrialization; and SDG 11 on making cities inclusive, safe, resilient and sustainable. The 2030 Agenda acknowledges that the most vulnerable countries, including LLDCs deserve special attention and particularly emphasises the need for trade-related capacity-building and promotion of regional economic integration and interconnectivity.

The Addis Ababa Action Agenda (AAAA), which is an integral part of the 2030 Agenda, also recognizes the special challenges and needs of the LLDCs and stresses the need to support the LLDCs to enable them to structurally transform their economies, harness benefits from international trade, and develop efficient transport and transit systems.

The recent relevant meetings of the Group of LLDCs on trade and transport include— the High-level meeting on sustainable transport of LLDCs – that was held in October 2016 in Santa Cruz, Bolivia; the High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development that was held in Hanoi, Viet Nam in March 2017; and the Ministerial Meeting on Trade and Transport that was held in May 2018 in Astana, Kazakhstan. These meetings have reaffirmed the importance of enhancing sustainable transport, international trade and trade facilitation for lowering transaction costs and for the achievement of the SDGs in the LLDCs and stressed the need to accelerate the implementation of the VPoA.

The first Global Sustainable Transport Conference was held in November 2016 in Ashgabat, Turkmenistan and the outcome – the Ashgabat Statement on Commitments and Policy Recommendations - notes the importance of addressing the special needs of LLDCs by
establishing and promoting efficient transit transport systems that link them to international markets, by developing, upgrading and maintaining all modes of transit transport infrastructure, by promoting and harmonising enabling environment, regulatory frameworks and institutional arrangements for transit, and by forging genuine partnerships between landlocked and transit developing countries and their development partners at the national, bilateral, sub-regional, regional and global levels.

The second Global Sustainable Transport Conference will be held from 5 to 7 May 2020 in Beijing, China to discuss the integrated and cross-cutting nature of sustainable transport and its multiple roles in supporting the achievement of the 2030 Agenda. All modes of transport—road, rail, aviation and waterborne—will be addressed, and recent scientific and technological advances deliberated. The concerns of vulnerable groups and of many developing countries, including LLDCs, will receive particular focus. Key transport objectives, such as access for all while leaving no one behind, green mobility, efficiency and safety will be discussed.

Efficient transport systems are key enablers for the LLDCs to integrate into the global economy and to facilitate the attainment of the SDGs by the LLDCs. Yet, the lack of adequate financial resources, capacity constraints and the magnitude of the required resources to invest in infrastructure development and maintenance are some of the biggest challenges facing LLDCs in their efforts to achieve sustained growth and sustainable development. Closing the existing infrastructure gap in LLDCs, and transit developing countries, is central to the successful implementation of the 2030 Agenda and the VPoA.

Enhanced financing from all sources, including public, private, public-private partnerships, ODA, South-South and Triangular cooperation and innovative sources, is required to ensure improved transport cooperation that can result in reduced trade costs and a transformative change in the LLDCs and their achievement of the SDGs. It necessitates forging international, regional, sub-regional and bilateral cooperation on infrastructure projects, allocating more resources from national budgets, effectively deploying international development assistance, leveraging the role of multilateral development and financial institutions in the development and maintenance of infrastructure and attracting investment, and strengthening the role of the private sector. At the same time, it also requires a substantial investment in capacity-building to create an environment supportive of greater public and private investments in infrastructure.

International collaborations are helping drive action. For example, the Belt and Road Initiative by China is making progress that is important for the LLDCs. The initiative includes six corridors along the land-based Silk Road Economic Belt and the Maritime Silk Road linking Asia with Europe and Africa. LLDCs and transit countries in the initiative would benefit overall from improved connectivity in infrastructure, trade, finance, and policies.

The Government of Turkmenistan has made a lot of progress to promote national and regional connectivity particularly in the area of transit transport infrastructure development (road, rail and air infrastructure) and for facilitating faster transit including advances in sustainable energy, investment promotion and diversification. The Government of Turkmenistan has a lot of experiences to share with the other LLDCs in the lead up to the preparation of the Second Global Conference on Sustainable Transport to be held on 5-7 May 2020 in Beijing, China.

It is in this context that the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, and the Government of Turkmenistan in collaboration with UN DESA, are organizing a Ministerial Transport
Conference for Landlocked Developing Countries under the theme *Ashgabat Process: Financing for Better Connectivity* to be held on 26 and 27 March 2020.

**Objectives**
The key objectives of the Ministerial Conference include the following:

- Review the progress made by the LLDCs on sustainable transport and the related SDGs and identify the remaining challenges;
- Share knowledge, experiences and innovative approaches of promoting national and regional connectivity, including mobilization of financing for transport infrastructure development and maintenance;
- Identify recommendations and opportunities for enhancing transport infrastructure development and maintenance in LLDCs, scaling up of international support on transport and strengthening cooperation on transport connectivity for the benefit of LLDCs with a view to accelerate the achievement of the SDGs;
- Identify common position of the LLDCs in key areas to feed into the Second Global Conference on Sustainable Transport to be held in May 2020 in China.

**Expected outcomes**

- Policy recommendations on how to develop and further improve transport systems for improved trade potential of the LLDCs and how to further mobilize resources to promote transport connectivity of the LLDCs.
- Increased awareness of the Ministers and senior officials of the VPoA and the 2030 Agenda and their implementation.
- Through its outcome contribute perspectives of the LLDCs to the Second Global Sustainable Transport Conference to be held in May 2020 in China.

**Participation**
The Conference will be attended by Ministers of Transport from the landlocked developing countries. Transit and donor countries will be invited. Representatives of UN system entities, other international, regional and sub-regional organizations and financial institutions, private sector representatives, non-governmental organizations, the academia and other stakeholders will also be invited to participate at senior official level.

**Format**
The Meeting will consist of an opening ceremony, an interactive debate, thematic sessions and the closing ceremony. At its conclusion, the meeting will adopt an outcome that will feed into the Second Global Conference on Sustainable Transport.

**Co-organizers**
The Government of Turkmenistan and UN-OHRLLS will organize the Ministerial Transport Conference for Landlocked Developing Countries in collaboration with UNDESA.